RELIANCE HOME FINANCE LIMITED

Our Company was incorporated on June 5, 2008 at Mumbai, as 'Reliance Homes Finance Private Limited' as a private limited Company under the provisions of the Companies Act, 1956. Our Company's name was subsequently changed to 'Reliance Home Finance Private Limited' pursuant to issuance of a fresh certificate of incorporation dated March 26, 2009. Subsequently, our Company's name was changed to 'Reliance Home Finance Limited' upon issuance of a fresh certificate of incorporation dated March 27, 2012, consequent upon the conversion of our Company from a private limited company to a public limited company. For further details regarding changes to the name and registered office of our Company, please see "History and other Corporate Matters" on page 84.

Registered office and Corporate Office: Reliance Centre, 6th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai – 400 055, Maharashtra, India;
CIN: U67190MH2008PLC183216. **Tel**: +91 22 3303 6000; **Fax**: +91 22 2610 3299; **Website**: www.reliancehomefinance.com;
Company Secretary and Compliance Officer: Ms. Ekta Thakurel; **Tel**: +91 22 3303 6000; **Fax**: +91 22 2610 3299; **E-mail**: rhfl.investor@relianceada.com;

PUBLIC ISSUE BY RELIANCE HOME FINANCE LIMITED ("COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES ("SECURED NCDs") OF FACE VALUE OF ₹ 1,000 EACH AGGREGATING UP TO ₹ 3,00,000 LAKH AND UN-SECURED REDEEMABLE NON CONVERTIBLE SUBORDINATED (UPPER TIER II) DEBENTURES ("UN-SECURED NCDs") OF FACE VALUE OF ₹ 1,000 EACH AGGREGATING UP TO ₹ 50,000 LAKH, TOTALING UP TO ₹ 3,50,000 LAKH ("SHELF LIMIT") ("ISSUE"). THE UN-SECURED NCDS WILL BE IN THE NATURE OF SUBORDINATED DEBT AND WILL BE ELIGIBLE FOR INCLUSION AS UPPER TIER II CAPITAL. THE SECURED NCDS AND UN-SECURED NCDS ARE TOGETHER REFERRED TO AS THE "NCDS". THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHES UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE"), WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY THE "OFFER DOCUMENT").
THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED.

OUR PROMOTER

Our promoter is Reliance Capital Limited. For further details, refer to the chapter "***Our Promoter***" on page 103.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the chapter titled "***Risk Factors***" beginning on page **11** and "***Material Developments***" beginning on page **109** and in the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This Draft Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("**RBI**"), National Housing Bank ("**NHB**"), the Registrar of Companies, Maharashtra at Mumbai ("**RoC**") or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Shelf Prospectus read together with Shelf Prospectus and relevant Tranche Prospectus for a Tranche Issue does contain and will contain all information with regard to the Issuer and the relevant Tranche Issue, which is material in the context of the Issue. The information contained in this Draft Shelf Prospectus read together with Shelf Prospectus and relevant Tranche Prospectus for a Tranche Issue is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Shelf Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, please refer to the chapter titled "***The Issue***" on page **30**.

CREDIT RATING

The Secured NCDs proposed to be issued under this Issue have been rated 'CARE AA+ (Double A plus)' for an amount of ₹3,00,000 lakhs, by Credit Analysis and Research Limited ("**CARE**") *vide* their letter dated October 13, 2016 *(validated as on November 11, 2016)* and BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Stable for an amount of ₹3,00,000 lakhs, by Brickwork Ratings India Private Limited ("**Brickwork**") *vide* their letter dated October 25, 2016 *(validated as on November 9, 2016).* The rating of CARE AA+ by CARE and BWR AA+, Outlook: Stable by Brickwork indicate that instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The Un-Secured NCDs proposed to be issued under this Issue have been rated 'CARE AA (Double A)' for an amount of ₹50,000 lakhs, by CARE *vide* their letter dated November 8, 2016 and BWR AA (Pronounced as BWR Double A) Outlook: Stable for an amount of ₹50,000 lakhs, by Brickwork *vide* their letter dated October 4, 2016 *(validated as on November 9, 2016).* The rating of CARE AA by CARE and BWR AA, Outlook: Stable by Brickwork indicate that instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see Annexure A and B to this Draft Shelf Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

LISTING

The NCDs offered through this Draft Shelf Prospectus along with relevant Tranches are proposed to be listed on the BSE Limited ("**BSE**") and National Stock exchange of India Limited ("**NSE**"). Our Company has received an 'in-principle' approval from BSE [●] *vide* their letter no. [●] dated [●] and NSE [●] *vide* their letter no. [●] dated [●]. For the purposes of the Issue BSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated November 15, 2016 has been filed with the Stock Exchanges, pursuant to the provisions of the SEBI Debt Regulations and is open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of this Draft Shelf Prospectus with the Stock Exchanges. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Compliance Officer of our Company. Comments may be sent through post, facsimile or e-mail.

LEAD MANAGERS TO THE ISSUE

Edelweiss Financial Services Limited
Edelweiss House, Off CST Road,
Kalina, Mumbai – 400 098,
Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: rhfl.ncd@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Mandeep Singh/ Mr. Lokesh Singhi
SEBI Regn. No.: INM0000010650

A. K. Capital Services Limited
30-39 Free Press House, 3rd Floor,
Free Press Journal Marg,
Nariman Point, Mumbai – 400 021, Maharashtra, India
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
Email: rhflncd2016@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Mr. Girish Sharma/ Mr. Malay Shah
SEBI Regn. No.: INM000010411

AXIS BANK LIMITED
Axis House, 8th Floor, C-2, Wadia International Centre,
P.B. Marg, Worli, Mumbai – 400 025,
Maharashtra, India
Tel: +91 22 6604 3293
Fax: +91 22 2425 3800
Email: rhomenov2016@axisbank.com
Investor Grievance Email: sharad.sawant@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Vikas Shinde
SEBI Regn. No.: INM000006104

LEAD MANAGERS TO THE ISSUE

TRUST INVESTMENT ADVISORS PRIVATE LIMITED
1101, Naman Centre, G Block, C-31, BKC,
Bandra (E), Mumbai – 400 051, Maharashtra, India
Tel: +91 22 4084 5000
Fax: +91 22 4084 5007
Email: mbd.trust@trustgroup.in
Investor Grievance Email:
customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Mr. Anindya Sen
SEBI Regn. No.: INM000011120

YES SECURITIES (INDIA) LIMITED
IFC, Tower 1 & 2, Unit no. 602A,
6th Floor, Senapati Bapat Marg,
Elphinstone Road, Mumbai – 400 013,
Maharashtra, India
Tel.: +91 22 3347 9606
Fax: +91 22 2421 4508
Email: rhflncd2016@yessecuritiesltd.in
Investor Grievance Email: igc@yessecuritiesltd.in
Website: www.yesinvest.in
Contact Person: Mr. Devendra Maydeo
SEBI Regn. No.: INM000012227

DEBENTURE TRUSTEE

IDBI TRUSTEESHIP SERVICES LIMITED
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001, Maharashtra, India
Tel: +91 22 4080 7000;
Fax: +91 22 6631 1776
Email: itsl@idbitrustee.com
Investor Grievance email: subrat@
idbitrustee.com/ response@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Mr. Subrat Udgata
SEBI Regn. Number: IND000000460

REGISTRAR TO THE ISSUE

KARVY COMPUTERSHARE PRIVATE LIMITED
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032; Telangana, India
Tel: +91 40 6716 1500
Fax: +91 40 6716 1791
Email: mis.radag@karvy.com
Investor Grievance Email: rhfl.ncd@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Regn. No: INR00000021

ISSUE PROGRAMME**

ISSUE OPENS ON: As specified in the relevant Tranche Prospectus	**ISSUE CLOSES ON:** As specified in the relevant Tranche Prospectus

** IDBI Trusteeship Services Limited under regulation 4(4) of SEBI Debt Regulations has by its letter dated November 10, 2016 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Offer Document and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue.*

***The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated in the relevant tranche prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("**Board**") or the NCD Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges.*

*A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the RoC in terms of section 26 and 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please refer to the chapter titled "**Material Contracts and Documents for Inspection**" on page 188.*

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SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to "the Issuer", "our Company", "the Company" or "RHFL" or "we" or "us" or "our" are to Reliance Home Finance Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at Reliance Centre, 6th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai – 400 055, Maharashtra, India.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Shelf Prospectus, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.

Company related terms

Term	Description
Articles/ Articles of Association/AoA	Articles of Association of our Company
Board/ Board of Directors	Board of Directors of our Company
Consortium/ Members of the Consortium (each individually, a Member of the Consortium)	The Lead Managers and Consortium Members
Consortium Agreement	Consortium Agreement dated [●] among our Company and the Consortium
Consortium Members	[●]
Corporate Office	Reliance Centre, 6th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai – 400 055, Maharashtra, India
Director	Director of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of our Company
NCD Committee	The Non Convertible Debentures Committee authorised by our Board of Directors to take necessary decisions with respect to the Issue by way of board resolution dated November 10, 2016
Preference Shares	8% Compulsory Convertible Preference Shares of face value ₹ 10 each
Promoter/ RCL	Our Promoter, Reliance Capital Limited
Reformatted Financial Statements	The statement of reformatted standalone assets and liabilities as at March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 and the statement of reformatted standalone statement of profit and loss for the Fiscals 2016, 2015, 2014, 2013 and 2012 and the statement of reformatted standalone cash flow for the Fiscals 2016, 2015, 2014, 2013 and 2012 as examined by the Statutory Auditors Our audited standalone financial statements as at and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 form the basis for such Reformatted Financial Statements
Registered Office	Reliance Centre, 6th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai – 400 055, Maharashtra, India
Reliance Group	Refers to the Reliance group led by Mr. Anil Dhirubhai Ambani
RoC	Registrar of Companies, Maharashtra at Mumbai
Statutory Auditors/Auditors	The statutory auditors of our Company, namely M/s Chaturvedi & Shah, *Chartered Accountants*
Unaudited Financial Results	Limited reviewed financial results on standalone basis for the half year ended September 30, 2016 reviewed by the Statutory Auditors and submitted to BSE as per requirements of SEBI LODR Regulations

Issue related terms

Term	Description
Allotment/ Allot/ Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue
Applicant/ Investor	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of this Draft Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus and the Application Form for any Tranche Issue
Application	An application to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the respective Tranche Prospectus
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA or non-ASBA process, in terms of the Shelf Prospectus and respective Tranche Prospectus
"ASBA" or "Application Supported by Blocked Amount" or "ASBA Application"	The application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the bid amount in the specified bank account maintained with such SCSB
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the appropriate Application Amount of an ASBA Applicant
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to the issue, with whom the Escrow Accounts and/or Public Issue Accounts will be opened by our Company in respect of the Issue, and as specified in the relevant Tranche Prospectus for each Tranche Issue
Base Issue Size	As will be specified in the relevant Tranche Prospectus for each Tranche Issue
Basis of Allotment	As will be specified in the relevant Tranche Prospectus for each Tranche Issue
BSE	BSE Limited
Category I Investor	• Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institution which are authorised to invest in the NCDs; • Provident funds & pension funds with minimum corpus of ₹ 2,500.00 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Venture Capital Funds/ Alternative Investment Fund registered with SEBI; • Insurance Companies registered with IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • Mutual Funds.
Category II Investor	• Companies within the meaning of section 2(20) of the Companies Act, 2013; co-operative banks and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Statutory Bodies/Corporations • Regional Rural Banks • Public/private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons

Term	Description
Category III Investor	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10.00 lakhs across all series of NCDs in Issue
Category IV Investor	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10.00 lakhs across all series of NCDs in Issue
Credit Rating Agencies	For the present Issue, the credit rating agencies, being CARE and Brickwork
CARE	Credit Analysis & Research Limited
CRISIL	CRISIL Limited
Debenture Trustee Agreement	The agreement dated November 10, 2016 entered into between the Debenture Trustee and our Company
Debenture Trustee Deeds	The Secured Debenture Trustee Deed and the Un-Secured Debenture Trust Deed
Debenture Trustee/ Trustee	Debenture Trustee for the Debenture Holders, in this Issue being IDBI Trusteeship Services Limited
Debt Application Circular	Circular no. CIR/IMD/DF – 1/20/ 2012 issued by SEBI on July 27, 2012
Deemed Date of Allotment	The date on which the Board of Directors or the NCD Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or the NCD Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL)
DP / Depository Participant	A depository participant as defined under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which Application Amounts are transferred from the Escrow Accounts to the Public Issue Accounts or the Refund Account, as appropriate and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account(s) following which the Board or the NCD Committee, shall Allot the NCDs to the successful Applicants, provided that the sums received in respect of the Issue will be kept in the Escrow Accounts up to this date
Designated Stock Exchange/ DSE	BSE i.e. BSE Limited
Direct Online Application	The application made using an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility through a recognized stock exchange. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Issue in dematerialized form. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchanges
Draft Shelf Prospectus	This Draft Shelf Prospectus dated November 15, 2016 filed by our Company with the Designated Stock Exchange for receiving public comments, in accordance with the provisions of the SEBI Debt Regulations
Escrow Accounts	Accounts opened with the Escrow Collection Bank(s) into which the Members of the Consortium and the Trading Members, as the case may be, will deposit Application Amounts from resident non-ASBA Applicants, in terms of the Shelf Prospectus, relevant Tranche Prospectus and the Escrow Agreement
Escrow Agreement	Agreement dated [●] entered into amongst our Company, the Registrar to the Issue,

Term	Description
	the Lead Managers and the Escrow Collection Banks for collection of the Application Amounts from non-ASBA Applicants and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof
Interest Payment Date	Interest Payment Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue	Public issue by our Company of Secured NCDs and Un-Secured NCDs of face value of ₹ 1,000 each pursuant to the Shelf Prospectus and the relevant Tranche Prospectus for an amount upto an aggregate amount of the Shelf Limit. The NCDs will be issued in one or more tranches subject to the Shelf Limit
Issue Agreement	Agreement dated November 10, 2016 between our Company and the Lead Managers
Issue Closing Date	Issue Closing Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue Opening Date	Issue Opening Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms
Lead Managers/ LMs	Edelweiss Financial Services Limited, A. K. Capital Services Limited, Axis Bank Limited, Trust Investment Advisors Private Limited, and Yes Securities (India) Limited
Market Lot	[●] NCDs
NCDs	Secured NCDs and Un-Secured NCDs
Offer Document	This Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies for allotment of NCDs from the Escrow Accounts for the Issue and/ or the SCSBs on the Designated Date
Record Date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date
Redemption Amount	As specified in the relevant Tranche Prospectus
Redemption Date	The date on which our Company is liable to redeem the NCDs in full as specified in the relevant Tranche Prospectus
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Application Amount shall be made (excluding all Application Amounts received from ASBA Applicants)
Refund Banks	As specified in the relevant Tranche Prospectus
Register of Debenture holders	The Register of Debenture holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013
Registrar to the Issue/ Registrar	Karvy Computershare Private Limited
Registrar Agreement	Agreement dated November 10, 2016 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Security	As specified in the relevant Tranche Prospectus and Secured Debenture Trust Deed in relation to the issue of Secured NCDs
Secured Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and our Company in relation to the Secured NCD Holders
Secured NCDs	Secured Redeemable Non Convertible Debentures of face value of ₹ 1,000 each
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time

Term	Description
Shelf Limit	The aggregate limit of the Issue, being ₹ 3,50,000 lakhs to be issued under this Draft Shelf Prospectus, Shelf Prospectus through one or more Tranche Issues
Shelf Prospectus	The Shelf Prospectus dated [●] shall be filed by our Company with the SEBI, NSE, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations The Shelf Prospectus shall be valid for a period as prescribed under Section 31 of the Companies Act, 2013
Stock Exchange	BSE and NSE
Syndicate or Members of the Syndicate	Consortium Members appointed in relation to the Issue
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members or the Trading Members of the Stock Exchange only in the Specified Cities
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Tier I capital	Tier I capital means, owned fund as reduced by investment in shares of other HFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund
Tier II capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier-I capital
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus
Transaction Registration Slip or TRS	The acknowledgement slip or document issued by any of the Members of the Consortium, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs
Trading Members	Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus
Tranche Prospectus	The Tranche Prospectus(es) containing, inter alia, the details of NCDs including interest, other terms and conditions
Tripartite Agreements	Tripartite agreement dated July 29, 2015 among our Company, the Registrar and CDSL and tripartite agreement dated March 25, 2009 among our Company, the Registrar and NSDL
Un-Secured Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and our Company in relation to the Un-secured NCD Holders
Un-secured NCDs	Un-secured Redeemable Non Convertible Debentures in the nature of Subordinated Debt and will be eligible for inclusion as Upper Tier II capital, of face value of ₹ 1,000 each
Upper Tier II Capital	The claims of the investors to whom the Un-Secured Redeemable Non Convertible Subordinated NCDs in the nature of Subordinated Debt and eligible for inclusion

Term	Description
	as Upper Tier II capital shall be superior to the claims of investors in instruments eligible for inclusion in Tier 1 capital and subordinate to the claims of all other creditors. For further details, refer to the chapter "*Issue Structure*" on page 139
Working Day(s)	Working Day shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closure to listing of the securities, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
₹ or Rupees or Rs. or Indian Rupees or INR	The lawful currency of India
AGM	Annual General Meeting
AS	Accounting Standards issued by Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Companies Act/ Act	The Companies Act, 2013 (18 of 2013), to the extent notified by the MCA and in force as on the date of this Draft Shelf Prospectus read with rules thereunder
Companies Act, 1956	The erstwhile Companies Act, 1956 replaced by Companies Act, 2013 to the extent notified
CRAR	Capital to Risk-Weighted Assets Ratio
CrPC	Code of Criminal Procedure, 1973, as amended from time to time
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996
Depository(ies)	CDSL and NSDL
DIN	Director Identification Number
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
FDI	Foreign Direct Investment
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time
FEMA	Foreign Exchange Management Act, 1999
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
FIR	First Information Report
GDP	Gross Domestic Product
GoI or Government	Government of India
HFC	Housing Finance Company
HNI	High Networth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IPC	Indian Penal Code, 1860, as amended from time to time
Income Tax Act	Income Tax Act, 1961
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles followed in India
IRDAI	Insurance Regulatory and Development Authority

Term/Abbreviation	Description/ Full Form
IT	Information Technology
MCA	Ministry of Corporate Affairs, GoI
MoF	Ministry of Finance, GoI
NBFC	Non Banking Financial Company, as defined under applicable RBI guidelines
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NHB	National Housing Bank
NHB Act	National Housing Bank Act, 1987 or as amended from time to time
National Housing Bank Directions/ NHB Directions/ Directions	Housing Finance Companies (NHB) Directions, 2010 as amended from time to time
NPA	Non-Performing Assets
NRI/ Non-Resident	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PCG	Partial Credit Enhancement Guarantee
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
ALCO	Asset Liability Management Committee
AUM	Assets Under Management
BOM	Branch Operations Manager
DSA	Direct Selling Agents
EMI	Equated monthly instalment
Fair Practices Code	The guidelines on fair practices code for HFCs issued by the NHB on September 9, 2015
LMI	Low and Middle income
LTV	Loan-to-value ratio
SLR	Statutory Liquidity Ratio
WPI	Wholesale Price Index

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled "***Capital Structure***", "***Regulations and Policies***", "***History and other Corporate Matters***", "***Statement of Tax Benefits***", "***Our Management***", "***Financial Indebtedness***", "***Outstanding Litigation and Defaults***" and "***Issue Procedure***" on pages 40, 86, 84, 46, 95, 110, 127 and 157 respectively will have the meanings ascribed to them in such chapters.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Shelf Prospectus to "*India*" are to the Republic of India and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Shelf Prospectus are to the page numbers of this Draft Shelf Prospectus.

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company's financial statements for the half year ended September 30, 2016 and the year ended March 31, 2016, March 31, 2015 and March 31, 2014 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with General Circular 8/2014 dated April 4, 2014 and for the years ended March 31, 2013 and 2012 are prepared in accordance with Indian GAAP including the Accounting Standards referred in section 133 of the Companies Act, 1956.

The Reformatted Financial Statements and the financial results for the half year ended September 30, 2016 together with the annexure and notes thereto (the "**Unaudited Financial Statements**"), as issued by the Statutory Auditors of our Company, are included in this Draft Shelf Prospectus. The examination reports on the Reformatted Financial Statements and the Unaudited Financial Statements as issued by the Statutory Auditors of our Company are also included in this Draft Shelf Prospectus in the chapter titled "***Financial Statements***" beginning at page 108.

Currency and Unit of Presentation

In this Draft Shelf Prospectus, references to "₹", "Indian Rupees", "INR", "Rs." and "Rupees" are to the legal currency of India, references to "US$", "USD", and "U.S. dollars" are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of this Draft Shelf Prospectus, data will be given in ₹ in lakhs.

Industry and Market Data

Any industry and market data used in this Draft Shelf Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including CRISIL, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe that the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In this Draft Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Draft Shelf Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government regulations;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in this Draft Shelf Prospectus, including under the chapter titled "***Risk Factors***" on page 11.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the chapters titled ***"Our Business"*** and ***"Outstanding Litigations and Defaults"*** on pages 68 and 127, respectively of this Draft Shelf Prospectus. The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Draft Shelf Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Lead Managers, our Company, its Directors and its officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Debt Regulations, our Company, the Lead Managers will ensure that investors in India are informed of material developments between the date of filing the Shelf Prospectus and relevant Tranche Prospectus with the RoC and the date of the Allotment.

SECTION II-RISK FACTORS

*Prospective investors should carefully consider all the information in this Draft Shelf Prospectus, including the risks and uncertainties described below, and under the section titled "**Our Business**" on page 68 and under "**Financial Statements**" on page 108, before making an investment in the NCDs. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business prospects, results of operations and financial condition. If any of the following or any other risks actually occur, our business prospects, results of operations and financial condition could be adversely affected and the price of and the value of your investment in the NCDs could decline and you may lose all or part of your redemption amounts and/ or interest amounts.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in the below risk factors. The numbering of risk factors has been done to facilitate ease of reading and reference, and does not in any manner indicate the importance of one risk factor over another.

In this section, unless the context otherwise requires, a reference to "we", "us", "our", "our Company", is a reference to our Company, Reliance Home Finance Limited. Unless otherwise specifically stated in this section, financial information included in this section have been derived from our Reformatted Financial Statements.

A. Internal Risks and Risks Associated with our Business

1. Our business has been growing consistently in the past. Any inability to maintain our growth may have a material adverse effect on our business, results of operations and financial condition.

We have experienced consistent growth in the past. As at September 30, 2016 and as at March 31, 2016, our total gross outstanding loans advanced stood at ₹ 7,90,455.60 lakhs and ₹ 6,75,263.69 lakhs, respectively.

For the half year ended September 30, 2016 and the fiscal years ended March 31, 2016, 2015 and 2014, our revenue from operations was ₹ 48,914.43 lakhs, ₹ 79,603.97 lakhs, ₹ 50,094.93 lakhs and ₹ 42,282.48 lakhs, respectively, and our profit after tax was ₹ 4,184.68 lakhs, ₹ 8,675.69 lakhs, ₹ 6,906.32 lakhs and ₹ 4,338.90 lakhs, respectively. The Company's revenue from operations and profit after tax grew at a CAGR of 23.48% and 25.98%, respectively, during the three fiscal years ended March 31, 2016.

Our growth strategy includes increasing the number of loans we extend, diversifying our product portfolio and expanding our customer base. There can be no assurance that our growth strategy will continue to be successful or that we will be able to continue to expand further or diversify our product portfolio.

Our growth exposes us to a wide range of increased risks within India, including business risks, operational risks, fraud risks, regulatory and legal risks and the possibility that the quality of our AUM may decline. Our results of operations depend on a number of internal and external factors, including the increase in demand for housing loans in India, competition, our ability to expand geographically and diversify our product offerings and also significantly on our net interest income.

In order to maintain our growth in the future, we will, inter alia, need to continue to focus on: (i) raising funds at optimum costs; (ii) our managerial, technical and operational capabilities; (iii) the allocation of our resources; and (iv) our information and risk management systems. In addition, we may be required to manage relationships with a greater number of customers, third party agents, lenders and other parties.

Our business depends significantly on our marketing initiatives. Our sales and marketing efforts are mainly conducted by third party social media marketing providers. Our marketing expenses amounted to ₹ 805.00 lakhs, ₹ 1,365.65 lakhs, ₹ 1,177.83 lakhs and ₹ 1,200.78 lakhs in the half year ended September 30, 2016, fiscal years ended March 31, 2016, 2015 and 2014, respectively. Our business sourcing expenses (including DSA commission) amounted to ₹ 571.29 lakhs, ₹ 1,060.27 lakhs, ₹ 726.77 lakhs and ₹ 641.65 lakhs, respectively, for the same periods. If we fail to supervise and control the sales and marketing activities of such third party service providers, the quality of our marketing initiatives may deteriorate. There can be no assurance in relation to the impact of such initiatives and any failure to achieve the desired results may negatively impact the Company's ability to leverage its brand value. Further, there can be no assurance that we would be able to continue such initiatives in the future in a similar manner and on commercially viable terms.

Further, we cannot assure you that we will not experience issues such as capital constraints, difficulties in expanding our existing business and operations, and hiring and training of new personnel in order to manage and operate our expanded business.

Any or a combination of some or all of the above-mentioned factors may result in a failure to maintain the growth of our loan portfolio which may in turn have a material adverse effect on our business, results of operations and financial condition.

2. Our business is particularly vulnerable to volatility in interest rates.

A significant component of our income is the interest income that we receive from the loans we disburse. Our interest income and profitability directly depend on the difference between the average interest rate at which we lend and the average interest rate at which we borrow. Interest rates are highly volatile due to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, and domestic and international economic and political conditions. These factors could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest bearing liabilities

If there is an increase in the interest rates that we pay on our borrowings, which we are unable to pass on to our customers, we may find it difficult to compete with our competitors, who may have access to funds sourced at a lower cost. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. Fluctuations in interest rates may also adversely affect our treasury operations. If there is a sudden or sharp rise in interest rates, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities.

Further, we may lend money on a long-term, fixed interest rate basis, typically without an escalation clause in our loan agreements. Any increase in interest rates over the duration of such loans may result in our losing potential interest income. Our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and results of operations.

Also, when interest rates decline, we are subject to greater re-pricing and prepayment risks as borrowers take advantage of the attractive interest rate environment. In periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to re-price loans. If we are required to restructure loans, it could adversely affect our profitability. If borrowers prepay loans, the return on our capital may be impaired if we are not able to deploy the received funds at similar interest rates.

There can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our net interest margin.

3. Any increase in the levels of non-performing assets in our loan portfolio, for any reason whatsoever, would adversely affect our business, results of operations and financial condition.

With the growth in our business, we may see an increase in the levels of non-performing assets in in our loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. If the quality of our loan portfolio deteriorates or we are unable to implement effective monitoring and collection methods, our financial condition and results of operations may be affected. Further, there can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs.

As at March 31, 2016 and September 30, 2016, our gross NPAs as a percentage of our outstanding loans was 0.97% and 1.48%, respectively and our net NPAs, as a percentage of our outstanding loans, was 0.74% and 1.18%, respectively. The provisioning in respect of our outstanding loan portfolio has been undertaken in accordance with the NHB guidelines and other applicable laws. The provisioning requirements may also require the exercise of subjective judgments of management. The level of our provisions may be inadequate to cover further increases in the amount of our non-performing loans or decrease in the value of the underlying collateral. If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or other loan losses that may occur, or if future regulation (or change in accounting standards) requires us to increase our provisions, our results of operation and financials may get adversely affected including our ability to raise additional capital

and debt funds at favourable terms.

In addition, provisioning norms may be revised by the NHB from time to time and become more stringent for HFCs. The NHB has amended the provisioning norms in the NHB Directions 2010 pursuant to notification no. NHB.HFC.DIR.3/CMD/2011 dated August 5, 2011, notification no. NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012, and notification no. NHB.HFC.DIR.9/CMD/2013 dated September 6, 2013. Further, NHB's Master Circular bearing No. NHB(ND)/DRS/REG/MC-01/2016dated July 1, 2016 has incorporated the provisioning norms for housing finance companies in one place. As a result of the aforesaid notifications, we have had to increase our provisioning in accordance with these norms as they changed. For further details, refer to the chapter "***Regulation and Policies***" on page 86.

If our customers are unable to meet their financial obligation in a timely manner, then it could adversely affect our results of operations. Any negative trends or financial difficulties particularly among our borrowers could increase the level of non-performing assets in our portfolio and adversely affect our business and financial performance. If a significant number of our customers are unable to meet their financial obligations in a timely manner, it may lead to an increase in our level of NPAs. If we are not able to prevent increases in our level of NPAs, our business and our future financial performance could be adversely affected.

4. Our indebtedness and conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.

We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings. Some of these agreements contain restrictive covenants which require us to obtain consent from our lenders, before, amongst other things, altering our capital structure, disposing assets out of the ordinary course of business, incurring capital expenditure above certain limits, effecting any scheme of amalgamation or reconstitution, creating any charge or lien on the assets or receivables of the Company and any alteration to the Memorandum of Association or Articles of Association. In addition, upon the occurrence of an event of default, we would be restricted from declaring dividends. Certain of the loan agreements also give the lenders the right to nominate directors to the Board to protect the interest of the lenders. Our financing agreements also require us to maintain certain financial ratios.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of the assets in our portfolio if we do not have sufficient cash or credit facilities to make repayments. Furthermore, our financing arrangements contain cross-default provisions which could automatically trigger defaults under other financing arrangements.

We cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

5. We have undertaken, and may undertake in the future, strategic acquisitions and alliances, which may be difficult to integrate, and may end up being unsuccessful.

We have filed a Scheme of Arrangement with the High Court of Bombay in relation to acquisition of credit business undertaking of India Debt Management Private Limited with our Company. Further, our Board has in its meeting dated October 28, 2016 approved the demerger of "real estate lending business" of Reliance Capital Limited, our Promoter, into our Company, subject to receipt of requisite approvals.

The Company's ability to achieve the benefits it anticipates from aforementioned and future acquisitions and alliances, if any, will depend in large part upon whether it is able to integrate the acquired businesses into the rest of the Company in an efficient and effective manner. The integration and the achievement of synergies requires, among other things, coordination of business development and procurement efforts, manufacturing improvements and employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, research and development activities and information and software systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected. The failure to successfully integrate an acquired business or the inability to realize the anticipated benefits of such acquisitions could materially and adversely affect the Company's business, results of

operations, financial condition and prospects.

Further, acquired businesses may have unknown or contingent liabilities, including liabilities for failure to comply with relevant laws and regulations, and we may become liable for the past activities of such businesses. Although we have policies in place to ensure that the practices of newly acquired facilities conform to our standards, and generally will seek indemnification from prospective sellers covering these matters, we may become liable for past activities of any acquired business. Further, we may be subject to various obligations or restrictions under the relevant transaction agreements or shareholders' agreement such as restrictions on the transfer of shares, tag-along rights, drag-along rights, right-of-first refusal for existing shareholders, lock-in clauses etc. These provisions may, as the case may be, prevent the Company from disposing or acquiring shares in the subject entities, or force the Company to sell or acquire shares in the subject entities against its better judgment.

6. We regularly introduce new products for our customers, and there is no assurance that our new products will be profitable in the future.

We regularly introduce new products and services in our existing lines of business. We may incur costs to expand our range of products and services and cannot guarantee that such new products and services will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to understand customer demand and market requirements or management focus on these new products. If we fail to develop and launch these products and services successfully, we may lose a part or all of the costs incurred in development and promotion or discontinue these products and services entirely, which could in turn adversely affect our business and results of operations.

7. In order to sustain our growth, we will need to maintain a minimum capital adequacy ratio. There is no assurance that we will be able to access the capital markets when necessary in order to maintain such a ratio.

The NHB Directions require a minimum capital adequacy ratio comprising of Tier I and Tier II capital aggregating to 12.00% to our total risk-weighted assets. We must maintain this minimum capital adequacy level to support our continuous growth. Our capital adequacy ratio was 14.08% as on September 30, 2016. Our ability to support and grow our business could be limited by a declining capital adequacy ratio if we are unable to or have difficulty accessing the capital markets.

8. As a HFC, we face the risk of default and non-payment by borrowers. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may have a material adverse effect on our profitability and asset quality.

Any lending activity is exposed to credit risk arising from the risk of default and non-payment by borrowers. Our gross outstanding loan portfolio has grown at a CAGR of 29.14% from ₹ 3,13,532.19 lakhs as of March 31, 2014 to ₹ 6,75,263.69 lakhs as of March 31, 2016. The size of our loan portfolio is expected to continue to grow as a result of our expansion strategy. As our portfolio expands, we will be exposed to an increasing risk of defaults. Any negative trends or financial difficulties among our borrowers could increase the level of non-performing assets in our portfolio and adversely affect our business and financial performance. The borrowers may default in their repayment obligations due to various reasons including insolvency, lack of liquidity, etc. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may materially and adversely affect our profitability and asset quality. Our loan portfolio stood at ₹ 7,90,455.60 lakhs as on September 30, 2016.

9. We function in a highly regulated industry. Inability to meet the necessary regulatory requirements can have adverse effect on our reputation, business, financial condition, results of operations and cash flows Also, our inability to adhere to any future regulatory changes may have a material adverse effect on our business, results of operations and financial condition.

The operations of a HFC in India are subject to various regulations framed by the Ministry of Corporate Affairs and the NHB, amongst others. We are also subject to the corporate, taxation and other laws in effect in India which require continued monitoring and compliance. These regulations, apart from regulating the manner in which a company carries out its business and internal operation, prescribe various periodical compliances and filings including but not limited to filing of forms and declarations with the relevant registrar of companies and the NHB.

Our capital adequacy ratio was 14.08% as at September 30, 2016. As our asset book grows further our CRAR

may decline and this may require us to raise fresh capital. There is no assurance that NHB will not increase the minimum capital adequacy requirements. Should we be required to raise additional capital in the future in order to maintain our CRAR above the existing and future minimum required levels, we cannot guarantee that we will be able to obtain this capital on favorable terms, in a timely manner or at all. Additionally, under Clause 29C of the NHB Act, our Company is required to create a reserve fund and transfer to such fund an amount of no less than 20% of its net profits every year before any dividend is declared. If we fail to meet the requirements prescribed by the NHB, then the NHB may take certain actions, including but not limited to levying penalties, restricting our lending activities, investment activities and asset growth, and suspending all but our low-risk activities and imposing restrictions on the payment of dividends.

Furthermore, we are also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that the laws and regulations governing companies in India will not change in the future or that such changes or the interpretations or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our business and future financial performance. The introduction of additional government controls or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may result in a material adverse effect on our business, results of operations and financial condition and our future growth plans. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests, could adversely affect our results of operations.

We cannot assure you that our Company will be in compliance with the various regulatory and legal requirements in a timely manner or at all. Further, we cannot assure you that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the housing finance industry in general. Further, changes in tax laws may adversely affect demand for real estate and therefore, for housing finance in India.

10. We are subject to periodic inspections by the NHB. Non-compliance with the NHB's observations made during any such inspections could adversely affect our reputation, business, financial condition, results of operations and cash flows.

The NHB conducts periodic inspections of our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information which we may have failed to furnish on being called upon to do so. Inspection by the NHB is a regular exercise and is carried out periodically by the NHB for all housing finance institution under Section 34 of the NHB Act. Our Company has received inspection reports dated August 06, 2015 and May 26, 2016 for the Financial Years 2013-14, and 2014-15 which we replied to on September 23, 2015 and June 21, 2016, respectively. Further, we have received an inspection report for the Financial Year 2015-16 dated November 2, 2016. We are required to respond to the said report within 30 days of the report. In case we fail to respond to the said queries with the stipulated time or at all, NHB may take action against our Company which may adversely affect our reputation, business and financial condition.

In the past, the NHB had made certain observations during its periodic inspections in connection with our operations and had sought clarifications. Even though we have provided the NHB with necessary clarifications, and taken necessary steps to comply with the NHB's observations, any adverse notices or orders by the NHB during any future inspections could adversely affect our reputation, business, financial condition, results of operations and cash flows.

11. We are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.

We are involved, from time to time, in legal proceedings that are incidental to our operations and involve suits filed by and against our Company by various parties. These include criminal proceedings, civil proceedings, arbitration cases, consumer proceedings, cases filed under the Negotiable Instruments Act and applications under the SARFAESI Act regarding enforcement of security interests. These proceedings are pending at different levels of adjudication before various courts, forums, authorities, tribunals and appellate tribunals. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. There can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings. For a summary of certain material legal proceedings involving our Company, our Promoter and Directors, please refer to the chapter

"***Outstanding Litigations and Defaults***" on page 127.

12. We may face maturity mismatches between our assets and liabilities in the future which may cause liquidity issues.

We regularly monitor our funding levels to ensure we are able to satisfy the requirement for loan disbursements and maturity of our liabilities.

As at March 31, 2016, our assets maturing within one year exceeded our liabilities maturing within the same period by ₹ 1,02,794.30 lakhs. As at March 31, 2016, however, our liabilities maturing between one year and three years exceeded our assets maturing during the same period by ₹ 2,09,247.38lakhs and our liabilities maturing between three and five years exceeded our assets maturing during the same period by ₹ 74,151.48lakhs, while our assets maturing in over five years exceeded our liabilities maturing in the same period by ₹ 1,85,656.75lakhs.

We maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by long-term borrowings from banks, insurance companies, providend funds, pension funds, gratuity funds, mutual funds etc., short and long-term general financing through the domestic debt markets and retained earnings, proceeds from securitization and equity issuances.

Our liquidity position could be adversely affected and we may be required to pay higher interest rates in order to attract or retain our borrowings in order to meet our liquidity requirements in the future, which could have a material adverse effect on our business and financial results.

13. If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. Please refer to the chapter titled "***Our Business***" on page 68. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. Some of our methods of managing risks are based upon the use of observed historical market behavior. As a result, these methods may not accurately ascertain future risk exposures, which could be significantly greater than those indicated by the historical measures.

To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses.

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. Please refer to the Risk Factor titled "*If the level of non-performing assets in our loan portfolio were to increase, our financial condition would be adversely affected*".

If we fail to effectively implement our risk management policies, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

14. Inaccurate appraisal of credit may adversely impact our business

We may be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients. Inaccurate appraisal of credit may allow a loan sanction which may eventually

result in a NPA on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

15. We may be unable to realize the expected value of collateral when borrowers default on their obligations to us, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We follow internal risk management guidelines in relation to portfolio monitoring. However, we may not be able to realize the full value of the collateral as a result of the following (among other factors):

- delays in bankruptcy and foreclosure proceedings;
- defects or deficiencies in the perfection of collateral (including due to inability to obtain any approvals that may be required from third parties);
- destruction/ material damage to the underlying property.
- fraud by borrowers;
- errors in assessing the value of the collateral;
- illiquid market for the sale of the collateral; and
- applicable legislative provisions or changes thereto and past or future judicial pronouncements.

As a result of any of the foregoing factors, we may not be able to realize the full value of collateral, which could have an adverse effect on our financial condition, results of operations and cash flows.

16. As a HFC, we have significant exposure to the real estate sector and any negative events affecting this sector could adversely affect our business and result of operations.

Our lending products include retail mortgage loans and residential project loans. Retail loans are bifurcated into housing loans and property (non-housing) loans. Housing loans include home purchase loans, home improvement loans, home construction loans, home extension loans, home loans for self-employed customers, plot/land loans and plot and construction loans. Property (non-housing) loans include loans against property (mortgage loans), commercial loans, lease rental finance, project loans and SME loans and are availed for working capital and other business needs and construction of residential projects.

The primary security for the loans disbursed by the Company is the underlying property; the value of this security is largely dependent on housing market conditions prevalent at that time. The value of the collateral on the loans disbursed by the Company may decline due to adverse market conditions, including an economic downturn or a downward movement in real estate prices. In the event the real estate sector is adversely affected due to a decline of demand for real properties, changes in regulations or other trends or events, which negatively impact the real estate sector, the value of our collaterals may diminish which may affect our business and results of operations. Failure to recover the expected value of collateral could expose the Company to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition.

Following the introduction of the SARFAESI Act and the subsequent extension of its application to HFCs, we are allowed to foreclose on secured property after 60 days' notice to a borrower, whose loan has been classified as non-performing. Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that we will be able to realize the full value of our collateral, due to, among other things, delays on our part in taking action to secure the property, delays in bankruptcy foreclosure proceedings, stock market downturns, defects in the perfection of collateral and fraudulent transfers by borrowers.

17. Our growth in profitability depends on the continued growth of our loan portfolio.

Our results of operations depend on a number of internal and external factors, including changes in demand for housing loans in India, the competitive landscape, our ability to expand geographically and diversify our product offerings and the size of our loan portfolio. Changes in market interest rates could impact the interest rates charged on our interest-earning assets in a way different to its effect on the interest rates paid on our interest-bearing liabilities, and thus affecting the value of our investments. Further, we may experience issues such as capital constraints. We cannot assure that we will be able to expand our existing business and operations successfully, or that we will be able to retain existing personnel or to hire and train new personnel to manage and operate our expanded business.

18. We may not be able to secure the requisite amount of financing at competitive rates for our growth plans and continue to gain undisrupted access to our funding sources, which could adversely affect our business, results of operations and financial condition.

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met predominantly from a combination of borrowings such as loans from banks and financial institutions (including issuance of commercial papers and Non Convertible debentures on private placement basis). Thus, our continued growth will depend, among other things, on our ability to secure requisite financing at competitive rates, to manage our expansion process, to make timely capital investments, to control input costs and to maintain sufficient operational control.

Our inability to secure requisite financing could have an adverse effect on our business, operations and financial condition. Changes in Indian laws and regulations, our obligations to lenders or under debt instruments can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition. Further, any inability on our part to secure requisite financing or continue with our existing financing arrangement could have an adverse effect on our business, results of operations and financial condition.

19. There are certain risks in connection with the Un-Secured NCDs being issued in this Issue.

The Un-Secured NCDs will be in the nature of subordinated debt and will be eligible for inclusion as Upper Tier II Capital and hence the claims of the holders thereof, although will be superior to the claims of investors in instruments eligible for inclusion in Tier I capital, they will be subordinated to the claims of all other creditors of our Company. Further, since no charge upon the assets of our Company would be created in connection with the Un-Secured NCDs, in the event of default in connection therewith, the holders of NCDs may not be able to recover their principal amount and/or the interest accrued therein in a timely manner, for the entire value of the NCDs held by them or at all. Further, as the Un-Secured NCDs are in the nature of Upper Tier II instruments they shall be subjected to a lock-in clause in terms of which our Company may not be liable to pay either interest or principal, even at maturity, in case our (i) CRAR is below the minimum regulatory requirement prescribed by NHB or (ii) the impact of such payment results in our Company's CRAR falling below or remaining below the minimum regulatory requirement prescribed by NHB.

Accordingly, in such a case the holders of NCDs may lose all or a part of their investment therein. Further, the payment of interest and the repayment of the principal amount in connection with the NCDs would be subject to the requirements of NHB, which may also require our Company to obtain a prior approval from the NHB in certain circumstances. For further details, refer to the "***Regulations and Policies - Terms and conditions applicable to debt capital instruments to qualify for inclusion as Upper Tier II Capital"*** on page 89.

20. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis.

We have received the following credit ratings for our existing domestic fund raising:

Nature of borrowing	Rating / Outlook			
	CARE	Brickwork	ICRA	CRISIL
Long Term Debt	CARE AA+	BWR AA+	-	-
Short Term Debt	-	-	A1+	A1+
Tier II Un-Secured Debt	CARE AA+	BWR AA+	-	-
Market linked Debentures	CARE PP-MLD AA+	-	-	-

These ratings indicate very strong or strong degree of safety regarding timely servicing of financial obligations and allow us to access debt financing at competitive rates of interest. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which may adversely affect our business, results of operations and financial condition.

21. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on

competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business, results of operations and financial condition.

22. Our investments are subject to market risk and our exposure to capital markets is subject to certain regulatory limits.

As part of our treasury management, we invest surplus funds out of our borrowings and operations in government securities, bonds carrying sovereign guarantee, bonds issued by state governments or public sector enterprises, debt mutual funds, fixed deposits with banks and other highly rated bonds. Our investment policy prescribes investment limits for each of these securities. Certain of these investments are unlisted, offering limited exit options. The value of these investments depends on several factors beyond our control, including the domestic and international economic and political scenario, inflationary expectations and the RBI's monetary policies. Any decline in the value of the investments may have an adversely effect on our business, financial condition and results of operations. Further, pursuant to the NHB Directions, we are not permitted to have an aggregate exposure to capital markets (both fund and non-fund based) in excess of 40.00% of our net worth as of the end of the previous financial year. Within the overall ceiling, direct investments in shares, convertible bonds or debentures, units of equity-oriented mutual funds and all exposures to venture capital funds should not exceed 20.00% of our net worth. Such restrictions may limit our investments, which may have an adverse effect on our business, financial condition and results of operations.

23. We have contingent liabilities as at March 31, 2016 and our financial condition may be adversely affected if these contingent liabilities materialise.

The table below sets forth our contingent liabilities on a consolidated basis not provided for in our financial statements as at March 31, 2016:

(₹ in lakhs)

Particulars	Amount as at March 31, 2016
Case against the Company not acknowledged as Debts	48.44
Second loss credit enhancement for securitisation of standard assets transactions provided by the third party	2,209.11
Total	**2,257.55**

The contingent liabilities have arisen in the normal course of our business and are subject to the prudential norms as prescribed by the NHB. If any of the above contingent liabilities materialize, our financial condition may be adversely affected.

24. We are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.

We are involved in several legal proceedings in the ordinary course of our business such as consumer disputes, debt-recovery proceedings, proceedings under the SARFAESI Act, income tax proceedings and civil disputes. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. Although we expect that none of these legal proceedings, either individually or in the aggregate, will have a material adverse effect on us or our financial condition, there can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings.

Although we intend to defend or appeal these proceedings, we will be required to devote management and financial resources in their defense or prosecution. If a significant number of these disputes are determined against our Company and if our Company is required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be an adverse impact on our reputation, business, results of operations and financial condition.

25. We may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.

We require certain statutory and regulatory permits and approvals to operate our business. We have a license from

the NHB, which requires us to comply with certain terms and conditions for us to continue our housing finance operations. In the event that we are unable to comply with any or all of these terms and conditions, or seek waivers or extensions of time for complying with these terms and conditions, it is possible that the NHB may revoke this license or may place stringent restrictions on our operations. This may result in the interruption of all or some of our operations. Further, under certain of our contractual arrangements, we are required to obtain and hold all necessary and applicable approvals, registrations and licenses from authorities such as the SEBI, local government authorities, etc.

Failure by us to renew, maintain or obtain the required permits, licenses or approvals, including those set out above, may have a material adverse effect on our business, results of operations and cash flows.

26. Our business is dependent on relationships with our clients established through, amongst others, our branches. Closure of branches or loss of our key branch personnel may lead to damage to these relationships and a decline in our revenue and profits.

Our business is dependent on the key branch personnel who directly manage client relationships. We encourage dedicated branch personnel to service specific clients since we believe that this leads to long-term client relationships, a trust based business environment and, over time, better cross-selling opportunities. While no branch manager or operating group of managers contributes a meaningful percentage of our business, our business may suffer materially if a substantial number of branch managers either become ineffective or leave the Company.

27. Our business and operations significantly depend on senior management and key employees and may be adversely affected if we are unable to retain them.

Our business and operations largely depend on the continued services and performance of our senior management and other key employees. The need and competition for skilled senior management in our industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our senior members of our management team and key employees could seriously impair our ability to continue to manage and expand our business efficiently and adversely affect our business, results of operations and financial condition.

28. Our business is subject to operational risks, including fraud.

We are exposed to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees, inadequate training and operational errors, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. Although we carefully recruit all our employees, we have in the past been subject to the fraudulent acts committed by our employees or third parties. As a result, we have suffered monetary losses and may suffer further monetary losses, which may not be covered under our insurance and may thereby adversely affect our profitability and results of operations. Further, our reputation could be adversely affected by significant frauds committed by employees, customers or outsiders. Any failure to mitigate such risks could adversely affect our business and results of operations.

In order to prevent frauds in loan cases involving multiple lending from different banks or HFCs, the GoI has set up the CERSAI under Section 20 of the SARFAESI Act 2002 in order to create a central database of all mortgages given by and to lending institutions. We are registered with CERSAI and we submit the relevant data to CERSAI from time to time. We also appoint a number of providers of credit verification and investigation services to obtain information on the credit worthiness of our prospective customers. However, there can be no assurance that these measures will be effective in preventing frauds.

We seek to protect our computer systems and network infrastructure from physical break-ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our computer systems and network infrastructure. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse effect on our business and our future financial performance. Further, we may need to regularly upgrade our technology systems,

at substantial cost, to increase efficiency and remain competitive. There can be no assurance that such technology upgrades will be successful and that we will recover the cost of our investments.

We have initiated the exercise to convert all loan documentation into electronic files, we continue to maintain all loan documentation, including original security documents, in physical custody using third party services for storage. Loss of the original documents could impede enforcement of our security interest and expose us to liability towards our customers.

29. Our business is highly dependent on information technology. A failure, inadequacy or security breach in our information technology and telecommunication systems or an inability to adapt to rapid technological changes may adversely affect our business, results of operation and financial condition.

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our financial, accounting or other data processing systems and management information systems or our corporate website may fail to operate adequately or become disabled as a result of events that may be beyond our control, including a disruption of electrical or communications services. Further, our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other attacks that may compromise data integrity and security and result in client information or identity theft, for which we may potentially be liable. Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies, and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operations and financial condition.

We are dependent on various external vendors for the implementation of the program and certain other elements of our operations, including implementing information technology infrastructure and hardware, industry standard commercial off-the-shelf products, branch roll-outs, networking, managing our data-center and back-up support for disaster recovery. We are, therefore, exposed to the risk that external vendors or service providers may be unable to fulfill their contractual obligations to us (or will be subject to the risk of fraud or operational errors by their respective employees) and the risk that their (or their vendors') business continuity and data security systems prove to be inadequate or fail to perform. Failure to perform any of these functions by our external vendors or service providers could materially and adversely affect our business, results of operations and cash flows.

In addition, the future success of our business will depend in part on our ability to respond to technological advances and to emerging industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entail significant technical and business risks. There can be no assurance that we will successfully implement new technologies effectively or adapt our technology and systems to meet customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our financial condition could be adversely affected. Any technical failures associated with our information technology systems or network infrastructure, including those caused by power failures and breaches in security caused by computer viruses and other unauthorized tampering, may cause interruptions or delays in our ability to provide services to our customers on a timely basis or at all, and may also result in added costs to address such system failures and/or security breaches, and for information retrieval and verification.

30. We depend on the accuracy and completeness of information provided by our potential borrowers. Our reliance on any misleading information given by potential borrowers may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.

In deciding whether to extend credit or enter into other transactions with potential borrowers, we rely on information furnished to us by potential borrowers, and analysis of the information by independent valuers and advocates. To further verify the information provided by potential borrowers, we conduct searches on CIBIL and other third party sources for creditworthiness of our borrowers. We also verify information with registrar and sub-registrar of assurances for encumbrances on collateral. We follow the KYC guidelines as prescribed by the NHB on the potential borrower, verify the place of business or place of employment as applicable to the potential

borrower and also verify the details with the caution list of the NHB as circulated from time to time. Such information includes representations with respect to the accuracy and completeness of information relating to the financial condition of potential borrowers, and independent valuation reports and title reports with respect to the property secured. We have framed our policies to prevent frauds in accordance with the KYC guidelines issued by NHB dated October 11, 2010 mandating the policies of HFCs to have certain key elements, including, inter-alia, a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management. Further, our Company has a well-established and streamlined credit appraisal process. We cannot assure you that information furnished to us by potential borrowers and analysis of the information by us or independent valuers or the independent searches conducted by us with CIBIL and NHB will be accurate, and our reliance on such information given by potential borrowers may affect our judgment of the credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.

31. Our insurance coverage may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position.

Various types of insurance covers are taken at a centralized level covering all the subsidiaries of Reliance Capital Limited, including our Company. While we believe that we have necessary and adequate general insurance for burglary, employee fidelity, Directors and Officers Liability insurance which are commensurate with our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations and financial condition.

32. We are permitted to use the RELIANCE design as part of our logo by Reliance Capital Limited, subject to conditions. Any violation of the conditions may result in us being unable to use the aforementioned design as part of our logo which could have a material adverse effect on our reputation, goodwill, business, results of operations and financial condition.

As part of the Reliance Group, our Promoter and its subsidiaries are permitted to use the RELIANCE design as part of their logo by Anil Dhirubhai Ambani Ventures Private Limited pursuant to an agreement between Anil Dhirubhai Ambani Ventures Private Limited and our Promoter ("**Logo Agreement**") dated April 1, 2014. We haven't entered into any definitive agreement for using the said design with Anil Dhirubhai Ambani Ventures Private Limited.

As a result, any violation of the conditions stipulated in the Logo agreement may result in us being unable to use the aforementioned design as part of our logo which could have a material adverse effect on our reputation, goodwill, business, results of operations and financial condition.

33. Our registered office and certain of our branch offices are not owned by us.

Our registered office is not owned by us. In addition, we do not own most of the offices from which our branches conduct our operations. All such non-owned properties are either leased or licensed to us or to our Promoter, RCL and we function from such premises on cost sharing basis. If the owners of these properties do not renew the agreements under which we occupy the premises or only agree to renew such agreements on terms and conditions that are unacceptable to us, or if the owners of such premises withdraw their consent to our occupancy, our operations may suffer a disruption. We may be unable to locate suitable alternate facilities on favorable terms, or at all, and this may have a material adverse effect on our business, results of operations and financial condition.

34. We have entered into a number of related party transactions and may continue to enter into related party transactions, which may involve conflicts of interest.

We have entered into a number of related party transactions, within the meaning of AS 18. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favor. For details of the related party transactions, please refer to the chapter "***Financial Statements***" on page

108.

35. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.

We are required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. We, in the course of our operations, run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls to prevent the occurrence of these risks as is customary in our jurisdiction. We in certain of our activities and in our pursuit of business, run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a Board-approved Know Your Customer and Anti-Money Laundering policy in place. Such incidents may adversely affect our business and our reputation.

36. Substantial portion of our loans have long tenures, which may expose us to risks associated with economic cycles.

As of September 30, 2016, a substantial portion of our loans advanced to customers had long tenures. The long tenor of these loans may expose us to risks arising out of economic cycles. In addition, some of these loans are project finance loans and there can be no assurance that these projects will perform as anticipated or that such projects will be able to generate sufficient cash flows to service commitments under the advances. We are also exposed to residential projects that are still under development and are open to risks arising out of delay in execution, such as delay in execution on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, all of which may adversely impact our cash flows. There can also be no assurance that these projects, once completed, will perform as anticipated. Risks arising out of economic downturn, delays in project implementation or commissioning could lead to a rise in delinquency rates and in turn, may materially and adversely affect our business, financial condition and results of operations.

37. This Draft Shelf Prospectus includes certain Unaudited Financial Results, which have been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.

This Draft Shelf Prospectus includes certain audited financial results in relation to our Company, for the half year ended September 30, 2016 in respect of which the Statutory Auditors of our Company have issued their Limited Review Report dated October 22, 2016. As this financial information has been subject only to review as required under regulation 52 of the SEBI LODR Regulations, and also as described in the Standard on Review Engagements ("**SRE**") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by ICAI, and not to an audit, any reliance by prospective investors on such financial results should accordingly, be limited.

Moreover, our financial results for any given fiscal quarter or period, including the half year ended September 30, 2016, may not be directly comparable with our financial results for any full fiscal or for any other fiscal quarter or period. Accordingly, prospective investors to the Issue are advised to read such audited financial results in conjunction with the audited financial information provided elsewhere in this Draft Shelf Prospectus

38. We are dependent on Reliance Capital Limited, our Promoters and the Reliance Group for the goodwill that we enjoy in the industry and our brand name and any factor affecting the business and reputation of Reliance Capital Limited may have a concurrent adverse effect on our business and results of operations.

As on the date of this Draft Shelf Prospectus our Promoter holds 100% of our paid up capital. We leverage on the goodwill of the Reliance Group. We believe that this goodwill ensures a steady inflow of business. In the event Reliance Group is unable to maintain the quality of its services or its goodwill deteriorates for any reason whatsoever, our business and results of operations may be adversely affected. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and results of operations.

39. Any change in control of our Promoters or our Company may correspondingly adversely affect our goodwill, operations and profitability.

As on the date of this Draft Shelf Prospectus our Promoter holds 100% of our paid up capital. If our Promoter ceases to exercise majority control over our Company as a result of any transfer of shares or otherwise, our ability

to derive any benefit from the brand name "Reliance" and our goodwill as a part of the Reliance Group may be adversely affected, which in turn could adversely affect our business and results of operations. Any disassociation of our Company from the Reliance Group and/or our inability to have access to the infrastructure provided by other companies in the Reliance Group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

B. External Risks

40. A slowdown in economic growth in India may adversely affect our business, results of operations and financial condition.

Our financial performance and the quality and growth of our business depend significantly on the health of the overall Indian economy, the gross domestic product growth rate and the economic cycle in India. A substantial portion of our assets and employees are located in India, and we intend to continue to develop and expand our facilities in India.

Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely affect our business, results of operations and financial condition.

41. The Indian housing finance industry is competitive and increasing competition may result in declining margins if we are unable to compete effectively.

Historically, the housing finance industry in India was dominated by HFCs. We now face increasing competition from commercial banks. Interest rate deregulation and other liberalization measures affecting the housing finance industry, together with increased demand for home finance, have increased our exposure to competition. Our ability to compete effectively with commercial banks and other HFCs will depend, to some extent, on our ability to raise low-cost funding in the future. If we are unable to compete effectively with other participants in the housing finance industry, our business, results of operations and financial condition may be adversely affected.

Furthermore, as a result of increased competition in the housing finance industry, home loans are becoming increasingly standardized and terms such as floating rate interest options, lower processing fees and monthly rest periods are becoming increasingly common in the housing finance industry in India. There can be no assurance that the Company will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive housing finance industry. Increasing competition may have an adverse effect on our net interest margin and other income, and, if we are unable to compete successfully, our market share may decline as the origination of new loans declines.

42. The growth rate of India's housing finance industry may not be sustainable.

We expect the housing finance industry in India to continue to grow as a result of anticipated growth in India's economy, increases in household income, further social welfare reforms and demographic changes. However, it is not clear how certain trends and events, such as the pace of India's economic growth, the development of domestic capital markets and the ongoing reform will affect India's housing finance industry. In addition, there can be no assurance that the housing finance industry in India is free from systemic risks. Consequently, there can be no assurance that the growth and development of India's housing finance industry will be sustainable.

43. If inflation were to rise significantly in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers and our profits might decline.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. According to the Monthly Economic Report for June 2016 prepared by the Department of Economic Affairs, Ministry of Finance, GoI, the year-on-year inflation in terms of the WPI was (0.7) % for the month of June 2016 as compared to (0.1) % in June 2015. The RBI's Monetary Policy Statement released in April 2014 stated that core inflation is expected to be below 6 per cent for the fiscal year. The main risks to the outlook are uncertainties such as commodity prices, monsoon and weather-related disturbances, volatility in prices of seasonal items and spillovers from external

developments through exchange rate and asset price channels, according to the RBI. In its Mid-Quarter Monetary Policy Report as of September 2015, the RBI highlighted that inflation had been firming up and forecasted inflation to pick up in the short term.

In the event of increasing inflation in India, our costs, such as operating expenses, may increase, which could have an adverse effect on our business, results of operations and financial condition.

44. Public companies in India, including us, may be required to prepare financial statements under Ind-AS. The transition to Ind-AS in India is still unclear and we may be adversely affected by this transition.

The MCA modified the "Companies (Indian Accounting Standards) Rules, 2015" on February 16, 2015 ("**IAS Rules**"). The IAS Rules provide that the financial statements of the companies to which they apply (as more specifically described below) shall be prepared and audited in accordance with Ind-AS. Under the IAS Rules, any company may voluntarily implement Ind-AS for the accounting period beginning from April 1, 2015. Further, the IAS Rules prescribe that any company having a net worth of more than ₹ 50,000 lakhs, and any holding company, subsidiary, joint venture or an associate company of such company, would have to mandatorily adopt Ind-AS for the accounting period beginning from April 1, 2016 with comparatives for the period ending March 31, 2016. These IAS Rules were initially not applicable to banking companies, insurance companies and NBFCs/ HFCs. However, MCA published its press release dated January 18, 2016 and laid down the road map for implementation of Ind-AS for scheduled commercial banks, insurance companies and NBFCs/ HFCs (with net worth of ₹ 50,000 lakhs or more) from April 1, 2018 onwards.

We may not be able to ascertain the impact of such rules on the Company's financial reporting. There can be no assurance that the Company's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under Ind-AS than under Indian GAAP. In the Company's transition to Ind-AS reporting, our Company may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of Ind-AS experienced accounting personnel available as more Indian companies begin to prepare Ind-AS financial statements. Further, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application. There can be no assurance that our Company's adoption of Ind-AS will not adversely affect its reported results of operations or financial condition and any failure to successfully adopt Ind-AS could adversely affect our Company's business, results of operations and financial condition.

45. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.

Our financial statements, including the financial statements provided in this Draft Shelf Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Shelf Prospectus, nor do we provide a reconciliation of its financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Shelf Prospectus will provide meaningful information entirely depends on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Shelf Prospectus should accordingly be limited.

46. We may have to comply with stricter regulations and guidelines issued by regulatory authorities in India, including the NHB.

We are regulated principally by and have reporting obligations to the NHB. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us differs in certain material respects from that in effect in other countries and may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's housing finance sector.

47. Borrowing for the purchase or construction of property may not continue to offer borrowers the same fiscal benefits it currently offers and the housing sector may not continue to be regarded as a priority sector by the GoI.

The rapid growth in the housing finance industry in India in the last decade is in part due to the introduction of fiscal benefits for homeowners. Since the early 1990s, interest and principal repayments on capital borrowed for the purchase or construction of housing have been tax deductible up to certain limits and tax rebates have been available for borrowers of such capital up to specified income levels. There can be no assurance that the GoI will continue to offer such tax benefits to borrowers at the current levels or at all. In addition, there can be no assurance that the GoI will not introduce tax efficient investment options which are more attractive to borrowers than property investment. The demand for housing and/or housing finance may be reduced if any of these changes occur.

48. Civil unrest, acts of violence, including terrorism or war involving India and other countries, could materially and adversely affect the financial markets and our business.

Civil unrest, acts of violence, including terrorism or war, may negatively affect the Indian stock markets and also materially and adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately materially and adversely affect our business. Although the governments of India and neighboring countries have recently been engaged in conciliatory efforts, any deterioration in relations between India and neighboring countries might result in investor concern about stability in the region, which could materially and adversely affect our business, results of operations and financial condition.

49. Financial difficulty and other problems in certain financial institutions in India could adversely affect our business, results of operations and financial condition.

As an HFC, we are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business, results of operations and financial condition. As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

50. Any volatility in the exchange rate and increased intervention by the Reserve Bank of India in the foreign exchange market may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact us.

During the first half of FY 2013-2014, emerging markets including India, witnessed significant capital outflows due to concerns regarding the withdrawal of quantitative easing in the U.S. and other domestic structural factors such as high current account deficits and lower growth outlook. As a result, the Indian rupee depreciated by 21.1% from ₹ 56.5 per U.S. dollar at the end of May 2013 to ₹ 68.4 per U.S. dollar on August 28, 2013. To manage the volatility in the exchange rate, the Reserve Bank of India took several measures including increasing in the marginal standing facility rate by 200 basis points and reduction in domestic liquidity. The Reserve Bank of India also subsequently announced measures to attract capital flows, particularly targeting the non-resident Indian community. Subsequent to restoring stability in the exchange rate from September 2013 onwards, the Reserve Bank of India reversed some of these measures. In February 2016, the Indian rupee has continued to experience volatility nearing its record low in August 2013, thereby forcing RBI to intervene again. Any similar intervention in the foreign exchange market or other measures by the Reserve Bank of India to control the volatility of the exchange rate may result in a decline in India's foreign exchange reserves, reduced liquidity and higher interest rates in the Indian economy, which could adversely affect our business and our future financial performance.

51. Natural disasters and other disruptions could adversely affect the Indian economy and could adversely affect our business, results of operations and financial condition.

Our operations, including our branch network, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labor unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. Any of the above factors may adversely affect our business, results of operations and financial

condition.

52. Any downgrading of India's debt rating by rating agencies could have a negative impact on our business

Any adverse revisions to India's credit ratings for domestic and international debt by rating agencies may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.

C. Risks pertaining to this Issue

53. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Draft Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

Regulation 16 of the SEBI Debt Regulations and Section 71 of the Companies Act 2013 states that any company that intends to issue debentures must create a Debenture Redemption Reserve out of the profits of the company available for payment of dividend until the redemption of the debentures. Further, the Companies (Share Capital and Debentures) Rules, 2014 states that the Company shall create Debenture Redemption Reserve and 'the adequacy' of DRR will be 25% of the value of the debentures outstanding as on the date, issued through public issue as per present SEBI Debt regulations. Accordingly, if we are unable to generate adequate profits, the DRR created by us may not be adequate to meet the 25% of the value of the debentures outstanding as on the date. Further, every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely:(i) in deposits with any scheduled bank, free from any charge or lien;(ii) in unencumbered securities of the Central Government or of any State Government; (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882; (v) the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on the 31st day of March of that year. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Draft Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

54. Changes in interest rates may affect the price of our NCDs.

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk issue. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities tend to fall and when interest rates drop, the prices tend to increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

55. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD holders on the assets adequate to ensure minimum 100.00% asset cover for the NCDs, which shall be free from any encumbrances, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

56. There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a

timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and Allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Draft Shelf Prospectus.

There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.

57. Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the NCD holders will rank pari passu with other charge holder and to that extent, may reduce the amounts recoverable by the NCD holders upon our Company's bankruptcy, winding-up or liquidation.

58. Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

59. You may be subject to taxes arising on the sale of the NCDs.

Sales of NCDs by any holder may give rise to tax liability, as discussed in section titled '***Statement of Tax Benefits***' on page 46.

60. There may be no active market for the non convertible debentures on the WDM segment of the stock exchange. As a result, the liquidity and market prices of the non convertible debentures may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country; (ii) the market for listed debt securities; (iii) general economic conditions; and (iv) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

61. The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company. For further details, refer to "*Objects of the Issue*" on page 44. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

62. There may be a delay in making refund to Applicants.

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (ii) withdrawal of the Issue, or (iii) failure to obtain the final approval from the Stock Exchanges for listing of the NCDs, will be refunded to you in a timely manner. We however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

SECTION III-INTRODUCTION

THE ISSUE

The following is a summary of terms of the NCDs, to be issued for an amount not exceeding the Shelf Limit. This chapter should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled "***Terms of the Issue***" on page 143.

COMMON TERMS FOR ALL SERIES OF THE NCDs

Issuer	Reliance Home Finance Limited
Type of instrument/ Name of the security/ Seniority	Secured Redeemable Non Convertible Debentures and Un-Secured Redeemable Non Convertible Subordinated NCDs in the nature of Subordinated Debt and eligible for inclusion as Upper Tier II capital
Nature of the instrument	Secured Redeemable Non Convertible Debentures and Un-Secured Redeemable Non Convertible Subordinated NCDs in the nature of Subordinated Debt and eligible for inclusion as Upper Tier II capital
Mode of the issue	Public issue
Lead Managers	Edelweiss Financial Services Limited, A. K. Capital Services Limited, Axis Bank Limited, Trust Investment Advisors Private Limited, and Yes Securities (India) Limited
Debenture Trustee	IDBI Trusteeship Services Limited
Depositories	NSDL and CDSL
Registrar	Karvy Computershare Private Limited
Base Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Eligible Investors	Please refer to "***Issue Procedure – Who can apply?***" on page 158
Objects of the Issue	Please refer to the chapter titled "***Objects of the Issue***" on page 44
Details of utilization of the proceeds	Please refer to the chapter titled "***Objects of the Issue***" on page 44
Interest rate for each Category of Investors	As specified in the relevant Tranche Prospectus for each Tranche Issue
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issuance mode of the instrument*	Physical and demat
Trading mode of the instrument	Compulsorily in dematerialised form
Settlement mode of the Instrument	1. Direct credit; 2. NECS; 3. RTGS; 4. NEFT; and 5. Cheques / pay order / demand draft. For further details in respect of the aforesaid modes, please refer to the chapter titled "***Issue Procedure – Terms of Payment***" on page 150.
Frequency of interest payment	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest payment date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count basis	Actual/ Actual
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deeds, payment of interest, redemption of principal amount beyond the time limits

	prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Amount	The principal amount on the NCDs along with interest accrued on them, if any, as on the Redemption Date
Redemption premium/ discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face Value of NCDs	₹ 1,000 per NCD
Issue Price (in ₹)	As specified in the relevant Tranche Prospectus for each Tranche Issue
Discount at which security is issued and the effective yield as a result of such discount.	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put option date	Not applicable
Put option price	Not applicable
Call option date	Not applicable
Call option price	Not applicable
Put notification time.	Not applicable
Call notification time	Not applicable
Minimum Application size and in multiples of NCD thereafter	As specified in the relevant Tranche Prospectus for each Tranche Issue
Market Lot/ Trading Lot	One
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit ratings	The Secured NCDs proposed to be issued under this Issue have been rated 'CARE AA+ (Double A plus)' for an amount of ₹3,00,000 lakhs, by CARE *vide* their letter dated October 13, 2016 *(validated as on November 11, 2016)* and BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Stable for an amount of ₹3,00,000 lakhs, by Brickwork *vide* their letter dated October 25, 2016 *(validated as on November 9, 2016).* The rating of CARE AA+ by CARE and BWR AA+, Outlook: Stable by Brickwork indicate that instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The Un-Secured NCDs proposed to be issued under this Issue have been rated 'CARE AA (Double A)' for an amount of ₹50,000 lakhs, by CARE *vide* their letter dated November 8, 2016 and BWR AA (Pronounced as BWR Double A) Outlook: Stable for an amount of ₹50,000 lakhs, by Brickwork *vide* their letter dated October 4, 2016 *(validated as on November 9, 2016).* The rating of CARE AA by CARE and BWR AA, Outlook: Stable by Brickwork indicate that instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see **Annexure A & B** of this Draft Shelf Prospectus.
Listing	The NCDs are proposed to be listed on NSE and BSE. The NCDs shall be listed within 12 Working Days from the date of Issue Closure. For more information, please refer to "***Other Regulatory and Statutory Disclosures***" on page 131.
Issue size	As specified in the respective Tranche Prospectuses
Modes of payment	Please refer to the chapter titled ***"Issue Procedure – Terms of Payment***" on page 150.
Trading	In dematerialised form only
Lock-in	The Un-secured NCDs will subjected to a lock in clause in terms of which, the company shall not be liable to pay either interest or principal, even at maturity if a) CRAR is below the minimum regulatory requirement prescribed by RBI or b) The impact of such payment results in the Company's Capital to Risk Asset Ratio (CRAR) falling below or remaining below the minimum regulatory requirement prescribed by NHB.
Issue opening date	As specified in the relevant Tranche Prospectus for each Tranche Issue

Issue closing date	As specified in the relevant Tranche Prospectus for each Tranche Issue *The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("Board") or the NCD Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges*
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date
Security and Asset Cover	The principal amount of the Secured NCDs proposed to be issued in terms of the Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of first charge in favour of the Debenture Trustee on specific present and future receivables/assets of our Company and our Promoter as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon), which shall be free from any encumbrances. The Issuer reserves the right to sell or otherwise deal with the assets, including receivables, both present and future, including to create a charge on pari passu basis thereon for its present and future financial requirements, with prior permission of Debenture Trustee in this connection as provide for in the Secured Debenture Trust Deed and provided that a minimum security cover of 1 (one) time on the principal amount and interest thereon, is maintained. No security will be created for Un-Secured NCD in the nature of subordinated Debt. For further details, please refer to the section titled "***Terms of the Issue – Security***" on page no. 155.
Issue documents	This Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deeds and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Issue Agreement, Debenture Trust Deeds, the Debenture Trustee Agreement, the Tripartite Agreements, the Escrow Agreement, the Registrar Agreement, the Agreement with the Lead Managers and the Consortium Agreement. For further details, please refer to "***Material Contracts and Documents for Inspection***" on page 188
Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement.
Events of default / cross default	Please refer to "***Terms of the Issue – Events of Default***" on page 144
Deemed date of Allotment	The date on which the Board of Directors/or NCD Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or NCD Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way

	of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment
Roles and responsibilities of the Debenture Trustee	Please refer to the chapter titled "***"Terms of the Issue – Trustees for the Secured Holders"*** on page 144
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively
Working day convention	If any Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Such additional interest will be deducted from the interest payable on the next date of payment of interest. If the Redemption Date of any series of the NCDs falls on a day that is not a Working Day, the redemption/ maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment

** In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. However, our Company has applied to SEBI on November 11, 2016 to exempt our Company from the aforementioned requirements and issue the NCDs in physical form, in terms of section 8(1) of the Depositories Act, 1996. However, trading in NCDs shall be compulsorily in dematerialized form.*

GENERAL INFORMATION

Our Company was incorporated on June 5, 2008, as 'Reliance Homes Finance Private Limited' as a private limited Company under the provisions of the Companies Act, 1956 and was granted a certificate of registration on January 6, 2009 to carry on the business of a housing finance institution without accepting public deposits by the National Housing Bank. Our Company's name was subsequently changed to 'Reliance Home Finance Private Limited' pursuant to issuance of a fresh certificate of incorporation dated March 26, 2009. Subsequently, our Company's name was changed to 'Reliance Home Finance Limited' upon issuance of a fresh certificate of incorporation dated March 27, 2012, consequent upon the conversion of our Company from a private limited company to a public limited company.

Registered Office and Corporate Office

Reliance Centre, 6th Floor, South Wing,
Off Western Express Highway,
Santacruz (East), Mumbai – 400 055,
Maharashtra, India.
Tel: +91 22 3303 6000
Fax: +91 22 2610 3299
Email: rhfl.investor@relianceada.com
Website: www.reliancehomefinance.com

Registration no.: 183216

Corporate Identity Number: U67190MH2008PLC183216

We received a certificate of registration (with Registration No. 02.0069.09) from the National Housing Bank to carry on the business of a housing finance institution without accepting public deposits on January 06, 2009. Our registration certificate was subsequently renewed on April 27, 2009 (with Registration No. 04.0074.09) due to the change in the name of the Company to "Reliance Home Finance Private Limited". Subsequently, upon the conversion of the Company from a private limited company to a public limited company registration certificate was renewed on July 16, 2012 (with Registration No. 07.0101.12).

Chief Executive Officer:

Mr. Ravindra Sudhalkar

Reliance Centre, 6th Floor, South Wing,
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Tel: + 91 22 3303 6000
Fax: + 91 22 2610 3299
Email: rhfl.investor@relianceada.com

Chief Financial Officer:

Mr. Amrish Shah

Reliance Centre, 6th Floor, South Wing,
Off Western Express Highway,
Santacruz (East), Mumbai – 400 055,
Maharashtra, India.
Tel: + 91 22 3303 6000
Fax: + 91 22 2610 3299
Email: rhfl.cfo@relianceada.com

Compliance Officer and Company Secretary

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:

Ms. Ekta Thakurel

Company Secretary & Compliance Officer
Reliance Centre, 6th Floor, South Wing,
Off Western Express Highway,
Santacruz (East), Mumbai – 400 055,
Maharashtra, India.
Tel: +91 22 3303 6000
Fax: + 91 22 2610 3299
Email: rhfl.investor@relianceada.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, Demat credit, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application money etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the collection centres of the Members of the Consortium where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Trading Members may be addressed directly to the respective Stock Exchanges.

Lead Managers

Edelweiss Financial Services Limited

Edelweiss House,
Off CST Road,
Kalina, Mumbai – 400 098,
Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: rhfl.ncd@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Mandeep Singh/ Mr. Lokesh Singhi
Compliance Officer: Mr. B. Renganathan
SEBI Regn. No.: INM0000010650

A. K. Capital Services Limited

30-39 Free Press House,
3rd Floor, Free Press Journal Marg,
Nariman Point,
Mumbai – 400 021,
Maharashtra, India
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
Email: rhflncd2016@akgroup.co.in
Investor Grievance Email:
investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Mr. Girish Sharma/ Mr. Malay Shah
Compliance Officer: Mr. Tejas Davda
SEBI Regn. No.: INM000010411

Axis Bank Limited

Axis House, 8th Floor, C-2,
Wadia International Centre,
P.B. Marg, Worli, Mumbai – 400 025,
Maharashtra, India
Tel: +91 22 6604 3293
Fax: +91 22 2425 3800
Email: rhomenov2016@axisbank.com
Investor Grievance Email:
sharad.sawant@axisbank.com
Website: www.axisbank.com

Trust Investment Advisors Private Limited

1101, Naman Centre, G Block, C-31
BKC, Bandra (E),
Mumbai – 400 051,
Maharashtra, India
Tel: +91 22 4084 5000
Fax: +91 22 4084 5007
Email: mbd.trust@trustgroup.in
Investor Grievance Email:
customercare@trustgroup.in
Website: www.trustgroup.in

Contact Person: Mr. Vikas Shinde
Compliance Officer: Mr. Sharad Sawant
SEBI Regn. No.: INM000006104

Contact Person: Mr. Anindya Sen
Compliance Officer: Mr. Balkrishna Shah
SEBI Regn. No.: INM000011120

YES Securities (India) Limited

IFC, Tower 1 & 2, Unit no. 602A,
6th Floor, Senapati Bapat Marg,
Elphinstone Road, Mumbai – 400 013,
Maharashtra, India
Tel.: +91 22 3347 9606
Fax: +91 22 2421 4508
Email: rhflncd2016@yessecuritiesltd.in
Investor Grievance Email: igc@yessecuritiesltd.in
Website: www.yesinvest.in
Contact Person: Mr. Devendra Maydeo
Compliance Person: Dr. Dhanraj Uchil
SEBI Regn. No.: INM000012227

Consortium Members

As specified in relevant Tranche Prospectus.

Debenture Trustee

IDBI TRUSTEESHIP SERVICES LIMITED
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai – 400 001,
Maharashtra, India.
Tel: +91 22 4080 7000;
Fax: +91 22 6631 1776;
Email: itsl@idbitrustee.com
Investor Grievance email: subrat@ idbitrustee.com/ response@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Mr. Subrat Udgata
SEBI Regn. Number: IND000000460

IDBI Trusteeship Services Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated November 10, 2016 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

All the rights and remedies of the Debenture Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the Debenture Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the Debenture Holders.

Registrar

Karvy Computershare Private Limited

Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032

Telangana, India
Tel: +91 40 6716 1500
Fax: +91 40 6716 1791
Email: mis.radag@karvy.com
Investor Grievance Email: rhfl.ncd@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Regn. No: INR00000021
CIN: U74140TG2003PTC041636

Statutory Auditor

Chaturvedi & Shah
Chartered Accountants

714 - 715, Tulsiani Chambers,
212, Nariman Point,
Mumbai – 400 020,
Maharashtra, India.
Tel.: +91 22 4009 0583
Fax.: +91 22 4009 0666
Email: cas@cas.ind.in
Firm Regn. number: 101720W
Contact Person: Mr. Vijay Napawaliya

Date of appointment as Statutory Auditors: The Statutory Auditor was originally appointed on June 7, 2008 and have been appointed as Statutory Auditors for the Financial Year 2016-17 in AGM held on August 4, 2016.

Credit Rating Agencies

Credit Analysis and Research Limited

4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai – 400 022,
Maharashtra, India
Tel: +91 22 6754 3456
Fax: +91 22 6754 3457
Email: care@careratings.com
Website: www.careratings.com
Contact Person: Mr. P. N. Sathees Kumar
SEBI Regn. No.: IN/CRA/004/1999

Brickwork Ratings India Private Limited

3rd Floor, Raj Alkaa Park,
Kalena Agrahara,
Banerghatta Road,
Bengaluru – 560 076,
Karnataka, India
Tel: +91 22 2831 1426
Fax: +91 22 2838 9144
Email: kn.suvarna@brickworkratings.com
Website: www.brickworkratings.com
Contact Person: Mr. K. N. Suvarna
SEBI Regn. No.: IN/CRA/005/2008

Legal Advisor to the Issue

Khaitan & Co

One Indiabulls Centre,
13th Floor, Tower 1,
841 Senapati Bapat Marg,
Mumbai – 400 013,
Maharashtra, India.
Tel: +91 22 6636 5000
Fax: +91 22 6636 5050

Escrow Collection Banks / Bankers to the Issue

As specified in relevant Tranche Prospectus.

Refund Bank to the Issue

As specified in relevant Tranche Prospectus.

Self Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Members of the Syndicates or the Trading Members of the Stock Exchange only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate or the Trading Members of the Stock Exchange is provided on http://www.sebi.gov.in/ or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchange only in the Specified Cities, see the above mentioned web-link.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013".

Underwriting

The Issue may or may not be underwritten. Details of underwriting, if any, will be specified in the relevant Tranche Prospectus.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue, within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within 12 days from the date of closure of the Issue. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Credit Rating and Rationale

The Secured NCDs proposed to be issued under this Issue have been rated 'CARE AA+ (Double A plus)' for an amount of ₹ 3,00,000 lakhs, by CARE *vide* their letter dated October 13, 2016 *(validated as on November 11,*

2016) and BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Stable for an amount of ₹ 3,00,000 lakhs, by Brickwork *vide* their letter dated October 25, 2016 *(validated as on November 9, 2016)*. The rating of CARE AA+ by CARE and BWR AA+, Outlook: Stable by Brickwork indicate that instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The Un-Secured NCDs proposed to be issued under this Issue have been rated 'CARE AA (Double A)' for an amount of ₹ 50,000 lakhs, by CARE *vide* their letter dated November 8, 2016 and BWR AA (Pronounced as BWR Double A) Outlook: Stable for an amount of ₹ 50,000 lakhs, by Brickwork *vide* their letter dated October 4, 2016 *(validated as on November 9, 2016).* The rating of CARE AA by CARE and BWR AA, Outlook: Stable by Brickwork indicate that instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see Annexure A and B to this Draft Shelf Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

For the rationale for these ratings, see Annexure A and B to this Draft Shelf Prospectus.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please refer to the chapter titled "***Objects of the Issue***" on page 44.

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("**Board**") or the NCD Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges.*

Applications Forms for the Issue will be accepted only between 10 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Consortium, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, at the centres mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, only at the selected cities. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on a date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

CAPITAL STRUCTURE

Details of Share Capital and Securities Premium account

The following table lays down details of our authorised, issued, subscribed and paid up share capital and securities premium account as of the date of this Draft Shelf Prospectus:

(₹ in lakhs)

	Aggregate value
Authorised share capital	
9,30,00,000 Equity Shares of face value ₹ 10 each	9,300.00
3,20,00,000 Preference Shares of face value ₹ 10 each	3,200.00
Total Authorised Share Capital	**12,500.00**
Issued, subscribed and paid up Equity Share capital	
9,08,20,000 Equity Shares of face value ₹ 10 each	9,082.00
Paid up equity share capital after the Issue	
9,08,20,000 Equity Shares of face value ₹ 10 each	9,082.00
Securities premium account	
Existing Securities Premium Account	33,018.00

1. ***Details of change in Authorized share capital of our company as on the date of this Draft Shelf Prospectus for last five financial years:***

Date of AGM/ EGM	Alteration
EGM dated January 29, 2013	Reclassification of authorised share capital of the Company whereby ₹ 25,00,00,000 authorised preference share capital was reclassified to authorised equity share capital. The overall authorised share capital remained unchanged at ₹ 1,25,00,00,000.
EGM dated October 26, 2016	Reclassification of authorised share capital of the Company whereby ₹ 18,00,00,000 authorised preference share capital was reclassified to authorised equity share capital. The overall authorised share capital remained unchanged at ₹ 1,25,00,00,000.

2. ***Equity Share capital history of our Company***

Equity Share capital built-up of our Company for the last five years and up to the date of this Draft Shelf Prospectus:

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration (Cash, other than cash, etc.)	Nature of allotment	Cumulative No. of Equity Shares	Cumulative Equity Share capital (₹)
September 10, 2012	29,10,000	10	1,000	Cash	Conversion of Preference Shares into Equity Shares*	3,29,10,000	32,91,00,000.00
January 29, 2013	3,29,10,000	10	10	Bonus	Issue of Bonus Shares in 1:1 Ratio	6,58,20,000	65,82,00,000.00
October 28, 2016	2,50,00,000	10	40	Cash	Preferential Allotment to Promoter	9,08,20,000	90,82,00,000.00

***** *9,10,000 Preference Shares, 17,50,000 Preference Shares and 2,50,000 Preference Shares of Zero Coupon were issued on March 30, 2009, March 25, 2010 and June 29, 2011 to our Promoter at a premium of ₹990.00 per Preference Share.*

3. ***Details of Promoter's shareholding in our Company as on the date of this Draft Shelf Prospectus***

Names of Promoters	Number of Equity Shares held
Reliance Capital Limited	9,08,19,980*
Kannan Chettiar jointly with Reliance Capital Limited	2#
Madan Chaturvedi jointly with Reliance Capital Limited	10#
Chetan Raval jointly with Reliance Capital Limited	2#
Yogesh Deshpande jointly with Reliance Capital Limited	2#
Atul Kumar Tandon jointly with Reliance Capital Limited	2#
Parul Jain jointly with Reliance Capital Limited	2#

** All Equity Shares are held in dematerialized form*

[#] *Equity Shares are held in form of physical certificates*

4. ***Shareholding of Directors in our Company as on the date of this Draft Shelf Prospectus***

For details of Shareholding of our Directors in our Company (including options), please refer to "***Our Management - Shareholding of Directors***" on page 98.

5. ***Shareholding pattern of our Company***

The following is the shareholding pattern of our Company, as on the date of this Draft Shelf Prospectus:

Sr. No.	Shareholder's name	Equity Shares	Total Shareholding as % of total no of equity shares
1.	Reliance Capital Limited	9,08,19,980*	100
2.	Kannan Chettiar jointly with Reliance Capital Limited	2[#]	Negligible
3.	Madan Chaturvedi jointly with Reliance Capital Limited	10[#]	Negligible
4.	Chetan Raval jointly with Reliance Capital Limited	2[#]	Negligible
5.	Yogesh Deshpande jointly with Reliance Capital Limited	2[#]	Negligible
6.	Atul Kumar Tandon jointly with Reliance Capital Limited	2[#]	Negligible
7.	Parul Jain jointly with Reliance Capital Limited	2[#]	Negligible
	Total	**9,08,20,000**	**100**

** All Equity Shares are held in dematerialized form*

[#] *Equity Shares are held in form of physical certificates*

6. ***Top 10 Equity Shareholders of our Company as on the date of this Draft Shelf Prospectus***

Sr. No.	Shareholder's name	Equity Shares	Total Shareholding as % of total no of equity shares
1.	Reliance Capital Limited	9,08,19,980*	100
2.	Kannan Chettiar jointly with Reliance Capital Limited	2[#]	Negligible
3.	Madan Chaturvedi jointly with Reliance Capital Limited	10[#]	Negligible
4.	Chetan Raval jointly with Reliance Capital Limited	2[#]	Negligible
5.	Yogesh Deshpande jointly with Reliance Capital Limited	2[#]	Negligible
6.	Atul Kumar Tandon jointly with Reliance Capital Limited	2[#]	Negligible
7.	Parul Jain jointly with Reliance Capital Limited	2[#]	Negligible
	Total	**9,08,20,000**	**100**

** All Equity Shares are in dematerialized form*

[#] *Equity Shares are held in form of physical certificates*

7. ***Top 10 debenture holders (secured and un-secured) of our Company***

List of Top 10 Debenture Holders (secured and un-secured) as on November 4, 2016:

(₹ in lakhs)

Sr. No.	Name of Debenture Holders	Amount
1.	General Insurance Corporation of India	12,000.00
2.	United India Insurance Company Limited	11,500.00
3.	Andhra Bank	11,000.00
4.	The New India Assurance Company Limited	7,500.00
5.	ITPL-Invesco India Medium Term Bond Fund	7,500.00
6.	The Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)	6,000.00
7.	The J and K Bank Limited	6,000.00
8.	NPS Trust – A/C LIC Pension Fund Scheme – Central Government	6,000.00
9.	Syndicate Bank	5,500.00
10.	Trustees Central Bank of India Employees' Pension Fund	5,000.00
	Total	**78,000.00**

8. ***Long term debt to equity ratio.***

(₹ in lakhs)

Particulars	Prior to the Issue (as of March 31, 2016)	Post-Issue [1*]
Debt		
Short term debt	76,829.56	76,829.56

Particulars	Prior to the Issue (as of March 31, 2016)	Post-Issue [1*]
Long term debt [2]	5,78,000.46	9,28,000.46
Total debt	6,54,830.02	10,04,830.02
Shareholders' fund		
Share capital	6,582.00	9,082.00[3]
Reserves and surplus excluding revaluation reserve	55,429.97	62,929.97
Total shareholders' funds	62,011.97	72,011.97
Net Worth[4]	57,027.74	67,027.74
Long term debt/ equity (In times)[5]	10.14	13.85
Total debt/ equity (In times)[6]	11.48	14.99

1. *Assuming the Issue is fully subscribed.*
2. *Long term debt = Long term borrowings + Current Maturities of Long term borrowings.*
3. *Including preferential allotment of 2,50,00,000 Equity Shares to Reliance Capital Limited on October 28, 2016.*
4. *Networth = Share Capital + Reserves and Surplus – unamortised expenditure*
5. *Long term Debt-Equity =* $\frac{\text{Total long term debt outstanding at the end of the year}}{\text{Networth}}$
6. *Total Debt-Equity =* $\frac{\text{Total debt outstanding at the end of the year}}{\text{Networth}}$

** To be updated in the Shelf Prospectus*
Figures are rounded off to nearest ₹ in Lakhs.

9. ***Statement of the aggregate number of securities of our Company purchased or sold by our Promoter, directors of our Promoter and our Directors and/or their relatives within six months immediately preceding the date of filing this Draft Shelf Prospectus:***

   None of the Directors of our Company including their relatives as defined under Section 2(77) of the Companies Act, 2013, our Promoter or the directors of our Promoter have undertaken purchase and/or sale of the Equity Shares of our Company during the preceding 6 (six) months from the date of filing of this Draft Shelf Prospectus.

10. None of the Equity Shares are pledged or otherwise encumbered by our Promoter.

11. **Details of any acquisition or amalgamation in the last one year:**

    Other than as disclosed below, our Company has not initiated or completed any acquisition or amalgamation in the last one year:

    i. Our Company has filed a scheme of arrangement before the High Court of Bombay in relation to acquisition of credit business undertaking of India Debt Management Private Limited ("**Scheme**").

       Our Board approved the Scheme *vide* resolution dated June 20, 2016. As per the Scheme, the Company proposed to acquire the credit business of India Debt Management Private Limited. Pursuant to the Scheme, the whole of the undertaking and properties of the India Debt Management Private Limited shall be transferred to / vested in our Company, so as to vest in our Company all rights, title and interest pertaining to India Debt Management Private Limited free from all charges and encumbrances, along with any and all debts, liabilities, duties etc. and statutory licenses, permissions, approvals and consents of the India Debt Management Private Limited. The remaining business of India Debt Management Private Limited, i.e. the business of the India Debt Management Private Limited excluding credit business, shall continue with the India Debt Management Private Limited following the completion of implementation of the Scheme. Upon the Scheme coming into effect, our Company shall issue and allot to the shareholders of India Debt Management Private Limited 94 (Ninety-four) fully paid-up 8% cumulative non convertible redeemable preference shares of ₹ 10 each of our Company for every 1 (One) fully paid-up equity share of ₹ 10 of India Debt Management Private Limited. Additionally, our Company has prayed for dispensation of the requirement to hold a shareholders' meeting, a meeting of the secured creditors and a meeting of the Un-Secured creditors in relation to the Scheme. Further, all employees of India Debt Management Private Limited engaged in or in relation to the credit business as on the effective date of the Scheme shall become employees of our Company.

ii. Our Company at their meeting held on October 28, 2016 has approved the demerger of "real estate lending business" of Reliance Capital Limited, our Promoter, into our Company with effect from the appointed date i.e. April 1, 2017, subject to receipt of requisite approvals. For further details, please refer to the chapter titled "***Material Developments***" on page 109.

12. Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Draft Shelf Prospectus.

13. For details of the outstanding borrowing of our Company, please refer to the chapter titled "***Financial Indebtedness***" on page 110.

14. **Phantom Stock Option Scheme 2015 ("Phantom Scheme")**

Phantom Stock Options issued under the Phantom Scheme are cash settled rights where the eligible employees are entitled to get cash compensation based on a formula linked to the fair market value of Equity Shares of our Company upon exercise of the Phantom Stock Options on a future date. The eligible employees receive grants of Phantom Stock Options over notional or hypothetical Equity Shares, whereby instead of becoming entitled to buy actual Equity Shares on vesting, they become entitled to a cash payment equivalent to appreciation in the value over the defined base price of Equity Shares.

The Phantom Scheme was approved by the Board of our Company on October 27, 2015 which has authorised the Nomination and Remuneration Committee to grant Phantom Stock Options to the Employees, from time to time in one or more tranches within the term of Phantom Scheme. Our Company undertakes an actuarial valuation under Accounting Standard 15 (AS15) by an independent valuer

As on the date of this Draft Shelf Prospectus the total number of options that have been granted are as follows:

No. of employees eligible	Options Granted	Price on date of Valuation (₹)	Strike price (₹)
12	5,79,400	100 per share	100 per share

OBJECTS OF THE ISSUE

Our Company proposes to utilise the funds which are being raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company ("***Net Proceeds***"), towards funding the following objects (collectively, referred to herein as the "***Objects***"):

1. For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of the Company;
2. General corporate purposes;

The Main Objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which our Company has been carrying on till date.

The details of the Proceeds of the Issue are set forth in the following table:

(₹ in lakhs)

Sr. No.	Description	Amount
1.	Gross Proceeds of the Issue	As per relevant Tranche Prospectus
2.	Issue Related Expenses	As per relevant Tranche Prospectus
3.	Net Proceeds	As per relevant Tranche Prospectus

Requirement of funds and Utilisation of Net Proceeds

The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds:

Sr. No.	Objects of the Fresh Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of the Company	At least 75%
2.	General Corporate Purposes*	Maximum of up to 25%
	Total	**100%**

**The Net Proceeds will be utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI Debt Regulations.*

The Net Proceeds will be utilised in accordance with statutory and regulatory requirements including requirements of NHB, RBI or any other applicable regulatory authority.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim Use of Proceeds

Our Board of Directors, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board shall monitor the utilization of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2016-17, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchanges.

Other Confirmation

In accordance with the SEBI Debt Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or for acquisitions of shares of any person who is a part of the same group as our Company or who is under the same management of our Company.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter.

Our Company confirms that it will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, directly or indirectly in the acquisition of any immovable property or acquisition of securities of any other body corporate.

Variation in terms of contract or objects

The Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Draft Shelf Prospectus is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013.

STATEMENT OF TAX BENEFITS

Statement of Possible Direct Tax Benefits available to Debenture Holder(s) of Reliance Home Finance Limited

The Board of Directors
Reliance Home Finance Limited
6th Floor, Reliance Centre,
Off. Western express highway, Santacruz (E),
Mumbai – 400 055,
Maharashtra, India

Dear Sirs,

We hereby report that the enclosed annexure states the possible tax benefits available to the Non Convertible Debenture Holder(s) of Reliance Home Finance Limited (the Company) under the Income-tax Act, 1961 presently in force in India. Several of these benefits are dependent on the Debenture Holder(s) fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Debenture Holder(s) to derive the tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives the Debenture Holder(s) would face in the future. The Debenture Holder(s) may or may not choose to fulfill such conditions.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- the Debenture Holder(s) will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met with

The contents of the enclosed annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities/ Courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We are not liable to any other person in respect of this statement.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Vijay Napawaliya
Partner
Membership No: 109859
Place: Mumbai
Date: November 10, 2016

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S)

Under the existing provisions of law, the following tax benefits, inter-alia, will be available to the Debenture Holder(s). The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The information given below lists out the possible benefits available to the Debenture Holder(s) of an Indian company in which public are substantially interested (Refer Section 2(18)(b)(B) of the I.T. Act.), in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the debenture.

The Debenture Holder is advised to consider in its own case, the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961

I. To the Resident Debenture Holder

1. Interest on NCD received by Debenture Holder(s) would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:

   (a) On any security issued by a company in a dematerialized form and is listed on any recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under (w.e.f. 01.06.2008).

   (b) In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family (HUF) Debenture Holder does not or is not likely to exceed ₹ 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.

   (c) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.

   (d) (i) When the resident Debenture Holder with Permanent Account Number (PAN) (not being company or a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax.

   To illustrate, as on 01.04.2016 -

   - the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is ₹ 2,50,000;
   - in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is ₹ 3,00,000; and
   - in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is ₹ 5,00,000 for Financial Year 2016- 17.

Further, section 87A provides a rebate of 100 percent of income-tax or an amount of ₹ 5,000 whichever is less to a resident individual whose total income does not exceed ₹ 500,000.

(ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.

(iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.

3. As per the provisions of section 2(29A) of the IT Act, read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

   As per section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.

   However as per the third proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds issued by the Government. Accordingly, long term capital gains arising to the Debenture Holder(s), would be subject to tax at the rate of 10%, computed without indexation, as the benefit of indexation of cost of acquisition is not available in case of debentures.

   In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

4. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 3 above would also apply to such short term capital gains.

5. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising there from are generally treated as capital gains or business income, as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para V below) and hold such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

6. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any

could be carried forward for eight years for claiming set-off against subsequent years short-term as well as long-term capital gains. Long-term capital loss (other than the long-term capital assets whose gains are exempt under Section 10(38) of the I.T. Act) suffered during the year is allowed to be set-off only against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

II. To the Non Resident Debenture Holder

1. A Non-Resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:

   (a) Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

   (b) Under section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein.

   (c) Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

   (d) Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

2. In accordance with and subject to the provisions of section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,

   (a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.

   (b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act

3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E, and normal tax rates for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian.

4. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years short-term as well as long-term capital gains. Long-term capital loss suffered (other than the long-term capital assets

whose gains are exempt under Section 10(38) of the I.T. Act) during the year is allowed to be set-off only against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years long-term capital gains.

5. The income tax deducted shall be increased by a surcharge as under:

   (a) In the case of non-resident Indian surcharge at the rate of 15 % of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds ₹1,00,00,000.

   (b) In case of foreign companies, where the income paid or likely to be paid exceeds ₹ 1,00,00,000 but does not exceed ₹10,00,00,000 a surcharge of 2% of such tax liability is payable and when such income paid or likely to be paid exceeds ₹ 10,00,00,000, surcharge at 5% of such tax is payable.

   Further, 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is also deductible.

6. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes (CBDT), in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the I.T. Act or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of Tax Residency Certificate (TRC) is a mandatory condition for availing benefits under any DTAA. Further, such non-resident investor would also be required to furnish Form 10F along-with TRC, if such TRC does not contain information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013.

7. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA of the I.T. Act.

8. Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising there from are generally treated as capital gains or business income, as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para V below) and hold such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

III. <u>To the Foreign Institutional Investors (FIIs)</u>

1. As per Section 2(14) of the I.T. Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.

2. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and education and secondary and higher education cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and education and secondary and higher education cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.

3. Income other than capital gains arising out of debentures is taxable at 20% in accordance with and subject to the provisions of Section 115AD.

4. Section 194LD in the I.T. Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company between June 1, 2013 and June 1, 2017 provided such rate does not exceed the rate as may be notified by the Government (Refer Notification No. 56/2013 [F.No.149/81/2013-TPL]/SO 2311(E), dated 29-7-2013. As per the said Notification, in case of bonds issued on or after the 1st day of July, 2010, the rate of interest shall not exceed 500 basis points (bps) over the Base Rate of State Bank of India applicable on the date of issue of the said bonds).

5. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.

6. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

7. The provisions at para II (4, 5, 6 and 7) above would also apply to FIIs.

IV. To the Other Eligible Institutions

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the I.T. Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the I.T. Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. General Anti-Avoidance Rule (GAAR)

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee where the main purpose of the arrangement is to obtain a tax benefit may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be interalia denial of tax benefit, applicable w.e.f. FY 2017-18. The GAAR provisions can be said to be not applicable in certain circumstances viz. where the main purpose of arrangement is not to obtain a tax benefit etc. Including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

The CBDT has issued Notification dated 22nd June 2016 to clarify the law on the retrospective applicability of the anti-avoidance GAAR rule. The Notification has amended Rule 10U(1)(d) to provide that GAAR will not apply to income earned/received by any person from transfer of investments made before 1st April 2017. Earlier, this date was 30th August 2010. Rule 10U(2) also has been amended to provide that GAAR will apply to any arrangement, irrespective of the date it has been entered into, if tax benefit is obtained on or after 1st April 2017. Earlier, this date was 1st April 2015.

VI. Exemption under Sections 54EC and 54F of the I.T. Act

1. Under section 54EC of the I. T. Act, long term capital gains arising to the Debenture Holder(s) on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, the amount of exemption with respect to the investment made in the aforesaid notified bonds during the financial year in which the debentures are transferred and the subsequent financial year, should not exceed ₹50 lakhs. Where the benefit of section 54EC of the I.T. Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the I.T. Act.

2. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of a residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

   This exemption is available, subject to the condition that the Debenture Holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Debenture Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

3. As per provisions of Section 54EE inserted by the Finance Act 2016, long term capital gains arising to the Debenture Holder(s) on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified units within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced.

   However, if the said notified units are transferred within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the units are transferred. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid notified units during the financial year in which the debentures are transferred and the subsequent financial year, should not exceed ₹ 50 lakhs.

VII. Requirement to furnish PAN under the I.T. Act

1. Sec.139A(5A)

   Section 139A(5A) requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.

2. Sec.206AA

   (a) Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB (deductee) to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:

      (i) at the rate specified in the relevant provision of the I.T. Act; or

      (ii) at the rate or rates in force; or

      (iii) at the rate of twenty per cent.

   (b) A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.

   (c) Where a wrong PAN is provided, it will be regarded as non furnishing of PAN and Para (a) above will apply apart from penal consequences.

(d) As per the Finance Act 2016, with effect from June 1 2016, the provisions of section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of:

(e) Payment of interest on long-term bonds as referred to in section 194LC; and

(f) Payment in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, subject to fulfilment of conditions specified vide Notification no. 53/2016 dated 24th June 2016.

VIII. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(vii) of the I.T. Act, where an Individual or Hindu Undivided Family receives debentures from any person on or after 1st October, 2009:

(i) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

(ii) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration;

shall be taxable as the income of the recipient at the normal rates of tax However, this provision would not apply to any receipt:

a. From any relative; or

b. On the occasion of the marriage of the individual; or

c. Under a will or by way of inheritance; or

d. In contemplation of death of the payer or donor, as the case may be; or

e. From any local authority as defined in Section 10(20) of the I.T. Act; or

f. From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Section 10(23C); or

g. From any trust or institution registered under section 12AA.

IX. Where the Debenture Holder is a person located in a Notified Jurisdictional Area (NJA) under section 94A of the I.T. Act

Where the Debenture Holder is a person located in a NJA (at present, Cyprus has been notified as NJA - Notification No. 86/2013, dated 1 November, 2013 published in Official Gazette through SO 4625 GI/13), as per the provisions of section 94A of the I.T. Act -

- All parties to such transactions shall be treated as associated enterprises under section 92A of the I.T. Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, benchmarking, etc.

- No deduction in respect of any payment made to any financial institution in a NJA shall be allowed under the I.T. Act unless the assessee furnishes an authorisation in the prescribed form authorizing the CBDT or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution (Section 94A(3)(a) read with Rule 21AC and Form 10FC).

- No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in a NJA shall be allowed under the I. T. Act unless the

assessee maintains such documents and furnishes such information as may be prescribed (Section 94A(3)(b) read with Rule 21AC).

- If any assessee receives any sum from any person located in a NJA, then the onus is on the assessee to satisfactorily explain the source of such money in the hands of such person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assessee (Section 94A(4)).

- Any sum payable to a person located in a NJA shall be liable for withholding tax at the highest of the following rates:

  (i) at the rate or rates in force;

  (ii) at the rate specified in the relevant provision of the I.T. Act; or

  (iii) at the rate of thirty per cent.

An official level meeting between India and Cyprus took place in New Delhi on 28 and 29 June, 2016, to finalize the new India Cyprus Double Taxation Avoidance Agreement, wherein all pending issues, including taxation of capital gains, were discussed, and in-principle agreement was reached on all pending issues. It was agreed that India will consider rescinding the said notification with effect from 1st November, 2013, and will be initiating the process for the same. Both sides expressed satisfaction with the progress achieved in the meeting, and hoped that it would lead to resolution of all pending matters at the earliest.

Notes

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.

2. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2017-18 (considering the amendments made by Finance Act, 2016).

4. Further, several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.

5. This statement is intended only to provide general information to the Debenture Holder(s) and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.

6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.

8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty.

9. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act.

10. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not

be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV-ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this chapter has been extracted from publicly available documents, including officially prepared materials from the Government of India and its various ministries, trade, industry or general publications and other third party sources as cited in this chapter including CRISIL Research, Retail Finance - Housing – Annual Review – August 2016 ("CRISIL Housing Finance Report"), Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. The information may not be consistent with other information compiled by third parties within or outside India. The information may not be consistent with other information compiled by third parties within or outside India. While we have exercised reasonable care in compiling and reproducing such official, industry, market and other data in this document, it has not been independently verified by us or any of our advisors, or any of the Lead Managers or any of their advisors, and should not be relied on as if it had been so verified. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions, which may prove to be incorrect. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in the Draft Prospectus. Accordingly, investment decisions should not be based on such information. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions, which may prove to be incorrect. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in the Draft Prospectus. Accordingly, investment decisions should not be based on such information.

Disclaimer of CRISIL Research for their report Retail Finance - Housing – Annual Review – August 2016

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Overview of the Indian Economy

GDP and Disposable Income

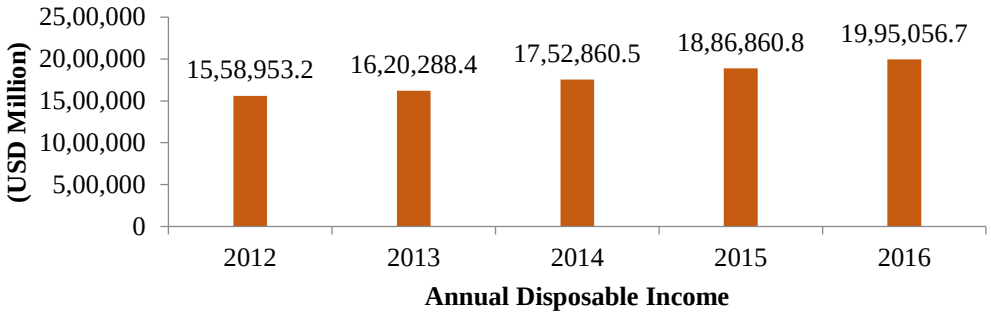
India's GDP will continue to expand at the fastest pace among major economies, with growth forecast at 7.6 percent in 2016–17. Large terms-of-trade gains, positive policy actions, structural reforms—including the introduction of an important tax reform and formalization of the inflation-targeting framework—and improved confidence are expected to support consumer demand and investment. *(Source: The International Monetary Fund's World Economic Outlook as of October 2016)* The following table represents a comparison by calendar year of real GDP growth rates of certain countries:

(%)

Country	2011	2012	2013	2014	2015	2016P	2017P	2021P
Australia			2.1	2.7	2.4	2.9	3.1	2.8
Brazil	3.9	1.9	3.0	0.1	(3.8)	(3.3)	0.5	2.0
China	9.5	7.9	7.8	7.3	6.9	6.6	6.2	5.8
India	**6.6**	**5.6**	**6.6**	**7.2**	**7.6**	**7.6**	**7.6**	**8.1**
Japan	(0.5)	1.7	1.4	0.0	0.5	0.5	0.6	0.6
Russian Fed.	4.0	3.5	1.3	0.7	(3.7)	(0.8)	1.1	1.5
United Kingdom	1.5	1.3	1.9	3.1	2.2	1.8	1.1	1.9
United States	1.6	2.2	1.7	2.4	2.6	1.6	2.2	1.6

Note: Years refer to calendar years; data for 2016, 2017 and 2021 are projections (Source: The International Monetary Fund's World Economic Outlook as of October 2016)

Despite an overall slowdown in India's rate of GDP growth since 2011, per capita GDP in India nevertheless grew from an estimated US$5,500 in 2013 to an estimated US$6,300 in 2015. *(Source: CIA Factbook)* India's aggregate annual disposable income has been on the rise in recent years. The following graph illustrates the growth of India's aggregate annual disposable income from 2012 to 2016:

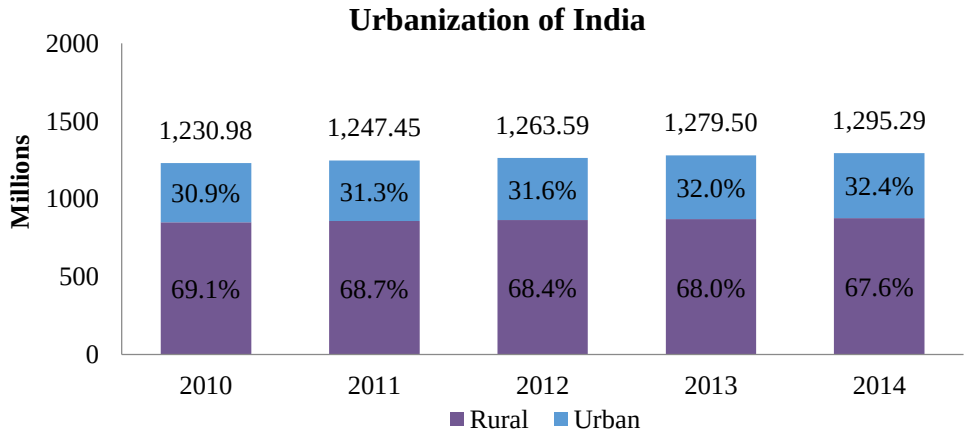


(Source: Euromonitor International India Country Factfile (www.euromonitor.com/india/country-factfile))

Investors' perceptions of India improved in early 2014, due to a reduction of the current account deficit and expectations of post-election economic reform, resulting in a surge of inbound capital flows and stabilization of the rupee. *(Source: CIA Factbook)* GDP growth picked up in the year 2014-2015, rising 7.3% on top of a growth of 6.9% in the year 2013-2014. The firming up of GDP growth in the year 2014-2015 was driven mainly by private consumption and supported by fixed investment, even as government consumption and net exports slackened considerably. *(Source: RBI's Annual Report 2014-2015)*

Population

India had an estimated population of 1.251 billion in 2015. Approximately 67.3% and 32.7% of the entire population in India in 2015 lived in rural and urban areas, respectively. The estimated rate of urbanization in India is 2.38% between 2011 and 2015. *(Source: CIA Factbook)* The outlook for India's long-term growth is moderately positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. The median age of its population is only 27.3 years as of 2015. *(Source: CIA Factbook)* The following graph sets out the breakdown of India's population between rural and urban areas for the years 2010 to 2014:



(Source: World Bank data files)

Indian Housing Finance Industry

Reserve Bank of India's (RBI) serious effort to contain inflation has given good reason for cheer to home buyers. Over last five years, the home loan rate has come down by almost 70 bps and the newly implemented marginal cost of funds-based lending rate (MCLR) system will also ensure rate cuts pass on to end-consumers. Lower interest rates will boost disbursements. Low interest rates and rising income levels will improve debt-servicing capability of buyers, making them eligible for higher loan amounts.

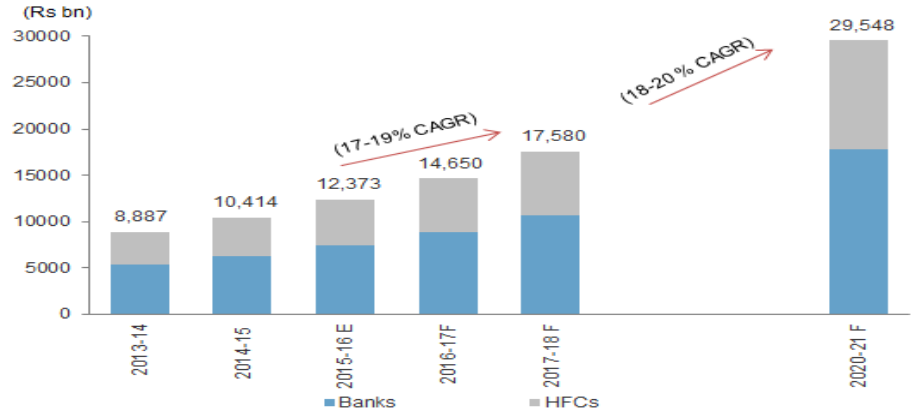
CRISIL Research expects overall disbursements to record 17-19% CAGR growth over next five years, supported by increase in loan-to-value (LTV) ratio and average ticket size. We expect housing financing companies (HFC)

to maintain their market share, even when banks turn aggressive, riding on HFCs' better data availability, greater focus on home loans, strong origination skills and relatively superior customer service.

Disbursement & outstanding growth

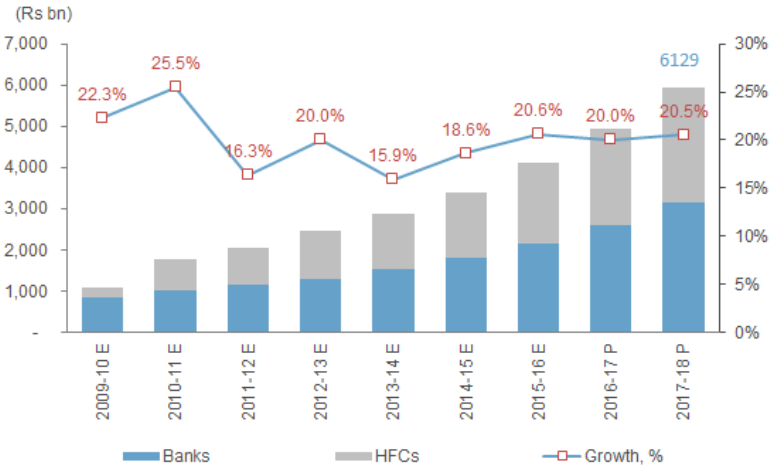
CRISIL Research expects home loan disbursements to record five-year CAGR of 17-19% to reach Rs 9.1 trillion by 2020-21, aided by higher finance penetration, higher loan ticket sizes and demand for affordable housing (*Source: CRISIL Housing Finance Report, August 2016).*

The following graph illustrates the growth of India's outstanding housing finance loans from the year 2011-2012 to the year 2019-2020:



Note: Data includes banks and HFCs, retail loans.
(Source: CRISIL Housing Finance Report, August 2016)

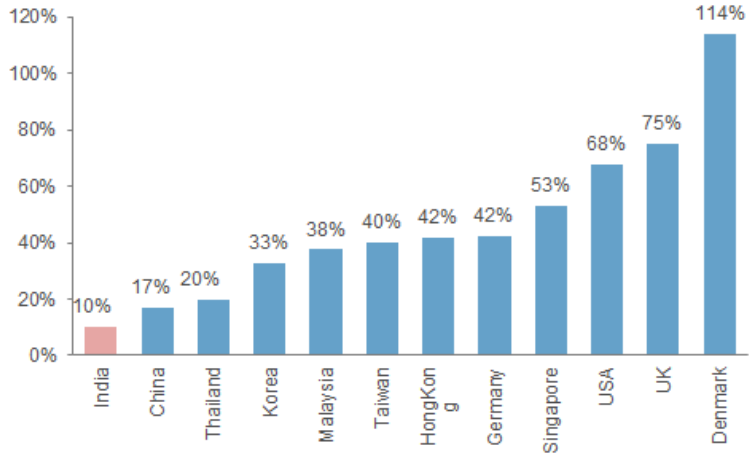
CRISIL Research expects the retail housing finance outstanding loan portfolio to expand at 19-21% CAGR over next two years (FY2015-16 to 2017-18), as disposable incomes rise, prices stabilise in major markets and interest rates decline. (*Source: CRISIL Housing Finance Report, August 2016).* CRISIL Research estimates that home loan disbursements by banks and housing finance companies (HFC) rose by close to 21% on-year in 2015-16. Demand for individual home loans went up despite high residential prices in major cities as consumer optimism increased post the general elections. Higher transaction volumes in Tier-II and Tier-III (non-metro) cities, growth in disposable income and fiscal incentives on housing loans along with more options in the affordable housing segment aided robust off-take. (*Source: CRISIL Housing Finance Report, August 2016)*



Note: Data includes banks and HFCs, retail loans.
(Source: CRISIL Housing Finance Report, August 2016)

India's mortgage-to-GDP ratio is still low at 10% in 2015-16 compared with other developing countries but it has improved from 7.4% in 2009-10 given rising incomes, improving affordability, growing urbanisation, including emergence of tier-II and tier-III cities, evolution of the nuclear family concept, ease of financing, tax incentives, and widening reach of financiers.

The following graph shows the mortgage penetration (as percentage of GDP) for certain countries:



Note: India data for FY16, Other countries data for CY14
(Source*: **European Mortgage Federation, HOFINET,** CRISIL Housing Finance Report, August 2016)*

Based on CRISIL Research's analysis, mortgage penetration levels in India are 9-11 years behind other regional emerging markets such as China and Thailand. However, due to various structural drivers such as a young population, smaller family sizes, urbanisation and rising income levels, it believes growth rates in the mortgage segment should remain healthy over the long term.

MCLR scheme will cap interest rate and improve disbursements

The Reserve Bank of India (RBI) has implemented the marginal cost of funds-based lending rate (MCLR) scheme effective from April 1, 2016 which forces banks and HFCs to pass the benefit of lower cost of borrowing to customers. Following that guideline, interest rates on home loans has come down by 10-15 bps from March 2016 to April 2016.

Amid rising gross income levels, declining interest rates will lower equated monthly installments (EMI) on home loans, making borrowers eligible for higher loan amounts. This will, in turn, enable buyers to purchase higher-priced homes or increase the loan-to-value (LTV) on loans, thereby enhancing average ticket size of home loan disbursements.

Thrust on affordable housing to boost disbursements

The recent push by the government to provide 'Housing for All' by 2022 and various steps taken to implement the same, are expected to boost sales of affordable and low-cost housing units and consequently, financing for the same. Some key steps taken by RBI:

- In December 2012, RBI had allowed housing finance companies (and real estate developers) who met certain criteria in terms of paid-up capital, net owned funds, non-performing assets, etc., to raise external commercial borrowings (ECB) to fund affordable housing projects.

- In June 2013, the RBI created a sub-category within the commercial real estate (CRE) segment - the residential housing (CRE-RH) segment, which includes loans to builders/developers. The new segment would be allocated lower risk weight of 75% for calculation of capital adequacy ratio (CAR) compared with 100% for the CRE segment.

- In July 2014, RBI permitted banks to raise long-term infrastructure bonds for funding affordable housing and infrastructure projects. These bonds would be exempt from mandatory norms such as cash reserve ratio and statutory liquidity ratio.

- In October 2015, RBI reduced risk weights applicable for affordable housing loans for CAR calculation. This is likely to lower capital requirements of financiers and lead to lower interest rates on these loans.

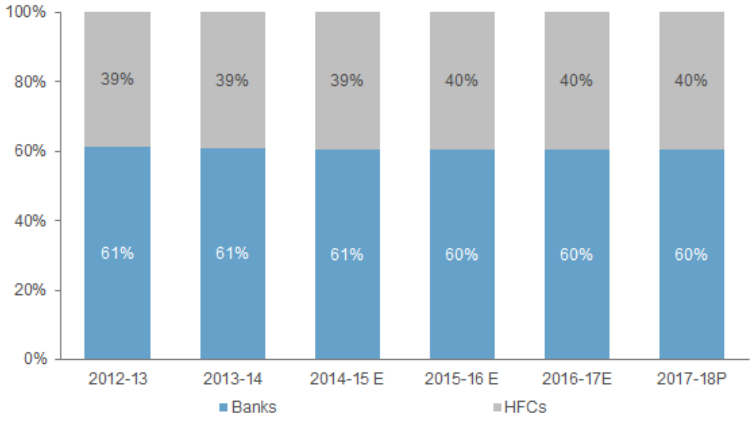
Housing Finance Companies

Housing finance is the second-largest loan portfolio for NBFCs after infrastructure. Several NBFCs have shifted focus to secured lending after the global slowdown in 2008-09, due to high delinquencies witnessed in the Un-Secured loan portfolio. This is evidenced by the formation of full-fledged housing finance divisions by a large number of players, between 2007 and 2009. Focus on secured assets (mortgage and loan against property (LAP) helped de-risk loan books and resulted in continuous improvement in asset quality. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI) also helped in securing loans in case of defaults.

Share of HFCs to remain steady over next two years

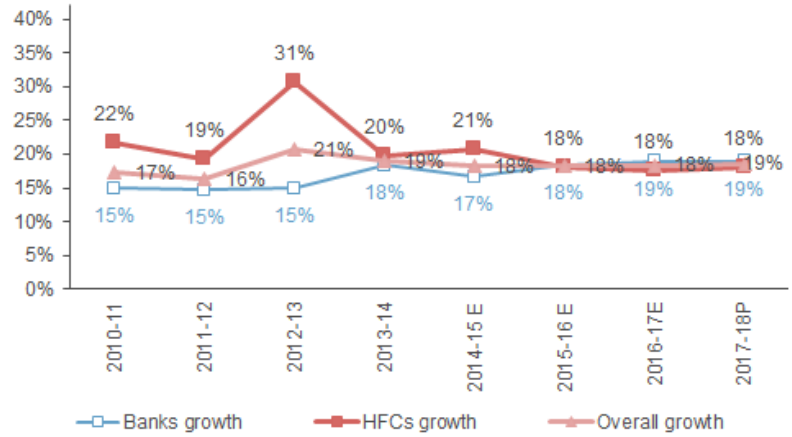
Banks currently have lion's share in housing loan outstanding (60% as of 2015-16). However, the share of HFCs has increased steadily from 39% to 40% over past three years. Even though HFCs are likely to get more aggressive, their share is likely to remain stable, as banks too have become aggressive in retail segment due to asset quality issues in corporate loans.

The following graph illustrates the market share of HFCs vs Banks in India's housing finance industry:



(Source: CRISIL Housing Finance Report, August 2016)

While banks have traditionally competed on interest rates, we believe that HFCs' specialised focus on home loans makes them attractive. Over past few years, robust growth in outstanding loans enabled HFCs to significantly enhance their market share. However, with the recent slowdown in corporate credit, banks are aggressively focusing and competing with HFCs; so, over next two years, we expect HFC and banks to register somewhat similar loan growth. *(Source: CRISIL Housing Finance Report, August 2016)*

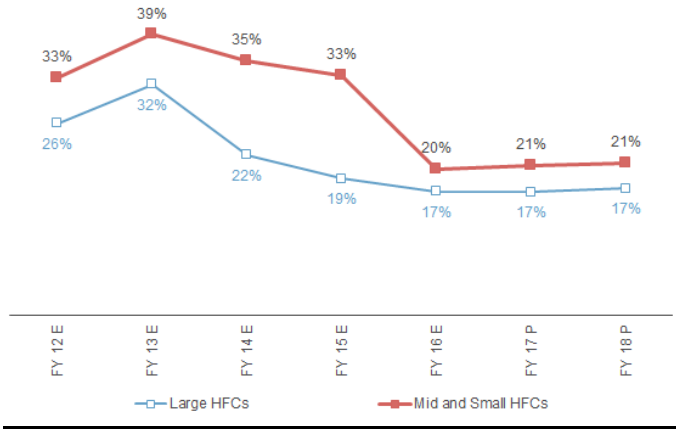


(Source: CRISIL Housing Finance Report, August 2016)

However, with the recent slowdown in corporate credit, banks are aggressively focusing and competing with HFCs so, over next two years, CRISIL Research expects HFC and banks to register somewhat similar loan growth.

Recently, there have been concerns about the renewed aggression shown by banks in the home loan market given their aggressive pricing on the other hand, shows that room for banks to turn more aggressive on pricing without affecting profitability is limited. Moreover, with HFCs recently accessing non-bank sources of funds (along with easing of bond yields) their competitiveness on 'cost of funds' versus banks had improved. On non-pricing factors, CRISIL Research believes HFCs could continue to retain an upper hand given their specialisation. Thus, overall CRISIL Research believes HFCs would remain competitive in the mortgage market and the share is expected to remain stable. *(Source: CRISIL Housing Finance Report, August 2016)*

Most mid-size HFCs are increasing their focus on sub-Rs 2.5 million loans, as they are able to earn 150-200 basis points by selling their loan portfolio to banks (which helps banks meet their priority sector lending targets). Moreover, the sale of this loan portfolio takes place within a period of one year, which helps in resource mobilisation.

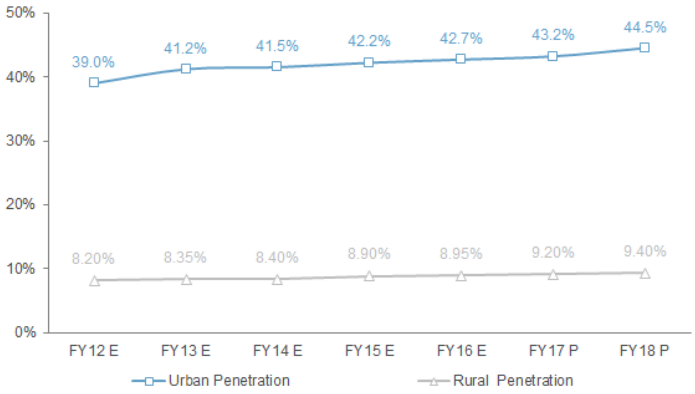


(Source: CRISIL Housing Finance Report, August 2016)

Geographic growth

Focus on Tier-II and Tier-III Cities and rural areas

Increase in finance penetration is also expected to support the industry's growth. Rising demand for housing from tier -II and tier-III cities, and subsequent surge in construction activity have resulted in greater focus of financiers on these geographies. Consequently, finance penetration in urban areas is estimated to have increased to 42.7% in 2015-16 from an estimated 39% in 2011-12 in urban areas, and to 8.95% from 8.20% during the same period in rural areas. Boosted by the affordable housing push and rising competition in higher ticket size loans, CRISIL Research expects finance penetration to increase to 44.5% in urban areas and to 9.4% in rural areas by 2017-18. Rural areas are also likely to witness considerable improvement in finance penetration, led by the government's efforts to provide housing for all. However, operational challenges such as timely collection of payments, lower ticket sizes and higher delinquencies in comparison with the urban markets will pose headwinds to rural expansion.

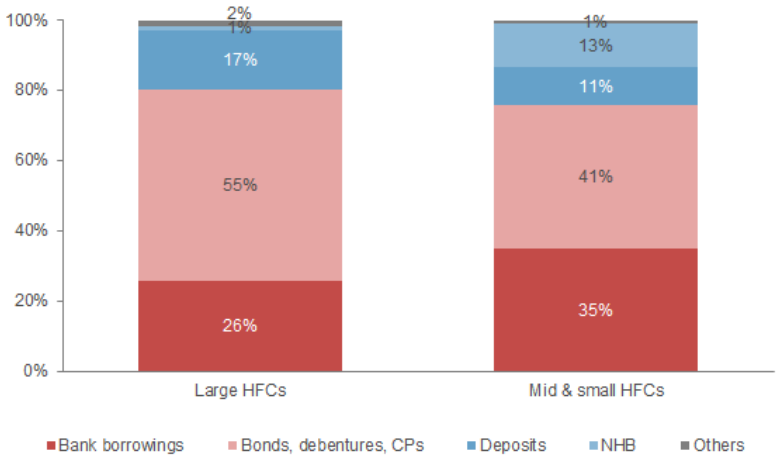


(Source: CRISIL Housing Finance Report, August 2016)

Profitability Analysis

HFCs' cost of funds is declining

HFCs do not have access to low-cost deposits, i.e., like CASA (current account savings account) deposits of banks; hence, their cost of funds is always higher than banks. HFCs also do not have the flexibility to transfer the increase in cost of funds to customers. Therefore, managing their cost of funds is vital for them to be competitive in this space.

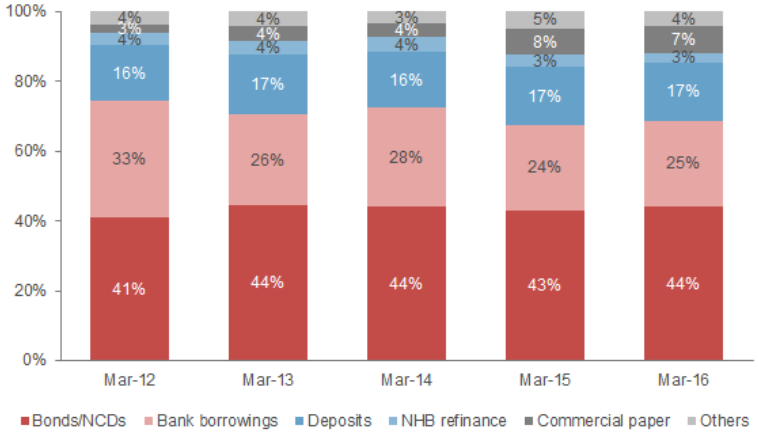


Note: Large HFCs aggregate include financials of HDFC, DHFL, LIC and IBHFL Housing Finance;
Mid-sized and small HFCs aggregate include financials of Can Fin Homes, GIC Housing Finance, REPCO Home Finance, TATA Capital Housing Finance, Aspire, AU Housing, GRUH Finance, Ind Bank Housing Finance, Mahindra Rural Housing Finance, MAS Rural Housing and Mortgage Finance, Micro Housing Finance Corporation, PNB Housing Finance Reliance Home Finance, Religare Housing, Sahara Housing Finance Corporation, Shriram Housing Finance and Sundaram BNP Paribas Home Finance

Source: NHB, CRISIL Research, Company Report

Large HFCs have better access to the debt market, given their size and the parentage, making it easier for them to mobilise resources. But during a lower interest rate regime, where the difference between the bond yields and bank rate converges, these large HFCs could again increase their funding from banks.

On the other hand, mid-sized and small HFCs incur higher borrowing costs, given their limited ability to tap the bond market: These HFCs have greater reliance on bank borrowings and refinancing from NHB, which runs various schemes under which it refinances banks and HFCs. Most of these schemes are formulated to encourage lending in semi-urban and rural areas, and the periphery of urban areas where ticket sizes are generally low. Given the design of the schemes, mid-sized and small HFCs have been the disproportionate beneficiaries of low-cost funds released by NHB. Also, they aid in reducing asset-liability mismatches on their balance sheets and eventually reduce the cost of borrowings.



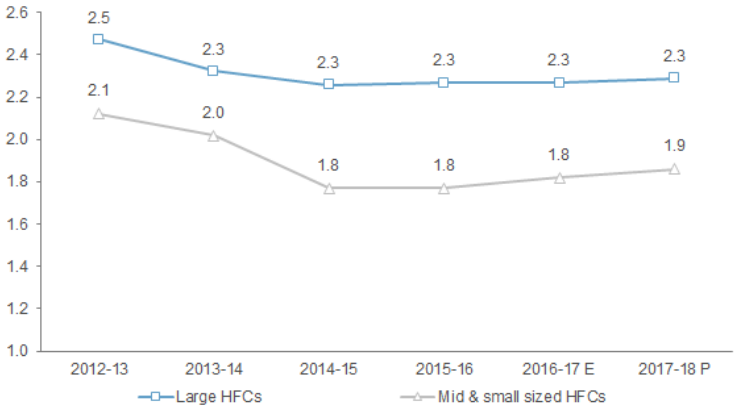
(Source: CRISIL Housing Finance Report, August 2016)

CRISIL Research believes that the players' access to funds will improve, as the government and the RBI have announced several measures to ensure adequate funding. Also, the new MCLR scheme has clearly reduced the borrowing costs. CRISIL Research has seen that the bank borrowing for housing loans has declined by 10-15 bps, since the banks have adopted the new MCLR scheme from the previous base-rate system. It is important to note that over the past few years, players too have begun to adjust their funding mix in a proportion that optimises costs.

Return on assets to remain range bound

Return on assets (RoAs), an indicator of financial performance, has remained stable during 2015-16 after the lackluster performance in 2014-15. The RoAs of mid-sized and small companies are lower due to their higher operating cost (as they are aggressively increasing their reach in tier-II and tier-III cities) and higher credit cost. On the other hand, large HFCs are better in terms of expenses management. In the cut-throat competition to gain customers, these HFCs are either waiving off the processing fee or charging a minuscule fee, resulting in lower fee income. CRISIL Research expects the RoA for mid and small HFCs to remain range bound in 2016-17 and 2017-18, as financiers are incurring higher operating and stable credit costs. Also as HFCs are acquainting themselves with better technology and are following a stringent credit monitoring system, this will protect any downside in their profitability.

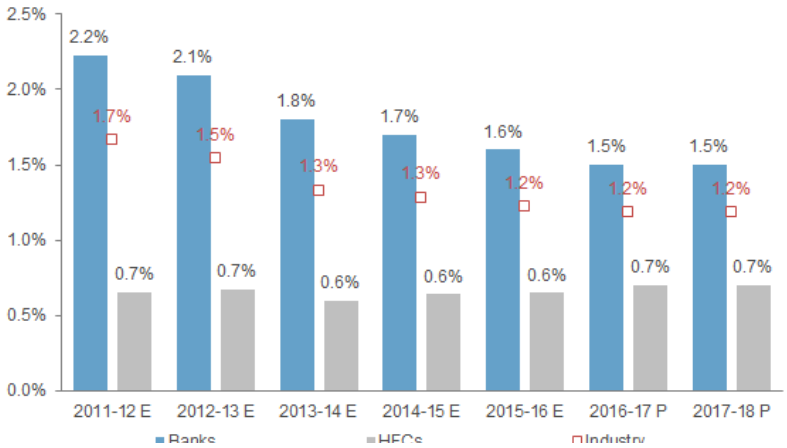
Trend in RoAs



Aggregate for large HFCs include financials of Housing Development Finance Corporation, Dewan Housing Finance Corporation, LIC Housing Finance and Indiabulls Housing Finance Aggregate for mid-sized and small HFCs include financials of Can Fin Homes, GIC Housing Finance, REPCO Home Finance, PNB Housing Finance, GRUH Finance, Mahindra Rural Housing and Mortgage Finance, Shriram Housing Finance and Sundaram BNP Paribas (Source: CRISIL Housing Finance Report, August 2016)

Asset quality in housing loan portfolio to show marginally uptick in next two-years

As demand for home loans largely comes from first-time buyers, asset quality in this segment has remained low historically. Non-performing assets (NPAs) of financiers improved in last two-years because of adequate appraisal systems and effective recovery mechanisms as well as better availability of information (CIBIL data). However, seasoning in the portfolios of rapidly growing HFCs, many of which are focused on the self-employed customers, there could be an increase in delinquencies in that segment. Asset quality in non-individual segment will also need to be closely monitored, given the pressure on real-estate developers. NPAs are likely to show marginal uptick but remain healthy over the next two-years but expected to decline in long-term, led by economic recovery, lower interest rates, better control, system checks, follow-ups and an expected improvement in job security. The following graph illustrates the group wise asset quality:



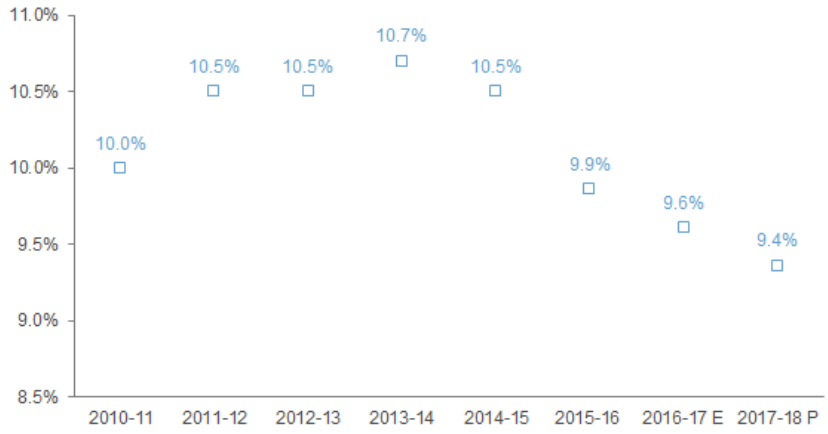
(Source: CRISIL Housing Finance Report, August 2016)

Market Trends

MCLR regime to keep home loan rates in the sweet spot for the next two years

The introduction of marginal cost of fund-based lending rate (MCLR) scheme has ensured that the lenders pass on the rate-cut benefit to consumers. Since the implementation of the scheme (on April 1, 2016), CRISIL Research believes it has seen that the average interest rate on housing loans has come down by 10-15 bps until June 2016, and CRISIL Research expects this trend to continue, as banks pass on the benefit from repricing their deposits. CRISIL Research expects a 25 bps further rate cut by the Reserve Bank of India (RBI) in this fiscal year; the rate cut will have a substantial effect on lending rates.

Average home loan rate



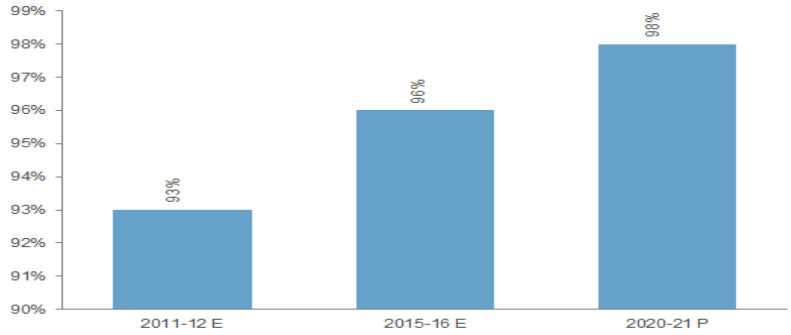
(Source: CRISIL Housing Finance Report, August 2016)

Share of floating interest rate loans to increase

Financiers offer two types of home loans to customers - fixed rate and floating rate. Fixed rate loans are typically priced higher than floating rate loans, due to the higher interest rate risk. Given the long-term nature of housing loans and medium-term nature of the financiers' liabilities, financiers prefer to lend at floating rates, as it allows them to reset interest rates when their cost of funds increases.

The proportion of floating rate loans has been increasing since 2005-06, primarily due to an indirect push from financiers by way of higher spreads between fixed rate loans and floating rate loans; in some cases, the spread was as wide as 275 bps. After 2009-10, despite rising interest rates, borrowers opted for floating rate loans in anticipation of a reduction/stabilisation of rates in the later years. With the interest rate cycle on a downtrend, and expectations of a further softening, CRISIL Research expects the proportion of floating interest rate loans to inch up.

Proportion of floating loans

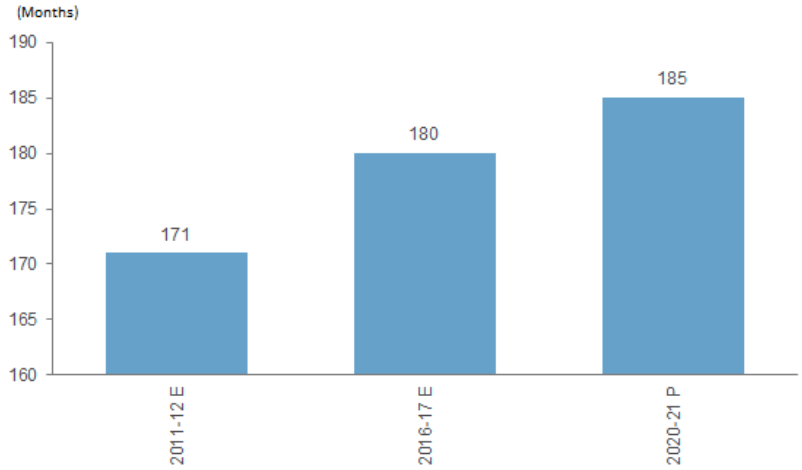


(Source: CRISIL Housing Finance Report, August 2016)

Average contractual tenure of loans is rising

The average contractual tenure of home loans is projected to increase to 185 months by 2020-21, from the current 180 months. With the rise in property prices and the declining average age of borrowers, financiers have the comfort of increasing the loan tenures.

Average contractual tenure

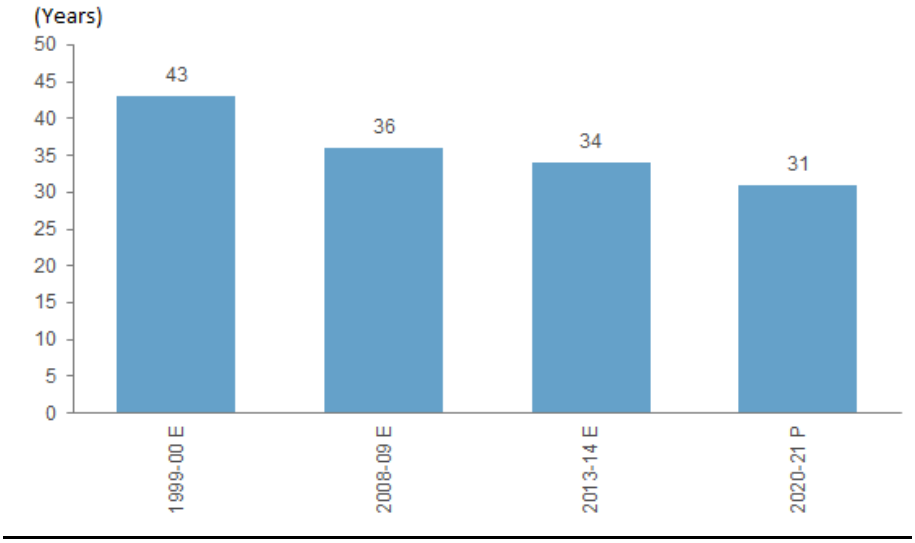


(Source: CRISIL Housing Finance Report, August 2016)

Average age of borrowers to continue to decline

The average age of the borrower has been declining over the years and was estimated at 33-35 years in 2015-16. CRISIL Research expects the average age of the borrower to decline further, encouraged by growth in salaries, people's growing preference for accumulating assets as a means of investment and for tax benefits.

Average age of borrowers



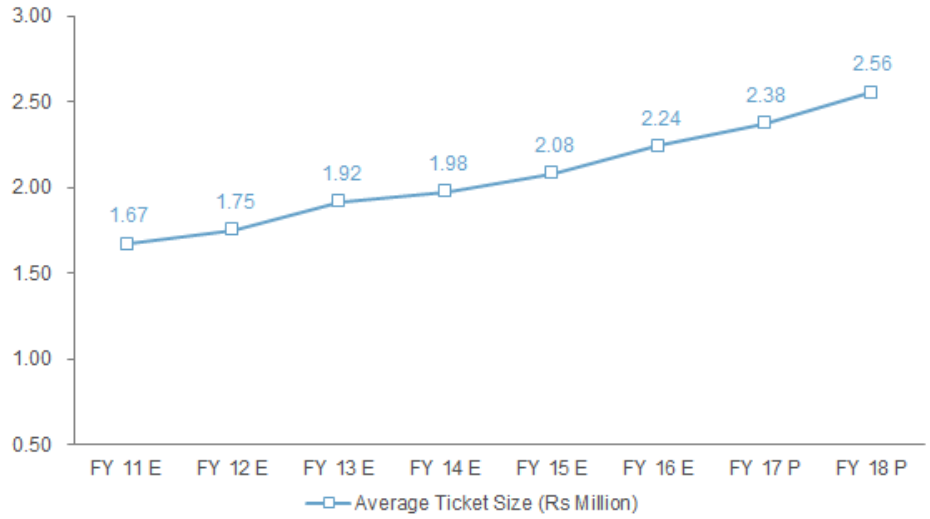
(Source: CRISIL Housing Finance Report, August 2016)

A large proportion of home loan borrowers belong to the salaried class. Between 1999-2000 and 2007-08, salaries are estimated to have increased at a higher rate than the rise in property prices, thereby increasing the affordability of new houses for individuals. Also, the growth rate in salaries has been higher for those in the younger age bracket than those who are close to retirement. This trend, coupled with tax incentives for interest and principal repayments, has prompted more young people to buy houses.

Key Growth Drivers for Housing Finance Industry

Higher ticket size of loans

As urban property prices rose rapidly over the years, the average ticket size for loans disbursed by housing finance companies also increased, fueling growth of the sector. In 2015-16, it is estimated that the average ticket size of loans grew 7-8% to Rs 2.24 million. While property prices in Mumbai, Hyderabad and Chandigarh stabilised, increasing urbanisation is pushing up prices in tier-II and tier-III cities.



Note: For the calculation of average ticket size aggregate financials of Housing Development Finance Corporation Limited, LIC Housing Finance Limited, Dewan Housing Finance Corporation Limited, Indiabulls Housing Finance Limited, REPCO Home Finance and Gruh Finance are considered
(Source: CRISIL Housing Finance Report, August 2016)

Urbanization

Despite a flourishing housing industry, India still faces a huge shortage of houses, especially in urban areas. The share of urban population rose steadily from 28.8% in 2004 to 31.8% in 2014. Though overall population growth slowed, urban population recorded a 2.8% CAGR over 2001 to 2011. CRISIL Research expects urbanisation to accelerate, translating into a CAGR of 2.0-2.5% in urban population between 2016 and 2021, compared with the overall population growth of 1.2% during the same period. This difference in growth rates implies the gap between urban and rural population will narrow.

Urbanisation has a twin impact on housing demand. On one side, it reduces the area per household, and on the other, there is a rise in the number of nuclear families, leading to the formation of more households.

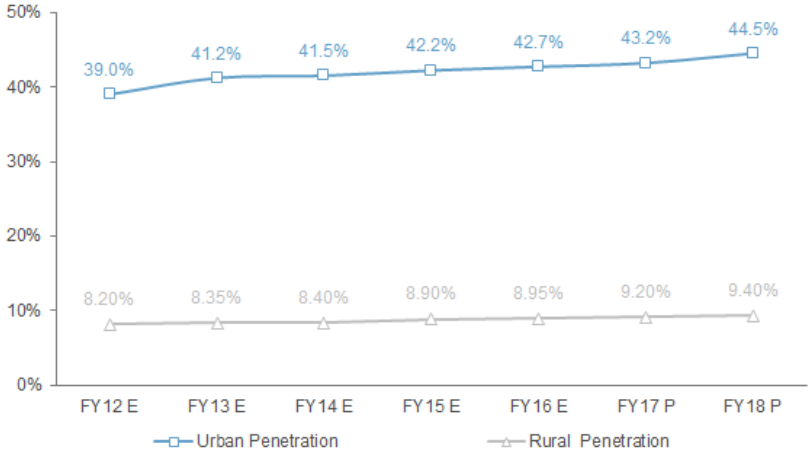
Rise in finance penetration to drive the industry

An increase in finance penetration is also expected to support the industry's growth. Rising demand for housing from tier-II and tier-III cities, and a subsequent surge in construction activity, have increased the focus of financiers on these geographies. Consequently, finance penetration in urban areas is estimated to have increased to 42.7% in 2015-16 from an estimated 39% in 2011-12.

Finance penetration in rural areas is estimated to have risen only slightly to 8.95% in 2015-16 from 8.20% in 2011-12. Boosted by the affordable housing push and rising competition in higher ticket size loans, CRISIL Research expects finance penetration to increase to 44.5% in urban areas and to 9.4% in rural areas by 2017-18.

Rural areas are also likely to witness considerable improvement in finance penetration, led by the government's efforts to provide housing for all. However, operational challenges, such as timely collection of payments, lower ticket sizes and higher delinquencies in comparison with the urban markets will pose headwinds to rural expansion.

Finance penetration in rural and urban areas



(Source: CRISIL Housing Finance Report, August 2016)

OUR BUSINESS

In this Chapter only, any reference to "we", "us", "our" or "our Company" refers to RHFL. Unless stated otherwise, the financial data in this chapter is as per our Reformatted Financial Statements and Audited Financial Results in accordance with Indian GAAP set forth elsewhere in this Draft Shelf Prospectus.

The following information should be read together with the more detailed financial and other information included in this Draft Shelf Prospectus, including the information contained in the chapter "***Risk Factors***" beginning on page 11.

Overview

We are a non deposit taking housing finance company registered with the NHB and focused on providing financing products for the LMI to HMI segment in India, primarily in Tier II and Tier III cities and towns and focused on the self-employed. We have been active in the housing finance sector in India since 2009.We are a wholly owned subsidiary of Reliance Capital Limited, the financial services Company of the Reliance Group.

Our Company was incorporated in 2008 and the entire home finance portfolio of Reliance Capital Limited was transferred to our Company. Our Company was registered as a non public deposit taking housing finance company with NHB on January 6, 2009 with Registration no. 02.0069.09. Our registration certificate was subsequently renewed on April 27, 2009 (with Registration No. 04.0074.09) due to the change in the name of the Company to "Reliance Home Finance Private Limited". Subsequently, upon the conversion of the Company from a private limited company to a public limited company registration certificate was renewed on July 16, 2012 (with Registration No. 07.0101.12). We offer Home Loans, which includes providing secured finance primarily to individuals, partnership firms and companies for the purchase, self-construction, improvement and extension of homes, new and resalable flats, against mortgage of the same property, which comprises 56.76% and 55.04% of our loan book, i.e. ₹ 4,48,662.17 lakhs and ₹ 3,71,661.66 lakhs as on September 30, 2016 and March 31, 2016, respectively. We also provide certain categories of non-housing loans including Loan Against property ("**LAP**"), which includes offering loans for business purposes or for the purchase of commercial property or for investment in asset, against mortgage of property of the borrower, which comprises 18.78% and 21.24% of our loan book, i.e. ₹ 1,48,439.02 lakhs and ₹ 1,43,422.06 lakhs, as on September 30, 2016 and March 31, 2016, respectively and construction finance, which includes offering loans to reputed developers for construction of residential projects, against mortgage of the same property and/or other collateral, which comprises 20.43% and 20.16% of our loan book, i.e. ₹ 1,61,525.48 lakhs and ₹ 1,36,112.44 lakhs, as on September 30, 2016 and March 31, 2016. We also undertake broking for purchase/ selling and/ or leasing of residential as well as commercial real estate. We also provide property valuation services for our loan business as well as to third parties and provide advisory services to real estate developers on debt syndication, fund raising through private equity, mergers and acquisitions and joint development of land.

We are part of the Reliance Group which is one of India's prominent private sector business houses serving over 2,500 lakh customers across telecommunications, power, financial services, infrastructure, media and entertainment, and healthcare sectors. Our Promoter, RCL has interests in asset management and mutual funds; life and general insurance; commercial finance; equities and commodities broking; wealth management services; distribution of financial products; asset reconstruction; proprietary investments and other activities in financial services. RCL is a constituent of CNX Nifty Junior and MSCI Global Small Cap Index and is listed on NSE and BSE.

We have a robust marketing and distribution network, with a presence across 100 locations through 43 branches, throughout India as at September 30, 2016. Our branches aim at providing a fast and seamless customer experience with emphasis on a single window interface for the customer.

As on September 30, 2016 and March 31, 2016 the outstanding loan book was ₹ 7,90,455.60 lakhs and ₹ 6,75,263.69 lakhs, respectively and our assets under management were ₹ 9,38,312.00 lakhs and ₹ 7,43,580.63 lakhs, respectively. As on September 30, 2016 and March 31, 2016 our gross NPAs as a percentage of our loan book was 1.48% and 0.97%, respectively.

For the half year ended September 30, 2016 and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012, our revenue from operations was ₹ 48,914.43 lakhs, ₹ 79,603.97 lakhs, ₹ 50,094.92 lakhs, ₹ 42,282.48 lakhs and ₹ 35,596.69 lakhs, respectively, and our profit after tax was, ₹ 4,184.68 lakhs, ₹ 8,675.69 lakhs, ₹ 6.906.32 lakhs, ₹ 4,338.90 lakhs, ₹ 2,748.27 lakhs and ₹ 2,645.33 lakhs, respectively. Our revenue from operations and profit

after tax grew at a CAGR of 17.46 and 26.81, respectively, over the five fiscal years ended March 31, 2016.

Key Strengths

We believe that following key credit strengths will enable us to maintain a conservative risk profile while taking advantage of what we believe to be significant opportunities for growth.

1. Established presence in the Self Employed Segment

The Company was established in 2008 with the main objective to provide loans to satisfy the housing needs of the Self-Employed (LMI to HMI) segment and salaried segment. Through our focus on the Self-Employed (LMI to HMI) segment, we have evolved our loan sourcing expertise over a period, to identify the needs of customers in this segment and estimate their income and repayment capabilities, credit worthiness of a customer is assessed through different methodologies based on the customers' key business parameters like type of business, turnover and cash flow. We have developed a suite of products that caters to all segments with a focus on the aforementioned segment in various geographical territories of India.

We believe that our experience shows our ability to identify opportunities of housing finance demand, particularly in the Self-Employed (LMI to HMI) segment, and to meet such demand with flexible products to suit our customers' needs. In addition, we believe that our years of experience have also established strong customer awareness and loyalty to our brand and contributed to new and repeat business *via* word-of-mouth marketing. We believe that we have effectively established a uniform brand identity across a broad spectrum of consumer touch points, from corporate stationary to outdoor advertising. Further, we focus on customer centric way of doing business, where the focus is to provide the customer a positive experience before and after the sale, in order to drive repeat business, customer loyalty and profits. Other than providing loan services, we provide a bouquet of other services including identification of suitable property to valuation advise etc., depending on specific needs of the customer.

We believe that our focus on, and experience working with, the aforementioned segment provides us with a significant competitive advantage in an area of the market that we expect to continue to grow and aligns us with the expected general economic and population growth trends and the GoI's focus on improving the economic situation of this segment of the population.

2. Healthy asset quality reinforced by strong risk management framework

Our Company has developed a robust Risk Management Framework covering all types of risks incidental to its business. Our Company recognizes the importance of identifying and controlling risks and ensuring that required internal controls and procedures have been established by adopting a structured approach to identify current and future potential risks to organization. Risk Management Committee of the Board has the overall responsibility to monitor and manage enterprise-wide risk. The primary risk to our business i.e. 'Credit Risk' is managed through a well-defined product policy programs reviewed annually or as and when the market condition changes and there is a need to re-align the product guidelines. Our Company endeavours to maintain quality loan portfolios by targeting a particular segment of the larger market, and having a comprehensive risk assessment process and diligent risk remediation procedures. Our Company places emphasis on risk management measures to ensure an appropriate balance between risk and return and have taken steps to implement robust and comprehensive policies and procedures to identify, measure, monitor and manage risk. Our risk management procedure in the loan approval process begins at sourcing stage where our sales team which can be Direct Sales Agency, Direct Sales Executive or an RHFL Sales Team Member where we conduct initial interviews. Loan appraisal is done by the underwriting team independent of the policy team with good experience of various geographies and expertise in financial analysis. The credit underwriting team assesses key documents and we also conduct mandatory due diligence on KYC of the customers. Our legal or empaneled legal team conducts the Due Diligence on Legal Aspects of the Property and prepares relevant loan documentation while our technical or empaneled technical operations team will conduct site visits to examine the structure of property and prepare valuations. If all necessary criteria are met, the loan will be approved for disbursement. The approval Authorities (Credit Authority Delegation) are conferred on the Credit Team after they clear the CAD tests conducted by Credit Policy Team. Risk Containment Unit manages the fraud risk and is an independent function. All the files are screened for fraud check and documents are sampled based on various triggers. Loan monitoring is a continuous process and is done by an independent team. The Company has an enterprise risk management team which monitors the various risks like credit, market, operational, information security risk and reputational risk at an overall level. The company has constituted various committees as sub-committee of the Risk Management Committee to oversee the

management of various risks mentioned above.

3. Strong growth opportunity supported by Government critical policy agenda

The launch of 'Pradhan Mantri Awas Yojana' or the 'Housing-For-All by 2022' mission in 2015 has come at the right time to boost the real estate and housing finance industry by creating an enabling and supportive environment for expanding credit flow and increasing home ownership. This scheme of the Govt. of India has sought to create an enabling and supportive environment for expanding credit flow and increasing home ownership in India and has introduced Credit Linked Subsidy Scheme ('***CLSS'***) whose target group, is low-income group (LIG) and economically weaker sections (EWS) segments. The scheme provides for a subsidy element for economically weaker sections EWS and LIG individuals who were keen to purchase homes or flats for the first time and having an annual income of ₹ 3.00 lakh and ₹ 6.00 lakh, respectively. Further the Real Estate Regulation Authority bill to ensure transparency and accountability of all involved parties has been a great booster to Indian buyers. This affordable Housing segment has generated interest in most of the HFCs including our Company. We have launched various innovative products to capture larger share in low income group segment including the Star Home Loan to LIG salaried and self-employed segment.

Also incorporation of Central Registry of Securitisation Asset Reconstruction and Security Interest of India has proved to be an important factor for development of Housing Finance Sector.

4. Established brand and parentage

RCL is one of India's prominent financial services organization which has interests in asset management and mutual funds; life and general insurance; commercial finance; equities and commodities broking; wealth management services; distribution of financial products; asset reconstruction; proprietary investments and other activities in financial services.

We draw upon a range of resources from RCL such as information technology and infrastructure. We leverage RCL's experience in the various facets of the financial services sector which allows us to understand market trends and mechanics and helps us in designing our products to suit the requirements of our target customer base as well as to address opportunities that arise out of changes in market trends. We believe that by leveraging on the existing relationships and synergies with RCL and the Reliance group we will be able to further expand the size of our loan book, launch new products and build scale. We further believe that the relationships that Reliance Group has developed provides us instant brand recognition.

5. Strong Management Team and Corporate Governance

The Company has an experienced Board that oversees and guides our strategy and operations. Our Board has constituted several Board committees including the Risk Management Committee, the NCD Committee, the Audit Committee, the Stakeholders' Relationship Committee, the Corporate Responsibility Committee, and the Nomination and Remuneration Committee for timely decision-making and to ensure effective governance. Our directors include individuals experienced in a wide range of subjects relevant to our business including banking, finance, corporate law, insurance law and real estate. Similarly, the members of our experienced management team and our employees share our common vision of excellence in execution and exhibit a diverse set of backgrounds with substantial experience including credit evaluation, technical evaluation, risk management, treasury, technology and marketing. The diversity of experience helps us adapt a creative and cross-functional approach. For further details on our Board, refer to the chapter titled "***Our Management***" on page 95.

Our strict adherence to regulatory and supervisory norms, systems-driven framework of supervisory committees and a diligent Board are a few examples of how the culture, policies and relationships reflect our strong corporate governance. Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

Our Business Strategy

Our objective is to continue to service the needs of the Self Employed (LMI to HMI) segment while growing profitability and increasing shareholder value by pursuing and executing the following business strategies:

1. Engage in competitive loan pricing and customize and cross-sell products and services to attract more customers

We seek to participate actively in the market through competitive offering both from the products and pricing perspective. Even though the Self Employed (LMI to HMI) segment will continue to be our primary target markets, we seek to achieve higher growth and a diversified portfolio by providing access to our services to the broader population. This will also help us to optimally utilize our wide distribution network that encompasses the largest metro cities to Tier II and Tier III cities and towns.

We seek to continue to introduce, customize and cross-sell new and existing products and services. We specially design our products and services to suit the needs of varied customer segments. We have developed a wide range of housing-related loans designed to cater to a variety of customers depending on demand and needs. In addition, in order to cater to larger potential customer base, other than housing loans we offer loan against property loans, secured SME loan products and property services.

We will also continue to cross-sell products and services in order to increase our fee-based income. We propose to offer Property services generating additional fee-based income will help increase profitability and provide additional opportunities for customer interaction.

2. Maintain strong asset quality and earnings growth

Maintaining high asset quality is of prime focus for us, and all our products, policies and processes are designed keeping this at the centre. We follow a 'Product Program Guideline' (PPG) approach. This guideline describes in detail everything about the product – the rationale for launching the product, the target market, target segments, lending norms, exposure limits, sourcing norms, credit appraisal norms, review triggers etc. We follow a process of centralised, image based data capturing and de-centralised, localised credit assessment. This ensures appropriate business sourcing suitable for relevant markets, and also ensures acceptable asset quality is maintained. We have developed appropriate credit appraisal skills in our in-house credit teams to ensure we are able to cater to our chosen preferred segment of self-employed customers. All our business processes are standardised, documented, audited and ISO 9001 certified. There are maker-checker controls at all stages of all the key processes. This ensures delivery of a uniform customer service experience across locations, as well as keeping operational risks in check. We have instituted a robust portfolio review and monitoring system which keeps track of the portfolio health. Our net NPAs as a percentage of outstanding loans were 1.18%, 0.74%, 0.81%, 1.29%, 0.93%, and 1.14% as at September 30, 2016 and March 31, 2016, 2015, 2014, 2013 and 2012, respectively. Our revenue from operations has grown at a CAGR of 17.46% from fiscal 2012 to 2016 and our net profit before tax grew at a CAGR of 26.81% during the same period. We believe we can continue to maintain strong asset quality appropriate to the loan portfolio composition, while achieving steady earnings growth, through our disciplined risk management strategies and because of our controlled cost of funding.

3. Grow Our Product Reach

We have developed a deep understanding of the needs of varied customers belonging to organized as well as unorganized sector of income generation for the purchase of Residential dwelling units. We have also established our expertise in cash flow based underwriting of self-employed segment. We intend to utilise this understanding to provide tailor-made products to our customers made to suit their specific needs. In addition to housing loans, for catering to the large self-employed professionals (MSME segment) we offer products like, SME Secured Business Loans (SME Loans), Loan against property (LAP), Loans to Builders / Developers in the form of Construction Finance / Working Capital loan etc. aggregative financial inclusion loans (under service provider model) as well as property valuation and advisory services. We also provide additional opportunities for customer interaction and at the discretion of customer we offer insurance products of RNLIC & RGIC. We can leverage our expertise in targeting self-employed (MSME and SME) customers both for loan and non-loan products and can bundle our services to provide our customers a complete housing solution at one stop.

4. Focus on strengthening our branding

We have been undertaking advertising on above the line mediums like newspaper advertisements, billboard advertisements, participation in property exhibitions, participation knowledge series on tv channels etc. We also actively do below the line activities like loan mela at Project / Builder site, market place activities. We intend to increase brand recall of our products through strategic branding initiatives, including through the use of social media and consumer engagement programs. The marketing expenses were ₹ 805.00 lakhs and ₹ 1,365.65 lakhs,

or 1.60% and 1.68% of our total revenues for half year ended September 30, 2016 and the Fiscal Year 2016, respectively, and we intend to increase this proportion in the future.

Key Operational and Financial Parameters for the last three Fiscal Years

(₹ in Lakhs)

Parameters	Fiscal Year 2015-16*	Fiscal Year 2014-15*	Fiscal Year 2013-14*
Net worth	57,027.74	49,826.67	43,893.38
Total Debt	6,54,830.02	4,42,190.75	3,02,051.34
of which			
- Non-Current Maturities of Long Term Borrowing	4,61,900.60	2,82,398.02	2,16,922.86
- Short Term Borrowing	76,829.56	81,551.73	20,763.12
- Current Maturities of Long Term Borrowing	1,16,099.86	78,241.00	64,365.36
Net Fixed Assets	4,431.40	3,945.30	8.60
Non-Current Assets (Excluding Fixed Assets& Non-current portion of Cash & Bank Balances)	1,427.10	558.96	361.47
Cash and Bank Balances (Including Non-current portion)	72,709.33	35,513.22	24,225.69
Current Investments	7,347.65	-	32,000.00
Current Assets (Excluding Cash and Bank Balances current portion & Current Investments)	4,746.33	3,816.87	3,003.82
Current Liabilities (Excluding Short term borrowing, Current Maturities of Long Term Borrowing & Matured Deposits and Interest thereon)	47,854.63	56,118.33	23,467.30
Assets Under Management (including Securitised and Assignment Portion)	7,42,030.12	5,84,129.12	3,86,005.12
Off Balance Sheet Assets	68,316.94	75,733.79	73,651.25
Interest Income (Including Treasury Income)	73,739.37	44,180.19	38,918.55
Interest Expense	47,456.97	29,784.83	26,864.46
Provisioning & Write-offs	1,586.49	1,349.99	1,388.88
PAT	8,675.69	6,906.32	4,338.90
Gross NPA (%) **	0.97%	1.04%	1.66%
Net NPA (%) ***	0.74%	0.81%	1.29%
Tier I Capital Adequacy Ratio (%)	10.51%	11.10%	14.56%
Tier II Capital Adequacy Ratio (%)	5.83%	4.07%	5.84%

* Figures are rounded off to nearest ₹ in Lacs

** Gross NPA % = Gross NPA / (Assets Under Management – Off Balance Sheet Assets) or (Gross NPA/ Gross Loans & Advances)

*** Net NPA % = (Gross NPA – NPA Provision) / (Assets Under Management – Off Balance Sheet Assets – NPA Provision) or (Net NPA/ Net Loans & Advances)

Gross Debt-Equity Ratio of the Company

Parameters	
Before Issue of the Debt Securities (In Times)	11.48
After Issue of the Debt Securities (In Times) #	14.99

Assuming the Shelf Limit will be fully subscribed and there is no other change in our shareholders' funds, long and short term debt subsequent to March 31, 2016, except the issue of 2,50,00,000 Equity Shares to our Promoter on October 28, 2016.

Our Products and Services

We are a housing finance company with a focus on providing housing finance and related products for the underserved majority, primarily through home loans provided to the LMI to HMI segment in India, primarily in Tier II and Tier III cities and towns. We provide secured finance primarily to individuals (self-employed), partnership firms and companies for the purchase, self-construction, improvement and extension of homes, new and resalable flats, commercial properties and plots. We also provide certain categories of non-housing loans.

Loan Products

We offer a wide range of products primarily for loans related to residential properties to a variety of customers depending on demand and needs. The actual loan amount for each loan is function of various factors including but not limited to the property value, repayment capacity, age, educational qualifications, stability and continuity of

income, number of dependents, co-applicant's income, assets, liabilities and historical savings habits, past loan records through CIBIL reports, banking behaviour and debt servicing pattern. Our Company has developed an in-house 'Application Score Card' for home loan customers. Before on-boarding every home loan customer an Application Score is generated and depending on the score, the loan eligibility is determined.

Loans are generally repaid in EMI, the size of the EMI depends on the segment within which the borrower falls within LMI to HMI segment in India, primarily in Tier II and Tier III cities and towns, on the quantum of loan, interest rate and tenure of loan. We also offer a payment scheme for home loan seekers who are due for retirement within the term of the loan and have applied jointly with an eligible younger co-applicant. Moreover, we also have a provision for allowing clubbing of income of multiple applicants with different ages and different income levels to determine the loan eligibility. Our loans vary in tenure, though most loans are generally not extended beyond the borrower's retirement age or 60 years (65 years for self-employed individuals), whichever is earlier. Prepayment of the loan, ahead of the contracted schedule in part or full, is permitted. Our retail prime lending rate of as at September 30, 2016 was 18.00%.

All loans disbursed by us are secured by equitable mortgages, registered mortgages of the property and assets financed assignments of life insurance policies, personal guarantees, and undertakings to create a security and/or hypothecation of assets.

We offer the following housing loan products:

Loan Product	Purpose	Amount	Tenure
Housing Loans	Purchase of a built-up or under construction home	The following percentage of the market value of property could be financed: • Up to ₹ 28 lakhs – up to 90% of the market value of the property; • From ₹ 28 lakhs to ₹ 75 lakhs – up to 80% of the market value of the property; and • Above ₹ 75 lakhs – up to 75% of the market value of the property.	From 3 years to 30 years
Home improvement loans	Home renovation and repainting for existing home loan customer	• 20% of the Market value of the property prior to the improvement. Combined LTV should not exceed LTVs as mentioned below: Up to ₹ 28 lakhs – up to 90% of the market value of the property; From ₹ 28 lakhs to ₹ 75 lakhs – up to 80% of the market value of the property; and Above ₹ 75 lakhs – up to 75% of the market value of the property.	Co-terminus with parent loan, Tenor for Parent Loan varies from 3years to 30 years
Home extension loans	Extension of the existing accommodations	• 50% of the Market Value of the Property before Extension Estimates. Combined LTV should not exceed Combined LTV should not exceed LTVs as mentioned below: Up to ₹ 28 lakhs – up to 90% of the market value of the property; From ₹ 28 lakhs to ₹ 75 lakhs – up to 80% of the market value of the property; and Above ₹ 75 lakhs – up to 75% of the market value of the property.	Co-terminus with parent loan Tenor for Parent Loan varies from 3years to 30 years
Home loans for self-employed customers	To meet housing needs of self-employed professionals and non-professionals such as retailers, small scale business men, doctors, architects, chartered accountants, etc.	• Up to ₹ 28 lakhs – up to 90% of the market value of the property; • From ₹ 28 lakhs to ₹ 75 lakhs – up to 80% of the market value of the property; and • Above ₹ 75 lakhs – up to 75% of the market value of the property.	From 3 years to 30 years

Loan Product	Purpose	Amount	Tenure
Self Construction & Plot + Constructions Loans	Purchase of non-agricultural plot land situated within municipal/local development authority limits and construction loans, construction of a home	• Plot LTV – 75% on Market Value (Subject to 80% on COP) • Construction LTV – 100% of the construction cost • Combined LTV not to exceed 80% of the total COP for loans till ₹ 75 lakhs and will not exceed 75%of of the total COP for loans above ₹ 75 lakhs.	From 3 years to 20 years
NRI Home Loans	Purchase, construction, improvement, plot purchase, composite loan and extension of residential properties in India by Non Resident Indians ("**NRIs**")	• Up to ₹ 28 lakhs – up to 85% of the market value of the property; • From ₹ 28 lakhs to ₹ 75 lakhs – up to 75% of the market value of the property; and • Above ₹ 75 lakhs – up to 70% of the market value of the property.	From 3 years to 15 years
Home loan balance transfer	Transfer of customers' existing home loans obtained from other providers to the Company	• 100% of customer's balance loan subject to Loan to value ratio based on Loan product categories.	From 3 years to 30 years

Other Loan Products

We also offer other loan products including the following:

Loan Products	Purpose	Amount	Tenure
Loans against property	Loans against mortgage of customers' residential or commercial property availed for working capital and other business needs and construction of residential projects	Up to 70% of the Market Value depending upon the nature of the occupancy of the property whether residential/ Commercial/ Self Occupied/ Industrial.	From 3 to 15 years. The term does not extend beyond the retirement age of a customer or 60 years (65 years for self-employed individuals), whichever is earlier
Loan for Purchase of Commercial Property	Loans for Purchase of Commercial Properties such as Shop, Office, Showroom etc.	Upto 65% of the Market Value.	From 3 to 15 years. The term does not extend beyond the retirement age of a customer or 60 years (65 years for self-employed individuals), whichever is earlier
Project Loans	Offered to companies, partnership firms etc. to finance construction of residential and commercial complexes and disbursed in instalments benchmarked against a schedule of construction progress.	Up to amounts determined on the basis of the maximum shortfall in cash flow for a project until completion. Min – ₹ 200 lakh Max – ₹ 5,000 lakh	From one to Five years with a suitable moratorium period for the implementation of the project

SME Loans	Purpose	Amount	Tenure
Property term loans	Loans to SMEs to finance working capital and business expansion requirements	Up to ₹ 1,000lakhs	Up to 10 years
Loans to Educational Institutes	Loans against Institutional / Commercial Properties occupied by Educational Institutes for construction / working capital purpose	Up to ₹ 2,000 lakhs	Up to 7 years
Hospital Infrastructure Loan	Loan for acquisition of Medical equipment+ Loan against property to Hospitals for capex / working capital purpose	Up to ₹ 1,000 lakhs	Up to 7 years
Infra Working	Loans to meet the Working Capital needs of	Up to ₹ 5,000 lakhs	Up to 10 years

SME Loans	Purpose	Amount	Tenure
Capital Loans	enterprises involved in developing Infrastructure.		
Loans to MFIs	Loan against book debts / receivables of selected portfolio / loan for on-lending to create portfolio of identified customer segment	Up to ₹ 2,000 lakhs	Up to 4 years
Loans to NBFC	Loan against book debts / receivables of selected portfolio / loan for on-lending to create portfolio of identified customer segment	Up to ₹ 2,000 lakhs	Up to 4 years

Other Products and Services

We also operate in fee-based verticals that complement our core business. By cross-selling various products, including offering broking services, to our customers and third parties, we retain our present customer base and generate additional fee-based income resulting in higher returns.

Broking Services

We offer broking services for both residential and commercial properties on a fee basis. Our experienced property personnel advise customers through various stages involved in acquiring, selling off or leasing a property. We provide our customers access to a large database of properties, with extensive listings to aid and assist in their search for a property.

We also enter into tie-ups with reputed builders and developers to promote and market their projects.

Valuation and Consulting Services

We provide high-quality valuations that help clients make informed real estate decisions. We provide valuation and consulting services through a group of experienced professionals, providing appraisal and consulting services to a broad-based local and national clientele. We understand the clients' requirements of assessing the viability of potential acquisitions, reviewing performance of existing assets/portfolios and offer valuation, appraisal and due diligence advice.

Investments and Alliances services

We also provide advisory services to real estate developers on debt syndication, fund raising through private equity, mergers and acquisitions and joint development of land.

Loan Operations

Loan sanctions during the fiscal year ended March 31, 2016 were ₹ 6,53,290.51 lakhs as against ₹ 5,38,520.44 lakhs in the previous fiscal year, representing a growth of 21.31%. Loan sanctions during the half year ended September 30, 2016 stood were ₹ 5,11,644.08 lakhs.

Loan disbursements during the fiscal year ended March 31, 2016 were ₹ 3,82,766.42 lakhs as against ₹ 3,56,210.07 lakhs in the previous fiscal year, representing a growth of 7.46%. Loan disbursements during the half year ended September 30, 2016 stood were ₹ 3,34,233.49 lakhs.

The table below sets out our loan sanctions and disbursements for the past five fiscal years and half year ended September 30, 2016.

(₹in Lakhs)

Particulars	For half year ended September 30, 2016	For the fiscal year ended March 31,				
		2016	2015	2014	2013	2012
Sanctions	5,11,644.08	6,53,290.51	5,38,520.44	3,02,973.73	2,47,935.39	2,33,324.53
Disbursements	3,34,233.49	38,27,66.42	3,56,210.07	2,07,223.03	1,62,010.75	1,45,800.29

In value terms, our loan sanctions have grown at a CAGR of 22.87% and disbursements have witnessed a CAGR of 21.29% over the last five fiscal years ended March 31, 2016. Housing loans made up 77.19% and 75.20%of our loan book as on September 30, 2016 and as on March 31, 2016.

The following table sets out our total loans by principal categories and principal categories as a percentage of

total loans as at March 31, 2016, 2015, 2014, 2013 and 2012.

(in ₹ lakhs, except percentages)

Description	As at March 31,									
	2016		2015		2014		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Home Loan	3,71,661.66	55.04	2,45,501.31	48.17	1,76,997.52	56.45	1,80,300.98	65.44	2,08,476.38	87.42
Loan Against Property	1,43,422.06	21.24	1,09,281.22	21.44	56,757.17	18.10	40,903.58	14.85	3,556.02	1.49
Construction Finance	1,36,112.44	20.16	1,08,241.11	21.24	79,777.50	25.44	54,319.65	19.72	26,439.71	11.09
Others	24,067.53	3.56	46,581.06	9.14	-	-	-	-	-	-
Total	**6,75,263.69**	**100.00**	**5,09,604.70**	**100.00**	**3,13,532.19**	**100.00**	**2,75,524.21**	**100.00**	**2,38,472.11**	**100.00**

Further, the break-up of our total loans by principal categories and principal categories as a percentage of total loans as at September 30, 2016 was:

(in ₹ lakhs, except percentages)

Description	As at September 30, 2016	
	Amount	%
Home Loan	4,48,662.17	56.76
Loan Against Property	1,48,439.02	18.78
Construction Finance	1,61,525.48	20.43
Others	31,828.93	4.03
Total	7,90,455.60	100.00

Funding Sources

We strive to maintain diverse sources of funds in order to reduce our funding costs maintain adequate interest margins and achieve liquidity goals. The following table sets out our sources of funding and their respective percentages of our total funding as at September 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012:

(₹ in lakhs)

Source of funding	As at September 30, 2016	As at March 31,				
		2016	2015	2014	2013	2012
Term Loan	4,78,549.55	4,97,070.98	3,03,206.97	2,36,103.24	2,14,244.92	2,05,490.89
Non Convertible Debentures	1,13,883.46	80,929.47	57,432.05	45,184.97	20,400.00	-
Commercial Papers	1,85,266.87	49,381.76	71,944.08	20,755.76	2,441.67	4,431.25
Cash Credit	14,997.16	27,447.81	9,607.65	7.36	-	-
Total	**7,92,697.04**	**6,54,830.02**	**4,42,190.75**	**3,02,051.34**	**2,37,086.59**	**2,09,922.14**

The table below sets forth the amount and weighted average cost of our borrowings as at March 31, 2016, 2015, 2014, 2013 and 2012.

(₹ in lakhs)

Funding source	Borrowings as at									
	March 31, 2016		March 31, 2015		March 31, 2014		March 31, 2013		March 31, 2012	
	₹ in lakhs	Borrowing cost, %	₹ in lakhs	Borrowing cost, %	₹ in lakhs	Borrowing cost, %	₹ in lakhs	Borrowing cost, %	₹ in lakhs	Borrowing cost, %
Banks & financial institutions	5,24,518.79	10.09	3,12,814.62	10.80	2,36,110.60	11.11	2,14,244.92	11.59	2,05,490.89	11.21
Capital Markets	80,929.47	9.36	57,432.05	9.73	45,184.97	9.78	20,400.00	10.28	0	-
Others	49,381.76	8.25	71,944.08	8.91	20,755.76	9.66	2,441.67	9.56	4,431.25	9.05
Total	6,54,830.02	9.76	4,42,190.75	10.50	3,02,051.34	10.85	2,37,086.59	11.53	2,09,922.14	11.12

Further, the amount and weighted average cost of our borrowings as at September 30, 2016 is as follows:

Funding source	Borrowings as at September 30, 2016	
	₹ in lakhs	Borrowing cost, %
Banks & financial institutions	4,93,546.71	9.84
Capital Markets	1,13,883.46	8.95
Others	1,85,266.87	7.88

Funding source	Borrowings as at September 30, 2016	
	₹ in lakhs	Borrowing cost, %
Total / Weighted Average Cost	**7,92,697.04**	**9.41**

Credit Ratings

Our borrowings have received the following credit ratings as at September 30, 2016, which help us obtain debt financing at competitive rates of interest:

Nature of borrowing	Rating / Outlook			
	CARE	Brickwork	ICRA	CRISIL
Long Term Debt	CARE AA+	BWR AA+	-	-
Short Term Debt	-	-	A1+	A1+
Tier II Un-Secured Debt	CARE AA+	BWR AA+	-	-
Market linked Debentures	CARE PP-MLD AA+	-	-	-

For a discussion of certain risks relating to our funding and funding costs including losing our existing credit ratings, please refer to the chapter titled "***Risk Factors - Internal Risks and Risks Associated with our Business - We may not be able to secure the requisite amount of financing at competitive rates for our growth plans and to continue to gain undisrupted access to our funding sources, which could adversely affect our business, results of operations and financial condition***" on page 18.

Capital Adequacy

The Company is presently required by the NHB to maintain a minimum capital adequacy of 12.00%. The following table sets out our capital adequacy ratios as at September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012.

Particulars	As at September 30,	As at March 31,				
	2016	2016	2015	2014	2013	2012
Capital Adequacy Ratio	14.08%	16.34%	15.17%	20.40%	17.55%	14.22%

The Company's capital adequacy ratio was 14.08% and 16.34% as at September 30, 2016 and March 31, 2016, respectively, which we believe provides an adequate cushion to withstand business risks and exceeds the minimum requirement of 12.00% stipulated by the NHB. Our capital adequacy ratio is calculated in accordance with Indian GAAP.

Distribution Network

Our distribution network is designed to reach out to the Self Employed (LMI to HMI) segment and tap a growing potential customer base throughout India. We maintain a pan-India marketing and distribution network with a presence across 100 locations through 43 branches. Our distribution network in India is spread over Tier II and Tier III cities and towns. We believe our business model allows us to deliver improved turnover time and to improve customer satisfaction while maintaining asset quality.

Our distribution network includes direct selling teams i.e. teams that are employed with our group company and are working with us on a contract basis ("Direct Selling Teams/ DSTs"), DSAs and other business referral partners. Direct Selling Teams work under supervision of our employees and our payment for their services is a combination of fixed fee and variable commission based on the disbursement of loans sourced by them.

Sales, Marketing and Branding

While we offer loans to all market segments (self-employed and salaried), our core strength and focus lies in providing home finance to the "self-employed" customers, who form the backbone of our business, across the length and breadth of the country, and in future it will continue to increase in tier II and tier III cities of India. This forms our core marketing message as well – Making India Self-Reliant.

Our marketing and branding efforts are conducted by our in-house marketing and branding team which is responsible for the in-house product marketing and branding initiatives. We regularly conduct consumer research with the help of leading research agencies and regularly interact with our sales teams and channel partners to develop a strong understanding of the market and adapt to changing market dynamics. We also engage third party creative and

media marketing providers for conducting specialized activities which aid our marketing campaigns. We create visibility and customer awareness of the Company through DSAs, online sourcing platform providers, direct sourcing, channel partners, builder tie-ups and advertisements with the objective to build our brand, increase sales, create relevance at points of purchase and emerge as the point-of-first-recall.

We create brand awareness through various above-the-line and below-the-line initiatives like print campaigns, TV and radio programme sponsorships, outdoor advertising, digital advertising and dealer / builder meets. We also participate in 'Home Loan Melas / Property Exhibitions. We have also participated in knowledge series on property on channels like NDTV and Zee Business.

Provisioning, Write-Offs and Asset Recovery

Asset classification, Provisioning and Write-offs

The NHB Directions, 2010, stipulate requirements for HFCs for assessing the quality of their assets including preparation of financial statements. We follow the NHB Directions, 2010 for preparation of our financial statements in accordance with prudential norms prescribed by the NHB for the purpose of asset classifications. Provisions for contingencies have been made for diminution in investment value and on non-performing loans and other assets as per the prudential norms prescribed by the NHB. We also make certain additional provisions to meet unforeseen contingencies.

The following table is a summary of the risk classification of our aggregate loan portfolio (as a percentage of total outstanding loans) and our provision for probable losses as at March 31, 2016, 2015, 2014, 2013 and 2012.

(in ₹ lakhs, except percentages)

Particulars	As at March 31,									
	2016		2015		2014		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Standard	4,98,431.04	99.06	3,41,770.14	98.64	2,35,300.55	98.14	221,775.07	98.49	230,975.11	98.53
Sub Standard	2,097.99	0.42	1,705.84	0.49	2,187.76	0.91	872.45	0.39	2,084.79	0.89
Doubtful	2,631.65	0.52	3,013.16	0.87	2,264.24	0.94	2,537.38	1.13	1,356.55	0.58
Loss Assets	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total housing loans (A)	5,03,160.68	100.00	3,46,489.14	100.00	2,39,752.55	100.00	225,184.90	100.00	2,34,416.45	100.00
Standard	1,70,271.87	98.94	1,62,519.59	99.63	7,3022.92	98.97	50,334.53	99.99	4,050.87	99.88
Sub Standard	1,338.27	0.78	164.20	0.10	698.40	0.95	0	0.00	0	0.00
Doubtful	492.87	0.29	431.79	0.26	58.31	0.08	4.79	0.01	4.79	0.12
Loss Assets	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total other property (non-housing) loans (B)	1,72,103.01	100.00	1,63,115.58	100.00	7,37,79.63	100.00	50,339.32	100.00	4,055.66	100.00
Total loan book (A+B)	6,75,263.69		5,09,604.72		3,13,532.18		2,75,524.22		2,38,472.11	
Provisions	1,550.52		1,209.39		1,178.31		873.43		735.03	

Asset Recovery

Our asset recovery process starts with reminders to delinquent borrowers and proceeds to our taking appropriate legal action. Employees of the Company conduct the recovery process. We also engage outsourced collection agencies in a few markets. We place telephone calls to customers when loan repayments are one month overdue and also send written repayment demands when loan repayments are two to three months overdue. We make field visits right from when customers become overdue. We initiate actions under Section 138 of the Negotiable Instrument Act, 1881 on case to case basis. We also extensively take actions under the SARFAESI Act by issuing demand notices to defaulting borrowers and guarantors and give notice to anyone who has acquired any of the assets securing our loans, taking possession of the mortgaged properties in the defaulted loans and recovering the dues by disposal of assets in the open market.

Non-performing Assets

The following table sets forth details of our non-performing loans, defaulting loans and write-offs for loan losses as at September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012.

(in ₹ lakhs, except percentages)

Particulars	As at September 30,	As at March 31,				
	2016	2016	2015	2014	2013	2012
Gross NPAs	11,672.52	6,560.79	5,314.98	5,208.71	3,414.62	3,446.12
Total loans	7,90,455.60	6,75,263.69	5,09,604.71	3,13,532.18	2,75,524.22	2,38,472.11
Gross NPAs to total loans (%)	1.48%	0.97%	1.04%	1.66%	1.24%	1.45%
Provision for NPA and Doubtful Debts	2,383.81	1,550.52	1,209.38	1,178.31	873.43	735.03
Provision for NPA and Doubtful Debts to gross NPAs (%)	20.42%	23.63%	22.75%	22.62%	25.58%	21.33%
Net NPAs	9,288.71	5,010.27	4,105.60	4,030.40	2,541.19	2,711.09
Net NPAs to total loans (%)	1.18%	0.74%	0.81%	1.29%	0.93%	1.14%
Loans – written off	1,202.20	1,019.50	832.15	460.42	153.88	85.14

Loans are classified as non-performing if the default is greater than 90 days. We adhere to NHB Directions, 2010 on the classification of NPAs, and to provisioning guidelines, which require us to set aside a portion or the entire outstanding loan amount depending on the asset quality.

Risk Management

Our Company operates in dynamic environment, and given the markets we operate in, elements of risk are inherent. The Board of the Company recognizes the importance of identifying and controlling risks and ensuring that required internal controls and procedures have been established which are designed to safeguard assets and interests of the company, and ensuring the integrity of reporting. Risk management policy of the company facilitates proactive risk management, enhance understanding of all risks faced by our Company, facilitate the prioritization of risks and enhance the effectiveness of risk management activities.

Our Board of Directors has the responsibility for overseeing all risks associated with the activities of business, establish a strong internal control environment and risk framework that fulfils the expectations of stakeholders. Our Company has also established a Risk Management Committee to assist the Board in ensuring that appropriate risk management and internal control system is in place and for regularly reviewing the effectiveness of same. The Risk Management Committee consists of Mr. K. V. Srinivasan, Director, Mr. Ravindra Sudhalkar, CEO, Mr. Sandip Parikh, Mr. Krishnan Gopalakrishnan and Mr. Rajesh Ganorkar. Our Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Audit Committee and the Board. Risk Management Committee is responsible for monitoring the adherence to the risk policy and guidelines and reviewing the overall risk management system in light of changes in external and internal environment within which the Company operates. The Risk Management Committee meets on periodic (quarterly) basis.

Key risk categories for which Company would have policies & procedures in place include:

- Credit Risk
- Market Risk
- Operational Risk
- Fraud Risk
- Legal and Compliance Risk

Risk management process endeavours to identify, assess, monitor and report the risks in terms of above categories with any significant risk being reported to Risk Committee. Since the internal and external environment within which the Company operates is exposed to change continuously, the risk management process is kept sufficiently flexible to accommodate new situations as they arise.

For further details on the risk associated with our Risk Management operations, please refer to the chapter titled "***Risk Factors***" on page 11.

Over the last few years, Indian financial markets have witnessed wide-ranging changes. Greater competition has encouraged HFCs to develop new financial products and services. Interest rate structure has become more complex. Further, products like Interest Rate Swaps, Forward Rate Agreements etc. to hedge interest rate risk and change the profiles of assets and liabilities from fixed to floating and vice versa have become common in the market. These products have therefore given flexibility to HFCs to manage their assets and liabilities as per their interest rate view and alter their risk profile to better match their corporate objectives.

Our strategy aims to attain a structured Asset Liability Management (ALM) system in the Company with a view to managing for the time being, Liquidity Risk and Interest Rate Risk and eventually supplement all areas of Enterprise-wide Risk Management.

ALM Committee, known as ALCO, is primarily responsible for ALM process in the Company. The functioning of ALCO is overseen by the Risk Management Committee. The important decisions taken by ALCO are placed before RMC. ALCO consisting of senior management personnel is formed and is the decision making unit responsible for strategic management of interest rate and liquidity risks besides balance sheet planning. NHB has given discretion to respective HFCs to decide the composition of the Committee and the frequency of the meetings.

Interest Rate Committee supplements the ALCO in decisions regarding the product wise interest structures, special occasion offerings, Limited period offerings etc. The decisions take at such IRC are reviewed at the ALCO meetings.

The following table sets forth the asset-liability gap position for our operations as at March 31, 2016, 2015, 2014, 2013 and 2012.

(in ₹ lakhs)

Asset - Liability Situation	**As at March 31,**				
	2016	**2015**	**2014**	**2013**	**2012**
Due in 1 year or less					
Inflows (Assets)	3,18,333.67	2,39,336.67	1,87,070.25	1,05,759.73	24,436.20
Outflows (Liabilities)	2,15,539.36	2,09,875.73	1,02,791.51	58,867.49	31,647.00
Due in 1 - 3 years					
Inflows (Assets)	70,708.75	57,664.46	33,728.01	25,057.92	15,178.04
Outflows (Liabilities)	2,79,956.13	1,59,124.31	1,22,674.53	1,21,337.64	99,341.31
Due in 3 - 5 years					
Inflows (Assets)	67,162.52	46,309.07	26,981.32	21,384.86	16,193.60
Outflows (Liabilities)	1,41,314.00	96,499.00	80,479.24	58,795.33	79,916.67
Due after 5 years					
Inflows (Assets)	3,14,782.98	2,14,027.00	1,35,071.63	1,46,764.05	2,06,614.38
Outflows (Liabilities)	1,29,126.24	91,446.14	66,832.32	54,951.55	46,576.63
Total					
Inflows (Assets)	**7,70,987.93**	**5,57,337.20**	**3,82,851.21**	**2,98,966.56**	**2,62,422.22**
Outflows (Liabilities)	**7,65,935.73**	**5,56,945.18**	**3,72,777.60**	**2,93,952.01**	**2,57,481.61**

Note: The asset liability gap is calculated considering the prepayments on loan book and includes all assets and liabilities including off balance sheet items.

Interest rate risk management

Reliance Home Finance is exposed to Interest Rate fluctuations in the market as borrowing rates for Bank Borrowings are linked to the marginal cost lending rates (MCLR)/ base rate and this rate keeps changing. Our business which has majority loans in floating rates are re-priced as and when the need arises which is primarily driven by the borrowing rate changes. Interest rate gap analysis is done at periodic basis by classifying all assets and liabilities into various time buckets according to projected re-pricing date. As there would be always couple of months lagging period for any change of floating interest rate on lending to the borrowers arising out of change in interest rate on borrowing, no negative limit is prescribed for period up to 2 months.

These limits are subjected to annual review. However, the Board has the discretion to review the same at a shorter duration as and when felt necessary or as may be recommended by the ALCO.

As at September 30, 2016 and March 31, 2016, 97.10% and 98.50% of our assets were floating rate loans and 64.01% and 81.70% of our liabilities were floating rate borrowings, respectively.

Interest Rate Committee meeting is held every month to discuss on the interest rate scenario in the market, regulators view on the inflation management and decide on the product pricing so as to maintain the budgeted yield.

Credit risk management

Credit risk is a risk of loss due to failure of a borrower/counterparty to meet the contractual obligation of repaying debt as per the agreed terms, which is also commonly known as a risk of default. The Company has a Risk Management Committee of the Board which is supported by Credit Risk Management Committee, which performs review and

management of the Credit risk. The Company has product wise policy guidelines which have evolved from various market practices, requirement of the regulators and our own internal control systems with a view to build up minimum loss on credit risk. Since Inception of the business, technology is enabled in almost all our critical processes for loan appraisal, disbursement and tracking till closure of the loan.

The Company manages credit risk by using a set of credit norms and policies, including a standard credit appraisal policy based on customer credit criteria approved by the Board. The Company has a structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. The entire underwriting process is automated end to end. We also consider factors such as exposure limits, segmented net interest margins and its impact on the loan book, risk based pricing on the basis of probability of default, sanctioning powers, appraisal standards and collateral management.

Monthly Portfolio Risk Reviews are conducted for each retail and non-retail product portfolio to monitor the performance of the Portfolio and suggest measures for improvement, including reduction in exposure to certain sector to tolerable limits. Asset verification is carried out on a sample basis to confirm the end use of the loan facility as well as existence of the collateral security. The Company has an advanced risk reporting MIS dashboard.

The Company considers Loan Review Mechanism (LRM) as an effective tool for constantly evaluating the quality of loan book and to bring about qualitative improvements in credit administration. The company has designed and implemented an Early Warning System to predict delinquency. Based on this, customers are classified in different risk categories (High Risk / Watch List / Safe) and appropriate remedial actions are initiated.

The Company has a robust risk reporting framework, which includes reports presented to the board and senior management and compliance with prudential norms, capital position, provisioning, quality of exposures, etc. and reports as per the regulatory guidelines

The Company has an Independent Risk Containment Unit which specialises in identifying fraudulent cases coming in the system and hence detect them at an early stage.

Operational risk management

An organization is influenced by developments of the external environment in which it is called to operate, as well as by its internal organization, procedures and processes. Operational risk (OR) arises due to a wide range of different external events ranging from power failures to floods or earthquakes to terrorist attacks. Similarly, OR can arise due to internal events such as the potential for failures or inadequacies in any of the Organization's processes and systems (e.g. its IT, risk management or human resources management processes and systems), or those of its outsourced service providers. The Operational Risk Management Committee (ORMC) is primarily responsible for Operational Risk process in the company. The functioning of the ORMC is overseen by the Risk Management Committee (RMC). The important decisions taken in the ORMC are placed before RMC.

- Risk Banks (risk registers) have been formulated for all the critical functions in the company. These Risk Banks are a compendium of risk, causal factors and existing controls in a particular unit. Identification and self-assessment of risks is performed using the scale of probability and impact and assessing the vulnerability of the control environment.

- The Company as a part of its corporate risk management initiative has a Business Continuity Management System (BCMS) framework enabling it to proactively identify any disruptive events which may cause non-availability of its key products and services and thereby put in place controls to mitigate the impact of such events. Business Impact assessments should be carried out to identify process criticality, point of impact and accordingly design the business continuity strategies.

Disaster recovery (DR) and Business Continuity Plans (BCP) are periodically tested and reviewed to ensure their effectiveness to mitigate unforeseen risks arising out of disruptions.

Reliance Home Finance is ISO 27001: 2013 and ISO 22301: 2012 certified which is reflective of the strong risk culture embedded within the organization.

Internal Audit and Control Procedure

Internal Audit function is required to provide an independent assessment to the Board on the effectiveness of implementation of risk management framework, including the overall adequacy of the internal control system and compliance with internal policies and procedures. Following are the responsibilities of IA with respect to risk management:

- Review annually, the processes and controls relating to rating system design and operations estimation of risk components to verify their effectiveness.
- Review the Company's compliance with NHB guidelines and established risk related policies and procedures.
- Review the depth, scope and quality of risk management processes undertaken by Risk Management Department.
- Review the adequacy of the Information Security, IT infrastructure and data maintenance. For portfolios/areas where statistical models are being used, conduct tests in order to check data input processes.
- Provide notice to Risk Management Committee of any material deviations from established policies which may impact the rating system or processes.

Customer Service and Grievance Redressal Processes

Our Company has established a multi-level customer query and grievance resolution process for customers to approach us through various channels such as through our branches, call centers, emails, letters, social media etc. A customer can also walk into our branches and approach the branch customer service to register a complaint in the complaints register maintained at each branch. Also, customer can handover written complaints at the branch or send the same to the branch by post / courier. We ascertain the nature of the customer request and subsequently assign a unique service request number. We strive to provide a prompt resolution based on a template response mechanism. The customer service managers co-ordinate with the respective vertical team members of branches and other units for resolution of complaint. If the branch customer service manager feels that it is not possible at his level to solve the problem, he/ she may refer the case to Customer Service Head /Nodal Officer for resolution.

In case the customer is not satisfied they further write to the nodal officer at the corporate office of our Company and the nodal officer shall within seven working days of receipt of a complaint take necessary steps to address the grievance.

Upon resolution of the complaint, the branch MIS system is updated and communication is sent to the customer by telephone or by email using standard templates.

Insurance

Various types of insurance covers are taken at a centralized level covering all the subsidiaries of Reliance Capital Limited, including our Company. We believe that we have necessary and adequate general insurance for burglary, employee fidelity, Directors and Officers Liability insurance.

For a discussion of certain risks relating to our insurance coverage, please refer to the chapter titled "*Risk Factors - Internal Risks and Risks Associated with our Business - Our insurance coverage may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position*" on page 22 of this Draft Shelf Prospectus.

Human Resources

We have experienced management team whom we rely upon to anticipate industry trends and to capitalize on new business opportunities that may emerge.

We offer eligible employees the right to participate in our Phantom Stock Option Scheme 2015 in order to reward employees for their performance and motivate them to contribute to the growth and profitability of the Company. For details please refer to ***"Capital Structure - Phantom Stock Option Scheme 2015"*** on page 43.

As at September 30, 2016, we had 772 permanent employees. The growth in our employee headcount is in line with our strategy of growing our operations and expanding our geographical reach. The table below sets forth our employees by category as at September 30, 2016.

Category	No. of employees as September 30, 2016
Credit	244
Operations and product	86

Category	No. of employees as September 30, 2016
Sales and distribution	354
Collections, Legal, Quality and Compliance	44
Others (administration, Human Resources, Branding, Information Technology and Call center)	44
Total	**772**

Our employees are non-unionized and we are not a party to any collective bargaining agreement.

Information Technology

Our branch offices are electronically linked to the central server to facilitate operational efficiency and provide cost-effective service. The Company's IT systems have the capability of an end-to-end customer data capture, computation of income, collateral data capture, and repayment management. Loan approval is controlled by the loan application system called Finone and the monthly analytics reports including through-the-door and credit information tracking to ensure risk management control and compliance.

Property

Our registered office and corporate office are located at Reliance Centre, 6th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai – 400 055, Maharashtra, India and is on a long-term lease pursuant to an assignment of a long-term lease with our group Company. Our branches located throughout India, are on lease or leave and license agreements, which we share with our Promoter Company. All the leases have been entered into by RCL and we share the said premises pursuant to the MOU dated May 31, 2016, whereby we share the expenses with our Promoter for use of said premises.

HISTORY AND OTHER CORPORATE MATTERS

Our Company was incorporated in Mumbai, Maharashtra on June 5, 2008 with the RoC as "Reliance Homes Finance Private Limited". Our Company later changed its name from "Reliance Homes Finance Private Limited" to "Reliance Home Finance Private Limited". Our Company was issued Certificate of Registration to carry on the business of a housing finance institution without accepting public deposits by the National Housing Bank, initially on January 6, 2009 and later on due to change in name, a fresh Certificate of Registration was issued on April 27, 2009. Subsequently, our Company converted itself from Private Limited Company to Public Limited Company and consequently, the name was changed from "Reliance Home Finance Private Limited" to "Reliance Home Finance Limited". Our Company had received the fresh Certificate of Incorporation dated March 27, 2012 from RoC.

Our Company was promoted by Reliance Capital Limited, the financial services company of the Reliance Group and is constituted as a subsidiary of Reliance Capital Limited. The registered office of our Company is at Reliance Centre, 6th Floor, South Wing, Off. Western Express Highway, Santacruz (East), Mumbai – 400 055, Maharashtra, India. The original signatories to the Memorandum of Association were Mr. V. R Mohan and Mr. Nilesh Doshi, who were allotted 5,000 equity shares each at the time of incorporation of our Company. The liability of the members of the Company is limited.

Change in registered office of our Company

Our Company had shifted its registered office from Reliance Centre, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai – 400 001 to 570, Rectifier House, 3rd Floor, Naigaum Cross Road, Wadala, Mumbai – 400 031, w.e.f February 07, 2009. Subsequently, our Company has shifted its registered office to its current address - Reliance Centre, 6th Floor, South Wing, Off. Western Express Highway, Santacruz (East), Mumbai – 400 055, w.e.f. May 10, 2016.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

To carry on the business of providing long term finance or otherwise to any person or persons, individual, company, corporation, bodies corporate, firms, society or association of persons, public body or authority, supreme, local or otherwise or other entities whether in the private or public sector with or without interest and with or without any security for the purpose of enabling such borrowers to construct / purchase tenements, flats, apartments, houses, villas, dwelling units, skyscrapers, co-operative housing societies, housing complexes, housing colonies, townships including infrastructural facilities relating thereto or any part or portions thereof in India for residential purposes.

Key terms of our Material Agreements

1. *Memorandum of Understanding with our Promoter for sharing of expenses*

Our Company entered into a Memorandum of Understanding dated May 31, 2016 with our Promoter for usage of its office premises, which shall have retrospective effect from April 1, 2016. This Memorandum of Understanding has superseded the earlier arrangements namely- the Memorandum of Understanding dated July 31, 2009 and three addendum agreements dated January 31, 2012, October 1, 2012, and December 1, 2013 respectively. Under the terms of the Memorandum of Understanding, our Promoter agrees to provide to our Company- the usage rights over of a portion of the office premises at all locations. Our Promoter shall pay for the infrastructure, electricity charges, general office expenses, rent, taxes, cess and charges in relation to office premises, repairs and maintenance, telephone bills, insurance and travelling expenses, marketing and advertisement, staff, legal and professional charges and costs and fees payable to vendors on our behalf. In consideration of these services, our Company agrees to pay the aforementioned proportionate costs and charges as per the bills and invoices raised by our Promoter on the basis of expenses incurred or provided by our Promoter to our Company from time to time.

2. *Mortgage Guarantee Agreement with India Mortgage Guarantee Corporation Private Limited*

Our Company has entered into a Mortgage Guarantee Agreement dated March 31, 2015 and a Mortgage Guarantee Agreement dated October 13, 2015, both with India Mortgage Guarantee Corporation Private Limited ("**IMGCPL**") (collectively, the "**Mortgage Guarantee Agreements**").

In consideration for the payment of a one-time guarantee fee of ₹ 403.21 lakhs and ₹ 295.21 lakhs under the respective Mortgage Guarantee Agreements, IMGCPL has agreed to guarantee the repayment of principal and interest payment obligations in relation to two separate blocks of housing loans advanced by our Company, amounting to ₹ 29,868.09 lakhs and ₹ 25,018.56 lakhs respectively ("Commencement Principal Amounts"). In addition, coverage under the Mortgage Guarantee Agreements extends to loans classified as non-performing assets in the books of our Company. The maximum liability of IMGCPL is capped at 10% of the Commencement Principal Amounts under the respective Mortgage Guarantee Agreements.

In the event of a breach of any its obligations or covenants under the Mortgage Guarantee Agreements, our Company is liable to pay liquidated damages amounting to the payments already made by IMGCPL under the respective Mortgage Guarantee Agreement.

Each of the Mortgage Guarantee Agreements shall remain in force for a period of 20 years from the date of commencement of such agreement, or until the date on which the last of the housing loans covered under each of the said agreements has been repaid, whichever is earlier.

Subsidiaries or Associate Companies

As on the date of this Draft Shelf Prospectus our Company has no subsidiary or associate company.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. Taxation statutes such as the IT Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations such as the Trade and Merchandise Marks Act, 1958 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye-laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The National Housing Bank Act, 1987

The National Housing Bank Act, 1987 (the "**NHB Act**") was enacted to establish NHB to operate as a principal agency to promote HFCs both at the local and regional levels and to provide financial and other support to such institutions for matters connected therewith or incidental thereto. The business of the NHB, among others, includes promoting, establishing, supporting or aiding in the promotion, establishment and support of HFCs; making loans and advances or other forms of financial assistance for housing activities of HFCs, scheduled banks, state co-operative agricultural and rural development banks or any other institution or class of institutions as may be notified by the Central Government; guaranteeing the financial obligations of HFCs and underwriting the issue of stocks, shares, debentures and other securities of HFCs; formulating one or more schemes for the purpose of mobilization of resources and extension of credit for housing; providing guidelines to the HFCs to ensure their growth on sound lines; providing technical and administrative assistance to HFCs and exercising all powers and functions in the performance of duties entrusted to the NHB under the NHB Act or under any other law for the time being in force.

Under the NHB Act, every HFC is required to obtain a certificate of registration and meet the requirement of net owned funds of ₹ 1,000 lakhs or such other higher amount as the NHB may specify for commencing or carrying on the business of HFCs. Further, every deposit accepting HFC is required to invest and continue to invest in India in unencumbered approved securities, an amount which, at the close of business on any day, is not less than 5% (or such higher percentage as the NHB may specify, not exceeding 25%) of the deposits outstanding at the close of business on the last working day of the second preceding quarter.

Additionally, every deposit accepting HFC is required to maintain in India an account with a scheduled bank in term deposits or certificate of deposits (free of charge or lien) or in deposits with the NHB or by way of subscription to the bonds issued by the NHB, or partly in such account or in such deposit or partly by way of such subscription, a sum which, at the close of business on any day, together with the investment as specified above, shall not be less than 10% (or such higher percentage as the NHB may specify, not exceeding 25%), of the deposits outstanding in the books of the HFC at the close of business on the last working day of the second preceding quarter. Pursuant to the NHB Act, every HFC is also required to create a reserve fund and transfer therein a sum not less than 20% of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Under the terms of the NHB Act the NHB may, and on the direction of the RBI the NHB shall, cause an inspection of the book of accounts and other documents of any institution to which the NHB has provided a loan, advance or granted any other financial assistance. Further, the NHB is required to provide a copy of its report to such an institution. Also, the NHB in order to efficiently discharge its function, is empowered to direct and collect the credit information from any HFC, at any time.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "**DRT Act**") provides for establishment of the Debts Recovery Tribunals (the "**DRTs**") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application

to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and defendant's detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT.

The Housing Finance Companies (National Housing Bank) Directions, 2010, as amended upto Master Circular, 2016

The objectives of the Housing Finance Companies (National Housing Bank) Directions, 2010 (the "**NHB Directions, 2010**") is to consolidate and issue directions in relation to the acceptance of deposits by the housing finance companies, provide the prudential norms for income recognition, accounting standards, asset classification, provision for bad and doubtful assets, capital adequacy and concentration of credit/investment to be observed by the housing finance institutions and the matters to be included in the auditors' report by the auditors of housing finance institutions.

In accordance with the prudential norms mentioned in the NHB Directions, 2010, income recognition shall be based on recognized accounting principles. Every HFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realization, classify its lease/hire purchase assets, loans and advances and any other forms of credit into certain specified classes, viz. standard assets, sub-standard assets, doubtful assets and loss assets. Every HFC, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realization of the security and the erosion over time in the value of security charged, is required to make provision against substandard assets, doubtful assets and loss assets as provided under the NHB Directions, 2010.

The NHB has amended the provisioning norms in the NHB Directions, 2010, pursuant to the notification no. NHB.HFC.DIR.3/CMD/2011 dated August 5, 2011, as further amended by NHB *vide* notification no. NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012, as amended by notification no. NHB.HFC.DIR.9/CMD/2013 dated September 6, 2013 and included in the Master Circular - The Housing Finance Companies (NHB) Directions, 2010 dated September 9, 2015. The provisioning requirement in respect of loans, advances and other credit facilities including bills purchased and discounted are required to be:

(a) loss assets - the entire assets are required to be written off. If assets are permitted to remain in the books for any reason, then 100% of the outstanding should be provided for;

(b) doubtful assets - 100% provision to the extent to which the advance is not covered by the realizable value of the security to which a HFC has a valid recourse shall be made and in addition, depending upon the period for which the asset has remained doubtful provision to the extent of 25% to 100% of the secured portion i.e. the estimated realisable value of the outstanding shall be made in the following manner: i) 25% up to the period of one year; ii) 40% for the period of one year to three years and, iii) 100% for the period more than three years;

(c) substandard assets - provision of 15% of the total outstanding should be made; and

(d) standard assets-(i) standard assets with respect to housing loans at teaser/special rates - provision of 2% on the total outstanding amount of such loans and the provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are re-set at higher rates if the accounts remain standard; (ii) (a) standard assets in respect of Commercial Real Estates Residential Housing ("CRE-RH") (consisting of loans to builders/developers for residential housing projects (except for captive consumption). Such projects do not include non-residential commercial real estate. However, integrated housing projects comprising of some commercial space (e.g. shopping complex, school etc.) can be classified as CRE-RH, provided that the commercial space in the residential housing project does not exceed 10% of the total floor space index ("FSI") of the project. In case the FSI of the commercial area in a predominantly residential housing complex exceeds the ceiling of the project loans, the entire loan should be classified as CRE (and not CRE-RH) - provision of 0.75% on the total outstanding amount of such loans; (ii) (b) standard assets in respect of all other Commercial Real Estates ("CRE") (consisting of loans to builders/developers/others for office buildings, retail space, multipurpose commercial premises multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc., other than those

covered in (ii)(a). Loans for third dwelling unit onwards to an individual will also be treated as CRE exposure) - provision of 1% on the total outstanding amount of such loans; and (iii) standard assets in respect of all loans other than (i) and (ii) - a general provision of 0.4% of the total outstanding amount of loans which are standard assets is required to be made.

Pursuant to the notification no. NHB.HFC.DIR.17/MD&CEO/2015 dated October 9, 2015, no HFC shall (i) grant housing loans up to ₹ 30.00 lakhs to individuals with LTV ratio exceeding 90%, (ii) grant housing loans above ₹ 3.00 lakhs and up to ₹ 75.00 lakhs to individuals with LTV exceeding 80% and grant housing loans above ₹ 75.00 lakhs to individuals with LTV exceeding 75%.

Every HFC shall maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 12% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items.

Under the NHB Directions, 2010, degrees of credit risk expressed as percentage weighting have been assigned to balance sheet assets. Hence, the face value of each asset is multiplied by the relevant risk weights to arrive at its risk adjusted value of the asset. The aggregate shall be taken into account for calculating the minimum capital adequacy ratio of a housing finance institution.

Further, in terms of the NHB Directions, 2010, no HFC shall invest in land or buildings, except for its own use, an amount exceeding 20% of its capital fund (aggregate of Tier I capital and Tier II capital). Such investment over and above 10% of its owned funds is required to be made only in residential units. Additionally, no HFC shall lend to any single borrower an amount exceeding 15% of its owned funds, and to any single group of borrowers, an amount exceeding 25% of its owned funds. A HFC is not allowed to invest in the shares of another company an amount exceeding 15% of its owned funds; and in the shares of a single group of companies an amount exceeding 25% of its owned funds. A HFC shall not lend and invest (loans/investments together) amounts exceeding 25% of its owned funds to a single party and 40% of its owned funds to a single group of parties. Additionally, a HFC is not allowed to lend against its own shares and any outstanding loan granted by a HFC against its own shares on the date of commencement of the NHB Directions, 2010 shall be recovered by the HFC in accordance with the repayment schedule.

The NHB Directions, 2010 provide for exposure limits for HFC to the capital market. Pursuant to the NHB Directions, 2010, the aggregate exposure of a HFC to the capital market in all forms should not exceed 40% of its net worth as on March 31 of the previous year. Within this overall ceiling, direct investment in shares, convertible bonds, debentures, units of equity-oriented mutual funds and all exposures to venture capital funds should not exceed 20% of its net worth.

The NHB *vide* circular no NHB(ND)/DRS/POL-No. 36/2010 dated October 18, 2010 has directed all HFCs not to charge any prepayment levy or penalty on pre-closure of housing loans by the borrowers out of their own sources. Further, NHB, *vide* circular no NHB(ND)/DRS/POL-No. 43/2011-2012 dated October 19, 2011 has directed all HFCs to discontinue the pre-payment levy or penalty on pre-closure of housing loans when (i) the housing loan is on floating rate basis and pre-closed by the borrower from funds received from any source and (ii) the housing loan is on fixed rate basis if pre-closed by the borrowers from their "own sources" which means any source other than by borrowing from a bank, HFC, NBFC and/or a financial institution. It has been clarified *vide* circular no NHB(ND)/DRS/Pol-No.48/2011-12 dated April 4, 2012 that the instruction applicable to fixed interest rate housing loans referred to in the circular dated October 19, 2011 will be applicable to such loans which carry fixed rate of interest at the time of origination.

Further, it has been directed *vide* circular no NHB(ND)/DRS/Pol-No.51/2012-13 dated August 7, 2012 that all dual/special rate (combination of fixed and floating) housing loans will attract the pre-closure norms applicable to fixed/floating rate depending on whether at the time of pre-closure, the loan is on fixed or floating rate. A fixed rate loan shall be considered to be a loan where the rate is fixed for entire duration of the loan. Thus, in the case of a dual/special rate housing loans, the pre-closure norm for floating rate will be applicable once the loan has been converted into floating rate loan, after the expiry of the fixed interest rate period. This shall be applicable to all such dual/special rate housing loans being foreclosed hereafter. Further NHB (ND)/DRS/Policy Circular No. 63/2014-15 dated August 14, 2014 directed that HFCs shall not charge foreclosure charges/pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect. Subsequently, it was clarified *vide* no NHB(ND)/DRS/Policy Circular 66/2014-15 dated September 3, 2014 provisions of the circular issued on August 14, 2014 are applicable in respect of all floating rate term loans sanctioned to individual borrowers by HFCs, irrespective of the date of sanction and prepaid on or after August 14, 2014. The provisions of the said circular cover part as well as full prepayment. It was also clarified that aforesaid circular is applicable

to term loans sanctioned to individual borrowers and loan in which company, form etc. is a borrower or co-borrower, therefore is excluded from its purview.

The NHB *vide* circular no NHB(ND)/DRS/POL-No. 58/2013-14 dated November 18, 2013 has directed all HFCs to ensure that disbursement of housing loans sanctioned to individuals should be closely linked to the stages of construction of the housing projects/houses and upfront disbursal should not be made in cases of incomplete/under-construction/greenfield housing projects/houses.

Terms and conditions applicable to debt capital instruments to qualify for inclusion as Upper Tier II Capital

The Un-Secured NCDs being proposed to be issued under this Draft Shelf Prospectus and will be eligible for inclusion as Upper Tier II capital shall be issued in terms of the circular no. NHB(ND)/ DRS/Pol- No-23/2008 dated April 24, 2008 issued by the NHB with respect to terms and conditions applicable to debt capital instruments to qualify for inclusion as Upper Tier II Capital, applicable to all registered housing finance companies (HFCs):

(a) Upper Tier II instruments along with other components of Tier II capital shall not exceed 100% of Tier I capital. This eligible amount will be computed with reference to the amount of tier I capital as on March 31 of the previous financial year, after deduction of goodwill and other intangible assets but before the deduction of investments.

(b) The Upper Tier II instruments should have a minimum maturity of 15 years;

(c) Upper Tier II instruments shall not be issued with a 'put option'. However, HFCs may issue the instruments with a call option subject to strict compliance with each of the following conditions:
   i. Call option may be exercised only if the instrument has run for at least ten years;
   ii. Call option shall be exercised only with the prior approval of NHB. While considering the proposals received from HFCs for exercising the call option the NHB would, among other things, take into consideration the HFC's CRAR position both at the time of exercise of the call option and after exercise of the call option.

(d) The issuing housing finance company may have a step-up option which may be exercised only once during the whole life of the instrument, in conjunction with the call option, after the lapse of ten years from the date of issue. The step-up shall not be more than 100 bps. The limits on step-up apply to the all-in cost of the debt to the issuing HFCs;

(e) Lock-In Clause:

   i. Upper Tier II instruments shall be subjected to a lock-in clause in terms of which the issuing HFC shall not be liable to pay either interest or principal, even at maturity, if
      1. the HFC's CRAR is below the minimum regulatory requirement prescribed by NHB or
      2. the impact of such payment results in HFC's capital to risk assets ratio (CRAR) falling below or remaining below the minimum regulatory requirement prescribed by NHB
   ii. However, HFCs may pay interest with the prior approval of NHB when the impact of such payment may result in net loss or increase the net loss provided CRAR remains above the regulatory norm
   iii. The interest amount due and remaining unpaid may be allowed to be paid in the later years in cash/ cheque subject to the housing finance company complying with the above regulatory requirement
   iv. All instances of invocation of the lock-in clause should be notified by the issuing HFCs to the General Manager of Department of Regulation and Supervision of the NHB, Delhi

(f) The claims of the investors in upper tier II instruments shall be:

   i. superior to the claims of investors in instruments eligible for inclusion in tier I capital; and
   ii. subordinate to the claims of all other creditors

(g) The upper tier II instruments shall be subjected to a progressive discount for capital adequacy purposes as in the case of long term subordinated debt over the last five years of their tenor. As they approach maturity these instruments should be subjected to progressive discount as indicated in the table below for being eligible for inclusion in tier II capital

Remaining maturity of instruments	Rate of discount (%)
Less than one year	100
One year and more but less than two years	80
Two years and more but less than three years	60
Three years and more but less than four years	40
Four years and more but less than five years	20

(h) Upper tier II instruments shall not be redeemable at the initiative of the holder. All redemptions shall be made only with the prior approval of the National Housing Bank (Department of Regulation and Supervision).

(i) Other Conditions

i. Upper tier II instruments should be fully paid up, Un-Secured, and free of any restrictive clauses
ii. HFCs should comply with the terms and conditions, if any, stipulated by SEBI/other regulatory authorities in regard to issue of the instruments

(j) HFCs should not grant advances against the security of the upper tier II instruments issued by them.

The Prevention of Money Laundering Act, 2002

The Prevention of Money Laundering Act, 2002 (the "**PMLA**") was enacted to prevent money laundering and to provide for confiscation of property derived from, and involved in, money laundering. In terms of the PMLA, every financial institution, including housing finance institutions, is required to maintain record of all transactions including the value and nature of such transactions, furnish information of such transactions to the director defined under PMLA and verify and maintain the records of the identity of all its clients, in such a manner as may be prescribed. The PMLA also provides for power of summons, searches and seizures to the authorities under the PMLA. In terms of PMLA, whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money laundering.

The NHB *vide* circular NHB(ND)/DRS/POL No. 13/2006 dated April 10, 2006 introduced anti-money laundering measures wherein the HFCs were advised inter-alia to follow the customer identification procedure, maintenance of records of transactions and period of preservation of such record keeping in view of the provisions of PMLA. Further, the aforesaid circular introducing anti-money laundering measures were reviewed and revised *vide* circular NHB(ND) /DRS/POL-No. 33/2010-11 dated October 11, 2010 (the "**2010 Notification**") in light of amendments in the PMLA and the rules framed there under. Further the 2010 Notification requires the HFC to verify identity of non-account based customer while carrying out transaction of an amount equal to or exceeding 50,000. Further, it was directed *vide* NHB(ND)/DRS/Misc. Circular No.13/2014 dated January 20, 2014, that the HFCs shall ensure that the documents are not given directly to the customers for verification, etc. to obviate any frauds. Subsequently, *vide* NHB(ND)/DRS/Pol. Circular No. 60/2013-14 dated February 6, 2014, Aadhar card issued by the Unique Identification Authority of India has been mandated as a valid legal document within the meaning of Rule 2(1)(d) of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005. Pursuant to this circular, Aadhar card is a valid identity as well as proof of address for every applicant (if the address on the application matches that on the Aadhar card), for the purpose of KYC. Additionally, on April 23, 2015, *vide* a circular bearing reference NHB(ND)/DRS/Policy Circular No. 72/2014-15, in order to reduce the risk of identity fraud and document forgery, the paperless version, of e-KYC has been accepted as a valid process for KYC under Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the "**SARFAESI Act**") regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default.

The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution may sell financial assets to an asset reconstruction company provided the asset is a NPA. A bank or financial institution may sell financial assets only if the borrower has a consortium or multiple banking arrangements and at least 75% by value of the total loans to the borrower are classified as a NPA and at least 75% by the value of

the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. These assets are to be sold on a "without recourse" basis only.

The SARFAESI Act provides for the acquisition of financial assets by securitisation company or reconstruction company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower and enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitization company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Refinance Scheme for Housing Finance Companies, 2003

Pursuant to Refinance Scheme for Housing Finance Companies, 2003 ("**Refinance Scheme**")**,** as amended *vide* circular NHB (ND)/ROD/HFC/LRS/17/2004 dated April 15, 2005, HFCs registered with the NHB are eligible to obtain refinance from the NHB in respect of their direct lending to individuals for the purchase, construction, repair and upgrade of housing units.

In addition, the HFCs are required to provide long-term finance for purchase, construction, repair and upgrading of dwelling units by home-seekers. The HFCs are also required to have specific levels of capital employed and net owned funds to be eligible to avail refinance facilities under the Refinance Scheme. The financial assistance can be drawn by HFCs in respect of loans already advanced by them and also for prospective disbursements. The security for refinance from the NHB may generally be secured by a charge on the book debts of a HFC. If at any time the NHB is of the opinion that the security provided by the HFC has become inadequate to cover the outstanding refinance, it may advise the HFC to furnish such additional security including, inter-alia, charges on immovable/moveable property or a requisite guarantee.

Master Circular on Housing Finance issued by the RBI

Pursuant to the Master Circular on Housing Finance dated July 1, 2015, as amended issued by the RBI ("**Master Circular**"), banks are eligible to deploy their funds under the housing finance allocation in any of three categories, i.e. (i) direct finance; (ii) indirect finance; or (iii) investment in bonds of the NHB/Housing and Urban Development Corporation Limited, or combination thereof. Indirect finance includes loans to HFCs, housing boards, other public housing agencies, etc., primarily for augmenting the supply of serviced land and constructed units.

Under the terms of the Master Circular, banks may grant loans to HFCs taking in to account (long-term) debt-equity ratio, track record, recovery performance and other relevant factors including other applicable regulatory guidelines.

Guidelines for Asset Liability Management System for HFCs *vide* circular NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010

The guidelines for introduction of asset liability management system by HFCs was issued by NHB *vide* circular NHB(ND)/HFC(DRS-REG)/ALM/1407/2002 dated June 28, 2002 ("**ALM Guidelines**"). NHB has since revised the guidelines. The revised guidelines would be applicable to all HFCs irrespective of whether they are accepting/holding public deposits or not. The ALM Guidelines for HFCs lays down broad guidelines for HFCs in respect of systems for management of liquidity and interest rate risks. The ALM Guidelines provide that the board of directors of a HFC should have overall responsibility for management of risks and should decide the risk management policy and set limits for liquidity, interest rate, exchange rate and equity price risks. Additionally, an asset-liability committee is required to be constituted consisting of the HFC's senior management including the chief executive officer for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFC's budget and decided risk management objectives. Asset-liability management support groups to be constituted of operating staff are required to be responsible for analysing, monitoring and reporting the risk profiles to the asset-liability committee.

The ALM Guidelines also recommended classification of various components of assets and liabilities into different time buckets for preparation of gap reports (liquidity and interest rate sensitive). The gap is the difference between rate sensitive assets and rate sensitive liabilities for each time bucket. In accordance with the ALM Guidelines, HFCs which are better equipped to reasonably estimate the behavioural pattern of various components of assets and liabilities on the basis of past data/empirical studies could classify them in the appropriate time buckets, subject to approval by the asset-liability committee/board of the HFC.

Guidelines on Fair Practices Code for HFCs

The Guidelines on Fair Practices Code for HFCs ("**Fair Practices Code**") were issued by the NHB *vide* circular NHB(ND)/DRS/POL-No-16/2006 dated September 5, 2006, and were revised by the NHB *vide* circular NHB/ND/DRS/Pol No. 34/2010-11 dated October 11, 2010, and as further amended *vide* circular NHB (ND)/DRS/Pol. No. 38/2010-11, dated April 25, 2011, to bring more clarity and transparency and to cover all aspects of loan sanctioning, disbursal and repayment issues. The Fair Practices Code seeks to promote good and fair practices by setting minimum standards in dealing with customers, increase transparency, encourage market forces, promote fair and cordial relationship between customer and HFCs and foster confidence in the housing finance system.

The Fair Practices Code provides for provisions in relation to providing regular and appropriate updates to the customer, prompt resolution of grievances and confidentiality of customer information. Further, the HFCs are required to disclose information on interest rates, common fees and charges through notices etc. HFCs are required to ensure that all advertising and promotional material is clear and not misleading and that privacy and confidentiality of the customers' information is maintained. Further, whenever loans are given, HFCs should explain to the customer the repayment process by way of amount, tenure and periodicity of repayment. However, if the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues. The process will involve reminding the customer by sending him/her notice or by making personal visits and/or repossession of security, if any.

Guidelines for Recovery Agents Engaged by HFCs

The Guidelines for Recovery Agents Engaged by HFCs ("**Recovery Agents Guidelines**") were issued on July 14, 2008 by the NHB in relation to the practices and procedures regarding the engagement of recovery agents by the HFCs. Under of the Recovery Agents Guidelines, HFCs are required to have a due diligence process in place for engagement of recovery agents, which should cover inter-alia, individuals involved in the recovery process. HFCs are required to ensure that the agents engaged by them in the recovery process carry out verification of the antecedents of their employees and HFCs may decide the periodicity at which re-verification should be resorted to. HFCs are required to ensure that the recovery agents are properly trained to handle with care and sensitivity their responsibilities, in particular, aspects like hours of calling and privacy of customer information, among others. HFCs are also required to inform the borrower of the details of recovery agency firms/companies while forwarding default cases to the recovery agency.

Under the Recovery Agents Guidelines, any person authorized to represent a HFC in collection and/or security repossession should follow guidelines which includes inter-alia contacting the customer ordinarily at the place of his/her choice; interaction with the customer in a civil manner and assistance to resolve disputes or differences regarding dues in a mutually acceptable and orderly manner. Each HFC should have a mechanism whereby the borrower's grievances with regard to the recovery process can be addressed. The details of the mechanism should also be furnished to the borrower. HFCs have been advised to constitute grievance redressal machinery within the company and give wide publicity about it through electronic and print media.

HFCs are required to, at least on an annual basis, review the financial and operational condition of the service providers to assess their ability to continue to meet their outsourcing obligations. Such due diligence reviews, which can be based on all available information about the service provider, should highlight any deterioration or breach in performance standards, confidentiality and security, and in business continuity preparedness.

Guidelines on Know Your Customers and Anti Money Laundering measures for Housing Finance Companies

The KYC Guidelines issued by NHB *vide* circular NHB/ND/DRS/Pol-No. 33/2010-11 dated October 11, 2010 ("**NHB KYC Guidelines**") mandate the KYC policies and anti-money laundering measures for HFC to have

certain key elements, including inter-alia a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to NHB KYC Guidelines and the exercise of due diligence by the NBFC, including its brokers and agents. The NHB KYC Guidelines were amended *vide* circular NHB(ND)/DRS/Pol. Circular No.60/2013-14 dated February 6, 2014 and circular NHB (ND)/DRS/Policy Circular No.72/2014-15 dated April 23, 2015 to provide an indicative list of the nature and type of documents/information that may be relied upon for customer identification.

Guidelines for Entry of Housing Finance Companies into Insurance Business

The NHB *vide* circular NHB (ND)/DRS/Policy Circular No.71/2014-15 dated April 22, 2015 has issued the guidelines on entry of HFCs into Insurance Business ("**Insurance Business Guidelines**"). Pursuant to the Insurance Business Guidelines, HFCs registered with NHB having net owned fund of not less than ₹ 1,000 lakh may take up insurance agency business on fee basis and without any risk participation, without the approval of the NHB upon satisfying the following conditions:

1. Obtaining requisite permission from IRDAI and comply with the IRDAI Regulations for acting as 'composite corporate agent';
2. HFC should not adopt any restrictive practice of forcing its customers to go in only for a particular insurance company;
3. The HFC providing insurance products should state in all publicity material distributed by it in a prominent way that such participation is on a voluntary basis;
4. Premium should be paid by the insured directly to the insurance company; and
5. The risks, if any, involved in the insurance agency should not get transferred to the business of the HFC.

Further, the Insurance Business Guidelines permits HFCs to set up insurance joint venture company for undertaking risk participation, subject to safeguards and risk mitigation strategy in place upon satisfying certain eligibility criteria as laid down in the Guidelines. The maximum Equity contribution such an HFC can hold in the JV Company will normally be 50% of the paid up capital of the insurance company. HFCs registered with NHB, which are not eligible as joint venture participants can make investments up to 10 per cent of the owned fund of the HFC or ₹ 5,000 lakh, whichever is lower, in the insurance company. Such participation shall be treated as an investment and should be without any contingent liability for the HFC.

Guidelines on Wilful Defaulters

Pursuant to the advice of the RBI and recommendations of the Puri Committee, the NHB *vide* circular NHB (ND)/DRS/Policy Circular No.74/2015-16 dated December 31, 2015 ("**Wilful Defaulters Guidelines**") has laid down the mechanism for identification and reporting requirements of wilful defaulters by the HFCs. Every instance above ₹ 25 lakh limit of siphoning or diversion of funds along with all instances of default by wilful defaulters above this threshold shall merit a disclosure and intimation to all Credit Information Companies ("**CIC**"). The penal provisions envisaged under the Wilful Defaulters Guidelines include: (a) restriction of any further facilities being advanced to a listed wilful defaulter; (b) legal proceedings for recovery along with foreclosure for recovery of dues to be initiated expeditiously along with pursuing criminal proceedings wherever necessary; (c) a proactive approach towards seeking a change of management of a wilful defaulter entity; and (d) a covenant to be included in the lending terms restricting any entity to whom financing is provided, to refrain from inducting a listed wilful defaulter on its board. The HFCs are required to put in place transparent mechanisms so that the penal provisions are not misused and timely intimation to the CICs may be made as required.

Norms for excessive interest rates

The NHB *vide* circular NHB(ND)/DRS/POL-No-29/2009 dated June 2, 2009, has advised all HFCs to revisit internal policies in determining interest rates, fee and other charges. According to this notification, the board of each HFC is required to revisit its policies on interest rate determination, fees and other charges, including margins and risk premiums charged to different categories of borrowers and approve the same. HFCs are advised to put in place an internal mechanism to monitor the process and operations in relation to disclosure of interest rates and charges in view of the guidelines indicated in the Fair Practices Code, to ensure transparency in communications with borrowers.

Laws relating to Corporate Insolvency

In India, corporate insolvency proceedings are currently governed by multifarious legislations such as the

Companies Act, SARFAESI Act 2002, Recovery of Debts due to Banks and Financial Institutions Act, 1993, Sick Industrial Companies Act, 1985 etc. However, a new Insolvency and Bankruptcy Bill, 2015 (the "**Bankruptcy Code**") has been passed by the Indian Parliament and has received the assent of the President of India on May 28, 2016, and notified in the gazette of India soon after. However, the provisions and sections under the Bankruptcy Code is said to be notified in a staggered manner and have still not been made applicable in its entirety.

This law establishes a single holistic framework for the recovery of dues from the debtor. As per the Bankruptcy Code, upon an application made by creditors triggered by any financial default by a corporate debtor, corporate insolvency resolution proceedings are carried out under the aegis of a professional expert called the 'Insolvency Resolution Professional' under the supervision of the National Company Law Tribunal. Here, a Committee of Creditors consisting of the financial creditors and the corporate debtor shall collectively agree upon a resolution plan which will amicably settle the creditors as justly as possible within a stipulated time frame of 180 (one hundred and eighty) days only. If the resolution process fails, the company goes into liquidation. Once the Bankruptcy Code is approved and notified as effective, the relevant provisions of the Companies Act, the Recovery of Debts due to Banks and Financial Institutions Act, 1993, the Sick Industrial Companies Act, 1985 will be amended accordingly. Pursuant to these amendments, all the recovery proceedings under each of these acts shall be streamlined and governed under the provisions of Bankruptcy Code.

Registration of a charge under the Companies Act 2013

Under the Companies Act 2013, our Company is required to register a charge on its property or assets or any of its undertakings, whether tangible or otherwise by filing the relevant form with the RoC along with the instrument creating this charge within 30 days of its creation by paying a prescribed fee. No charge created by a company will be taken into account by the liquidator or any other creditor unless it is duly registered and a certificate of registration of such charge is given by the RoC.

If the particulars of a charge are not filed within the aforesaid period, but filed within a period of 300 days of such creation or modification, an additional fee shall be levied. Further, our Company is required to keep at its registered office a register of charges and enter therein particulars of all the charges registered with the RoC on any of the property, assets or undertakings of our Company as well as particulars of any modification of a charge and satisfaction of charge. The entries in the register of charges of the Company shall be made forthwith after the creation, modification or satisfaction of charge, as the case may be.

Where a charge is registered with the RoC, they will issue a certificate of registration of such charge to the person in whose favour the charge is created.

Laws Relating to Employment

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter-alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labour Laws

Our Company is required to comply with various labour laws, including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Laws relating to Intellectual Property

The Trade Marks Act, 1999 and the Indian Copyright Act, 1957 inter-alia govern the law in relation to intellectual property, including brand names, trade names and service marks and research works.

In addition to the above, our Company is required to comply with the provisions of the Companies Act, 2013, the Foreign Exchange Management Act, 1999, various tax related legislations and other applicable statutes.

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws. The Articles of Association set out that the number of Directors in our Company shall be not less than 3 (three) unless otherwise approved in the General Meeting of the Company.

The composition of the Board is in conformity with section 149 of the Companies Act, 2013. As on date our Company has 5 (five) Directors of which 2 (two) are Independent, and 3 (three) are Non-Executive Non-Independent Directors, one of whom is a woman Director.

The following table sets forth details regarding the Board at the date of this Draft Shelf Prospectus:

Details relating to Directors

Name, Designation, Occupation, Term, Address and Nationality	Age	DIN	Other Directorships and LLP
Padmanabh Vora *Designation*: Independent Director *Occupation*: Professional *Term*: 5 consecutive years commencing from March 24, 2015 *Address*: Flat No. 503-504, 5th Floor, "A" Wing, Mount Everest Tower, Bhakti Park, Wadala (East), Mumbai – 400 037, Maharashtra, India. *Nationality*: Indian	73	00003192	1. KIFS Housing Finance Private Limited 2. Paramount Limited 3. Rama Cylinders Private Limited 4. NSDL Database Management Limited 5. National Securities Depository Limited 6. Reliance Capital Trustee Company Limited 7. Sterling Addlife India Private Limited 8. Pahal Financial Services Private Limited 9. J. Kumar Infraprojects Limited 10. Reliance Commercial Finance Limited 11. Prashant Mittal & Associates, LLP
Deena Mehta *Designation*: Independent Director *Occupation*: Professional *Term*: 5 consecutive years commencing from March 24, 2015 *Address:*17A, Abhilasha Building, 17th floor, 46 August Kranti Marg, Gaumdevi Mumbai – 400 036, Maharashtra, India *Nationality*: Indian	55	00168992	1. Asit C Mehta Financial Services Limited 2. Reliance Commercial Finance Limited 3. Asit C Mehta Investment Interrmediates Limited 4. Reliance Asset Reconstruction Company Limited 5. National Payments Corporation of India 6. Fortune Financial Services (India) Limited 7. NMIMS Business School Alumni Association 8. ITI Reinsurance Limited 9. Securities Industry Association of India 10. ITI Mutual Fund Trustee Private Limited 11. Asit C Mehta Comdex Services, DMCC
Gautam Doshi *Designation*: Non-Executive Director *Occupation*: Service *Term*: Liable to retire by rotation *Address*: 402, Hamilton Court, Tagore Road, Santacruz (West), Mumbai – 400 054, Maharashtra, India. *Nationality*: Indian	63	00004612	1. Connect Capital Private Limited 2. Reliance Anil Dhirubhai Ambani Group Limited 3. Reliance MediaWorks Limited 4. Digital Bridge Foundation 5. Reliance Communications Infrastructure Limited 6. Kudal Real Estate Private Limited 7. Banda Real Estate Private Limited 8. Piramal Phytocare Limited 9. Reliance Telecom Limited 10. Aashni Ecommerce Private Limited 11. Connect Infotain LLP
Soumen Ghosh	57	01262099	1. Reliance Capital Limited

Name, Designation, Occupation, Term, Address and Nationality	Age	DIN	Other Directorships and LLP
Designation: Non-Executive Director *Occupation*: Service *Term*: Liable to retire by rotation *Address:*1501, Lodha Aria, 6/207, Tokersey Jivraj Road Sewree (west), Mumbai – 400 015. *Nationality*: Australian			2. Reliance Nippon Life Insurance Company Limited 3. Reliance AIF Management Company Limited 4. Reliance Commercial Finance Limited 5. Reliance General Insurance Company Limited 6. Reliance Capital Pension Fund Limited 7. Reliance Exchangenext Limited 8. ANZBAI (Mumbai) Business Forum 9. Reliance Securities Limited 10. Reliance Nippon Life Asset Management Limited
K. V. Srinivasan *Designation*: Non-Executive Director *Occupation*: Service *Term*: Liable to retire by rotation *Address*: Flat No. 1601, 'B' Wing, 16th Floor, Dosti Elite Metal, Rolling Compound, Near Sion Telephone Exchange, Sion East, Mumbai – 400 022, Maharashtra, India. *Nationality*: Indian	51	01827316	1. Finance Industry Development Council 2. Mehta Management Conusltancy Services Private Limited

Profile of Directors

Mr. Padmanabh Vora, aged about 73 years, is an Independent Director on our Board and is a Member of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Chairman of Corporate Social Responsibility Committee. He was first appointed as a Director of our Company on July 1, 2008. He is a practicing Chartered Accountant and at present is managing partner in P. P. Vora & Co, Chartered Accountants. He is currently the chairman of NSDL Database Management Limited and has in the past held managing directorship and chairmanship of IDBI Bank Limited and chairmanship of National Housing Bank.

Ms. Deena Mehta, aged about 55 years is an Independent Director on our Board and a member of the Audit Committee and Nomination and Remuneration Committee. She was first appointed as a Director on March 24, 2015. She is an associate member of Institute of Chartered Accountants of India (ICAI) and fellow member of Securities & Investment Institute of London. She has completed Post Graduation in Management Studies with Specialization in Finance from NMIMS and Post Graduate diploma course in Securities Law from Government Law College. She is presently managing director of Asit C Mehta Financial Services Limited. She has more than 20 years of experience in securities market.

Mr. Gautam Doshi, aged about 63 years, is Non-executive director on our Board and a member of the Audit Committee and Corporate Social Responsibility Committee. He was first appointed as a Director of our Company on July 1, 2008. He is a member of the Institute of Chartered Accountants of India. He has served as the Chairman of the Institute of Chartered Accountants of India for the year 1982–83, and was elected to the Council of the Institute of Chartered Accountants of India for two consecutive terms spanning over 1992 to 1998. He specialises in the fields of taxation and regulatory areas. He is a Group Managing Director of Reliance Group.

Mr. Soumen Ghosh, aged about 57 years, is a Non-Executive Director on our Board and a member of the Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Non Convertible Debentures Committee. He was first appointed as a Director of our Company on July 1, 2008. He holds a BSC (Hons) degree in Mechanical Engineering from the University of London (UK) and is also an Associate Chartered Accountant from the Institute of Chartered Accountants England & Wales. He worked as the Regional CEO of Middle East and India Sub Continent region of Allianz, a German

insurance company and as CEO of Bajaj Allianz Life and General Insurance. He is an Executive Director & Group CEO of Reliance Capital Limited.

Mr. K. V. Srinivasan, aged about 51 years is a Non-executive director on our Board and a member of the Non Convertible Debentures Committee and Stakeholders Relationship Committee. He was first appointed as a Director of our Company on April 28, 2012. He is an associate member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He holds a Post Graduate Diploma in Management (PGDBM) from IIM Ahmedabad. He has around two decades of multi-disciplinary experience in consulting and financial sectors. He is presently the CEO of the commercial finance division of Reliance Capital Limited.

Confirmations

None of our Directors have been identified as a 'wilful defaulter' by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution.

Compensation of Directors

The Nomination and Remuneration Committee determines and recommends to the Board the compensation to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors.

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites) pertaining to the last three financial years which has been paid or was payable to the existing Directors by the Company, its subsidiary and associate companies:

(in ₹ lakhs)

Name	Fiscal 2016	Fiscal 2015	Fiscal 2014
Padmanabh Vora	5.60	5.60	1.60
Deena Mehta	5.60	0.40	-
Gautam Doshi	4.00	5.60	1.60
Soumen Ghosh	-	-	-
K. V. Srinivasan	-	-	-

*No remuneration has been paid to the directors except sitting fees for attending Board and Committee Meetings.

Bonus or profit sharing plan of the Directors

Our Company does not have any bonus or profit sharing plan with the Directors.

Relationship with other Directors

None of the directors of the Company are related with each other.

Borrowing powers of the Board

The Board of Directors of the Company at their Meeting held on June 20, 2016 approved the borrowing limit up to an amount of ₹ 12,00,000 lakhs over and above the paid-up capital and free reserves of our Company under section 179(3)(d) of the Companies Act, 2013 and recommended the same for Shareholders approval. Our Shareholders have by way of Annual General Meeting dated August 4, 2016, passed a resolution under Section 180(1)(c) of the Companies Act, 2013 authorising the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of aggregate of paid up share capital and free reserves of the Company up to an amount of ₹ 12,00,000 lakhs over and above the paid-up capital and free reserves of our Company, for the purpose of business of the Company, provided that the total amount so borrowed shall be within the limits as prescribed under the Housing Finance Companies (NHB) Directions, 2010.

Interest of Directors

All of the Directors, may be deemed to be interested to the extent of fees payable to them for attending Board or Board Committee Meetings and commission as well as to the extent of reimbursement of expenses payable to them, if any.

Except as disclosed in this Draft Shelf Prospectus, our Directors do not have any economic interest in our Company. As of November 10, 2016, there were no outstanding transactions other than in the ordinary course of business undertaken by our Company in which the Directors were interested parties.

Further, except as otherwise stated in this Draft Shelf Prospectus, our Company has not entered into any contract, agreement or arrangement, other than in ordinary course of business, during the preceding two years from the date of this Draft Shelf Prospectus in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Further, as on November 10, 2016, no Director has taken any loans from our Company.

None of the Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of the Company.

None of the Directors have any interest in any immovable property acquired or proposed to be acquired by the Company in the preceding two years as of the date of this Draft Shelf Prospectus other than acquisition of commercial office premises on arm's length basis located at The Ruby, 11th Floor, North West Wing, Plot No 29, J. K. Sawant Marg, Dadar, Mumbai – 400 028, Maharashtra, India, from our Promoter.

For details relating to contracts, agreements or arrangements entered into by our Company during the last three fiscal years, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to other related party transactions, please refer to the chapter "***Financial Statements***" on page 108.

Shareholding of Directors

As the date of this Draft Shelf Prospectus, none of our Directors hold any Equity Shares in our Company.

Debenture holding of directors

As on the date of this Draft Shelf Prospectus, our directors do not hold any debentures of the Company.

Corporate Governance

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. Our Company has in place processes and systems whereby it complies with the applicable requirements of corporate governance under the Companies Act, 2013 and rules & regulations made thereunder. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

Our Company believes that its Board is constituted in compliance with the Companies Act, 2013 and SEBI LODR Regulations. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Appointment of any relatives of Directors to an office or place of profit

None of our Directors' relatives have been appointed to an office or place of profit.

Committees of Board of Directors

Details of key committees of Board of Directors is as follows:

1. **Audit Committee**

   Audit Committee was last reconstituted on March 24, 2015 and the terms of reference of the Audit Committee were also last amended on the said date. The Audit Committee currently comprises of 3 (three) members: Mr. Padmanabh Vora, Ms. Deena Mehta and Mr. Gautam Doshi.

   The terms of reference of the Audit Committee, *inter alia*, include:

(a) Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible;
(b) Recommending the appointment, reappointment and replacement/removal of the auditors of the company and fixation of audit fees;
(c) Approving payment for any other services by the auditors;
(d) Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
(e) Examining with the management the annual financial statements before submission to the Board, focusing primarily on:
- Matters required to be included in the directors' responsibility statement included in the report of the Board of directors.
- Any changes in accounting policies and practices.
- Major accounting entries based on exercise of judgement by management.
- Qualifications in draft auditor's report.
- Significant adjustments arising out of audit.
- Compliance with legal requirements concerning financial statements.
- Any related party transactions.

(f) Reviewing with the management the quarterly financial statements before submission to the Board for approval;
(g) Reviewing with the management, external and internal auditors, the adequacy of internal control systems, internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
(h) Discussion with internal auditors on any significant findings and follow up thereon.
(i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
(j) Approving or any subsequent modification of the transactions of the company with related parties;
(k) Scrutinising inter-corporate loans and investments;
(l) Valuation of undertakings or assets of the company, wherever it is necessary;
(m) Evaluation of internal financial controls and risk management systems;
(n) Monitoring the end use of funds raised through public offers and related matters;
(o) Discussion with the auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
(p) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
(q) To review the functioning of the Whistle Blower mechanism;
(r) Carrying out any other function referred to it by the Board;
(s) Review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Internal audit reports relating to internal control weaknesses;
- Management letters / letters of weaknesses issued by auditors; and
- Statement of significant related party transactions;

2. **Stakeholders Relationship Committee ("SRC")**

SRC was constituted on November 10, 2016. The SRC comprises of three members: Mr. Padmanabh Vora, Mr. Soumen Ghosh and Mr. K. V. Srinivasan. Mr. Padmanabh Vora is the Chairman of the SRC Committee.

The terms of reference of the SRC, includes, inter alia, the following:

i. To monitor and resolve the stakeholders' complaints/grievances including relating to non-receipt of allotment / refund, transfer of securities, non-receipt of balance sheet, etc.
ii. To oversee the performance of the Register and Transfer Agents and to recommend measures for overall improvement in the quality of investor services.
iii. To perform all functions relating to the interests of security holders of the Company and as assigned by the Board, as may be required by the provisions of the Companies Act, 2013 and Rules made thereunder, Listing Agreements with the Stock Exchanges and guidelines issued by the SEBI or any other regulatory authority."

3. **Nomination and Remuneration Committee ("NRC")**

NRC was constituted on March 24, 2015. The terms of reference of this committee were approved by the Board of Directors on said date. NRC currently comprises of 3 (three) members: Mr. Padmanabh Vora, Mr. Soumen Ghosh and Ms. Deena Mehta.

The terms of reference of the NRC includes, *inter alia*, the following:

(a) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
(b) Recommend to the Board their appointment and removal;
(c) Carry out evaluation of every director's performance;
(d) Formulate the criteria for determining qualifications, positive attributes and independence of a director; and
(e) Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees such that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

4. **Corporate Social Responsibility Committee ("CSR Committee")**

CSR Committee was constituted on April 30, 2014. The terms of reference of this committee were approved in the said Meeting. CSR currently comprises of 3 (three) members: Mr. Padmanabh Vora, Mr. Gautam Doshi and Mr. Soumen Ghosh. Mr. Padmanabh Vora is the Chairman of the CSR Committee.

The terms of reference of the CSR Committee, includes *inter alia*, the following:

The Committee shall assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy and the Scope and Functions of the Committee shall be in compliance with the provisions of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as applicable from time to time."

5. **Non Convertible Debentures Committee ("NCD Committee")**

NCD Committee was re-constituted on November 10, 2016 and the terms were revised. NCD Committee currently comprises of 3 (three) members: Mr. Soumen Ghosh, Director and Mr. K. V. Srinivasan, Director and Mr. Ravindra Sudhalkar, CEO.

The terms of reference of the NCD includes, *inter alia*, the following:

a) authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as such authorized person in his/her/its absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment of the Debentures;
b) giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
c) appointing one of more lead manager(s), legal counsel(s), rating agency(ies), trustee(s), registrar and any other intermediary(ies) to the issue in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, ("Debt Regulations") and other applicable laws;
d) seeking, if required, any approval, consent or waiver from the Company's lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned

government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the Debentures;

e) deciding, modifying or altering the pricing and terms and conditions of the Debentures, and all other related matters, including the determination of the size of the Debentures issue upto the maximum limit prescribed by the Board and the minimum subscription, number of the Debentures to be issued, the timing, nature of debt permitted by applicable laws, type of debentures, pricing, type of investors and such other terms and conditions of the issue including coupon rate, yield, retention of oversubscription, if any, etc., in consultation with the lead manager(s);
f) approval of the Draft Prospectus/ Draft Shelf Prospectus, the Prospectus/ Shelf Prospectus and Tranche Prospectus(es) as the case may be (including amending, varying or modifying the same,
g) as may be considered desirable or expedient) as finalized in consultation with the lead manager(s), in accordance with all applicable laws, rules, regulations and guidelines;
h) seeking the listing of the Debentures on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing and trading approval;
i) finalization of and arrangement for the submission of the Draft Shelf Prospectus or Draft Prospectus and Tranche Prospectus(es) to be submitted to the Stock Exchange(s) for receiving comments from the public and the Prospectus/ Shelf Prospectus and Tranche Prospectus(es) to be filed with the Stock Exchange(s), Securities and Exchange Board of India, RoC and any corrigendum, amendments supplements thereto;
j) authorization of the maintenance of a register of holders of the Debentures;
k) finalization of the basis of allotment of the Debentures including in the event of over-subscription;
l) finalization of the allotment of the Debentures on the basis of the applications received;
m) acceptance and appropriation of the proceeds of the Issue;
n) to generally do any other act and/or deed, to negotiate and execute any document/s, including finalising the issue agreement with lead managers, agreement with registrar to the Issue, consortium agreement (if applicable), escrow agreement, underwriting agreement, other agreements, listing agreement, tripartite agreements, execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, extension of issue and/or early closure of the Issue and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Issue;
o) to generally finalise any security offered for this issue and execute documents in relation to the security creation including mortgage deed/deed of hypothecation/ debenture trust deed, debenture trustee agreement and all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose as it deems fit or as may be necessary or desirable with regard to the security for the Issue;
p) to allot Debentures, to approve and to issue and allot the Debentures and to approve all other matters relating to the issue and do all such acts, deeds, matters and things in relation to the allotment of Debentures; and
q) to open one or more no-lien bank account with banks, registered with Securities and Exchange Board of India under the Securities and Exchange Board of India (Bankers to an Issue), Regulations, 1994 as Bankers to an Issue, for remittance of the Issue Proceeds as received from Investors in the issue of the Debentures, to public;

Changes in the Directors of our Company during the last three years:

The changes in the Board of Directors of our Company in the three years preceding the date of this Draft Shelf Prospectus are as follows:

Sr. No.	Name, Designation	DIN	Date of appointment/ resignation	Reasons
1.	Deena Mehta (Independent Director)	DIN: 0168992	March 24, 2015 (Appointment)	Appointment of woman Director on the Board in terms of the provisions of the Companies Act, 2013 and rules made thereunder.

Key Managerial Personnel of our Company

Our operations are overseen by a professional management team. In addition to the Directors as set forth above, following are the key managerial personnel of our Company:

Mr. Ravindra Sudhalkar, aged 48 years, is presently the Chief Executive Officer of our Company. He is Masters in Science (Electronics) from Sardar Patel University, Anand Gujarat. He also holds a masters in business administration from Sardar Patel University. He has more than 2 (two) decades of experience in financial sectors and has been part of the senior management at ICICI Bank and Kotak Mahindra Bank, before he joined our Company on October 3, 2016.

Mr. Amrish Shah, aged 43 years, is presently the Chief Financial Officer of our Company. He is an associate member of the Institute of Chartered Accountants of India and holds a bachelors' degree in commerce. He has nearly two decades of experience in financial sectors and has been part of senior management at Rasna Limited and ICICI Bank Limited before joining the Reliance Capital Limited. He has been associated with the Reliance Capital Limited and our Company for over 9 (nine) years.

Ms. Ekta Thakurel, aged 30 years, is presently the Company Secretary and Compliance Officer of our Company. She is an associate member of the Institute of Company Secretaries of India and holds a bachelors' degree in Commerce from 2007. She has over 8 (eight) years of experience in the financial sector and has worked with Kotak Mahindra Old Mutual Life Insurance Company Limited and HDFC Standard Life Insurance Company Limited prior to joining our Company.

Compensation of our Company's key managerial personnel

In addition to the remuneration payable to the Directors, our Company paid the following remuneration to its employees who were key managerial personnel during the financial year ended March 31, 2016.

(in ₹ lakh)

Name	Duration	Fiscal 2016
Sandip Parikh (since resigned as Manager)	May 7, 2015 to March 31, 2016	126.46
Amrish Shah (Chief Financial Officer)	May 7, 2015 to March 31, 2016	47.14
Ekta Thakurel (Company Secretary)	July 30, 2015 to March 31, 2016	9.12
Deepali Bhatt (since resigned as Company Secretary)	May 7, 2015 to July 30, 2015	0.99
Roopa Joshi (since resigned as Chief Financial Officer)	April 1, 2015 to May 6, 2015	2.67

Bonus or profit sharing plan of the key managerial personnel

Our Company does not have any bonus or profit sharing plan with the key managerial personnel.

Interest of key managerial personnel

None of our key managerial personnel has been paid any consideration of any nature from our Company, other than their remuneration. Our CFO has been granted home loans at concessional rate of interest as offered to all the employees of our Company, in the ordinary course of business. For further details, refer to the chapter "***Financial Statements***" beginning on page 108.

Payment or Benefit to Officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any other benefit upon termination of his/her employment in our Company.

Shareholding of our Company's key managerial personnel

As at on the date of this Draft Shelf Prospectus our key managerial personnel do not hold any Equity Shares of our Company.

Other Confirmations

None of the Directors or key managerial personnel of our Company has any financial or other material interest in the Issue.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three financial years, as per the requirements under "***Related Party Transactions***" specified under the Companies Act, refer to the chapter "***Financial Statements***" beginning on page 108.

OUR PROMOTER

The Promoter of our Company is Reliance Capital Limited ("**RCL**").

Profile of our Promoters

Our Promoter (CIN: L65910MH1986PLC165645) was incorporated on March 5, 1986 in the State of Gujarat under the provisions of the Companies Act, 1956 under the name "Reliance Capital & Finance Trust Limited". Subsequently, the name of the company was changed to "Reliance Capital Limited" with effect from January 5, 1995. Our Promoter shifted its registered office from the State of Gujarat to the State of Maharashtra pursuant to the order of the Company Law Board, Western Region Bench, Mumbai dated November 2, 2006 and registered the same with the RoC on November 20, 2006.

In 1992, pursuant to a Scheme of Arrangement under the Companies Act 1956, Arasina Hotels Limited was amalgamated with our Promoter. The Scheme of Amalgamation was sanctioned by the Hon'ble High Court of Gujarat and the Hon'ble High Court of Karnataka *vide* their orders dated August 4, 1992 and August 7, 1992, respectively. Further, in 2006, pursuant to a Scheme of Arrangement under the Companies Act, 1956, Reliance Capital Ventures Limited was amalgamated with our Promoter w.e.f. July, 17, 2006 (the effective date). The Scheme of Amalgamation was sanctioned by the Hon'ble High Court of Gujarat at Ahmedabad and the Hon'ble High Court of Judicature at Bombay by orders dated June 22, 2006 and June 23, 2006, respectively.

In 2011, pursuant to a Scheme of Amalgamation under the Companies Act 1956, Reliance Commercial Finance Private Limited was amalgamated with our Promoter w.e.f. Appointed Date i.e. April 1, 2010. The Scheme of Amalgamation was sanctioned by the Hon'ble High Court of Judicature at Bombay vide order dated April 29, 2011. Subsequently, in 2012, pursuant to a Scheme of Amalgamation under the Companies Act 1956, Viscount Management Services (Alpha) Limited was amalgamated with our Promoter w.e.f. Appointed Date i.e. October 1, 2011. The Scheme of Amalgamation was sanctioned by the Hon'ble High Court of Judicature at Bombay vide order dated January 20, 2012 and in 2013, pursuant to a Scheme of Amalgamation under the Companies Act 1956, Emerging Money Mall Limited and Reliance Equities International Private Limited were amalgamated with our Promoter w.e.f. i.e. March 31, 2013 (the appointed date). The Scheme of Amalgamation was sanctioned by the Hon'ble High Court of Judicature at Bombay vide order dated March 22, 2013.

The board of directors of our Promoter at their meeting held on February 25, 2016 has approved the transfer of its commercial finance division into a separate wholly owned subsidiary i.e. Reliance Commercial Finance Limited (formerly Reliance Gilts Limited) with effect from the appointed date i.e. April 1, 2016, subject to requisite approvals.

The board of directors of our Promoter at their meeting held on October 28, 2016 has approved a Scheme of Arrangement for demerger of Real Estate Lending Business of our Promoter into its wholly owned subsidiary viz. Reliance Home Finance Limited with effect from April 1, 2017, the Appointed Date, subject to requisite approvals.

RCL entered the Capital Markets with a maiden public issue in 1990 and the equity shares were initially listed on the Ahmedabad and Bombay Stock Exchanges. Presently the shares are listed on BSE and NSE.

RCL has a certificate of registration dated April 2, 2007 bearing Registration No. B-13.01859 issued by Reserve Bank of India to carry on the activities as Non-Banking Financial Company.

RCL has a certificate of registration dated March 19, 2015 bearing Registration No. IN-DP-48-2015 issued by SEBI to carry on the activities as a participant under the SEBI (Depositories and Participants) Regulations, 1996.

RCL has a certificate of registration and commencement of business as points of presence (PoP) for NPS issued by Pension Fund Regulatory and Development Authority.

Board of Directors of our Promoter as on date of filing of this Draft Shelf Prospectus

Sr. No.	Name of Director	Designation
1.	Anil D. Ambani	Chairman and Non-Executive Director
2.	Amitabh Jhunjhunwala	Vice-Chairman and Non-Executive Director

Sr. No.	Name of Director	Designation
3.	Rajendra Prabhakar Chitale	Independent Director
4.	Dr. Bidhubhusan Samal	Independent Director
5.	Vijayendra Nath Kaul	Independent Director
6.	Chhaya Virani	Independent Director
7.	Soumen Ghosh	Executive Director & Group CEO
8.	Jai Anmol Ambani	Executive Director

Interest of our Promoter in our Company

Except as stated under the chapter titled "***Financial Statements***" beginning on page 108 and to the extent of their shareholding in our Company, our Promoter does not have any other interest in our Company's business. Further, our Promoter has no interest in any property acquired by our Company in the last two years from the date of this Draft Shelf Prospectus, or proposed to be acquired by our Company, or in any transaction with respect to the acquisition of land or construction of building other than acquisition of commercial office premises on arm's length basis located at The Ruby, 11th Floor, North West Wing, Plot No 29, J. K. Sawant Marg, Dadar, Mumbai – 400 028, Maharashtra, India.

Further as on March 31, 2016 and September 30, 2016, none of our outstanding bank facilities have been guaranteed by our Promoter.

Our Promoter does not intend to subscribe to this Issue.

Other Confirmations

Our Promoter has confirmed that they have not been identified as wilful defaulters by the RBI or any government authority nor is it in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

There were no instances of non-compliance by our Promoter on any matter related to the capital markets, resulting in disciplinary action against the Company by the Stock Exchanges or SEBI or any other statutory authority. Further, our Promoter has not been restrained or debarred or prohibited from accessing the capital markets or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

Promoter shareholding in our Company as on date of the Draft Shelf Prospectus

Please refer to the chapter "***Capital Structure***" on page 40 for details with respect to Promoter shareholding in our Company as on date of this Draft Shelf Prospectus.

Shareholding pattern of Reliance Capital Limited as on September 30, 2016

Summary statement holding of specified securities

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	No. of Shares Underlying Depository Receipts	Total nos. Shares Held	Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	Number of Shares Pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
						No.(a)	As a % of total Shares Held (b)	
(A) Promoter & Promoter Group	10	13,13,82,303	0	13,13,82,303	52.13	5,90,00,000	44.91	13,13,82,303
(B) Public	9,69,430	11,90,39,075	0	11,90,39,075	47.23		0.00	11,42,54,671
(C1) Shares underlying DRs	1	6,11,422	0	6,11,422	0.00		0.00	6,11,422
(C2) Shares held by Employee Trust	1	16,00,000	0	16,00,000	0.63		0.00	16,00,000
(C) Non Promoter-Non Public	2	22,11,422	0	22,11,422	0.63		0.00	22,11,422
Grand Total	9,69,442	25,26,32,800	0	25,26,32,800	100.00	5,90,00,000	23.35	24,78,48,396

Statement showing shareholding pattern of the Promoter and Promoter Group

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	No. of Shares Underlying Depository Receipts	Total nos. Shares Held	Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957) as a % of (a+b+c2)	Number of Shares Pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
						No.(a)	As a % of total Shares Held (b)	
A1) Indian								
Individuals/Hindu undivided Family	5	11,66,014		11,66,014	0.46		0.00	11,66,014
Anil D. Ambani	1	2,73,891		2,73,891	0.11		0.00	2,73,891
Tina A. Ambani	1	2,63,474		2,63,474	0.10		0.00	2,63,474
Jai Anmol A. Ambani	1	83,487		83,487	0.03		0.00	83,487
Jai Anshul A. Ambani	1	5		5	0.00		0.00	5
Kokila D Ambani (*)	1	5,45,157		5,45,157	0.22		0.00	5,45,157
Any Other (specify)	5	13,02,16,289		13,02,16,289	51.67	5,90,00,000	45.31	13,02,16,289
Reliance Inceptum Private Limited	1	9,77,14,206		9,77,14,206	38.77	4,60,00,000	47.08	9,77,14,206
Reliance Innoventures Private Limited	1	5,76,450		5,76,450	0.23		0.00	5,76,450
Reliance Infrastructure Consulting & Engineers Private Limited	1	2,79,75,633		2,79,75,633	11.10	1,30,00,000	46.47	2,79,75,633

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	No. of Shares Underlying Depository Receipts	Total nos. Shares Held	Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957) as a % of (a+b+c2)	Number of Shares Pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
						No.(a)	As a % of total Shares Held (b)	
Crest Logistics and Engineers Private Limited	1	32,50,000		32,50,000	1.29		0.00	32,50,000
Reliance Infrastructure Management Private Limited	1	7,00,000		7,00,000	0.28		0.00	7,00,000
Sub Total A1	**10**	**13,13,82,303**		**13,13,82,303**	**52.13**	**5,90,00,000**	**44.91**	**13,13,82,303**
A2) Foreign	**0**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**
A=A1+A2	**10**	**13,13,82,303**		**13,13,82,303**	**52.13**	**5,90,00,000**	**44.91**	**13,13,82,303**

(*) As per disclosure, pursuant to Regulation 30(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 received from the Promoters alongwith Persons Acting/deemed to be Acting in Concert, 17,00,000 (0.67%) equity shares purchased by the discretionary Portfolio Manager of Smt. Kokila D. Ambani under the Portfolio Management Scheme (PMS) have been credited to a separate Demat Account specifically opened for PMS purpose as per the SEBI requirements. No voting or other rights/interest is held on those shares, except the economic interest in PMS. This is disclosed by way of an abundant caution.

Statement showing shareholding pattern of the Public shareholder

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	No. of Shares Underlying Depository Receipts	Total nos. Shares Held	Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957) as a % of (a+b+c2)	Number of Shares Pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
						No.(a)	As a % of total Shares Held (b)	
B1) Institutions								
Mutual Funds/	163	83,88,308	0	83,88,308	3.33	83,88,308	3.32	83,60,646
Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Enhanced Arbitrage Fund	1	27,71,009	0	27,71,009	1.10	27,71,009	1.10	27,71,009
Reliance Capital Trustee Co. Ltd. - A/C	1	40,60,205	0	40,60,205	1.61	40,60,205	1.61	40,59,103
Foreign Portfolio Investors	137	2,93,08,024	0	2,93,08,024	11.63	2,93,08,024	11.60	2,93,08,024
Valiant Mauritius Partners Offshore Limited	1	33,50,249	0	33,50,249	1.33	33,50,249	1.33	33,50,249
Valiant Mauritius Partners Limited	1	26,40,275	0	26,40,275	1.05	26,40,275	1.05	26,40,275
Financial Institutions/ Banks	268	74,10,565	0	74,10,565	2.94	74,10,565	2.93	73,96,258
Sumitomo Mitsui Trust Bank	1	70,00,000	0	70,00,000	2.78	70,00,000	2.77	70,00,000
Insurance Companies	18	1,08,52,332	0	1,08,52,332	4.31	1,08,52,332	4.30	1,08,52,189
Life Insurance Corporation of India	1	1,05,12,400	0	1,05,12,400	4.17	1,05,12,400	4.16	1,05,12,297
Any Other (specify)	322	1,88,20,967	0	1,88,20,967	7.47	1,88,20,967	7.45	1,88,15,198

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	No. of Shares Underlying Depository Receipts	Total nos. Shares Held	Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957) as a % of (a+b+c2)	Number of Shares Pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
						No.(a)	As a % of total Shares Held (b)	
Morgan Stanley Mauritius Company Limited	1	42,47,817	0	42,47,817	1.69	42,47,817	1.68	42,47,817
Foreign Institutional Investors	322	1,88,20,967	0	1,88,20,967	7.47	1,88,20,967	7.45	1,88,15,198
Sub Total B1	**908**	**7,47,80,196**	**0**	**7,47,80,196**	**29.67**	**7,47,80,196**	**29.60**	**7,47,32,315**
B2) Central Government/ State Government(s)/ President of India								
Central Government/ State Government(s)/ President of India	70	71,191	0	71,191	0.03	71,191	0.03	30,957
Sub Total B2	**70**	**71,191**	**0**	**71,191**	**0.03**	**71,191**	**0.03**	**30,957**
B3) Non-Institutions								
Individual share capital upto ₹ 2 Lakh	9,52,138	3,25,51,187	0	3,25,51,187	12.92	3,25,51,187	12.88	2,81,20,912
Individual share capital in excess of ₹ 2 Lakh	31	46,83,087	0	46,83,087	1.86	46,83,087	1.85	46,60,587
Any Other (specify)	16,283	69,53,414	0	69,53,414	2.76	69,53,414	2.75	67,09,900
Overseas corporate bodies	21	6,277	0	6,277	0.00	6,277	0.00	4,774
Bodies Corporate	4,705	53,64,526	0	53,64,526	2.13	53,64,526	2.12	52,85,419
NRI – Non- Repat	3,893	4,90,791	0	4,90,791	0.19	4,90,791	0.19	4,27,393
NRI – Repat	7,662	10,91,770	0	10,91,770	0.43	10,91,770	0.43	9,92,264
Foreign Individuals	2	50	0	50	0.00	50	0.00	50
Sub Total B3	**9,68,452**	**4,41,87,688**	**0**	**4,41,87,688**	**17.53**	**4,41,87,688**	**17.49**	**3,94,91,399**
B=B1+B2+B3	**9,69,430**	**11,90,39,075**	**0**	**11,90,39,075**	**47.23**	**11,90,39,075**	**47.12**	**11,42,54,671**

Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the Shareholders (i)	No. of Shareholder (iii)	No. of fully paid up Equity Shares held (iv)	Nos. of Shares underlying Depository Receipts (vi)	Total no. Shares held (vii = iv + v +vi)	Shareholding % calculated as per SCRR, 1957 as a % of (a+b+c2) (viii)	Number of equity shares held in dematerialized form(xiv) (not applicable)
C1) Custodian/DR Holder						
Custodian/DR Holder	1	6,11,422		6,11,422	0.00	6,11,422
Sub Total C1	1	6,11,422		6,11,422	0.00	6,11,422
C2) Employee Benefit Trust						
Employee Benefit Trust	1	16,00,000		16,00,000	0.63	16,00,000
Sub Total C2	1	16,00,000		16,00,000	0.63	16,00,000
C= C1+C2	2	22,11,422		22,11,422	0.63	22,11,422

SECTION V-FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	Limited reviewed financial results on standalone basis for the half year ended September 30, 2016	F-1
2.	Examination report and Reformatted Financial Statements	F-5

CHATURVEDI & SHAH
Chartered Accountants

Independent Auditors' Review Report

To
The Board of Directors of
Reliance Home Finance Limited

We have reviewed the accompanying statement of unaudited financial results of **Reliance Home Finance Limited** ('the Company') for the six months ended September 30, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the National Housing Bank in respect of income recognition, asset classification, provisioning and other related matters.

For **Chaturvedi & Shah**
Chartered Accountants
Firm's Registration No: 101720W

Vijay Napawaliya
Partner
Membership No: 109859

Mumbai
October 22, 2016

RELIANCE

Reliance Home Finance Ltd.
Reliance Centre,
6th Floor, South Wing,
Off Western Express Highway,
Santacruz (East), Mumbai - 400055.
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www.reliancehomefinance.com
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A Reliance Capital Company

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2016

(Rs.in Lacs)

Particulars	Six Months Ended		Year to Date Figures for Six Months Period Ended	Year Ended
	30-Sep-16	30-Sep-15	30-Sep-16	31-Mar-16
	Unaudited	Unaudited	Unaudited	Audited
1. Interest Earned (a+b+c+d)	44,882	34,967	44,882	73,739
(a) Interest on Housing & Other Loans	43,615	34,629	43,615	72,690
(b) Income on investments	938	147	938	669
(c) Interest on balances with Reserve Bank of India and other inter bank funds	-	-	-	-
(d) Others	329	191	329	380
2. Other Income	5,280	3,348	5,280	7,764
3. Total Income (1+2)	50,162	38,315	50,162	81,503
4. Interest Expended	29,438	25,159	29,438	47,457
5. Operating Expenses (i)+(ii)+(iii)+(iv)+(v)	13,076	5,729	13,076	19,165
(i) Employees cost	3,520	2,998	3,520	7,102
(ii) Marketing cost	805	640	805	1,366
(iii) Amortised DSA Commission	571	478	571	1,060
(iv) Legal and Professional fees	1,060	580	1,060	991
(v) Other operating expenses	7,120	1,033	7,120	8,646
6. Total Expenditure (4+5) excluding provisions and contingencies	42,514	30,888	42,514	66,622
7. Operating Profit before Provisions and Contingencies (3-6)	7,648	7,427	7,648	14,880
8. Provisions (other than tax) and Contingencies	1,463	544	1,463	1,211
9. Exceptional Items	-	-	-	-
10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)	6,185	6,883	6,185	13,669
11. Tax expense (including Deferred Tax)	2,000	2,393	2,000	4,995
12. Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)	4,185	4,490	4,185	8,674
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit (+)/ Loss (-) for the period (12-13)	4,185	4,490	4,185	8,674
15. Paid-up equity share capital (face value of Rs.10/-)	6,582	6,582	6,582	6,582
16. Reserves excluding Revaluation Reserves (As per Balance Sheet of previous accounting year)				55,430
17. Analytical Ratios				
(i) Capital Adequacy Ratio	14.08%	16.52%	14.08%	16.34%
(ii) Earnings Per Share (EPS)(Not Annualised) (In Rupees)	6.36	6.82	6.36	13.18
18) NPA Ratios				
a) Gross/Net NPA				
(i) Gross NPA	11,673	5,979	11,673	6,561
(ii) Net NPA	9,289	4,647	9,289	5,010
b) % of Gross/Net NPA				
(i) % of Gross NPA/ Gross Loans & Advances	1.48%	1.01%	1.48%	0.97%
(ii) % of Net NPA/ Net Loans & Advances	1.18%	0.79%	1.18%	0.74%
c) Return on Assets (Not Annualised) [PBT/Total Assets]	0.68%	1.07%	0.68%	1.78%

Notes:

1 The previous period / year's figures have been regrouped and reclassified wherever necessary.

2 The Company is mainly engaged in the housing finance business and all other activities revolve around the main business of the Company. Further all activities are conducted within India and as such there is no separate reportable segment as specified in Accounting Standard (AS-17) on "Segment Reporting", in terms of Companies (Accounts) Rules, 2014.

3 The above results were reviewed by the Audit Committee. The Board of Directors at its meeting held on October 22, 2016 approved the above results and its release.

4 The financial results for the six months period ended September 30, 2016 of the Company have been subjected to a "Limited Review" by the Statutory Auditor of the Company.

5 The Board of Directors of the Company at its Meeting held on June 20, 2016 has considered and approved a Scheme of Arrangement ('the Scheme") under Sections 391 to 394 of the Companies Act, 1956 ('the 'Scheme') between India Debt Management Private Limited ('Demerged Company) and the Company. As per the Scheme, credit business of the demerged company would be transferred to the Company from the Appointed Date.
The Appointed Date for the Scheme is March 31, 2016. The Scheme is subject to requisite approvals, including sanction of the Hon'ble High Court of Judicature at Bombay.

B K CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

RELIANCE HOME FINANCE LIMITED

Registered Office:
Reliance Centre, 6th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai - 400055.

RELIANCE

6 The Board of Directors of the Company at their meeting held on September 13, 2016 have decided, subject to regulatory approvals, to list the equity shares of the Company on the Stock Exchanges and to allot 49% stake in the Company to shareholders of Reliance Capital Limited in the ratio of 1:1.

7 Secured Non convertible Debentures amounting to Rs. 86,700 lacs are secured by way of first pari passu legal mortgage and charge over the premises situated at Bharuch and additional pari passu charge by way of hypothication on the present and future books debts/receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders, except those book debts and receivables charged/ to be charged in favour of National Housing Bank for refinance availed/ to be availed from them, of Home Finance Business subject to maintenance of minimum asset coverage of 100% of issue amount.

8 Additional information as per Para 52 (3) of Chapter V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

a) Credit rating

Nature of Rating	Rating
Long Term Secured NCD Issue	BWR AA+
Subordinated Tier II Unsecured NCD	BWR AA+
Subordinated Debt	CARE AA
Principal Protected Market linked Debentures	CARE PP-MLD AA+

b) Debt-Equity ratio as on September 30, 2016 13.19

c) Debenture redemption reserve Nil

As the Company is registered with National Housing Bank as a Housing Finance Company under Section 29A of The National Housing Bank Act, 1987, no DRR is required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture Rules, 2014.

d) Net worth as on September 30, 2016 Rs. 60,092 Lacs

e) Details of listed Debentures

(Rs. in Lacs)

ISIN	Previous Due Dates for payment of #		Next Due Date for payment of			
	Interest	Principal	Interest Due Date	Interest Amount	Principal Due Date	Principal Amount
INE217K07026	26-May-16	-	26-Nov-16	102	-	-
INE217K07034	11-Jun-16	-	11-Dec-16	5	-	-
INE217K07042	3-Jul-16	-	3-Jan-17	76	-	-
INE217K07059	8-Jul-16	-	8-Jan-17	126	-	-
INE217K07083	4-Apr-16	4-Apr-16	-	-	-	-
INE217K07117	27-Apr-16	-	27-Oct-16	5	-	-
INE217K07125	29-Apr-16	-	-	-	-	-
INE217K07141	3-Jun-16	-	-	-	-	-
INE217K07158	4-Jun-16	-	4-Dec-16	23	-	-
INE217K07166	7-Jun-16	-	-	-	-	-
INE217K07174	10-Jun-16	-	-	-	-	-
INE217K07182	13-Jun-16	-	-	-	-	-
INE217K07190	19-Jun-16	-	-	-	-	-
INE217K07208	5-Jul-16	-	5-Jan-17	118	-	-
INE217K07208	5-Jul-16	-	5-Jan-17	24	-	-
INE217K07216	26-Jul-16	-	26-Jan-17	72	-	-
INE217K07224	22-Aug-16	22-Aug-16	-	-	-	-
INE217K07232	31-Jul-16	-	31-Jan-17	75	31-Jan-17	1,500
INE217K07240	28-Sep-16	-	28-Mar-17	8	-	-
INE217K07257	15-May-16	-	15-Nov-16	74	-	-
INE217K07273	19-Jun-16	-	-	-	-	-
INE217K07265	27-Jun-16	-	-	-	-	-
INE217K07281	-	-	16-Oct-16	98	-	-
INE217K07315	26-Sep-16	-	26-Mar-17	67	-	-
INE217K07323	-	-	27-Mar-17	182	-	-
INE217K07349	-	-	3-Oct-16	13	3-Oct-16	315
INE217K07380	-	-	27-Jan-17	48	27-Jan-17	325
INE217K07430	22-Sep-16	-	22-Mar-17	68	-	-
INE217K07497	28-Apr-16	-	28-Oct-16	88	-	-
INE217K07505	-	-	21-Mar-17	91	21-Mar-17	7,500
INE217K07521	-	-	15-Dec-16	221	-	-
INE217K07646	-	-	8-Mar-17	450	-	-
INE217K07661	-	-	16-Mar-17	90	-	-

RELIANCE

(Rs. in Lacs)

ISIN	Previous Due Dates for payment of #		Next Due Date for payment of			
	Interest	Principal	Interest Due Date	Interest Amount	Principal Due Date	Principal Amount
INE217K07737	-	-	11-Oct-16	177	-	-
INE217K07752	-	-	26-Oct-16	110	-	-
INE217K07778	-	-	6-Nov-16	67	-	-
INE217K07828	-	-	24-Dec-16	110	-	-
INE217K07836	-	-	24-Dec-16	133	-	-
INE217K07869	-	-	20-Jan-17	89	-	-
INE217K08016	18-Sep-16	-	-	-	-	-
INE217K08016	18-Sep-16	-	-	-	-	-
INE217K08024	21-Sep-16	-	-	-	-	-
INE217K08032	24-Sep-16	-	-	-	-	-
INE217K08032	24-Sep-16	-	-	-	-	-
INE217K08040	18-Sep-16	-	-	-	-	-
INE217K08057	-	-	4-Oct-16	156	-	-
INE217K08065	10-Apr-16	-	10-Oct-16	104	-	-
INE217K08065	10-Apr-16	-	10-Oct-16	52	-	-
INE217K08073	18-Apr-16	-	18-Oct-16	52	-	-
INE217K08081	26-May-16	-	26-Nov-16	26	-	-
INE217K08107	-	-	7-Feb-17	150	-	-
INE217K08115	14-May-16	-	-	-	-	-
INE217K08123	29-May-16	-	-	-	-	-
INE217K08131	9-Jun-16	-	-	-	-	-
INE217K08149	12-Jun-16	-	-	-	-	-
INE217K08156	15-Jun-16	-	-	-	-	-
INE217K08164	29-Jun-16	-	-	-	-	-
INE217K08172	1-Jul-16	-	-	-	-	-
INE217K08180	3-Jul-16	-	-	-	-	-
INE217K08198	21-Aug-16	-	-	-	-	-
INE217K08206	24-Aug-16	-	-	-	-	-
INE217K08214	15-Sep-16	-	-	-	-	-
INE217K08222	-	-	21-Jan-17	136	-	-
INE217K08230	-	-	10-Feb-17	27	-	-
INE217K07307	-	-	6-Feb-17	Market Linked Debentures	6-Feb-17	500
INE217K07448	-	-	28-Oct-16		28-Oct-16	105
INE217K07539	-	-	17-Mar-17		17-Mar-17	200

All payments have been made on the respective due dates

For Reliance Home Finance Limited

Place: Mumbai
Date: October 22, 2016

CHATURVEDI & SHAH CHARTERED ACCOUNTANTS MUMBAI

RELIANCE HOME FINANCE LIMITED

K. V. Srinivasan
Director

Ravindra Sudhalkar
CEO

Auditors' Report as required by Section 26 of the Companies Act, 2013 read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014

To,
The Board of Directors,
Reliance Home Finance Limited
Reliance Centre,
6th Floor, South Wing,
Off Western Express Highway,
Santacruz East, Mumbai – 400 055,
Maharashtra, India

Report of Auditors on the Reformatted Financial Statements of Reliance Home Finance Limited as at and for each of the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012

1. We, Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W) are statutory auditors of Reliance Home Finance Limited (hereinafter referred to as "RHFL" or "the Company"), have examined the Reformatted Statement of Assets and Liabilities and Notes forming part thereof, the Reformatted Statement of Profit and Losses and Notes forming part thereof and the Reformatted Statement of Cash Flows (together referred to as "Reformatted Financial Information") of the Company, for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 annexed to this report for the purpose of inclusion in the Draft Shelf Prospectus, Shelf Prospectus, relevant tranche prospectus (herein referred as "Offer Document") to be filed by the Company in connection with its proposed issue of Secured and Unsecured Redeemable Non-Convertible Debentures ('NCDs') amounting to Rs. 3,50,000 lakhs ("the Issue"), which has been approved by the Board of Directors of the Company in their meeting held on November 10, 2016 by taking into consideration the requirements of:

   a) Section 26(1)(b) of the Companies Act 2013 read with rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; and

   b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended ('the SEBI Regulations') issued by Securities and Exchange Board of India ('**SEBI**').

Management's Responsibility for the Reformatted Financial Information

2. The preparation of such Reformatted Financial Information is the responsibility of the Company's management including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of such reformatted financial information and applying appropriate basis of preparation that are reasonable in the circumstances. The Reformatted Financial Information have been extracted by management from the audited Financial Statements of the Company for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012, which were approved by Board of Directors of the Company and which have been audited by us and in respect of which we have issued audit opinion dated April 21, 2016, May 7, 2015, April 30, 2014, April 17, 2013 and April 28, 2012 respectively to the Members of the Company. The Management is also responsible for ensuring that the Company complies with the requirements of Section 26(1)(b) of the Companies Act, 2013 read with rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended ('the SEBI Regulations') issued by Securities and Exchange Board of India ('**SEBI**').

Auditors' Responsibility

3. We have examined the Reformatted Financial Information taking into consideration:

   a) the terms of reference received from the Company requesting us to carry out work on such financial information, proposed to be included in the Draft Shelf Prospectus and Shelf Prospectus of the Company in connection with its Issue; and

   b) Guidance Note on Reports or Certificates for Special Purposes and Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India. The Guidance Notes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

4. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

5. In accordance with the requirements of section 26(1)(b) of the Companies Act 2013 read with rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations and the terms of our engagement agreed with you, we are of opinion that:

   The Reformatted Financial Information of the Company as at and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 examined by us as set out in Annexure I to III to this report are accurately extracted from the audited financial statements of the Company for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012.

6. Based on our examination as above, we further report that:

   a) The Reformatted Financial Information have to be read in conjunction with the notes given in Annexure IV;
   b) The figures of earlier years have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform primarily to the requirements of the Schedule III to the Companies Act, 2013; and
   c) In the preparation and presentation of Reformatted Financial Information based on Audited Financial Statements as referred to in paragraph and 3 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 1 and 2 above.

7. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2016. Accordingly, we express no opinion or negative assurance on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2016.

Other Financial Information

8. At the Company's request, we have also examined the following financial information proposed to be included in the Offer Document prepared by management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012:

   a) Statement of Accounting Ratios, as appearing in Annexure V
   b) Statement of Capitalization, as appearing in Annexure VI
   c) Statement of Dividend, as appearing in Annexure VII

9. In our opinion, the Reformatted Financial Information and other financial information as disclosed in the Annexures to this report read with the significant accounting policies and notes disclosed in Annexure IV has been prepared in accordance with the requirements of Section 26(1)(b) of the Companies Act, 2013 read with rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restrictions on Use

12. This report is intended solely for your information and for inclusion in the Offer Document prepared in connection with the Issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration Number: 101720W

Vijay Napawaliya
Partner
Membership No: 109859

Place: Mumbai
Date: November 10, 2016

ANNEXURE I

RELIANCE HOME FINANCE LIMITED

Reformatted Statement of Assets and Liabilities

(Rupees)

Particulars	Note No.	Year Ended March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
I. EQUITY AND LIABILITIES :						
1 Shareholders' Funds						
(a) Share Capital	1	658,200,000	658,200,000	658,200,000	658,200,000	329,100,000
(b) Reserves and Surplus	2	5,542,997,446	4,675,428,500	3,984,796,220	3,550,906,445	3,608,498,951
2 Non-current liabilities						
(a) Long-term borrowings	3	46,190,059,983	28,239,802,004	21,692,285,975	19,152,091,797	18,424,088,725
(b) Deferred tax liabilities (Net)	4	80,266,000	97,500,000	54,295,000	49,050,000	38,000,000
(c) Other non-current liabilities	5	28,366,409	33,636,336	-	-	-
(d) Long-term provisions	6	310,908,883	234,615,054	165,121,236	129,274,894	99,706,068
3 Current liabilities						
(a) Short-term borrowings	7	7,682,956,487	8,155,173,002	2,076,311,896	244,167,068	443,125,415
(b) Trade payables	8	19,200,343	23,182,745	14,679,108	-	-
(c) Other current liabilities	9	16,361,179,348	13,412,742,804	8,751,594,238	5,737,132,629	2,773,141,540
(d) Short-term provisions	10	61,788,064	43,647,015	51,719,310	14,184,652	4,237,406
TOTAL		76,935,922,963	55,573,927,460	37,449,002,983	29,535,007,485	25,719,898,105
II. ASSETS :						
1 Non-current assets						
(a) Fixed assets (Net)	11					
(i) Tangible assets		442,822,356	394,011,439	645,781	655,742	655,200
(ii) Intangible assets		317,871	518,082	214,107	1,796,036	3,377,965
(b) Non current investments	12	69,410,945	-	-	137,571,973	137,571,973
(c) Long-term loans and advances	13	59,543,120,612	43,707,161,335	26,440,863,789	24,826,464,117	22,806,819,318
(d) Other non-current assets	14	571,083,473	360,491,283	667,926,958	956,671,834	785,473,723
2 Current assets						
(a) Current investments	15	734,765,461	-	3,200,000,000	-	250,000,000
(b) Trade Receivables	16	-	-	-	-	3,325,085
(c) Cash & bank balance	17	7,201,233,046	3,551,321,707	2,012,718,074	709,416,080	495,499,492
(d) Short-term loans and advances	18	7,851,724,300	7,143,489,412	4,806,973,451	2,666,678,128	1,013,934,855
(e) Other current assets	19	521,444,899	416,934,202	319,660,823	235,753,575	223,240,494
TOTAL		76,935,922,963	55,573,927,460	37,449,002,983	29,535,007,485	25,719,898,105

ANNEXURE II

Reformatted Statement of Profit and Loss

(Rupees)

Particulars	Note No.	Year Ended March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
REVENUE						
Revenue from operation	**20**	7,960,396,691	5,009,492,739	4,228,248,244	3,559,668,815	3,391,368,141
Other Income	**21**	189,899,970	116,549,352	68,864,304	58,505,793	182,124
TOTAL REVENUE (I)		8,150,296,661	5,126,042,091	4,297,112,548	3,618,174,608	3,391,550,265
EXPENSES						
Employee Benefits expense	**22**	710,194,661	348,374,046	334,160,606	275,027,350	256,656,775
Finance Cost	**23**	5,359,283,991	3,166,988,367	2,769,773,348	2,542,230,746	2,325,590,982
Depreciation and Amortisation		7,159,275	312,567	1,877,598	1,631,387	1,606,386
Other expenses	**24**	706,613,788	551,279,831	530,850,298	379,048,481	411,087,949
TOTAL EXPENSES (II)		6,783,251,715	4,066,954,811	3,636,661,850	3,197,937,964	2,994,942,092
PROFIT BEFORE TAX (III)= (I-II)		1,367,044,946	1,059,087,280	660,450,698	420,236,644	396,608,173
TAX EXPENSE :(IV)						
Current Tax		516,710,000	325,250,000	226,900,000	130,700,000	128,600,000
Income tax for Earlier Year		-	-	(5,584,077)	3,659,835	-
Deferred Tax		(17,234,000)	43,205,000	5,245,000	11,050,000	3,475,000
PROFIT AFTER TAX (III-IV)		867,568,946	690,632,280	433,889,775	274,826,809	264,533,173
EARNING PER EQUITY SHARE (Face value of Rs. 10 each fully paid up) Basic & Diluted		13.18	10.49	6.59	4.26	8.82

ANNEXURE III

Reformatted Statement of Cash Flows

(Rupees)

Particulars	Year Ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
A. Cash Flow from Operating Activities					
Net Profit Before Tax	1,367,044,946	1,059,087,280	660,450,698	420,236,644	396,608,173
Adjusted for					
Depreciation and Amortisation	7,159,275	312,567	1,877,598	1,631,387	1,606,386
Provision for Standard Debts	77,053,293	77,841,181	57,220,793	38,812,334	77,578,372
Provision for NPA & Doubtful Debts	44,040,170	11,252,675	39,545,798	19,835,670	17,849,318
Bad Debts Written Off	37,555,656	45,905,071	42,121,408	14,845,202	13,900,846
(Profit)/Loss on Sale of Investments	(189,509,617)	(115,454,143)	(53,530,458)	(50,928,676)	-
Discount on Commercial Papers	598,651,978	176,329,213	66,627,510	17,081,953	75,333,892
Amortised DSA Commission	106,027,271	72,676,935	64,165,396	69,584,053	25,076,734
Amortised Brokerage Commission	14,654,656	11,967,080	11,106,741	6,576,203	2,809,916
Amortised Guarantee Commission	10,992,233	1,998,000	-	-	-
Interest Expenses & Processing Charges	4,745,977,357	2,978,692,074	2,686,456,180	2,518,572,590	2,247,105,573
Credit Balance / Excess Provision Written Back	-	(861,880)	(8,777,010)	(6,744,901)	-
Provision for Leave encashment	2,414,283	503,979	-	-	-
Provision for Gratuity	12,995,611	-	-	-	-
Brokerage Commission on Property Solution	(55,769,981)	-	-	-	-
Operating Profit/(Loss) before Working Capital Changes	6,779,287,131	4,320,250,032	3,567,264,654	3,049,502,459	2,857,869,210
Adjusted for					
Proceeds/(Repayments) from issue of Commercial Papers (Net)	(2,854,884,142)	4,942,503,201	1,764,781,150	(216,040,300)	(1,843,829,200)
Repayments of Long term Borrowing	(7,963,112,056)	(6,424,919,815)	(5,312,400,000)	(2,125,000,000)	(1,450,911,275)
Proceeds from Long term Borrowing	29,699,255,857	14,360,000,000	9,976,730,023	5,040,000,000	4,000,000,000
Proceeds/(Repayments) from Short Term Borrowing (Net)	1,784,015,649	960,028,693	736,168	-	(490,000,000)
Trade Receivable & Loans and advances	(17,110,341,979)	(20,012,064,531)	(3,878,512,679)	(3,982,264,726)	750,639,813
Trade Payables and Liabilities	(1,002,648,672)	3,212,568,910	593,958,124	708,210,053	(797,575,123)
Cash Generated from Operation	9,331,571,789	1,358,366,490	6,712,557,440	2,474,407,486	3,026,193,425
Interest & Processing Charges Paid	(4,688,635,581)	(2,938,203,661)	(2,540,200,813)	(2,443,073,809)	(2,246,783,670)
Taxes Paid (Net off Income Tax Refund)	(308,658,080)	(212,881,636)	(51,881,356)	(48,162,850)	(89,789,220)
Net Cash from / (used in) Operating Activities	4,334,278,128	(1,792,718,807)	4,120,475,271	(16,829,173)	689,620,535

(Rupees)

Particulars	Year Ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
B. Cash Flow from Investing Activities					
Proceed from /(Investments) in Fixed Deposits	(100,277,095)	10,000,000	192,010,000	(66,813,600)	(280,446,896)
Purchase of Fixed Asset	-	(393,982,200)	(285,708)	(50,000)	(665,200)
Sale/(Purchase) of Current Investments (Net)	189,509,617	3,315,454,144	(3,146,469,542)	-	(250,000,000)
Purchase of Long Term Investments	(804,176,406)	-	-	-	-
Sale/(Purchase) of Long Term Investments	-	-	137,571,973	300,928,676	-
Net Cash from / (used in) Investing Activities	(714,943,884)	2,931,471,944	(2,817,173,277)	234,065,076	(531,112,096)
C. Cash Flow from Financing Activities					
Proceeds from issue of Preferance Share Capital including Securities Premium	-	-	-	-	250,000,000
Dividend Paid	-	-	-	(3,319,315)	-
Net Cash from / (used in) Financing Activities	-	-	-	(3,319,315)	250,000,000
Net increase / (decrease) in Cash and Cash Equivalents (A + B + C)	3,619,334,244	1,138,753,137	1,303,301,994	213,916,588	408,508,439
Opening Balance of Cash and Cash Equivalents	3,151,471,211	2,012,718,074	709,416,080	495,499,492	86,991,053
Closing Balance of Cash and Cash Equivalents	6,770,805,455	3,151,471,211	2,012,718,074	709,416,080	495,499,492

1) Share Capital **(Rupees)**

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
a) Authorised:					
Equity Shares of Rs. 10 each	750,000,000	750,000,000	750,000,000	750,000,000	500,000,000
Preference Shares of Rs. 10 each	500,000,000	500,000,000	500,000,000	500,000,000	750,000,000
TOTAL	1,250,000,000	1,250,000,000	1,250,000,000	1,250,000,000	1,250,000,000
b) Issued, subscribed & Fully paid up					
Equity Shares of Rs. 10 each	658,200,000	658,200,000	658,200,000	658,200,000	300,000,000
0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each	-	-	-	-	29,100,000
TOTAL	658,200,000	658,200,000	658,200,000	658,200,000	329,100,000

2) Reserves and Surplus **(Rupees)**

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Statutory Reserve					
(As per Section 29C of the National Housing Bank Act, 1987)					
Special Reserve Fund					
Opening Balance as per Last Balance sheet	425,797,466	287,671,010	200,893,055	145,927,693	93,048,320
Add: Transfer from Surplus in Statement of Profit & Loss	173,513,789	138,126,456	86,777,955	54,965,362	52,879,373
Less : Appropriation during the year	-	-			
	599,311,255	425,797,466	287,671,010	200,893,055	145,927,693
Other Reserve					
Securities Premium Acccount					
As Per Last Balance Sheet	2,551,800,000	2,551,800,000	2,551,800,000	2,880,900,000	2,633,400,000
Add: On Issue of 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each	-	-	-	-	247,500,000
Less: Utilised for issue of Bonus Shares	-	-		329,100,000	-
	2,551,800,000	2,551,800,000	2,551,800,000	2,551,800,000	2,880,900,000
Surplus in Statement of Profit & Loss					
As Per Last Balance Sheet	1,697,831,034	1,145,325,210	798,213,390	581,671,258	370,017,458
Add: Transfer from Statement of Profit & Loss	867,568,946	690,632,280	433,889,775	274,826,809	264,533,173
Less : Transfer to Special Reserve	173,513,789	138,126,456	86,777,955	54,965,362	52,879,373
Less : Preference Dividend	-	-	-	2,856,000	-
Less : Dividend Distribution Tax	-	-	-	463,315	-
	2,391,886,191	1,697,831,034	1,145,325,210	798,213,390	581,671,258
TOTAL	5,542,997,446	4,675,428,500	3,984,796,220	3,550,906,445	3,608,498,951

3) Long-term borrowings **(Rupees)**

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Non convertible Debentures					
Secured	4,91,57,01,524	3,00,02,04,880	2,88,91,61,644	86,00,00,000	-
Unsecured	2,73,00,00,000	1,48,00,00,000	1,48,00,00,000	1,18,00,00,000	-
Term Loans from Banks					
Secured	38,54,43,58,459	23,75,95,97,124	17,32,31,24,331	17,11,20,91,797	18,42,40,88,725
TOTAL	46,19,00,59,983	28,23,98,02,004	21,69,22,85,975	19,15,20,91,797	18,42,40,88,725

4) Deferred Tax Liabilities **(Rupees)**

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Deferred tax Liability disclosed in the Balance Sheet comprises the following :					
Deferred Tax Liability					
Related to Fixed Assets	1,78,91,873	68,33,338	20,772	5,45,091	9,67,185
Unamortised Expenditure	9,27,07,856	12,16,20,090	8,62,18,403	7,09,76,972	5,46,75,715
Special Reserve Fund	15,18,99,640	10,72,01,940	7,61,97,910	5,26,89,413	4,21,70,657
Total (a)	26,24,99,369	23,56,55,368	16,24,37,085	12,42,11,476	9,78,13,557
Deferred Tax Asset					
Disallowance under the Income Tax Act, 1961	(61,24,930)	(9,83,392)	(7,94,528)	(13,46,845)	(16,67,497)
Provision for NPA/diminution in the value of Assets	(17,61,08,439)	(13,71,71,976)	(10,73,47,557)	(7,38,14,631)	(5,81,46,060)
Total (b)	(18,22,33,369)	(13,81,55,368)	(10,81,42,085)	(7,51,61,476)	(5,98,13,557)
Net Deferred Tax Liabilities/(Asset) (a) - (b)	8,02,66,000	9,75,00,000	5,42,95,000	4,90,50,000	3,80,00,000

5) Other non-current liabilities **(Rupees)**

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Collateral deposit from customers	-	3,34,53,548	-	-	-
Interest accrued and not due on borrowings	2,83,66,409	1,82,788	-	-	-
TOTAL	2,83,66,409	3,36,36,336	-	-	-

6) Long Term Provisions (Rupees)

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Provision for Employees Benefits					
Leave Encashment	5,154,310	2,770,371	2,268,781	2,765,643	2,347,138
Provision for Standard Assets	305,754,573	231,844,683	162,852,455	126,509,251	97,358,930
TOTAL	310,908,883	234,615,054	165,121,236	129,274,894	99,706,068

7) Short Term Borrowings (Rupees)

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
From Bank					
Cash Credit facilities - Secured	2,744,780,509	960,764,860	736,168	-	-
From Others					
Commercial Papers - Unsecured	4,938,175,978	7,194,408,142	2,075,575,728	244,167,068	443,125,415
TOTAL	7,682,956,487	8,155,173,002	2,076,311,896	244,167,068	443,125,415

8) Trade Payables (Rupees)

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Due to Others	19,200,343	23,182,745	14,679,108	-	-
TOTAL	19,200,343	23,182,745	14,679,108	-	-

9) Current Liabilities (Rupees)

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Current maturities of long term debts - Secured					
(i) Non convertible Debentures	447,245,822	1,263,000,000	149,335,845	-	-
(ii) Term Loans from Banks	11,162,740,000	6,561,100,000	6,287,200,000	4,312,400,000	2,125,000,000
Interest accrued but not due on borrowings	291,217,928	262,059,774	221,754,148	75,498,781	-
Interest accrued and due on borrowings	-	-	-	-	321,903
Advance from Customers	344,035,012	96,871,547	66,659,710	49,623,183	73,191,923
Payable under Securitisation / Assignment (Net)	194,787,210	284,892,457	227,352,181	128,165,535	63,583,506
Temporary Book Overdraft	3,553,877,995	4,876,238,001	1,718,739,613	1,022,783,837	453,351,261
Other Payables	361,835,381	68,581,025	80,552,741	148,661,293	57,692,947
Collateral Deposit from Customers	5,440,000	-	-	-	-
TOTAL	16,361,179,348	13,412,742,804	8,751,594,238	5,737,132,629	2,773,141,540

10) Short Term Provisions (Rupees)

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Provision for Employees Benefits					
Leave Encashment	101,487	71,143	68,754	61,123	50,089
Gratuity	12,995,611	-	-	274,199	-
Provision for Standard Assets	46,719,274	43,575,872	34,726,918	13,849,330	4,187,317
Income Tax Provision (Net of Taxes Paid)	1,971,692	-	16,923,638	-	-
TOTAL	61,788,064	43,647,015	51,719,310	14,184,652	4,237,406

11) Fixed Asset (Net Block) (Rupees)

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Tangible Assets					
Office Equipments	-	-	9,225	10,715	12,446
Buildings	442,822,356	393,987,760	580,085	610,616	642,754
Data Processing Machineries	-	23,679	56,471	34,411	-
Subtotal	442,822,356	394,011,439	645,781	655,742	655,200
Intangible Assets					
Computer Software	317,871	518,082	214,107	1,796,036	3,377,965
Subtotal	317,871	518,082	214,107	1,796,036	3,377,965

12) Non Current Investments (Rupees)

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Other investments - Unquoted, fully paid-up					
Pass Through Certificates ('PTC')					
Cabaletta IFMR Capital 2015 -Series -A2 PTC 18 Dec.15	11,168,559	-	-	-	-
Hysminai IFMR Capital 2015 - Series -A2 PTC 30 Oct.15	4,003,465	-	-	-	-
IFMR Capital Mosec Glaucus 2015 - Series -A2 PTC 01 Sep.15	11,158,220	-	-	-	-
IFMR Capital Mosec Vulcan 2015 - Series A2 PTC 30 Sep.15	12,380,198	-	-	-	-
Libertas IFMR Capital 2015 - Series A2 PTC 30 Nov. 15	15,258,195	-	-	-	-
Lucina IFMR Capital 2015 - Series -A2 PTC 30 Nov.15	9,508,966	-	-	-	-
Manto IFMR Capital 2015 - Series -A2 PTC 19 Nov. 15	3,235,611	-	-	-	-
Sol IFMR Capital 2015 -Series -A2 PTC 30 Oct. 15	2,697,731	-	-	-	-
Series A2 PTCs of ILSS 4 Trust 2011	-	-	-	137,571,973	137,571,973
Mutual Fund Units					
IFMR FImpact Long Term Multi Asset Class Fund	-	-	-	-	-
TOTAL	69,410,945	-	-	137,571,973	137,571,973

13) Long term Loans and Advances **(Rupees)**

Particulars	Year Ended March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Capital Advances	-	-	-	-	1,104,075
Security Deposits (Unsecured)	500,000	600,042	600,042	500,000	5,000
Loans (Secured)					
(i) Considered Good					
Housing loans :					
Individuals	33,129,718,751	21,463,582,819	14,204,362,933	15,043,541,937	18,306,343,240
Others	9,425,799,775	8,041,212,409	5,512,333,166	5,057,004,164	3,804,179,070
Director of the Company	-	-	-	5,500,000	-
Officer of the Company	12,682,410	-	-	10,363,309	-
Commercial loans	16,468,021,300	13,785,040,629	6,316,348,511	4,435,141,945	386,487,348
(ii) Considered Doubtful					
Housing loans :					
Individuals	410,056,100	420,245,435	414,042,138	317,617,492	329,204,554
Others	11,257,049	25,303,620	10,456,195	10,590,929	6,620,002
Less: Provision for NPA & Doubtful Debts	(102,484,191)	(99,232,346)	(99,338,687)	(78,970,583)	(69,230,655)
Commercial loans	177,836,778	53,260,844	71,896,901	462,204	467,289
Less: Provision for NPA & Doubtful Debts	(35,384,000)	(11,959,929)	(11,372,432)	(184,881)	(116,822)
Installments Due (Secured) Considered doubtful					
Principal Overdue	56,928,615	32,688,429	24,475,869	12,791,116	8,320,583
Less: Provision for NPA & Doubtful Debts	(17,183,734)	(9,746,326)	(7,119,790)	(8,187,545)	(4,155,984)
Balance with Service Tax Authorities	5,371,759	4,401,622	4,178,943	-	533,239
Taxes Paid (Net of Income Tax Provision)	-	1,764,087	-	20,294,030	37,058,379
TOTAL	59,543,120,612	43,707,161,335	26,440,863,789	24,826,464,117	22,806,819,318

14) Other Non Current Assets **(Rupees)**

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Receivable from Trustee under Securitisation (Secured)	61,790,864	46,794,023	31,368,179	160,776,928	117,834,515
Fixed Deposits with banks (Having maturity period more than 12 months and kept as margin money for Market Link Debentures)	69,700,000	-	409,850,496	601,860,496	535,046,896
Unamortised Expenditure (Unsecured)					
(i) Unamortised DSA Commission	246,969,432	184,770,698	161,278,150	157,480,336	118,597,216
Add: Incurred during the Year	206,850,719	134,875,669	87,657,944	73,381,867	63,959,854
Less: Amortised during the year	(106,027,271)	(72,676,935)	(64,165,396)	(69,584,053)	(25,076,734)
Less: to be amortised over the next one year	(33,361,002)	(26,606,117)	(15,344,538)	(16,219,848)	(28,837,570)
(ii) Unamortised Brokerage on Borrowing	65,667,712	68,887,445	57,482,744	7,118,789	5,083,333
Add: Incurred during the Year	43,070,648	8,747,347	22,511,442	56,940,158	4,845,372
Less: Amortised during the year	(14,654,656)	(11,967,080)	(11,106,741)	(6,576,203)	(2,809,916)
Less: to be amortised over the next one year	(16,632,294)	(11,375,751)	(11,605,322)	(8,506,636)	(3,169,243)
(iii) Unamortised Mortgage guarantee fees	38,323,927	-	-	-	-
Add: Incurred during the Year	29,214,897	40,321,927	-	-	-
Less: Amortised during the year	(10,992,233)	(1,998,000)	-	-	-
Less: to be amortised over the next one year	(14,473,781)	(1,618,100)	-	-	-
Prepaid Expenses (Unsecured)	5,636,511	2,336,157	-	-	-
TOTAL	571,083,473	360,491,283	667,926,958	956,671,834	785,473,723

15) Current Investments **(Rupees)**

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Other Investments - Unquoted fully paid up					
i) Pass Through Certificates (PTC)					
Aergia IFMR Capital 2015 - Series-A2 PTC 30 Nov.15	8,085,184	-	-	-	-
Alcibie IFMR Capital 2015 - Series-A2 PTC 27 Nov.15	15,666,073	-	-	-	-
Arcas IFMR Capital 2015 - Series-A2 PTC 30 Sep.15	24,116,990	-	-	-	-
Brizo IFMR Capital 2015 - Series-A2 PTC 17 Aug.15	13,704,384	-	-	-	-
Cabaletta IFMR Capital 2015 -Series -A2 PTC 18 Dec.15	9,603,212	-	-	-	-
Cadmus IFMR Capital 2015 - Series-A2 PTC 05 Nov.15	22,147,534	-	-	-	-
Caerus IFMR Capital 2015- Series-A2 PTC 20 May 15	11,605,651	-	-	-	-
Comus IFMR Capital 2015 - Series-A3 PTC 18 Sep.15	4,492,297	-	-	-	-
Delphin IFMR Capital 2015 - Series-A3 PTC 28 Oct.15	1,360,213	-	-	-	-
Geloos IFMR Capital 2015 - Series-A2 PTC 29 May.15	3,763,726	-	-	-	-
Hysminai IFMR Capital 2015 - Series -A2 PTC 30 Oct.15	128,242	-	-	-	-
IFMR Capital Mosec Aethon 2015 - Series-A2 PTC 28 Feb.15	104,666,738	-	-	-	-
IFMR Capital Mosec Agon 2015 - Series-A2 PTC 28 Feb.15	27,801,758	-	-	-	-
IFMR Capital Mosec Atlas 2014 -Series-A2 PTC 30 Dec.14	14,733,862	-	-	-	-
IFMR Capital Mosec Boreas 2015- Series-A3 PTC 04 March 15	71,242,427	-	-	-	-
IFMR Capital Mosec Glaucus 2015 - Series A2 PTC 01 Sep.15	81,941,587	-	-	-	-
IFMR Capital Mosec Hercules 2015- Series-A2 PTC 27 March 15	18,555,456	-	-	-	-
IFMR Capital Mosec Maia 2014 - Series-A2 PTC 29 Nov.14	34,233,786	-	-	-	-
IFMR Capital Mosec Muse 2014 -Series-A2 PTC 31 Dec.14	74,114,496	-	-	-	-
IFMR Capital Mosec Rhea 2014- Series-A3 PTC 26 Nov.14	15,950,718	-	-	-	-
IFMR Capital Mosec Vulcan 2015 - Series A2 PTC 30 Sep.15	13,880,396	-	-	-	-
IFMR Capital Mosec Zephyrus 2015- Series-A2 PTC 30 Jan.15	55,624,044	-	-	-	-
Karpo IFMR Capital 2015- Series-A2 PTC 31 July 15	14,554,175	-	-	-	-
Libertas IFMR Capital 2015 - Series A2 PTC 30 Nov. 15	284,492	-	-	-	-
Lucina IFMR Capital 2015 - Series -A2 PTC 30 Nov.15	10,700,828	-	-	-	-
Manto IFMR Capital 2015 - Series -A2 PTC 19 Nov. 15	13,259,653	-	-	-	-
Maximus SBL IFMR Capital 2015- Series-A2 PTC 25 March 15	5,453,744	-	-	-	-
Oread IFMR Capital 2015- Series-A2 PTC 04 Dec.15	7,932,481	-	-	-	-
Plutus IFMR Capital 201-5 Series-A2 PTC 29 July 15	11,187,819	-	-	-	-
Sol IFMR Capital 2015 -Series -A2 PTC 30 Oct. 15	1,801,779	-	-	-	-
Soter IFMR Capital 2015- Series-A2 PTC 29 July 15	17,479,619	-	-	-	-
Thrasos IFMR Capital 2015- Series-A2 PTC 15 May 15	11,628,520	-	-	-	-
Vesta IFMR Capital 2015- Series-A2 PTC 07 Aug.15	13,063,577	-	-	-	-
ii) Units of Mutual Funds					
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan	-	-	1,200,000,000	-	250,000,000
BSL Floating Rate Fund STP Gr-Direct					
DSP BlackRock Liquidity Fund - Direct Plan - Growth					
Peerless Liquid Fund - Direct Plan Growth	-	-	2,000,000,000	-	-
TOTAL	734,765,461	-	3,200,000,000	-	250,000,000

16) Trade Receivables **(Rupees)**

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Unsecured Considered Good	-	-	-	-	3,325,085
TOTAL	-	-	-	-	3,325,085

17) Cash & Bank Balance **(Rupees)**

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Cash & Cash equivalents					
Balance with Banks in Current Accounts	6,768,032,111	3,151,253,423	2,012,621,152	709,404,580	495,371,281
Cash on hand	2,773,344	217,788	96,922	11,500	128,211
Other Bank Balances					
Fixed Deposits with banks (Having maturity period more than 3 months but less than 12 Months)	430,427,591	399,850,496	-	-	-
TOTAL	7,201,233,046	3,551,321,707	2,012,718,074	709,416,080	495,499,492

18) Short term Loans and Advances **(Rupees)**

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Loans repayments within next 12 months (Secured)					
Considered Good					
Housing loans :					
Individuals	1,531,432,334	728,182,171	472,219,745	513,178,573	502,950,438
Others	3,985,490,294	3,869,771,663	3,666,716,352	1,457,684,876	460,989,786
Officer of the Company	1,076,815	-	-	263,234	-
Commercial loans	1,977,388,332	2,452,856,690	494,404,045	597,696,947	18,599,996
Installments Due (Secured) Considered good	338,681,339	88,326,171	165,962,638	90,584,903	23,048,893
Prepaid expenses (Unsecured)	3,275,705	1,137,669	4,391,165	5,131,099	1,859,478
Sundry Advances (Unsecured)	14,379,481	3,215,048	3,279,506	2,138,496	6,486,264
TOTAL	7,851,724,300	7,143,489,412	4,806,973,451	2,666,678,128	1,013,934,855

19) Other Current Assets **(Rupees)**

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Interest Accrued on					
Fixed Deposits	2,830,279	987,480	-	643,407	656,613
Long term Investments	203,694	-	5,591,115	8,198,732	3,893,510
Loans and advances	432,937,805	372,984,345	287,119,848	202,184,952	186,683,558
Unamortised Expenditure					
DSA Commission	33,361,002	26,606,117	15,344,538	16,219,848	28,837,570
Brokerage on Borrowing	16,632,294	11,375,751	11,605,322	8,506,636	3,169,243
Mortgage guarantee fees	14,473,781	1,618,100	-	-	-
Mark-to-Market Margin					
Equity Index Futures & Options	21,006,044	3,362,409	-	-	-
TOTAL	521,444,899	416,934,202	319,660,823	235,753,575	223,240,494

20) Revenue from operation **(Rupees)**

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Interest income					
Interest on:					
Housing and Other Loans	7,269,019,672	4,379,146,732	3,824,081,369	3,267,828,680	3,146,433,446
Fixed Deposits	38,031,937	38,872,510	58,460,007	51,527,711	23,698,446
Investments	66,885,504	-	9,314,009	13,936,254	13,362,150
Other Financial income					
Processing Fee income	401,297,355	434,206,830	226,360,956	203,081,638	143,956,511
Foreclosure & Other Operating Charges	159,534,875	161,813,993	100,847,584	19,327,226	52,557,860
Brokerage Commission on Property Solution	91,944,697	67,525,615	49,280,017	27,085,741	32,770,760
	652,776,927	663,546,438	376,488,557	249,494,605	229,285,131
Less : Service Tax Recovered	81,173,288	72,992,470	40,101,670	26,843,172	21,411,032
	571,603,639	590,553,968	336,386,887	222,651,433	207,874,099
Bad Debts Recovered	14,855,939	919,529	5,972	3,724,737	-
TOTAL	7,960,396,691	5,009,492,739	4,228,248,244	3,559,668,815	3,391,368,141

21) Other Income (Rupees)

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Profit on Sale of Current Investments (Net)	189,509,617	115,454,143	53,530,458	50,928,676	-
Interest on income tax refund	-	-	6,010,383	-	182,124
Miscellaneous income	390,353	233,329	546,453	832,216	-
Credit Balance / Excess Provision Written Back	-	861,880	8,777,010	6,744,901	-
TOTAL	189,899,970	116,549,352	68,864,304	58,505,793	182,124

22) Employee Benefits expense (Rupees)

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Payments to and Provision for Employees					
(Including Managerial Remuneration)					
- Salary & Bonus etc	665,187,214	323,977,491	318,084,457	257,613,583	235,164,682
- Contrfbution to Provident fund and other Funds	35,036,176	18,706,198	9,784,589	12,040,740	10,679,875
- Staff Welfare & other amenities	9,971,271	5,690,357	6,291,560	5,373,027	10,812,218
TOTAL	710,194,661	348,374,046	334,160,606	275,027,350	256,656,775

23) Finance Cost (Rupees)

Particulars	March 31, 2016	March 31, 2015	Year Ended March 31, 2014	March 31, 2013	March 31, 2012
Interest Expense					
Term Loan From Banks	4,113,269,675	2,485,974,942	2,243,917,035	2,438,203,199	2,118,136,336
Cash Credit From Banks	10,113,651	11,812,172	30,897,888	1,415,403	34,852,120
Non Convertible Debentures	621,214,005	479,421,682	398,711,025	75,922,343	-
Body Corporates	1,099,694	1,274,478	12,919,726	2,590,331	91,829,471
Other Borrowing Cost					
Amortised Brokerage	14,654,656	11,967,080	11,106,741	6,576,203	2,809,916
Discount on Commercial Papers	598,651,978	176,329,213	66,627,510	17,081,953	75,333,892
Processing Charges	280,332	208,800	10,507	441,314	2,287,646
Interest on Income Tax	-	-	5,582,916	-	341,601
TOTAL	5,359,283,991	3,166,988,367	2,769,773,348	2,542,230,746	2,325,590,982

24) Other expenses **(Rupees)**

Particulars	Year Ended March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Auditor's Remuneration	1,600,000	800,000	800,000	800,000	500,000
Bad Debts Written Off	37,555,656	45,905,071	42,121,408	14,845,202	13,900,846
Bank Charges	3,139,044	2,987,322	2,295,732	1,722,780	1,160,322
Credit Cost	3,794,121	9,599,276	13,389,914	11,537,141	7,731,090
Collection Cost	12,691,815	9,120,609	2,227,017	918,701	819,269
Corporate Social Responsibility Expenditure	13,900,000	9,800,000	-	-	-
Directors' Sitting Fees	1,625,376	1,231,688	339,776	334,832	160,000
Amortised DSA Commission	106,027,271	72,676,935	64,165,396	69,584,053	25,076,734
Amortised Guarantee Commission	10,992,233	1,998,000	-	-	-
Infrastructure Cost	38,545,800	38,224,800	38,224,800	33,708,000	46,192,557
Legal & Professional Fees	99,139,937	62,976,298	60,577,833	37,200,468	47,083,032
Marketing Expenses	136,564,648	117,783,162	120,078,458	65,726,527	79,177,205
Management Expenses	32,175,000	31,854,000	31,854,000	31,854,000	33,383,336
Miscellaneous Expenses	22,921,743	20,920,875	19,351,267	15,263,240	4,996,004
Postage,Telegram & Telephone	2,954,835	695,672	1,306,061	1,398,930	3,998,913
Provision for Standard Asset	77,053,293	77,841,181	57,220,793	38,812,334	77,578,372
Provision for NPA & Doubtful Debts	44,040,170	11,252,675	39,545,798	19,835,670	17,849,318
Printing and Stationary	2,667,447	2,527,307	2,481,345	1,510,539	4,371,918
Rates and Taxes	9,818,758	5,831,913	3,602,712	2,540,635	1,671,103
Repairs & Maintenance-Others	5,034,359	2,502,683	9,420,905	11,850,869	28,505,818
Travelling & Conveyance	44,372,282	24,750,364	21,847,083	19,604,560	16,932,112
TOTAL	706,613,788	551,279,831	530,850,298	379,048,481	411,087,949

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1 Background

Reliance Home Finance Limited ('the Company') was incorporated on June 5, 2008 with Registrar of Companies, Maharashtra. The Company is principally engaged in housing finance business and registered with National Housing Bank ('NHB') as housing finance company (HFC),without accepting public deposits, as defined under section 29A of the National Housig Bank Act, 1987.

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting. They are in confirmity with the accounting principles generally accepted in India ('GAAP'), and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 (the "Act"), the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

b Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

c Revenue Recognition

i) **Interest Income**

Repayment of housing loans is generally by way of Equated Monthly Installments (EMI) comprising of principal and interest. Necessary appropriation is made out of these EMI collections to principal and interest. EMIs commence generally once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable on every month. Interest on loans is computed either on an annual rest, half yearly rest, quarterly rest or on a monthy rest basis on the principal outstanding at the begining of the relevant period.

Interest income is allocated over the contractual term of loan by applying the committed interest rate to the outstanding amount of the loan. Interest income on performing assets is recognized on accrual basis and on non- performing assets on realization basis as per guidelines prescribed by the National Housing Bank.

Fees, charges and additional interest income on delayed EMI/Pre-EMI are recognized on receipt basis.

ii) Processing Fee Income

Loan processing fee income is accounted for upfront as and when it becomes due.

iii) Income from assignment / securitization

In case of assignment / securitization of loans, the assets are derecognized when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned/securtised loans. The profit if any, as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment / securitization on a monthly basis.

iv) Servicing Fee Income

Servicing fees received is accounted for based on the underlying deal structure of the transaction as per the agreement.

v) Brokerage, Commssion and Other Income

Brokerage, Commission and other income is recognized when there is no significant uncertainty as to determination and realization.

vi) Income from Investments

Profit / (Loss) earned from sale of securities is recognised on trade date basis.

vii) Dividend Income

Dividend Income is recognised when the right to receive payment is established.

d Fixed Asset

Fixed Assets are stated at cost of acquisition less accumulated depreciation and Impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets.

e Intangible Assets

Intangible Assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

f Depreciation/Amortisation

Depreciation on tangible assets is provided in accordance with the provisions of Schedule II of the Companies Act, 2013. Tangible assets are depreciated on straight line basis method over the useful life of assets, as prescribed in Part C of Schedule II of the Companies Act, 2013.
Intangible assets comprise, computer software are amortised on straight line basis over the useful life of the software up to a maximum of five years commencing from the month in which such software is first installed.

g Loan origination / acquisition cost

All direct cost incurred for the loan origination is amortised over the tenure of the loan.

h Investments

Investments are classified into current investments and long-term investments. In accordance with the Guidelines issued by National Housing Bank (NHB), current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long term investments. Unquoted investments in the units of Mutual Funds in nature of current investment are valued at lower of cost or Net Asset Value declared by Mutual Funds in respect of each particular scheme.

i Discount on Commercial Papers

The difference between the acquisition cost and the redemption value of commercial papers is apportioned on time basis and recognized as discount expense.

j Provision for Standard Assets, Non Performing Assets (NPA) & Doubtful Debts

Provisions on Standard Assets, Non Performing Assets (NPA) & Doubtful Debts are made in accordance with the Prudential Norms as per Housing Finance Companies (NHB) Directions, 2010.

k Securitised Assets

Derecognition of Securitised assets in the books of the Company, recognition of gain or loss arising on Securitisation and accounting for credit enhancement provided by the Company is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

l Market Link Debentures

The Company has issued certain market link non-convertible debentures ('MLD'), the rate of interest which is linked to performance of specified indices over the period of the debentures.
The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain/loss on these hedge positions are netted against with interest expense on MLD and resultant 'net loss' is recognised in Statement of Profit and Loss immediately, however 'net gain' if any, is ignored.

m Employee Benefits

i) Provident fund

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss.

ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in the return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as on the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

iii) Leave Encashment

Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

The employees of the Company are entitled for compensated absence. The employees can carry forward a portion of the unutilised accrued leave balance and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

iv) Phantom Shares Stock Option

As a long term incentive plan to employees, the Company has initiated Phantom Stock Option plan which are cash settelment rights where the employees are entitled to get cash compensation based on formula linked to fair market value of shares upon exercise of phantom stock option over notional or hypothetical shares, whereby instead of becoming entitled to buy the actual shares on vesting, they become entitled to cash payment equivalent to appreciation in the value over defined base price of share. The present value of the obligation under such plan is determined based on acturial valuation at the year end and any acturial gains/ losses are charged to statement of profit and loss as applicable.

n Borrowing costs

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

o Guarantee Fees

Mortgage guarantee fees, which are directly attributable to the loans guaranted are expensed based on the principal outstanding at the end of the period.

p Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / (loss) per share are included.

q Provision for Current Tax and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

r Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if such condition exists an asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount is treated as impaired, when carrying cost of assets exceeds its recoverable amount.

s Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation.
Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.
Contingent assets are not recognised nor disclosed in the financial statements.

t Cash & Cash Equivalents

In the cashflow statements, cash and cash equivalents includes cash in hand, balance in banks and fixed deposits without lien with original maturities of three months or less

3. Share Capital **(Rupees)**

	As at March 31, 2016	As at March 31, 2015
a) Authorised:		
7,50,00,000 Equity Shares of Rs. 10 each (March 31, 2015: 7,50,00,000 Equity Shares of Rs. 10 each)	**75,00,00,000**	**75,00,00,000**
5,00,00,000 Preference Shares of Rs. 10 each (March 31, 2015: 5,00,00,000 Preference Shares of Rs. 10 each)	**50,00,00,000**	**50,00,00,000**
	1,25,00,00,000	**1,25,00,00,000**
b) Issued, subscribed & Fully paid up		
6,58,20,000 Equity Shares of Rs. 10 each (March 31, 2015: 6,58,20,000 Equity Shares of Rs. 10 each)	**65,82,00,000**	**65,82,00,000**
	65,82,00,000	**65,82,00,000**
c) Par Value per Share	**Amount in Rs.**	**Amount in Rs.**
Equity	**10**	**10**

		As at March 31, 2016		As at March 31, 2015	
d)	**Reconciliation of issued, subscribed and fully paid up Share Capital**	**No of Shares**	**Amount in Rs.**	**No of Shares**	**Amount in Rs.**
	Equity Shares				
	Opening Balance	**6,58,20,000**	**65,82,00,000**	**6,58,20,000**	**65,82,00,000**
	Addition during the year	**-**	**-**	**-**	**-**
	Reduction during the year	**-**	**-**	**-**	**-**
	Closing Balance	**6,58,20,000**	**65,82,00,000**	**6,58,20,000**	**65,82,00,000**

e) Rights, Preferences and Restrictions :

1 Voting Rights :

The equity share holders of the Company have voting rights only and no rights toward dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

2 Dividends :

The Company shall not declare and /or pay dividend on any of its Share Capital.

f) Shares held by holding company i.e. Reliance Capital Limited including jointly Held

		As at March 31, 2016		As at March 31, 2015	
Equity Shares	**%**	**No of Shares**	**Amount in Rs.**	**No of Shares**	**Amount in Rs.**
Reliance Capital Limited	100%	6,58,19,980	65,81,99,800	6,58,19,980	65,81,99,800
Reliance Capital Limited and its nominees	0%	20	200	20	200
Total	**100%**	**6,58,20,000**	**65,82,00,000**	**6,58,20,000**	**65,82,00,000**

g) Out of the above equity shares 3,29,10,000 equity shares (Previous Year 3,29,10,000 equity shares) were allotted as fully paid-up bonus shares to its existing equity share holders in the financial year 2012-13.

4. Reserves and Surplus **(Rupees)**

		As at March 31, 2016		As at March 31, 2015	
a)	**Statutory Reserve (As per Section 29C of the National Housing Bank Act, 1987)**				
	Special Reserve Fund #				
	Opening Balance as per Last Balance sheet	**42,57,97,466**		**28,76,71,010**	
	Add: Transfer from Surplus in Statement of Profit & Loss	**17,35,13,789**		**13,81,26,456**	
			59,93,11,255		**42,57,97,466**
b)	**Securities Premium Acccount**				
	As Per Last Balance Sheet		**2,55,18,00,000**		**2,55,18,00,000**
c)	**Surplus in Statement of Profit & Loss**				
	As Per Last Balance Sheet	**1,69,78,31,034**		**1,14,53,25,210**	
	Add: Transfer from Statement of Profit & Loss	**86,75,68,946**		**69,06,32,280**	
	Less : Transfer to Special Reserve Fund	**17,35,13,789**		**13,81,26,456**	
			2,39,18,86,191		**1,69,78,31,034**
			5,54,29,97,446		**4,67,54,28,500**

#In terms of requirement of NHB's Circular No. NHB(ND)/DRS/Pol.Circular.61/2013-14 dated April 7, 2014 following information on Reserve Fund under section 29C of the National Housing Bank Act, 1987 is provided.

	Particulars	As at March 31, 2016	As at March 31, 2015
	Balance at the beginning of the year		
a)	Statutary reserve u/s. 29C of the NHB Act, 1987	**42,57,97,466**	**28,76,71,010**
b)	Amount of Special Reserve u/s. 36(1)(viii) of the Income tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	**-**	**-**
		42,57,97,466	**28,76,71,010**
	Addition / Appropriation / Withdrawal during the year		
	Add :		
a)	Amount transferred u/s 29C of the NHB Act, 1987	**17,35,13,789**	**13,81,26,456**
b)	Amount of Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961 taken into account for the purpose of Statutory Reserve u/s. 29C of the NHB Act, 1987	**-**	**-**
	Less :		
a)	Amount appropriated from 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 purpose of provision u/s 29C of the NHB Act, 1987	**-**	**-**
		17,35,13,789	**13,81,26,456**
	Balance at the end of the year		
a)	Statutory Reserve u/s 29C of the NHB Act, 1987	**59,93,11,255**	**42,57,97,466**
b)	Amount of Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	**-**	**-**
		59,93,11,255	**42,57,97,466**

Note : The special reserve created as per Section 29 C of the NHB Act, 1987, qualifies for deduction as specified u/s 36 (1) (viii) of the Income Tax Act, 1961 and accordingly Company has been availing tax benefits for such transfers.

5. Long-term borrowings **(Rupees)**

	As at March 31, 2016	As at March 31, 2015
Non convertible Debentures (Refer Note 26)		
Secured	**4,91,57,01,524**	**3,00,02,04,880**
Unsecured (Subordinated Tier II Series)	**2,73,00,00,000**	**1,48,00,00,000**
Term Loans from Banks (Refer Note 27)		
Secured	**38,54,43,58,459**	**23,75,95,97,124**
	46,19,00,59,983	**28,23,98,02,004**

6. Deferred Tax Liabilities

(Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax Liability disclosed in the Balance Sheet comprises the following :		
a) **Deferred Tax Liability**		
Related to Fixed Assets	**1,78,91,873**	**68,33,338**
Unamortised Expenditure	**9,27,07,856**	**12,16,20,090**
Special Reserve Fund	**15,18,99,640**	**10,72,01,940**
Total	**26,24,99,369**	**23,56,55,368**
b) **Deferred Tax Asset**		
Disallowance under the Income Tax Act, 1961	**(61,24,930)**	**(9,83,392)**
Provision for NPA/diminution in the value of Assets	**(17,61,08,439)**	**(13,71,71,976)**
Total	**(18,22,33,369)**	**(13,81,55,368)**
Net Deferred Tax Liabilities/(Asset) (a) - (b)	**8,02,66,000**	**9,75,00,000**

7. Other non-current liabilities

(Rupees)

	As at March 31, 2016	As at March 31, 2015
a) Collateral deposit from customers	**-**	**3,34,53,548**
b) Interest accrued and not due on borrowings	**2,83,66,409**	**1,82,788**
	2,83,66,409	**3,36,36,336**

8. Long Term Provisions

(Rupees)

	As at March 31, 2016	As at March 31, 2015
a) Provision for Employees Benefits (Refer Note 32)		
Leave Encashment	**51,54,310**	**27,70,371**
b) Provision for Standard Assets	**30,57,54,573**	**23,18,44,683**
	31,09,08,883	**23,46,15,054**

9. Short-term borrowings

(Rupees)

	As at March 31, 2016	As at March 31, 2015
a) **From Banks**		
Cash Credit facilities - Secured (Refer Note 1 below)	**2,74,47,80,509**	**96,07,64,860**
b) **From Others**		
Commercial Papers - Unsecured (Refer Note 2 below)	**4,93,81,75,978**	**7,19,44,08,142**
	7,68,29,56,487	**8,15,51,73,002**

Notes :

1 Cash credit from banks referred above are secured as follows :

a Cash Credit of Rs.1,250,032,544 (Previous year Rs.Nil), secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs.1,377,454,867(Previous year Rs.Nil).

b Cash Credit Rs.499,710,200 (Previous year Rs.Nil), secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs.549,681,220 (Previous year Rs.Nil).

c Cash Credit Rs. 995,037,765 (Previous year Rs. 960,764,860), secured by hypothecation of book-debts/receivables (standard only) of the Company on pari-passu basis with other secured lenders, against security not exceeding Rs. 1,099,972,500(Previous year Rs.1,100,000,000).

2 In respect of Commercial Papers referred above, maximum face value amount outstanding during the year was Rs.11,700,000,000 (Previous year Rs.8,800,000,000).

10. Trade Payables

(Rupees)

	As at March 31, 2016	As at March 31, 2015
Due to Micro, Medium & Small	-	-
Due to Others	**1,92,00,343**	**2,31,82,745**
Due to Related Party	-	-
	1,92,00,343	**2,31,82,745**

Note:

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

11. Other Current Liabilities

(Rupees)

		As at March 31, 2016	As at March 31, 2015
a)	Current maturities of long term debts - Secured (Refer Note 26 & 27)		
	(i) Non convertible Debentures	**44,72,45,822**	**1,26,30,00,000**
	(ii) Term Loans from Banks	**11,16,27,40,000**	**6,56,11,00,000**
b)	Interest accrued and not due on borrowings	**29,12,17,928**	**26,20,59,774**
c)	Advance from Customers	**34,40,35,012**	**9,68,71,547**
d)	Payable under Securitisation / Assignment (Net)	**19,47,87,210**	**28,48,92,457**
e)	Temporary Book Overdraft (Refer Note 1 below)	**3,55,38,77,995**	**4,87,62,38,001**
f)	Other Payables (Refer Note 2 below)	**36,18,35,381**	**6,85,81,025**
g)	Collateral Deposit from Customers	**54,40,000**	**-**
		16,36,11,79,348	**13,41,27,42,804**

Notes:

1 Temporary Book Overdraft of Rs. 3,553,877,995 (Previous Year Rs. 4,876,238,001) represents cheques issued towards disbursements to borrowers for Rs. 3,539,328,730 (Previous Year Rs.4,865,490,284) and cheques issued for payment of expenses of Rs. 14,549,265 (Previous Year Rs.10,747,717), but not encashed as at March 31, 2016.

2 Other Payables includes TDS, statutory payments and other liabilities.

12. Short Term Provisions

(Rupees)

		As at March 31, 2016	As at March 31, 2015
a)	Provision for Employees Benefits (Refer Note 32)		
	Leave Encashment	**1,01,487**	**71,143**
	Gratuity	**1,29,95,611**	-
b)	Provision for Standard Assets	**4,67,19,274**	**4,35,75,872**
c)	Income Tax Provision [Net off TDS & Advance Tax Rs. 1,32,61,88,308 (Previous Year Rs. Nil)]	**19,71,692**	**-**
		6,17,88,064	**4,36,47,015**

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Note "13"
Fixed Assets

(Rupees)

Sr. No.		Gross Block				Depreciation				Net Block	
		As at April,1 2015	Addition	Deletion/ Adjustmemts	As at March 31, 2016	As at April,1 2015	Depreciation	Deletion/ Adjustmemts	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
(i)	**Tangible Assets**										
1	Office Equipments	2,44,300	-	-	2,44,300	2,44,300	-	-	2,44,300	-	-
2	Buildings	39,40,47,400	5,57,69,981	-	44,98,17,381	59,640	69,35,385	-	69,95,025	44,28,22,356	39,39,87,760
3	Data Processing Machineries	1,09,708	-	-	1,09,708	86,029	23,679	-	1,09,708	-	23,679
	Total	**39,44,01,408**	**5,57,69,981**	**-**	**45,01,71,389**	**3,89,969**	**69,59,064**	**-**	**73,49,033**	**44,28,22,356**	**39,40,11,439**
	Previous Year	10,19,208	39,33,82,200	-	39,44,01,408	3,73,427	16,542	-	3,89,969	39,40,11,439	

(ii)	**Intangible Assets**										
	Computer Software	85,09,647	-	-	85,09,647	79,91,565	2,00,211	-	81,91,776	3,17,871	5,18,082
	Total	**85,09,647**	**-**	**-**	**85,09,647**	**79,91,565**	**2,00,211**	**-**	**81,91,776**	**3,17,871**	**5,18,082**
	Previous Year	79,09,647	6,00,000	-	85,09,647	76,95,540	2,96,025	-	79,91,565	5,18,082	

Note :

1 In respect of Intangible Assets :
a) It is other than internally generated.
b) Balance useful life is 2 years (Previous year 3 years) for additions during the financial year 2014-15.

2 Buildings acquired during the year is against settelment of Income from Brokerage Commission on Property Solution.

14. Non current investments **(Rupees)**

	Face Value / Issue Price	Quantity As at March 31, 2016	Quantity As at March 31, 2015	Value As at March 31, 2016	Value As at March 31, 2015
Other investments - Unquoted, fully paid-up					
Pass Through Certificates ('PTC')					
Cabaletta IFMR Capital 2015 -Series -A2 PTC 18 Dec.15		1 84 008	-	1 11 68 559	-
Hysminai IFMR Capital 2015 - Series -A2 PTC 30 Oct.15		9 93 370	-	40 03 465	-
IFMR Capital Mosec Glaucus 2015 - Series -A2 PTC 01 Sep.15		18 54 181	-	1 11 58 220	-
IFMR Capital Mosec Vulcan 2015 - Series A2 PTC 30 Sep.15		5 93 180	-	1 23 80 198	-
Libertas IFMR Capital 2015 - Series A2 PTC 30 Nov. 15		1 52 39 096	-	1 52 58 195	-
Lucina IFMR Capital 2015 - Series -A2 PTC 30 Nov.15		2 37 936	-	95 08 966	-
Manto IFMR Capital 2015 - Series -A2 PTC 19 Nov. 15		31 98 234	-	32 35 611	-
Sol IFMR Capital 2015 -Series -A2 PTC 30 Oct. 15		10 430	-	26 97 731	-
				6 94 10 945	**-**

Notes :

1 **The aggregate value of investments:**

	As at March 31, 2016 Book Value	As at March 31, 2016 Market Value	As at March 31, 2015 Book Value	As at March 31, 2015 Market Value
Quoted	-	-	-	-
Unquoted	6 94 10 945	-	-	-
TOTAL	**6 94 10 945**	**-**	**-**	**-**

2 **The aggregate Provision for diminution in the value of investments:**

	March 31, 2016	March 31, 2015
Quoted	-	-
Unquoted	-	-
TOTAL	**-**	**-**

3 **Basis of Valuation**	March 31, 2016	March 31, 2015
	at cost	at cost

15. Long Term Loans and Advances (Rupees)

		As at March 31, 2016		As at March 31, 2015	
a)	Security Deposits (Unsecured)		5,00,000		6,00,042
b)	Loans (Secured)				
	(i) Considered Good				
	Housing loans :				
	Individuals	33,12,97,18,751		21,46,35,82,819	
	Others	9,42,57,99,775		8,04,12,12,409	
	Officer of the Company	1,26,82,410		-	
			42,56,82,00,936		29,50,47,95,228
	Commercial loans		16,46,80,21,300		13,78,50,40,629
	(ii) Considered Doubtful				
	Housing loans :				
	Individuals	41,00,56,100		42,02,45,435	
	Others	1,12,57,049		2,53,03,620	
		42,13,13,149		44,55,49,055	
	Less: Provision for NPA & Doubtful Debts	10,24,84,191		9,92,32,346	
			31,88,28,958		34,63,16,709
	Commercial loans	17,78,36,778		5,32,60,844	
	Less: Provision for NPA & Doubtful Debts	3,53,84,000		1,19,59,929	
			14,24,52,778		4,13,00,915
c)	Installments Due (Secured) Considered doubtful				
	Principal Overdue	5,69,28,615		3,26,88,429	
	Less: Provision for NPA & Doubtful Debts	1,71,83,734	3,97,44,881	97,46,326	2,29,42,103
d)	Balance with Service Tax Authorities		53,71,759		44,01,622
e)	Taxes Paid [Net off Income Tax Provision Rs. Nil (Previous Year Rs. 81,14,50,000)]		-		17,64,087
			59,54,31,20,612		43,70,71,61,335

16. Other Non Current Assets (Rupees)

		As at March 31, 2016		As at March 31, 2015	
a)	Receivable from Trustee under Securitisation (Secured)		6,17,90,864		4,67,94,023
b)	Fixed Deposits with banks (Having maturity period more than 12 months and kept as margin money for Market Link Debentures)		6,97,00,000		-
c)	Unamortised Expenditure (Unsecured)				
	(i) Unamortised DSA Commission	24,69,69,432		18,47,70,698	
	Add: Incurred during the Year	20,68,50,719		13,48,75,669	
	Less: Amortised during the year	10,60,27,271		7,26,76,935	
		34,77,92,880		24,69,69,432	
	Less: to be amortised over the next one year	3,33,61,002		2,66,06,117	
	(Refer Note 20 (b))		31,44,31,878		22,03,63,315
	(ii) Unamortised Brokerage on Borrowing	6,56,67,712		6,88,87,445	
	Add: Incurred during the Year	4 30 70 648		87 47 347	
	Less: Amortised during the year	1,46,54,656		1,19,67,080	
		9,40,83,704		6,56,67,712	
	Less: to be amortised over the next one year	1,66,32,294		1,13,75,751	
	(Refer Note 20 (b))		7,74,51,410		5,42,91,961
	(iii) Unamortised Mortgage guarantee fees	3,83,23,927		-	
	Add: Incurred during the Year	2,92,14,897		4,03,21,927	
	Less: Amortised during the year	1,09,92,233		19,98,000	
		5,65,46,591		3,83,23,927	
	Less: to be amortised over the next one year	1,44,73,781		16,18,100	
	(Refer Note 20 (b))		4,20,72,810		3,67,05,827
d)	Prepaid Expenses (Unsecured)		56,36,511		23,36,157
			57,10,83,473		36,04,91,283

17. Current investments (Rupees)

	Face Value / Issue Price	Quantity As at March 31, 2016	Quantity As at March 31, 2015	Value As at March 31, 2016	Value As at March 31, 2015
Current portion of Long-term investments					
Other Investments - Unquoted fully paid up					
Pass Through Certificates (PTC)					
Aergia IFMR Capital 2015 - Series-A2 PTC 30 Nov.15		10 910	-	80 85 184	-
Alcibie IFMR Capital 2015 - Series-A2 PTC 27 Nov.15		50 88 847	-	1 56 66 073	-
Arcas IFMR Capital 2015 - Series-A2 PTC 30 Sep.15		29 59 786	-	2 41 16 990	-
Brizo IFMR Capital 2015 - Series-A2 PTC 17 Aug.15		11 996	-	1 37 04 384	-
Cabaletta IFMR Capital 2015 -Series -A2 PTC 18 Dec.15		1 84 008	-	96 03 212	-
Cadmus IFMR Capital 2015 - Series-A2 PTC 05 Nov.15		84 107	-	2 21 47 534	-
Caerus IFMR Capital 2015- Series-A2 PTC 20 May 15		1 15 00 550	-	1 16 05 651	-
Comus IFMR Capital 2015 - Series-A3 PTC 18 Sep.15		43 59 442	-	44 92 297	-
Delphin IFMR Capital 2015 - Series-A3 PTC 28 Oct.15		13 17 492	-	13 60 213	-
Geloos IFMR Capital 2015 - Series-A2 PTC 29 May.15		37 10 714	-	37 63 726	-
Hysminai IFMR Capital 2015 - Series -A2 PTC 30 Oct.15		9 93 370	-	1 28 242	-
IFMR Capital Mosec Aethon 2015 - Series-A2 PTC 28 Feb.15		8 77 31 640	-	10 46 66 738	-
IFMR Capital Mosec Agon 2015 - Series-A2 PTC 28 Feb.15		2 11 82 283	-	2 78 01 758	-
IFMR Capital Mosec Atlas 2014 -Series-A2 PTC 30 Dec.14		1 10 43 440	-	1 47 33 862	-
IFMR Capital Mosec Boreas 2015- Series-A3 PTC 04 March 15		19 28 565	-	7 12 42 427	-
IFMR Capital Mosec Glaucus 2015 - Series A2 PTC 01 Sep.15		18 54 181	-	8 19 41 587	-
IFMR Capital Mosec Hercules 2015- Series-A2 PTC 27 March 15		4 20 577	-	1 85 55 456	-
IFMR Capital Mosec Maia 2014 - Series-A2 PTC 29 Nov.14		2 66 412	-	3 42 33 786	-
IFMR Capital Mosec Muse 2014 -Series-A2 PTC 31 Dec.14		46 202	-	7 41 14 496	-
IFMR Capital Mosec Rhea 2014- Series-A3 PTC 26 Nov.14		1 32 301	-	1 59 50 718	-
IFMR Capital Mosec Vulcan 2015 - Series A2 PTC 30 Sep.15		5 93 180	-	1 38 80 396	-
IFMR Capital Mosec Zephyrus 2015- Series-A2 PTC 30 Jan.15		1 80 310	-	5 56 24 044	-
Karpo IFMR Capital 2015- Series-A2 PTC 31 July 15		1 05 137	-	1 45 54 175	-
Libertas IFMR Capital 2015 - Series A2 PTC 30 Nov. 15		1 52 39 096	-	2 84 492	-
Lucina IFMR Capital 2015 - Series -A2 PTC 30 Nov.15		2 37 936	-	1 07 00 828	-
Manto IFMR Capital 2015 - Series -A2 PTC 19 Nov. 15		31 98 234	-	1 32 59 653	-
Maximus SBL IFMR Capital 2015- Series-A2 PTC 25 March 15		2 30 687	-	54 53 744	-
Oread IFMR Capital 2015- Series-A2 PTC 04 Dec.15		26 19 627	-	79 32 481	-
Plutus IFMR Capital 201-5 Series-A2 PTC 29 July 15		26 345	-	1 11 87 819	-
Sol IFMR Capital 2015 -Series -A2 PTC 30 Oct. 15		10 430	-	18 01 779	-
Soter IFMR Capital 2015- Series-A2 PTC 29 July 15		1 72 31 619	-	1 74 79 619	-
Thrasos IFMR Capital 2015- Series-A2 PTC 15 May 15		1 14 58 746	-	1 16 28 520	-
Vesta IFMR Capital 2015- Series-A2 PTC 07 Aug.15		9 825	-	1 30 63 577	-
				73 47 65 461	**-**

Notes :

1 **The aggregate value of investments:**

	As at March 31, 2016 Book Value	As at March 31, 2016 Market Value	As at March 31, 2015 Book Value	As at March 31, 2015 Market Value
Quoted	-	-	-	-
Unquoted	73 47 65 461	-	-	-
TOTAL	**73 47 65 461**	**-**	**-**	**-**

2 **The aggregate Provision for diminution in the value of investments:**

	As at March 31, 2016	As at March 31, 2015
Quoted	-	-
Unquoted	-	-
TOTAL	**-**	**-**

3 **Basis of Valuation**	As at March 31, 2016	As at March 31, 2015
	at cost	at cost

18. Cash & Bank Balance

(Rupees)

	As at March 31, 2016	As at March 31, 2015
Cash & Cash equivalents		
Balance with Banks in Current Accounts	**6,76,80,32,111**	**3,15,12,53,423**
Cash on hand	**27,73,344**	**2,17,788**
	6,77,08,05,455	**3,15,14,71,211**
Other Bank Balances		
Fixed Deposits with banks # (Having maturity period more than 3 months but less than 12 Months)	**43,04,27,591**	**39,98,50,496**
	43,04,27,591	**39,98,50,496**
	7,20,12,33,046	**3,55,13,21,707**

In respect of Fixed Deposits with Banks Rs.400,427,591 (Previous Year Rs. 399,850,496) is kept as credit enhancement towards securitisation/assignment transactions, and Rs. 30,000,000 (Previous Year Rs. Nil) is kept as margin money deposits for Market Link Debentures.

19. Short-term loans and advances

(Rupees)

		As at March 31, 2016		As at March 31, 2015	
a)	Loans repayments within next 12 months (Secured)				
	Considered Good				
	Housing loans :				
	Individuals	**1,53,14,32,334**		**72,81,82,171**	
	Others	**3,98,54,90,294**		**3,86,97,71,663**	
	Officer of the Company	**10,76,815**		**-**	
			551 79 99 443		**459 79 53 834**
	Commercial loans		**1,97,73,88,332**		**2,45,28,56,690**
b)	Installments Due (Secured) Considered good		**33,86,81,339**		**8,83,26,171**
c)	Prepaid expenses (Unsecured)		**32,75,705**		**11,37,669**
d)	Sundry Advances (Unsecured)		**1,43,79,481**		**32,15,048**
			7,85,17,24,300		**7,14,34,89,412**

20. Other Current Assets

(Rupees)

		As at March 31, 2016		As at March 31, 2015	
a)	Interest Accrued on				
	Fixed Deposits	**28,30,279**		**9,87,480**	
	Long term Investments	**2,03,694**		**-**	
	Loans and advances	**43,29,37,805**		**37,29,84,345**	
			43,59,71,778		**37,39,71,825**
b)	Unamortised Expenditure				
	DSA Commission	**3,33,61,002**		**2,66,06,117**	
	Brokerage on Borrowing	**1,66,32,294**		**1,13,75,751**	
	Mortgage guarantee fees	**1,44,73,781**		**16,18,100**	
			6,44,67,077		**3,95,99,968**
c)	Mark-to-Market Margin				
	Equity Index Futures & Options		**2,10,06,044**		**33,62,409**
			52,14,44,899		**41,69,34,202**

21. Revenue from operation (Rupees)

		2015-16		2014-15	
a)	**Interest income**				
	Interest on:				
	Housing and Other Loans	**7,26,90,19,672**		**4,37,91,46,732**	
	Fixed Deposits	**3,80,31,937**		**3,88,72,510**	
	Investments	**6,68,85,504**		**-**	
			7,37,39,37,113		**4,41,80,19,242**
b)	**Other Financial income**				
	Processing Fee income	**40,12,97,355**		**43,42,06,830**	
	Foreclosure & Other Operating Charges	**15,95,34,875**		**16,18,13,993**	
	Brokerage Commission on Property Solution	**9,19,44,697**		**6,75,25,615**	
		65,27,76,927		**66,35,46,438**	
	Less : Service Tax Recovered	**8,11,73,288**		**7,29,92,470**	
			57,16,03,639		**59,05,53,968**
c)	Bad Debts Recovered		**1,48,55,939**		**9,19,529**
			7,96,03,96,691		**5,00,94,92,739**

22. Other Income (Rupees)

		2015-16	2014-15
a)	Profit on Sale of Current Investments (Net)	**18,95,09,617**	**11,54,54,143**
b)	Miscellaneous income	**3,90,353**	**2,33,329**
c)	Credit Balance / Excess Provision Written Back	**-**	**8,61,880**
		18,98,99,970	**11,65,49,352**

23. Employee Benefits Expense (Rupees)

	2015-16	2014-15
Payments to and Provision for Employees (Including Managerial Remuneration)		
- Salary & Bonus etc # [Refer Note 34 (b)]	**66,51,87,214**	**32,39,77,491**
- Contrfbution to Provident fund and other Funds	**3,50,36,176**	**1,87,06,198**
- Staff Welfare & other amenities	**99,71,271**	**56,90,357**
	71,01,94,661	**34,83,74,046**

24. Finance Cost (Rupees)

		2015-16		2014-15	
a)	Interest Expense				
	Term Loan From Banks	4,11,32,69,675		2,48,59,74,942	
	Cash Credit From Banks	1,01,13,651		1,18,12,172	
	Non Convertible Debentures	62,12,14,005		47,94,21,682	
	Body Corporates	10,99,694		12,74,478	
			4,74,56,97,025		2,97,84,83,274
b)	Other Borrowing Cost				
	Amortised Brokerage [Refer Note 16 (c)(ii)]	1,46,54,656		1,19,67,080	
	Discount on Commercial Papers	59,86,51,978		17,63,29,213	
	Processing Charges	2,80,332		2,08,800	
			61,35,86,966		18,85,05,093
			5,35,92,83,991		3,16,69,88,367

25. Administration & Other Charges (Rupees)

	2015-16	2014-15
Auditor's Remuneration [Refer Note 31]	16,00,000	8,00,000
Bad Debts Written Off	3,75,55,656	4,59,05,071
Bank Charges	31,39,044	29,87,322
Credit Cost	37,94,121	95,99,276
Collection Cost	1,26,91,815	91,20,609
Corporate Social Responsibility Expenditures [Refer Note 41]	1,39,00,000	98,00,000
Directors' Sitting Fees	16,25,376	12,31,688
Amortised DSA Commission [Refer Note 16 (c)(i)]	10,60,27,271	7,26,76,935
Amortised Guarantee Commission [Refer Note 16 (c)(iii)]	1,09,92,233	19,98,000
Infrastructure Cost #	3,85,45,800	3,82,24,800
Legal & Professional Fees	9,91,39,937	6,29,76,298
Marketing Expenses	13,65,64,648	11,77,83,162
Management Expenses	3,21,75,000	3,18,54,000
Miscellaneous Expenses	2,29,21,743	2,09,20,875
Postage,Telegram & Telephone	29,54,835	6,95,672
Provision for Standard Asset	7,70,53,293	7,78,41,181
Provision for NPA & Doubtful Debts	4,40,40,170	1,12,52,675
Printing and Stationary	26,67,447	25,27,307
Rates and Taxes	98,18,758	58,31,913
Repairs & Maintenance-Others	50,34,359	25,02,683
Travelling & Conveyance	4,43,72,282	2,47,50,364
	70,66,13,788	55,12,79,831

Note:

According to the agreement entered into by the Company with its holding company i.e. Reliance Capital Limited for utilizing their office premises including all other amenities, infrastructure and employees at various locations of the Company.[Refer Note 34(b) on Related Party Transactions]

26. Security clause, Maturity profile & Rate of interest in respect of Non convertible Debentures

a Secured Non convertible Debentures referred above are secured by way of first pari passu legal mortgage and charge over the premises situated at Bharuch and additional pari passu charge by way of hypothication on the present and future books debts/receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders, except those book debts and receivables charged/ to be charged in favour of National Housing Bank for refinance availed/ to be availed from them, of Home Finance Business subject to maintenance of minimum asset coverage of 100% of issue amount.

b **Maturity profile of Non convertible Debentures are as set out below:**

Interest Rate	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-26	Total
#	6,97,47,346	-	8,47,44,500	-	-	-	-	-	-	15,44,91,846
MLD	7,00,00,000	45,92,36,000	12,06,62,500	41,40,57,000	-	-	-	-	-	1,06,39,55,500
8.80%	-	-	-	-	25,00,00,000	-	-	-	-	25,00,00,000
8.82%	-	-	-	-	-	-	20,00,00,000	-	-	20,00,00,000
8.85%	7,50,00,000	-	-	-	-	-	-	-	-	7,50,00,000
9.00%	-	-	-	-	60,00,00,000	-	-	-	18,00,00,000	78,00,00,000
9.05%	3,25,00,000	-	-	15,00,00,000	-	-	-	-	-	18,25,00,000
9.09%	-	-	5,00,00,000	-	-	-	-	-	-	5,00,00,000
9.15%	-	-	-	-	-	20,00,00,000	-	-	15,00,00,000	35,00,00,000
9.25%	-	-	55,00,00,000	-	-	-	-	10,00,00,000	27,00,00,000	92,00,00,000
9.35%	-	-	-	-	-	-	-	30,00,00,000	-	30,00,00,000
9.45%	-	-	-	-	-	-	10,00,00,000	-	-	10,00,00,000
9.48%	-	-	-	-	-	-	-	-	1,00,00,000	1,00,00,000
9.50%	-	-	5,00,00,000	-	-	-	-	25,00,00,000	70,00,00,000	1,00,00,00,000
9.52%	-	-	-	-	-	-	-	15,00,00,000	-	15,00,00,000
9.70%	-	-	10,00,00,000	-	-	-	-	-	-	10,00,00,000
9.75%	5,00,00,000	-	-	10,00,00,000	-	-	-	-	-	15,00,00,000
9.80%	-	-	-	15,00,00,000	-	-	-	-	15,00,00,000	30,00,00,000
9.90%	15,00,00,000	-	-	-	-	-	-	1,70,00,000	-	16,70,00,000
10.00%	-	40,00,00,000	-	-	-	-	16,00,00,000	-	-	56,00,00,000
10.10%	-	20,00,00,000	-	-	-	-	-	-	-	20,00,00,000
10.33%	-	-	-	-	-	-	45,00,00,000	-	-	45,00,00,000
10.40%	-	-	-	-	-	-	50,00,00,000	-	-	50,00,00,000
10.60%	-	-	-	-	-	-	8,00,00,000	-	-	8,00,00,000
Total	**44,72,47,346**	**1,05,92,36,000**	**95,54,07,000**	**81,40,57,000**	**85,00,00,000**	**20,00,00,000**	**1,49,00,00,000**	**81,70,00,000**	**1,46,00,00,000**	**8,09,29,47,346**

# Zero Coupon Deep Discount Non- Convertible Debentures
MLD = Market Link Non- Convertible Debentures

27. Security clause & Maturity profile in respect to secured loans from banks

Term loans from Banks [Refered in Note 5] and current maturity of long term debts [Refer Note 11 (a)(ii)] includes :

a Term loans Rs.34,124,531,294 (Previous year Rs. 25,95,43,50,152) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs.37,654,155,033 (Previous year Rs. 28,63,79,58,913).

b Term loans Rs 13,448,886,375 (Previous year Rs. 1,00,00,00,000) secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs.14,898,263,413 (Previous year Rs. 1,11,00,00,000).

c Term loans Rs. 1,799,630,298 (Previous year Rs. 2,49,95,15,795) secured by hypothecation of book-debts/receivables (standard only) of the Company on pari-passu basis with other secured lenders, against security not exceeding Rs. 1,990,689,638 (Previous year Rs. 2,76,61,12,013).

d Term loans Rs. 334,050,492 (Previous year Rs. 86,68,31,177) secured secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 400,860,590 (Previous year Rs. 1,04,01,97,413).

e **Maturity profile of Secured Term Loans from banks are as set out below;**

(Amount in Rs)

Year	Principal Repayment
2016-17	11,16,27,40,000
2017-18	12,52,83,28,459
2018-19	10,93,26,30,000
2019-20	8,78,34,00,000
2020-21	3,90,00,00,000
2021-22	1,50,00,00,000
2022-23	90,00,00,000
Total	**49,70,70,98,459**

28. As on April 26, 2010 the Company had entered into Business Transfer Agreements ('BTA') with its holding company i.e. Reliance Capital Limited ('RCL') to transfer the RCL's home finance business to the Company at book value, such that the entire economic risk and reward of the RCL's home finance business passes to the Company from the commencement of business on the value date i.e. April 1, 2010. As on January 31, 2011 the BTA further amended between the Company and Reliance Capital Limited, as per the amended BTA with RCL:

a) The RCL holds loan assets of Rs. 4,41,10,823 (Previous year Rs. 4,62,46,178) of the Company in the capacity of trust as on March 31, 2016.

b) During the year the Company has taken the following assets, income and expenses from the RCL :
   i) Interest & other income of Rs. 61,95,062 (Previous year Rs. 90,27,789)
   ii) Interest & other expenses of Rs. 1,46,31,394 (Previous year Rs. 1,54,86,531)

29. The information related to securitisation and assignment made by the Company, as an originator is given below:

Particulars	Unit	Securitisation	Assignment	Total
		Outside	Outside	Outside
Total number of loan assets Securitized / Assigned	Nos.	- (-)	1,361 (672)	1,361 (672)
Total book value of loan assets Securitized / Assigned (Including MRR)	Rs.	- (-)	1,987,345,908 (2,841,828,628)	1,987,345,908 (2,841,828,628)
Sale consideration received for the Securitized / Assigned assets (Including MRR)	Rs.	- (-)	1,987,345,908 (2,841,828,628)	1,987,345,908 (2,841,828,628)
Net gain on account of Securitization / Assigned	Rs.	- (-)	- (-)	- (-)
Outstanding Credit Enhancement (Funded)	Rs.	119,403,600 (119,403,600)	281,023,991 (280,446,896)	400,427,591 (399,850,496)
Outstanding Liquidity Facility	Rs.	- (-)	- (-)	- (-)
Net Outstanding Servicing Liability	Rs.	10,665,135 (16,353,140)	184,122,075 (268,539,317)	194,787,210 (284,892,457)

Notes :
(i) Figures in bracket represent previous year's figures.
(ii) MRR means minimum retention requirements.

a) Disclosures for Securitisation Transactions :

(i) Securitisation :

Sr. No.	Particulars	As at March 31, 2016 (No. / Amount in Rs.)	As at March 31, 2015 (No. / Amount in Rs.)
1	No. of SPVs sponsored by the Company for Securitisation Transactions (Nos.)	2	2
2	As on March 31, 2016, total amount of securitised assets as per books of the SPVs sponsored by the Company (Rupees)	539,276,130	685,781,366
3	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	119,403,600	119,403,600
	• Others	-	-
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		

Sr. No.	Particulars	As at March 31, 2016 (No. / Amount in Rs.)	As at March 2015 (No. / Amount in Rs.)
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-

(ii) Direct Assignments :

Sr. No.	Particulars	As at March 31, 2016 (No. / Amount in Rs.)	As at March 2015 (No. / Amount in Rs.)
1	No of Direct Assignments (Nos.)	15	13
2	Total amount of assigned assets as per books of the Assignor (Rupees)	6,292,417,514	6,887,597,935
3	Total amount of exposures retained by the Assignor to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	-
	• Others	538,321,704	582,113,088
4	Amount of exposures to Assignment transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	281,023,991	280,446,896
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	220,910,973	-

30. In the opinion of management, all assets other than fixed asset and non-current investments are approximately of the value stated if realised in the ordinary course of business.

31. Auditors' Remuneration :

(In Rupees)

Particulars	2015-16	2014-15
i) Audit Fees	600,000	600,000
ii) Tax Audit Fees	200,000	200,000
iii) Certification Fees	300,000	-
iv) Limited Review Fees (includes Rs. 200,000 for 2014-15)	500,000	-
Total	**16,00,000**	**800,000**

32. Employee Benefits :

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(In Rupees)

Particulars	2015-16	2014-15
i) Employer's Contribution to Provident Fund and LWF	14,269,471	8,603,918
ii) Employer's Contribution to Pension Scheme	7,719,464	3,001,012
Total	**21,988,935**	**11,604,930**

b) Defined Benefit plans

The following table summarise the components of the net employee benefit expenses recognized in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan and leave encashment plan. The said information is based on certificates provided by the actuary.

Gratuity (Funded)

(In Rupees)

PARTICULARS	2015-16	2014-15
I. Assumptions :		
Discount Rate	8.01%	7.96%
Rate of Return on Plan Assets	8.01%	7.96%
Salary Escalation	6.00%	6.00%
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	13,592,214	7,149,076
Interest Cost	1,081,940	672,728
Current Service Cost	2,235,159	1,247,911
Liability Transferred in / Acquisitions	7,360,847	-
Benefit Paid	(4,531,625)	(1,814,660)
Actuarial (gain)/loss on obligations –Due to change in Financial Assumptions	(199,306)	3,373,046
Actuarial (gain)/loss on obligations –Due to change in Demographic Assumptions	1,527,223	-
Actuarial (gain)/loss on obligations –Due to Experience	8,525,347	2,964,113
Liability at the end of the Year	29,591,799	13,592,214
III. Tables of Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	13,643,843	7,206,009
Expected Return on Plan Assets	1,086,050	678,085
Contributions	-	7,095,963
Benefit Paid	(4,531,625)	(1,814,660)
Actuarial gain/(loss) on Plan Assets	(911,298)	478,446
Fair Value of Plan Assets at the end of the Year	9,286,970	13,643,843
Total Actuarial Gain/(Loss) To Be Recognised	10,764,562	5,858,713
IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	1,086,050	678,085
Actuarial gain/(loss) on Plan Assets	(911,298)	478,446
Actual Return on Plan Assets	174,752	1,156,531
V. Amount Recognised in the Balance Sheet :		
Liability at the end of the Year	(29,591,799)	(13,592,214)
Fair Value of Plan Assets at the end of the Year	9,286,970	13,643,843
Difference	(20,304,829)	51,629
Amount Recognised in the Balance Sheet #	(20,304,829)	51,629
VI. Expenses Recognised in the Statement of Profit & Loss :		
Current Service Cost	2,235,159	1,247,911
Interest Cost	(4,110)	(5,357)
Actuarial (Gain)/Loss	10,764,562	5,858,713
Expense Recognised in Statement of Profit & Loss	12,995,611	7,101,267
VII. Amount Recognised in the Balance Sheet :		
Opening net liability	(51,629)	(56,933)
Expense as above	12,995,611	7,101,267
Net Liability / (Asset) Transfer In #	7,360,847	-
Employers Contribution	-	(7,095,963)
Net Liabilities/(Assets) Recognised in Balance Sheet #	20,304,829	(51,629)
VIII. Experience Adjustment		

PARTICULARS	2015-16	2014-15
Plan Assets	-	-
Defined benefit obligations	-	-
Amount not recognised as an Asset	-	-
Surplus / (Deficit)	-	-
Experience adjustment on Plan Assets	(911,298)	478,446
Experience adjustment on Plan Liabilities	8,525,347	2,964,113

IX. Particulars of the amounts for the year and previous years

	Gratuity for the year ended March 31				
	2016	2015	2014	2013	2012
Present value of benefit obligation	29,591,799	13,592,214	7,149,076	7,202,203	4,402,671
Fair value of plan assets	9,286,970	13,643,843	7,206,009	6,928,004	4,415,140
Excess of obligation over plan assets	20,304,829	(51,629)	(56,933)	274,199	(12,469)

X. Experience adjustment

Experience adjustment on plan assets gain/(loss)	(911,298)	478,446	(171,587)	(39,568)	(89,934)
Experience adjustment on plan liabilities gain/(loss)	8,525,347	2,964,113	(207,165)	1,134,484	212,254

Note # : This amount includes the amount of Rs. 7,360,847 to be transferred for the employees transferred during the year and the amount receivable from their Gratuity trust.

Leave Encashment (Unfunded)

(In Rupees)

PARTICULARS	2015-2016	2014-2015
I. Assumptions :		
Discount Rate	7.57%	8.00%
Salary Escalation Current Year	6.00%	6.00%
II. Table Showing Changes in present value of Obligation :		
PVO at the beginning of the Year	2,841,514	2,337,535
Interest Cost	195,833	177,188
Current Service Cost	834,593	744,167
Benefit Paid	(787,193)	(737,567)
Actuarial (gain)/loss on obligations	2,171,050	320,191
PVO at the end of the Year	5,255,797	2,841,514
III. Table of Changes in fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions	787,193	737,567
Benefit Paid	(787,193)	(737,567)
Actuarial gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets at end of year	-	-
IV. Fair Value of Planned Assets:		
Fair Value of Plan Assets at the beginning of the Year	-	-
Actual Return on Plan Assets	-	-
Contributions	787,193	737,567
Benefit Paid	(787,193)	(737,567)
Fair Value of plan Assets at end of year	-	-
Funded Status	(5,255,797)	(2,841,514)
Excess of actual over estimated return on Plan Asset	-	-
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (obligation)	(2,171,050)	(320,191)
Actuarial Gain/(Loss) for the year (Plan Asset)	-	-
Total Gain/(Loss) for the year	(2,171,050)	(320,191)

PARTICULARS	2015-2016	2014-2015
Actuarial gain/(Loss) recognized for the year	(2,171,050)	(320,191)
Unrecognised Acturial Gain/(Loss) at the end of the Year	-	-
VI. Expenses Recognised in the Statement of Profit & Loss:		
Current Service Cost	834,593	744,167
Interest Cost	195,833	177,188
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised	2,171,050	320,191
Expense Recognised in Statement of Profit & Loss	3,201,476	1,241,546
VII. Amount Recognised in the Balance Sheet :		
PVO at the end of Year	5,255,797	2,841,514
Fair Value of Plan Assets at end of Year	-	-
Funded Status	(5,255,797)	(2,841,514)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in balance sheet	(5,255,797)	(2,841,514)
VIII. Movement in the Liability recognized in Balance Sheet		
Opening net Liability	2,841,514	2,337,535
Expenses as above	3,201,476	1,241,546
Contribution paid	(787,193)	(737,567)
Closing Net Liability	5,255,797	2,841,514
IX. Experience Adjustment		
Plan Assets at the end of year	-	-
Defined benefit obligations at the end of year	5,255,797	2,841,514
Amount not recognised as an Asset	-	-
Surplus / (Deficit)	(5,255,797)	(2,851,414)
Experience adjustment on Plan Assets	-	-
Experience adjustment on Plan Liabilities	2,171,050	320,191

Notes :

(i) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

(ii) General Descriptions of significant defined plans:

a) Gratuity plan

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act 1972 or as per the Company's Scheme whichever is more beneficial.

b) Leave plan

Encashment of leave can be availed by the employee for balance in the earned account as on January 1, 2009. All carry forward earned leaves with a maximum limit of 10 Days, are available for availment but not for encashment.

c) Other Employee Benefits – Phantom Stock

I. Details of Option granted, forfeited and exercised

Particulars	No of Options
Outstanding as at April 1, 2015	-
Granted	579,400
Exercised	-
Lapsed/ Forfeited/ Surrendered	-
Outstanding as at March 31, 2016	579,400
Exercisable as at March 31, 2016	-

II. Terms and conditions of the scheme

Date of grant	**October 27, 2015**
Details of vesting schedule and condition	Phantom stock granted under the scheme would vest within not less than 1 year and not more than 5 years from the last date of vesting of such Phantom stock option. Vesting of Phantom stock option would be subject to continued employment with the company and the Phantom stock option would vest on passage of time
Appreciation as per Phantom stock option	Excess of fair market of share on the date of exercise determined in terms of Phantom stock option scheme over the base price.
Exercise Period	**In case of continuation of employment :** Vested Phantom stock option can be exercised any time upto 3 years from the date of last vesting of Phantom stock options and
	In case of cessation of employment : Different periods depending on kind of cessation as per provision of the Phantom stock option scheme
Settlement of Phantom stock option	Within 90 days from the date of exercise by cash

III. Fair value of the Option granted was estimated on the date of grant based on the following assumptions

Particulars	**Phantom Stock option**
Discount rate	7.72%
Expected life	5 years

VI. The Company's liability toward the Phantom stock option is accounted for on the basis of an independent actuarial valuation done at the year end. As per the valuation the liability for the year is Rupees 1,142,000 which is debited to Statement of profit and loss account and the liability is shown in the Balance sheet under the head Other current liabilities and clubbed under Other payables.

33. Segment Reporting:

The Company is mainly engaged in the housing finance business, all other activities revolve around the main business of the Company and as such there is no separate reportable segment as specified in Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounting Standards) Rules, 2006.

34. Related Party Disclosures:

a) List of the Related Parties and their relationship:

i. Holding Company
Reliance Capital Limited

ii. Subsidiaries of Holding Company / Fellow Subsidiaries

1	Reliance Capital Asset Management Limited	14	Reliance Financial Limited
2	Reliance Asset Management (Singapore) Pte Limited	15	Reliance Wealth Management Limited
3	Reliance Asset Management (Mauritius) Limited	16	Reliance Money Solutions Private Limited
4	Reliance Capital Asset Management (UK) Limited (formerly Reliance Capital Asset Management (UK) Plc)	17	Reliance Exchangenext Limited
5	Reliance Capital Pension Fund Limited	18	Reliance Spot Exchange Infrastructure Limited
6	Reliance AIF Management Company Limited	19	Reliance Capital AIF Trustee Company Private Limited
7	Reliance Capital Trustee Co. Limited	20	Reliance Life Insurance Company Limited (w.e.f. March 30, 2016)
8	Reliance General Insurance Company Limited	21	Quant Capital Private Limited
9	Reliance Gilts Limited	22	Quant Broking Private Limited
10	Reliance Money Express Limited	23	Quant Securities Private Limited
11	Reliance Money Precious Metals Private Limited	24	Quant Commodity Broking Private Limited
12	Reliance Securities Limited	25	Quant Capital Finance and Investments Private Limited
13	Reliance Commodities Limited	26	Quant Investments Services Private Limited

iii. Other Related Parties under common control with whom transactions have taken place during the year

1	Reliance Communications Infrastructure Limited	2	Reliance Infocomm Infrastructure Private Limited

iv. Key Managerial Personnel (KMP)

Manager	Shri Sandip Parikh (w.e.f. May 7, 2015)	Shri K. Suresh Kumar (Till March 28, 2015)
Chief Financial Officer	Shri Amrish Shah (w.e.f. May 7, 2015)	Kum. Roopa Joshi (Till May 7, 2015)
Company Secretary	Smt. Ekta Thakurel (w.e.f. July 30, 2015)	Smt. Neena Parelkar Singarpure (Till December 28, 2014) Kum. Deepali Bhatt (w.e.f. May 7, 2015 till July 30, 2015)

b) Transactions during the year with related parties

(In Rupees)

Particulars	2015-16	2014-15
i) With Holding Company:		
Share Capital		
Balance as on March 31, 2016	658,200,000	658,200,000
Sundry Receivable as on March 31, 2016	274,825	-
Fixed Asset Purchased during the year	-	374,621,000
Expenses		
Infrastructure Cost	36,000,000	38,224,800
Salary Cost	44,000,000	30,969,167
Management Fees	30,000,000	31,854,000
Other Expenses transferred under BTA	9,926,845	8,144,985
Finance Cost transferred under BTA	4,704,549	7,341,546
Income		
Interest & Other Income transferred under BTA	6,195,062	9,027,789
Brokerage & Valuation charges Received	3,857,923	3,437,448
ii) With Fellow Subsidiary:		
Expenses		
Employee Mediclaim Premium Paid to Reliance General Insurance Company Limited	7,156,953	1,213,548
Brokerage paid to Reliance Securities Limited	579,797	-
DSA Commission paid to Reliance Money Solutions Private Limited	-	136,300

Income		
Brokerage & Valuation charges Received from Reliance Securities Limited	9,000	-
iii) With Other Related Parties under common control		
Expenses		
Employee ID card printing charges paid to Reliance Infocomm Infrastructure Private Limited	14,390	-
Fixed Asset Purchased during the year from Reliance Communications Infrastructure Limited	55,769,981	-
Income		
Brokerage & Valuation charges Received from Reliance Communications Infrastructure Limited	44,383,969	-
Sundry Payables as on March 31, 2016		
Sundry payable to Reliance Communications Infrastructure Limited	668,567	-
iv) With Key Managerial Personnel :		
Expenses		
Managerial Remuneration paid during the year		
1) Shri Sandip Parikh	14,051,350	-
2) Shri Amrish Shah	5,227,778	-
3) Ms. Ekta Thakurel	911,600	-
4) Shri K. Suresh Kumar	-	9,861,158
5) Ms. Roopa Joshi	176,973	2,276,860
6) Ms. Neena Parelkar Singarpure	-	827,664
7) Ms. Deepali Bhatt	190,097	-
Housing Loans Given		
Shri Sandip Parikh		
Housing Loan outstanding as on March 31, 2016	3,863,100	-
Housing Loan repaid during the year	145,592	-
Interest Income on Housing Loan	350,081	-
Shri Amrish Shah		
Housing Loan outstanding as on March 31, 2016	9,896,125	-
Housing Loan repaid during the year	2,471,877	-
Interest Income on Housing Loan	1,009,869	-

Note:

1. The above disclosed transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.
2. The current year figures are excluding service tax.
3. Expenses incurred towards public utilities services such as telephone and electricity charges have not been considered for related party transaction.

35. Basic and Diluted Earnings Per Share:

For the purpose of calculation of Basic & Diluted Earnings per Share the following amounts have been considered:

(In Rupees)

	Particular	2015-16	2014-15
a)	Amount used as the numerators		
	Net Profit/(Loss) available for Equity shareholder	867,568,946	690,632,278
b)	Weighted average number of equity shares (nos.)	65,820,000	65,820,000
c)	Basic & Diluted Earnings Per Share (Rs.)	13.18	10.49

36. Disclosure of details as required by Para 29 of the Housing Finance Companies (NHB) Directions, 2010. (As certified by the management).

a) The total provisions made for substandard, doubtful and loss assets and depreciation in investments carried by the Company in terms of paragraph 29(2) and (3) of the Housing Finance Companies (NHB) Directions, 2010 and NHB Circular NHB.HFC.DIR-3/CMD/2011 dated August 5, 2011 in respect of Housing and Non Housing Loans is as follows:

(In Rupees)

Particulars	Housing Finance		Non-Housing Finance	
	Outstanding Balance as at March 31, 2016	Provision as at March 31, 2016	Outstanding Balance as at March 31, 2016	Provision as at March 31, 2016
Standard Asset	49,84,31,04,161 (34,177,013,821)	246,660,743 (176,626,872)	17,02,71,87,189 (16,251,958,732)	105,813,105 (98,793,683)
Sub-Standard Assets [Refer Note (ii) below]	209,798,980 (170,583,725)	28,670,707 (25,587,558)	13,38,26,844 (16,419,718)	20,468,596 (2,503,478)
Doubtful Asset s	263,165,096 (301,315,500)	87,853,804 (81,816,414)	49,287,621 (43,179,385)	18,058,818 (11,031,150)
Loss Assets	- (-)	- (-)	- (-)	- (-)
Provision for Depreciation in Investments	- (-)	- (-)	- (-)	- (-)

Notes:

i) Figures in bracket represent previous year's figures.

ii) Substandard provision on non housing finance includes Rs. 371,265 (Previous Year Rs. 40,521) related to Minimum Retention Requirement (MRR) pools related to Securitization for which loans outstanding not in the books.

iii) Loan outstanding balance and provision as at March 31, 2016 for Sub-standard, Doubtful & Loss assets given above, includes NPA classification and provision made as per observations, in the NHB Inspection Report dated August 6, 2015 vide NHB (ND)/HFC/DRS/ Sup./7637 /2015.

b) Disclosure regarding penalty or adverse comments in terms of paragraph 29(5) of the Housing Finance Companies (NHB) Directions, 2010 is as follows :

i) During the year there is no penalty imposed by National Housing Bank.

ii) The Company has received the inspection report under Section 34 of the National Housing Bank Act, 1987 from National Housing Bank (NHB) with reference to its position as on March 31, 2014, vide NHB letter No. NHB (ND)/HFC/DRS/SUP/ 7637/2015 dated August 6, 2015 in which NHB has drawn certain contraventions to the provisions and Directions/Guidelines issued by the NHB under the National Housing Bank Act, 1987 from time to time and also other deficiencies in the functioning of the Company. The Company placed the replies before the board meeting and the same has been sent to NHB.

iii) The inspection of the Company with reference to its position as on March 31, 2015, as per provision of the National Housing Bank Act, 1987 has been conduct by the National Housing Bank (NHB) during the month of March 2016. The Company has not yet received any inspection report on the same.

37. Disclosure of loans / advances and investments in its own shares by the listed companies, in its subsidiaries, associate etc. (as certified by the management) in terms of Regulation 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (As certified by the management)

Particulars	Outstanding Balances		Maximum Balance Outstanding	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
i) Loans and advances in the nature of loans to subsidiaries	-	-	-	-
ii) Loans and advances in the nature of loans to associates	-	-	-	-
iii) Loans and advances in nature of loans to firms/companies in which directors are interest	-	-	-	-
iv) Investments by the loanee (borrower) in the shares of parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan.	-	-	-	-

38. Disclosure regarding provision made for Asset Liability Management (ALM) system for the Housing Finance Companies as per NHB Circular NHB/ND/DRS/PoI-No.35/2010-11 dated October 11, 2010.

(I) Capital to Risk Asset Ratio (CRAR)

Items	As at March 31, 2016	As at March 31, 2015
CRAR (%)	16.34%	15.17%
CRAR - Tier I capital (%)	10.51%	11.10%
CRAR - Tier II capital (%)	5.83%	4.07%

(II) **Exposure to real estate sector, both direct and indirect:**

(In Rupees)

				As at March 31, 2016	As at March 31, 2015
a)	**Direct Exposure**				
	(i)	Residential Mortgage			
		Individual Housing Loan up to 15 lakhs		5,672,490,737	3,60,61,29,907
		Individual Housing Loan More than 15 lakhs		29,276,577,541	19,00,76,91,560
	(ii)	Commercial Real Estate		14,494,419,047	11,58,97,04,018
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –			
		(a)	Residential -	-	-
		(b)	Commercial -	-	
b)	**Indirect Exposure** Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).			**-**	**-**

Notes:

(i) The direct exposure given in (i) & (ii) represents loans & advances outstanding at the year end, without netting off the Provision for NPA & Doubtful Debts.

(ii) The bifurcation of investments in Mortgage Backed Securities (MBS) and other securitised exposures between residential and commercial is based on nature of underlying loan assets. The same has been relied upon by auditors.

(III) Maturity Patterns of Items of Assets & Liabilities

(In Rupees)

Year	Liabilities As at March 31, 2016		Assets As at March 31, 2016	
	Borrowings from Bank	Market Borrowings	Loans & Advances	Investments
1 day to 30/31 day	2,744,780,509 (960,764,860)	1,042,966,182 (1,493,441,405)	619,688,939 (638,378,026)	36,315,361 (-)
Over 1 month to 2 months	666,700,000 (-)	3,460,262,156 (3,453,646,074)	634,614,388 (700,214,107)	53,171,561 (-)
Over 2 month to 3 months	1,427,100,000 (377,100,000)	- (2,458,527,703)	667,682,799 (594,876,732)	101,887,662 (-)
Over 3 month to 6 months	2,754,200,000 (2,469,400,000)	524,479,989 (288,792,960)	2,382,448,201 (2,021,950,077)	244,407,055 (-)
Over 6 month to 1 Year	6,314,740,000 (3,714,600,000)	357,713,473 (763,000,000)	3,529,634,786 (3,18,37,17,753)	298,983,822 (-)
,Over 1 year to 3 Year	23,460,958,459 (14,260,197,124)	2,014,644,524 (885,775,964)	7,222,392,153 (5,799,174,072)	69,410,945 (-)
Over 3 year to 5 Year	12,683,400,000 (8,299,400,000)	1,664,057,000 (1,227,428,917)	6,479,710,396 (4,65,55,80,559)	- (-)
Over 5 Year to 7 years	2,400,000,000 (1,200,000,000)	1,690,000,000 (200,000,000)	6,759,816,654 (5,141,944,250)	- (-)
Over 7 Year to 10 years	- (-)	2,277,000,000 (2,157,000,000)	9,496,427,170 (7,119,505,995)	- (-)
Over 10 years	- (-)	- (10,000,000)	29,578,902,480 (20,98,41,90,709)	- (-)
Total	**52,451,878,969 (31,281,461,984)**	**13,031,123,324 (12,937,613,023)**	**67,371,317,966 (50,839,532,280)**	**804,176,406 (-)**

Notes:

i) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

ii) The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for assets-liabilities management (ALM) system for housing finance companies issued by NHB, best practices and best estimate of the Assets-Liability Committee / management with regard to the timing of various cash flows, which has been relied upon by the auditors. The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Schedule III to the Companies Act, 2013.

iii) Figures in bracket represent previous year's figures.

39. Contingent Liabilities/Commitments: (As certified by the management)

(In Rupees)

	Particulars	As at March 31, 2016	As at March 31, 2015
Contingent Liabilities :			
a.	Case against the Company not acknowledge as Debts	4,844,118	2,631,536
b.	Second loss credit enhancement for securitization of standard asset transactions provided by third party	220,910,973	-
Commitments :			
a.	Estimated amount of contracts remaining to be executed on capital account (net of advances).	-	-
b.	Undisbursed amount of housing loans/ other loans sanctioned	7,368,528,904	6,37,39,87,011

40. Outstanding Derivatives (Future & Options) are as under:

Nature of Derivative	No of Contracts	Units	
		Long	Short
Futures	2,859 (70)	216,225 (3500)	- (-)
Options	241 (-)	- (-)	18,075 (-)

Figures in bracket indicate previous year figures.

41. As per Section 135 of the Companies Act, 2013 the Company is under obligation to incur Corporate Social Expenditures (CSR) amounting to 13,900,000 (Previous Year Rs. 9,730,000), being 2% of the average net profit during the three immediately preceding financial years towards CSR, calculated in the manner as stated in the Act. Accordingly during the year, the Company has made a contribution of 13,300,000 (Previous Year Rs. 98,00,000) by contributing for Rural outreach initiative to provide cancer care to the communities of interior parts of Maharashtra and Rs. 600,000 (Previous Year Rs. Nil) by contributing for promotion of educational facilities in villages in Maharashtra.

42. During the year, the Company has changed the basis of calculation of Days Past Due (DPD) for the purpose of Non Performing Assets (NPA) identification and Provision for NPA & Doubtful Debt. DPD will be counted from the first date, on which borrower becomes NPA and will continue as Non Performing Assets, till the borrower becomes standard and regular in payment of EMI, as per observations, in the NHB Inspection report dated August 6, 2015 vide NHB (ND)/HFC/DRS/ Sup./7637/2015.

The Company has classified the loans in Sub-standard, Doubtful & Loss categories and calculated provision for NPA & doubtful debts based on the NHB Inspection Report. Accordingly an additional Provision for NPA & Doubtful Debts amounting to Rs. 3,547,052 and additional Bad Debts Written Off amounting to Rs. 9,412,844 has been charged off to profit & loss account by the Company during the current year. Had the Company continued to use the earlier basis for calculation of Days Past Due (DPD) for the purpose of Non Performing Assets (NPA) identification and Provision for NPA & Doubtful Debt, the profit after tax for the current year and its Net Owned Fund (NOF) as on March 31, 2016 would have been higher by Rs. 12,959,896.

43. Previous year's figures have been regrouped / restated where necessary, to confirm to the presentation of current year's financial statements.

1 Background

Reliance Home Finance Limited ('the Company') is registered with National Housing Bank as housing finance company (HFC),without accepting public deposits, as defined under section 29A of the National Housig Bank Act, 1987. The Company is principally engaged in housing finance business.

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting. They are in confirmity with the accounting principles generally accepted in India ('GAAP'), and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 (the "Act"), the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

The Company has followed the same set of accounting policies as similar to those followed in financial year ending March 31, 2014 except in case of depreciation where the Company has revised its policy of providing depreciation on tangible assets, effective from April 1, 2014 depreciation on tangible assets is now provided on a straight line basis as against the policy of providing on written down value basis.

b Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

c Revenue Recognition

i) **Interest Income**

Repayment of housing loans is generally by way of Equated Monthly Installments (EMI) comprising of principal and interest. Necessary appropriation is made out of these EMI collections to principal and interest. EMIs commence generally once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable on every month. Interest on loans is computed either on an annual rest, half yearly rest, quarterly rest or on a monyhly rest basis on the principal outstanding at the begining of the relevant period.
Interest income is allocated over the contractual term of loan by applying the committed interest rate to the outstanding amount of the loan. Interest income on performing assets is recognized on accrual basis and on non- performing assets on realization basis as per guidelines prescribed by the National Housing Bank.

Fees, charges and additional interest income on delayed EMI/Pre-EMI are recognized on receipt basis.

ii) Dividend Income

Dividend Income is recognised when the right to receive payment is established.

iii) Loan Processing Fee Income

Loan processing fee income is accounted for upfront as and when it becomes due.

iv) Income from assignment / securitization

In case of assignment / securitization of loans, the assets are derecognized when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned/securtised loans. The profit if any, as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment / securitization on a monthly basis.

v) Other Income

In other cases, income is recognized when there is no significant uncertainty as to determination and realization.

d Fixed Asset

Fixed Assets are stated at cost of acquisition less accumulated depreciation and Impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets.

e Intangible Assets

Intangible Assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

f Depreciation/Amortisation

Depreciation on tangible assets is provided in accordance with the provisions of Schedule II of the Companies Act, 2013. Tangible assets are depreciated on straight line basis method over the useful life of assets, as prescribed in Part C of Schedule II of the Companies Act, 2013.
Intangible assets comprise, computer software are amortised on straight line basis over the useful life of the software up to a maximum of five years commencing from the month in which such software is first installed.

g Loan origination / acquisition cost

All direct cost incurred for the loan origination is amortised over the tenure of the loan.

h Investments

Investments are classified into current investments and long-term investments. In accordance with the Guidelines issued by National Housing Bank (NHB), current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long term investments. Unquoted investments in the units of Mutual Funds in nature of current investment are valued at lower of cost or Net Asset Value declared by Mutual Funds in respect of each particular scheme.

i Discount on Commercial Papers

The difference between the acquisition cost and the redemption value of commercial papers is apportioned on time basis and recognized as discount expense.

j Provision for Standard Assets, Non Performing Assets (NPA) & Doubtful Debts

Provisions on Standard Assets, Non Performing Assets (NPA) & Doubtful Debts are made in accordance with the Prudential Norms as per Housing Finance Companies (NHB) Directions, 2010.

k Securitised Assets

Derecognition of Securitised assets in the books of the Company, recognition of gain or loss arising on Securitisation and accounting for credit enhancement provided by the Company is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

l Market Link Debentures

The Company has issued certain market link non-convertible debentures ('MLD'), the rate of interest which is linked to performance of specified indices over the period of the debentures.
The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain/loss on these hedge positions are netted against with interest expense on MLD and resultant 'net loss' is recognised in Statement of Profit and Loss immediately, however 'net gain' if any, is ignored.

m Employee Benefits

i) Provident fund

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss.

ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in the return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as on the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

iii) Leave Encashment

Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

The employees of the Company are entitled for compensated absence. The employees can carry forward a portion of the unutilised accrued leave balance and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

n Borrowing costs

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

o Guarantee Fees

Mortgage guarantee fees, which are directly attributable to the loans guaranted are expensed based on the principal outstanding at the end of the period.

p Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / (loss) per share are included.

q Provision for Current Tax and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

r Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if such condition exists an asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount is treated as impaired, when carrying cost of assets exceeds its recoverable amount.

s Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

3. Share Capital **(Rupees)**

	As at March 31, 2015	As at March 31, 2014
a) Authorised:		
7,50,00,000 Equity Shares of Rs. 10 each	**75,00,00,000**	**75,00,00,000**
(March 31, 2014: 7,50,00,000 Equity Shares of Rs. 10 each)		
5,00,00,000 Preference Shares of Rs. 10 each	**50,00,00,000**	**50,00,00,000**
(March 31, 2014: 5,00,00,000 Preference Shares of Rs. 10 each)		
	1,25,00,00,000	**1,25,00,00,000**
b) Issued, subscribed & Fully paid up		
6,58,20,000 Equity Shares of Rs. 10 each	**65,82,00,000**	**65,82,00,000**
(March 31, 2014: 6,58,20,000 Equity Shares of Rs. 10 each)		
	65,82,00,000	**65,82,00,000**
c) Par Value per Share	**Amount in Rs.**	**Amount in Rs.**
Equity	**10**	**10**

		As at March 31, 2015		As at March 31, 2014	
d)	**Reconciliation of issued, subscribed and fully paid up Share Capital**	**No of Shares**	**Amount in Rs.**	**No of Shares**	**Amount in Rs.**
	Equity Shares				
	Opening Balance	**6,58,20,000**	**65,82,00,000**	**6,58,20,000**	**65,82,00,000**
	Addition during the year	**-**	**-**	**-**	**-**
	Reduction during the year	**-**	**-**	**-**	**-**
	Closing Balance	**6,58,20,000**	**65,82,00,000**	**6,58,20,000**	**65,82,00,000**

e) Rights, Preferences and Restrictions :

1 Voting Rights :

In case of equity Shares

w.e.f. April 1, 2011, all the equity share holders of the Company have voting rights only and no rights toward dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

2 Dividends :

The Company has amended its Articles of Association effective from April 1, 2011 to insert a new Article 5A to the effect that the Company shall not declare and /or pay dividend on any of its Share Capital.

f) Shares held by holding company i.e. Reliance Capital Limited including jointly Held

		As at March 31, 2015		As at March 31, 2014	
Equity Shares	**%**	**No of Shares**	**Amount in Rs.**	**No of Shares**	**Amount in Rs.**
Reliance Capital Limited	100%	6,58,19,980	65,81,99,800	6,58,19,980	65,81,99,800
Reliance Capital Ltd. and its nominees	0%	20	200	20	200
Total	**100%**	**6,58,20,000**	**65,82,00,000**	**6,58,20,000**	**65,82,00,000**

g) Out of the above equity shares 3,29,10,000 equity shares (Previous Year 3,29,10,000 equity shares) were allotted as fully paid-up bonus shares to its existing equity share holders in the financial year 2012-13.

4. Reserves and Surplus **(Rupees)**

		As at March 31, 2015		As at March 31, 2014	
a)	**Statutory Reserve (As per Section 29C of the National Housing Bank Act, 1987)**				
	Special Reserve Fund #				
	Opening Balance as per Last Balance sheet	**28,76,71,010**		**20,08,93,055**	
	Add: Transfer from Surplus in Statement of Profit & Loss	**13,81,26,456**		**8,67,77,955**	
			42,57,97,466		**28,76,71,010**
b)	**Securities Premium Acccount**				
	As Per Last Balance Sheet		**2,55,18,00,000**		**2,55,18,00,000**
c)	**Surplus in Statement of Profit & Loss**				
	As Per Last Balance Sheet	**1,14,53,25,210**		**79,82,13,390**	
	Add: Transfer from Statement of Profit & Loss	**69,06,32,280**		**43,38,89,775**	
	Less : Transfer to Special Reserve Fund	**13,81,26,456**		**8,67,77,955**	
			1,69,78,31,034		**1,14,53,25,210**
			4,67,54,28,500		**3,98,47,96,220**

#In terms of requirement of NHB's Circular No. NHB(ND)/DRS/Pol.Circular.61/2013-14 dated April 17,2014 following information on Reserve Fund under section 29C of the National Housing Bank Act, 1987 is provided.

	Particulars	As at March 31, 2015	As at March 31, 2014
	Balance at the beginning of the year		
a)	Statutary reserve u/s. 29C of the NHB Act, 1987	**28,76,71,010**	**20,08,93,055**
b)	Amount of Special Reserve u/s. 36(1)(viii) of the Income tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	**-**	**-**
		28,76,71,010	**20,08,93,055**
	Addition / Appropriation / Withdrawal during the year		
	Add :		
a)	Amount transferred u/s 29C of the NHB Act, 1987	**13,81,26,456**	**8,67,77,955**
b)	Amount of Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961 taken into account for the purpose of Statutory Reserve u/s. 29C of the NHB Act, 1987	**-**	**-**
	Less :		
a)	Amount appropriated from 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 purpose of provision u/s 29C of the NHB Act, 1987	**-**	**-**
		13,81,26,456	**8,67,77,955**
	Balance at the end of the year		
a)	Statutory Reserve u/s 29C of the NHB Act, 1987	**42,57,97,466**	**28,76,71,010**
b)	Amount of Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	**-**	**-**
		42,57,97,466	**28,76,71,010**

Note : The special reserve created as per Section 29 C of the NHB Act, 1987, qualifies for deduction as specified u/s 36 (1) (viii) of the Income Tax Act, 1961 and accordingly Company has been availing tax benefits for such transfers.

5. Long-term borrowings **(Rupees)**

	As at March 31, 2015	As at March 31, 2014
Non convertible Debentures		
Secured (Refer Note 25)	**3,00,02,04,880**	**2,88,91,61,644**
Unsecured (Subordinated Tier II Series)	**1,48,00,00,000**	**1,48,00,00,000**
Term Loans from Banks		
Secured (Refer Note 26)	**23,75,95,97,124**	**17,32,31,24,331**
	28,23,98,02,004	**21,69,22,85,975**

6. Deferred Tax Liabilities

(Rupees)

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred tax Liability disclosed in the Balance Sheet comprises the following :		
a) **Deferred Tax Liability**		
Related to Fixed Assets	**68,33,338**	**20,772**
Unamortised Expenditure	**12,16,20,090**	**8,62,18,403**
Special Reserve Fund	**10,72,01,940**	**7,61,97,910**
Total	**23,56,55,368**	**16,24,37,085**
b) **Deferred Tax Asset**		
Disallowance under the Income Tax Act, 1961	**(9,83,392)**	**(7,94,528)**
Provision for NPA/diminution in the value of Assets	**(13,71,71,976)**	**(10,73,47,557)**
Total	**(13,81,55,368)**	**(10,81,42,085)**
Net Deferred Tax Liabilities/(Asset) (a) - (b)	**9,75,00,000**	**5,42,95,000**

7. Other non-current liabilities

(Rupees)

	As at March 31, 2015	As at March 31, 2014
a) Collateral deposit from customers	**3,34,53,548**	**-**
b) Interest accrued and not due on borrowings	**1,82,788**	**-**
	3,36,36,336	**-**

8. Long Term Provisions

(Rupees)

	As at March 31, 2015	As at March 31, 2014
a) Provision for Employees Benefits (Refer Note 31)		
Leave Encashment	**27,70,371**	**22,68,781**
b) Provision for Standard Assets	**23,18,44,683**	**16,28,52,455**
	23,46,15,054	**16,51,21,236**

9. Short-term borrowings

(Rupees)

	As at March 31, 2015	As at March 31, 2014
a) **From Banks**		
Cash Credit facilities - Secured (Refer Note 1 below)	**96,07,64,860**	**7,36,168**
b) **From Others**		
Commercial Papers - Unsecured	**7,19,44,08,142**	**2,07,55,75,728**
	8,15,51,73,002	**2,07,63,11,896**

Notes :

1 Cash credit referred above are secured by pari passu first charge on all standard assets portfolio of present and future book debts, receivable, bills, claims and loan assets of the Company against security not exceeding Rs. 1,100,000,000 (Previous year Rs.1,100,000,000).

2 In respect of Commercial Papers referred above, maximum face value amount outstanding during the year was Rs.8,80,00,00,000 (Previous year Rs.2,85,00,00,000).

10. Trade Payables (Rupees)

	As at March 31, 2015	As at March 31, 2014
Due to Micro, Medium & Small	-	-
Due to Others	**2,31,82,745**	**1,46,79,108**
Due to Related Party		
	2,31,82,745	**1,46,79,108**

Note:

The management has identified enterprises which has provided goods and services to the Company and which qualify under the definition of Medium, Micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

11. Other Current Liabilities (Rupees)

		As at March 31, 2015	As at March 31, 2014
a)	Current maturities of long term debts - Secured (Refer Note 25 & 26)		
	(i) Non convertible Debentures	**1,26,30,00,000**	**14,93,35,845**
	(ii) Term Loans from Banks	**6,56,11,00,000**	**6,28,72,00,000**
b)	Interest accrued and not due on borrowings	**26,20,59,774**	**22,17,54,148**
c)	Advance from Customers	**9,68,71,547**	**6,66,59,710**
d)	Payable under Securitisation / Assignment (Net)	**28,48,92,457**	**22,73,52,181**
e)	Temporary Book Overdraft (Refer Note 1 below)	**4,87,62,38,001**	**1,71,87,39,613**
f)	Other Payables (Refer Note 2 below)	**6,85,81,025**	**8,05,52,741**
		13,41,27,42,804	**8,75,15,94,238**

Notes:

1 Temporary Book Overdraft of Rs. 4,876,238,001 (Previous Year Rs. 1,718,739,613) represents cheques issued towards disbursements to borrowers for Rs. 4,865,490,284 (Previous Year Rs.1,661,319,195) and cheques issued for payment of expenses of Rs. 10,747,717 (Previous Year Rs.7,301,073), but not encashed as at March 31, 2015.

2 Other Payables includes TDS, statutory payments and other liabilities.

12. Short Term Provisions (Rupees)

		As at March 31, 2015	As at March 31, 2014
a)	Provision for Employees Benefits (Refer Note 31)		
	Leave Encashment	**71,143**	**68,754**
b)	Provision for Standard Assets	**4,35,75,872**	**3,47,26,918**
c)	Income tax provision [Net off Taxes Paid Rs. Nil (Previous Year Rs. 469,276,362)]	-	**1,69,23,638**
		4,36,47,015	**5,17,19,310**

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note "13"
Fixed Assets

(Rupees)

Sr. No.		Gross Block				Depreciation			Net Block	
		As at April,1 2014	Addition	Deletion	As at March 31, 2015	As at April,1 2014	Depreciation	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
(i)	**Tangible Assets**									
1	Office Equipments	2,44,300	-	-	2,44,300	2,35,075	9,225	2,44,300	-	9,225
2	Office Buildings #	6,65,200	39,33,82,200	-	39,40,47,400	85,115	(25,475)	59,640	39,39,87,760	5,80,085
3	Data Processing Machineries	1,09,708	-	-	1,09,708	53,237	32,792	86,029	23,679	56,471
	Total	**10,19,208**	**39,33,82,200**	**-**	**39,44,01,408**	**3,73,427**	**16,542**	**3,89,969**	**39,40,11,439**	**6,45,781**
	Previous Year	7,33,500	2,85,708	-	10,19,208	77,758	2,95,669	3,73,427	6,45,781	

(ii)	**Intangible Assets**									
	Computer Software	79,09,647	6,00,000	-	85,09,647	76,95,540	2,96,025	79,91,565	5,18,082	2,14,107
	Total	**79,09,647**	**6,00,000**	**-**	**85,09,647**	**76,95,540**	**2,96,025**	**79,91,565**	**5,18,082**	**2,14,107**
	Previous Year	79,09,647	-	-	79,09,647	61,13,611	15,81,929	76,95,540	2,14,107	

Note :

1 In respect of Intangible Assets :
a) It is other than internally generated.
b) In case of addition, balance useful life of 3 yerars (Previous year Nil).
Refer Note 39 of the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

14. Long Term Loans and Advances (Rupees)

		As at March 31, 2015		As at March 31, 2014	
a)	Security Deposits (Unsecured)		6,00,042		6,00,042
b)	Loans (Secured)				
	(i) Considered Good				
	Housing loans :				
	Individuals	21,46,35,82,819		14,20,43,62,933	
	Others	8,04,12,12,409		5,51,23,33,166	
			29,50,47,95,228		19,71,66,96,099
	Commercial loans		13,78,50,40,629		6,31,63,48,511
	(ii) Considered Doubtful				
	Housing loans :				
	Individuals	42,02,45,435		41,40,42,138	
	Others	2,53,03,620		1,04,56,195	
		44,55,49,055		42,44,98,333	
	Less: Provision for NPA & Doubtful Debts	9,92,32,346		9,93,38,687	
			34,63,16,709		32,51,59,646
	Commercial loans	5,32,60,844		7,18,96,901	
	Less: Provision for NPA & Doubtful Debts	1,19,59,929		1,13,72,432	
			4,13,00,915		6,05,24,469
c)	Installments Due (Secured) Considered doubtful				
	Principal Overdue	3,26,88,429		2,44,75,869	
	Less: Provision for NPA & Doubtful Debts	97,46,326	2,29,42,103	71,19,790	1,73,56,079
d)	Balance with Service Tax Authorities		44,01,622		41,78,943
e)	Taxes paid [Net off Income Tax Provision Rs. 81,14,50,000 (Previous Year Rs. Nil)]		17,64,087		-
			43,70,71,61,335		26,44,08,63,789

15. Other Non Current Assets (Rupees)

		As at March 31, 2015		As at March 31, 2014	
a)	Receivable from Trustee under Securitisation (Secured)		4,67,94,023		3,13,68,179
b)	Fixed Deposits with banks (Maturity > 12 Months) (kept as credit enhancement towards Securitisation/ direct Assignment)		-		40,98,50,496
c)	Unamortised Expenditure (Unsecured)				
	(i) Unamortised DSA Commission	18,47,70,698		16,12,78,150	
	Add: Incurred during the Year	13,48,75,669		8,76,57,943	
	Less: Amortised during the year	7,26,76,935		6,41,65,396	
		24,69,69,432		18,47,70,698	
	Less: to be amortised over the next one year	2,66,06,117		1,53,44,538	
	(Refer Note 19 (b))		22,03,63,315		16,94,26,160
	(ii) Unamortised Brokerage on Borrowing	6,88,87,445		5,74,82,744	
	Add: Incurred during the Year	87 47 347		2 25 11 442	
	Less: Amortised during the year	1,19,67,080		1,11,06,741	
		6,56,67,712		6,88,87,445	
	Less: to be amortised over the next one year	1,13,75,751		1,16,05,322	
	(Refer Note 19(b))		5,42,91,961		5,72,82,123
	(iii) Unamortised Mortgage guarantee fees	-		-	
	Add: Incurred during the Year	4,03,21,927		-	
	Less: Amortised during the year	19,98,000		-	
		3,83,23,927			
	Less: to be amortised over the next one year	16,18,100		-	
	(Refer Note 19(b))		3,67,05,827		-
d)	Prepaid Expenses (Unsecured)		23,36,157		-
			36,04,91,283		66,79,26,958

16. Current investments (Rupees)

	Face Value / Issue Price	Quantity As at March 31, 2015	Quantity As at March 31, 2014	Value As at March 31, 2015	Value As at March 31, 2014
Other investments - Unquoted, fully paid-up					
Units of Mutual Funds					
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan	1 000	-	3 84 164	-	1,20,00,00,000
Peerless Liquid Fund - Direct Plan Growth	10	-	14 22 72 808	-	2,00,00,00,000
				-	3,20,00,00,000

Notes :

1 **The aggregate value of investments:**

	As at March 31, 2015		As at March 31, 2014	
	Book Value	Market Value	Book Value	Market Value
Quoted	-	-	-	-
Unquoted	-	-	320 00 00 000	320 38 16 796
TOTAL	-	-	320 00 00 000	320 38 16 796

2 **The aggregate Provision for diminution in the value of investments:**

	As at March 31, 2015	As at March 31, 2014
Quoted	-	-
Unquoted	-	-
TOTAL	-	-

	As at March 31, 2015	As at March 31, 2014
3 **Basis of Valuation**	at cost	at cost

4 The market value mentioned above is based on the NAV provided by the respective mutual funds

17. Cash & Bank Balance

(Rupees)

	As at March 31, 2015	As at March 31, 2014
Cash & Cash equivalents		
Balance with Banks in Current Accounts	**3,15,12,53,423**	**2,01,26,21,152**
Cash on hand	**2,17,788**	**96,922**
	3,15,14,71,211	**2,01,27,18,074**
Other Bank Balances		
Fixed Deposits with banks (Maturity < 12 Months) (kept as credit enhancement towards Securitisation/ direct Assignment)	**39,98,50,496**	**-**
	39,98,50,496	**-**
	3,55,13,21,707	**2,01,27,18,074**

18. Short-term loans and advances

(Rupees)

		As at March 31, 2015		As at March 31, 2014	
a)	Loans repayments within next 12 months (Secured)				
	Considered Good				
	Housing loans :				
	Individuals	**72,81,82,171**		**47,22,19,745**	
	Others	**3,86,97,71,663**		**3,66,67,16,352**	
			459 79 53 834		**413 89 36 098**
	Commercial loans		**2,45,28,56,690**		**49,44,04,045**
b)	Installments Due (Secured) Considered good		**8,83,26,171**		**16,59,62,638**
c)	Prepaid expenses (Unsecured)		**11,37,669**		**43,91,165**
d)	Sundry Advances (Unsecured)		**32,15,048**		**32,79,506**
			7,14,34,89,412		**4,80,69,73,451**

19. Other Current Assets

(Rupees)

		As at March 31, 2015		As at March 31, 2014	
a)	Interest Accrued on				
	Fixed Deposits	**9,87,480**		**55,91,115**	
	Loans and advances	**37,29,84,345**		**28,71,19,848**	
			37,39,71,825		**29,27,10,963**
b)	Unamortised Expenditure				
	DSA Commission	**2,66,06,117**		**1,53,44,538**	
	Brokerage on Borrowing	**1,13,75,751**		**1,16,05,322**	
	Mortgage guarantee fees	**16,18,100**		**-**	
			3,95,99,968		**2,69,49,860**
c)	Mark-to-Market Margin				
	Equity Index Futures		**33,62,409**		**-**
			41,69,34,202		**31,96,60,823**

20. Revenue from operation (Rupees)

		2014-15		2013-14	
a)	**Interest income**				
	Interest on:				
	Housing and Other Loans	**4,37,91,46,732**		**3,82,40,81,369**	
	Fixed Deposit	**3,88,72,510**		**5,84,60,007**	
	Long term investments	**-**		**93,14,009**	
			4,41,80,19,242		**3,89,18,55,385**
b)	**Other Financial income**				
	Processing Fee income	**43,42,06,830**		**22,63,60,956**	
	Foreclosure & Other Operating Charges	**16,18,13,993**		**10,08,47,584**	
	Brokerage Commission on property solution	**6,75,25,615**		**4,92,80,017**	
		66,35,46,438		**37,64,88,557**	
	Less : Service Tax Recovered	**7,29,92,470**		**4,01,01,670**	
			59,05,53,968		**33,63,86,887**
c)	Bad Debts Recovered		**9,19,529**		**5,972**
			5,00,94,92,739		**4,22,82,48,244**

21. Other Income (Rupees)

		2014-15	2013-14
a)	Profit on Sale of Current Investments (Net)	**11,54,54,143**	**5,35,30,458**
b)	Interest on income tax refund	**-**	**60,10,383**
c)	Miscellaneous income	**2,33,329**	**5,46,453**
d)	Credit Balance / Excess Provision Written Back	**8,61,880**	**87,77,010**
		11,65,49,352	**6,88,64,304**

22. Employee Benefits Expense (Rupees)

	2014-15	2013-14
Payments to and Provision for Employees		
- Salary & Bonus etc # (Refer Note "33 (b)")	**32,39,77,491**	**31,80,84,457**
- Contrfbution to Provident fund and other Funds	**1,87,06,198**	**97,84,589**
- Staff Welfare & other amenities	**56,90,357**	**62,91,560**
	34,83,74,046	**33,41,60,606**

23. Finance Cost

(Rupees)

		2014-15		2013-14	
a)	Interest Expense				
	Term Loan From Banks	2,48,59,74,942		2,24,39,17,035	
	Cash credit from Banks	1,18,12,172		3,08,97,888	
	Non Convertible Debentures	47,94,21,682		39,87,11,025	
	Body Corporates	12,74,478		1,29,19,726	
			2,97,84,83,274		2,68,64,45,674
b)	Other Borrowing Cost				
	Amortised Brokerage (Refer Note"15 (c)(ii)")	1,19,67,080		1,11,06,741	
	Discount on Commercial Paper	17,63,29,213		6,66,27,510	
	Processing Charges	2,08,800		10,507	
			18,85,05,093		7,77,44,758
c)	Interest on Income Tax		-		55,82,916
			3,16,69,88,367		2,76,97,73,348

24. Administration & Other Charges

(Rupees)

	2014-15	2013-14
Auditor's Remuneration (Refer Note 30)	8,00,000	8,00,000
Bad Debts Written Off	4,59,05,071	4,21,21,408
Bank Charges	29,87,322	22,95,732
Credit Cost	95,99,276	1,33,89,914
Collection Cost	91,20,609	22,27,017
Corporate Social Responsibility Expenditures	98,00,000	-
Directors' Sitting Fees	12,31,688	3,39,776
Amortised DSA Commission (Refer Note"15 (c)(i)")	7,26,76,935	6,41,65,396
Amortised Guarantee Commission (Refer Note"15 (c)(iii)")	19,98,000	-
Infrastructure Cost #	3,82,24,800	3,82,24,800
Legal & Professional Fees	6,29,76,298	6,05,77,832
Marketing Expenses	11,77,83,162	12,00,78,458
Management Expenses	3,18,54,000	3,18,54,000
Miscellaneous Expenses	2,09,20,875	1,93,51,267
Postage,Telegram & Telephone	6,95,672	13,06,061
Provision for Standard Asset	7,78,41,181	5,72,20,793
Provision for NPA & Doubtful Debts	1,12,52,675	3,95,45,798
Printing and Stationary	25,27,307	24,81,345
Rates and Taxes	58,31,913	36,02,712
Repairs & Maintenance-Others	25,02,683	94,20,905
Travel & Conveyance	2,47,50,364	2,18,47,083
	55,12,79,831	53,08,50,298

Note:

According to the agreement entered into by the Company with its holding company i.e. Reliance Capital Limited for utilizing their office premises including all other amenities, infrastructure and employees at various locations of the Company. (Refer Note "33(b) on Related Party Transactions")

25. Security clause, Maturity profile & Rate of interest in respect of Non convertible Debentures

a Secured Non convertible Debentures referred above are secured by way of first pari passu legal mortgage and charge over the premises situated at Bharuch and additional pari passu charge by way of hypothication on the present and future books debts/receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders, except those book debts and receivables charged/ to be charged in favour of National Housing Bank for refinance availed/ to be availed from them, of Home Finance Business subject to maintenance of minimum asset coverage of 100% of issue amount.

b **Maturity profile of Non convertible Debentures are as set out below;**

Interest Rate	2015-16	2016-17	2017-18	2018-19	2019-2020	2021-22	2022-23	2023-24	2024-26	Total
#	-	3,57,75,964	-	7,74,28,916	-	-	-	-	-	11,32,04,880
MLD	-	5,00,00,000	-		-	-	-	-	-	5,00,00,000
9.05%	-	-	-	-	15,00,00,000	-	-	-	-	15,00,00,000
9.09%	-	-	-	5,00,00,000	-	-	-	-	-	5,00,00,000
9.15%	-	-	-	-	-	200000000	-	-	-	20,00,00,000
9.17%	56,30,00,000	-	-	-	-	-	-	-	-	56,30,00,000
9.25%	-	-	-	55,00,00,000	-	-	-	10,00,00,000	-	65,00,00,000
9.35%	-	-	-	-	-	-	-	30,00,00,000	-	30,00,00,000
9.48%	-	-	-	-	-	-	-	-	1,00,00,000	1,00,00,000
9.50%	-	-	-	5,00,00,000	-	-	-	25,00,00,000	-	30,00,00,000
9.52%	-	-	-	-	-	-	-	15,00,00,000	-	15,00,00,000
9.70%	-	-	-	10,00,00,000	-	-	-	-	-	10,00,00,000
9.75%	50,00,00,000	5,00,00,000	-	-	10,00,00,000	-	-	-	-	65,00,00,000
9.80%	-	-	-	-	15,00,00,000	-	-	-	15,00,00,000	30,00,00,000
9.90%	-	15,00,00,000	-	-	-	-	-	1,70,00,000	-	16,70,00,000
10.00%	15,00,00,000	-	40,00,00,000	-	-	-	16,00,00,000	-	-	71,00,00,000
10.10%	-	-	20,00,00,000	-	-	-	-	-	-	20,00,00,000
10.15%	5,00,00,000	-	-	-	-	-	-	-	-	5,00,00,000
10.33%	-	-	-	-	-	-	45,00,00,000	-	-	45,00,00,000
10.40%	-	-	-	-	-	-	50,00,00,000	-	-	50,00,00,000
10.60%	-	-	-	-	-	-	8,00,00,000	-	-	8,00,00,000
Total	**1,26,30,00,000**	**28,57,75,964**	**60,00,00,000**	**82,74,28,916**	**40,00,00,000**	**20,00,00,000**	**1,19,00,00,000**	**81,70,00,000**	**16,00,00,000**	5,74,32,04,880

# Zero Coupon Deep Discount Non- Convertible Debentures
MLD = Market Link Non- Convertible Debentures

26. Security clause & Maturity profile in respect to secured loans from banks

Term loans from Banks referred in Note "5" and current maturity of long term debts (Refer Note "11 (a)(ii)) includes :

a Term loans Rs.25,954,350,152 (Previous year Rs. 18,586,085,053) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs.28,637,958,913 (Previous year Rs. 20,569,887,703).

b Term loans Rs.1,000,000,000 (Previous year Rs. 1,500,000,000) secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs.1,110,000,000 (Previous year Rs. 1,665,000,000).

c Term loans Rs. 2,499,515,795 (Previous year Rs. 2,124,573,410) secured by hypothecation of book-debts/receivables (standard only) of the Company on pari-passu basis with other secured lenders, against security not exceeding Rs. 2,766,112,013 (Previous year Rs. 2,353,676,016).

d Term loans Rs. 866,831,177 (Previous year Rs. 1,399,665,868) secured secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 1,040,197,413 (Previous year Rs. 1,679,599,042).

e **Maturity profile of Secured Term Loans from banks are as set out below;**

(Amount in Rs)

Year	Principal Repayment
2015-16	6,56,11,00,000
2016-17	7,35,99,97,124
2017-18	6,90,02,00,000
2018-19	4,89,94,00,000
2019-20	3,40,00,00,000
2020-21	60,00,00,000
2021-22	60,00,00,000
Total	**30,32,06,97,124**

27. As on April 26, 2010 the Company had entered into Business Transfer Agreements ('BTA') with its holding company i.e. Reliance Capital Limited ('RCL') to transfer the RCL's home finance business to the Company at book value, such that the entire economic risk and reward of the RCL's home finance business passes to the Company from the commencement of business on the value date i.e. April 1, 2010. As on January 31, 2011 the BTA further amended between the Company and Reliance Capital Limited, as per the amended BTA with RCL:

a) The RCL holds loan assets of Rs. 46,246,178 (Previous year Rs. 84,167,495) of the Company in the capacity of trust as on March 31, 2015.

b) During the year the Company has taken the following assets, income and expenses from the RCL :
   i) Interest & other income of Rs. 9,027,789 (Previous year Rs. 11,980,612)
   ii) Interest & other expenses of Rs. 15,486,531 (Previous year Rs. 19,176,242)

28. The information related to securitisation and assignment made by the Company, as an originator is given below:

Particulars	Unit	Securitisation	Assignment	Total
		Outside	Outside	Outside
Total number of loan assets Securitized / Assigned	Nos.	- (399)	672 (1300)	672 (1699)
Total book value of loan assets Securitized / Assigned (Including MRR)	Rs.	- (500,819,503)	2,841,828,628 (4,427,728,574)	2,841,828,627 (4,928,548,077)
Sale consideration received for the Securitized / Assigned assets (Including MRR)	Rs.	- (500,819,503)	2,841,828,628 (4,427,728,574)	2,841,828,628 (4,928,548,077)
Net gain on account of Securitization / Assigned	Rs.	- (-)	- (-)	- (-)
Outstanding Credit Enhancement (Funded)	Rs.	119,403,600 (119,403,600)	280,446,896 (280,446,896)	399,850,496 (399,850,496)
Outstanding Liquidity Facility	Rs.	- (-)	- (-)	- (-)
Net Outstanding Servicing Liability	Rs.	16,353,140 (30,502,045)	268,539,317 (196,850,136)	28,48,92,457 (227,352,181)

Note :
(i) Figures in bracket represent previous year's figures.
(ii) MRR means minimum retention requirements.

a) Disclosures for Securitisation Transactions :

(i) Securitisation :

Sr. No.	Particulars	As at March 31, 2015 (No. / Amount in Rs.)	As at March 2014 (No. / Amount in Rs.)
1	No. of SPVs sponsored by the Company for Securitisation Transactions	2	2
2	As on March 31, 2015, total amount of securitised assets as per books of the SPVs sponsored by the Company	685,781,366	897,200,165
3	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	119,403,600	119,403,600
	• Others	-	-
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-

Sr. No.	Particulars	As at March 31, 2015 (No. / Amount in Rs.)	As at March 2014 (No. / Amount in Rs.)
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-

(ii) Direct Assignments :

Sr. No.	Particulars	As at March 31, 2015 (No. / Amount in Rs.)	As at March 2014 (No. / Amount in Rs.)
1	No of Direct Assignments	13	11
2	Total amount of assigned assets as per books of the Assignor	6,887,597,935	6,467,924,452
3	Total amount of exposures retained by the Assignor to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	-
	• Others	582,113,088	453,887,521
4	Amount of exposures to Assignment transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	280,446,896	280,446,896
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-

29. In the opinion of management, all assets other than fixed asset and non-current investments are approximately of the value stated if realised in the ordinary course of business.

30. Auditors' Remuneration :

(In Rupees)

Particulars	2014-15	2013-14
i) Audit Fees	600,000	600,000
ii) Tax Audit Fees	200,000	200,000
Total	**800,000**	**800,000**

31. Employee Benefits :

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(In Rupees)

Particulars	2014-15	2013-14
i) Employer's Contribution to Provident Fund and LWF	8,603,918	7,254,930
ii) Employer's Contribution to Pension Scheme	3,001,012	1,592,765
Total	**11,604,930**	**8,847,695**

b) Defined Benefit plans

The following table summarise the components of the net employee benefit expenses recognized in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan and leave encashment plan. The said information is based on certificates provided by the actuary.

Gratuity (Funded)

(In Rupees)

PARTICULARS	2014-15	2013-14
I. Assumptions :		
Discount Rate	7.96%	9.41%
Rate of Return on Plan Assets	7.96%	9.41%
Salary Escalation	6.00%	5.00%
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	7,149,076	7,202,203
Interest Cost	672,728	576,176
Current Service Cost	1,247,911	1,737,228
Benefit Paid	(1,814,660)	(1,372,674)
Actuarial (gain)/loss on obligations –Due to change in Financial Assumptions	3,373,046	(993,857)
Actuarial (gain)/loss on obligations –Due to Experience	2,964,113	-
Liability at the end of the Year	13,592,214	7,149,076
III. Tables of Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	7,206,009	6,928,004
Expected Return on Plan Assets	678,085	554,240
Contributions	7,095,963	1,268,026
Benefit Paid	(1,814,660)	(1,372,674)
Actuarial gain/(loss) on Plan Assets	478,446	(171,587)
Fair Value of Plan Assets at the end of the Year	13,643,843	7,206,009
Total Actuarial Gain/(Loss) To Be Recognised		822,270
IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	678,085	554,240
Actuarial gain/(loss) on Plan Assets	478,446	(171,587)
Actual Return on Plan Assets	1,156,531	382,653
V. Amount Recognised in the Balance Sheet :		
Liability at the end of the Year	(13,592,214)	7,206,009
Fair Value of Plan Assets at the end of the Year	13,643,843	(7,149,076)
Difference	51,629	56,933
Amount Recognised in the Balance Sheet	51,629	56,933
VI. Expenses Recognised in the Statement of Profit & Loss :		
Current Service Cost	1,247,911	1,737,228
Interest Cost	(5,357)	576,176
Expected Return on Plan Assets	(678,085)	(554,240)
Actuarial (Gain)/Loss	5,858,713	(822,270)
Expense Recognised in Statement of Profit & Loss	7,101,267	936,894
VII. Amount Recognised in the Balance Sheet :		
Opening net liability	(56,933)	274,199
Expense as above	7,101,267	936,894
Employers Contribution	(7,095,963)	(1,268,026)
Net Liabilities/(Assets) Recognised in Balance Sheet	(51,629)	(56,933)
VIII. Experience Adjustment		
Plan Assets	-	-
Defined benefit obligations	-	-
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	-	-

PARTICULARS	2014-15	2013-14
Experience adjustment on Plan Assets	478,446	(171,587)
Experience adjustment on Plan Liabilities	2,964,113	(207,165)

Leave Encashment (Unfunded)

(In Rupees)

PARTICULARS	2014-2015	2013-14
I. Assumptions :		
Discount Rate	8.00%	8.00%
Salary Escalation Current Year	6.00%	5.00%
II. Table Showing Changes in present value of Obligation :		
PVO at the beginning of the Year	2,337,535	2,826,766
Interest Cost	177,188	203,361
Current Service Cost	744,167	734,915
Benefit Paid	(737,567)	(569,506)
Actuarial (gain)/loss on obligations	320,191	(858,001)
PVO at the end of the Year	2,841,514	2,337,535
III. Tables of Changes in fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions	737,567	569,506
Benefit Paid	(737,567)	(569,506)
Actuarial gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets at end of year	-	-
IV. Expenses Recognised in the Statement of Profit & Loss:		
Fair Value of Plan Assets at the beginning of the Year	-	-
Actual Return on Plan Assets	-	-
Contributions	737,567	569,506
Benefit Paid	(737,567)	(569,506)
Fair Value of plan Assets at end of year	-	-
Funded Status	(2,841,514)	(2,337,535)
Excess of actual over estimated return on Plan Asset	-	-
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (obligation)	(320,191)	858,001
Actuarial Gain/(Loss) for the year (Plan Asset)	-	-
Total Gain/(Loss) for the year	(320,191)	858,001
Actuarial gain/(Loss) recognized for the year	(320,191)	858,001
Unrecognised Acturial Gain/(Loss) at the end of the Year	-	-
VI. Expenses Recognised in the Statement of Profit & Loss:		
Current Service Cost	744,167	734,915
Interest Cost	177,188	203,361
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised	320,191	(858,001)
Expense Recognised in Statement of Profit & Loss	1,241,546	80,275
VII. Amount Recognised in the Balance Sheet :		
PVO at the end of Year	2,841,514	2,337,535
Fair Value of Plan Assets at end of Year	-	-
Funded Status	(2,841,514)	(2,337,535)
Unrecognized Acturial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in balance sheet	(2,841,514)	(2,337,535)
VIII. Movement in the Liability recognized in Balance Sheet		
Opening net Liability	2,337,535	28,26,766
Expenses as above	1,241,546	80,275
Contribution paid	(737,567)	(569,506)
Closing Net Liability	2,841,514	2,337,535
IX. Experience Adjustment		
Plan Assets at the end of year	-	-
Defined benefit obligations at the end of year	2,841,514	2,337,535
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	(2,851,414)	(2,337,535)
Experience adjustment on Plan Assets	-	-
Experience adjustment on Plan Liabilities	320,191	(858,001)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

32. Segment Reporting:

The Company is mainly engaged in the housing finance business, all other activities revolve around the main business of the Company and as such there is no separate reportable segment as specified in Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounting Standards) Rules, 2006.

33. Related Party Disclosures:

a) List of the Related Parties and their relationship:

Name of the Party	Relationship
Reliance Innoventures Private Limited	Ultimate Holding Company
Reliance Capital Limited	Holding company
Reliance General Insurance Company Limited	Fellow Subsidiary
Reliance Money Solutions Private Limited	Fellow Subsidiary
Reliance Securities Limited	Fellow Subsidiary
Shri K. Suresh Kumar	Key Managerial Personnel (Manager) up to March 28, 2015
Kum. Roopa Ravinath Joshi	Key Managerial Personnel (Chief Financial Officer)
Ms. Neena Parelkar Singarpure	Key Managerial Personnel (Company Secretary) up to December 28, 2014.

b) Transactions during the year with related parties

(In Rupees)

Particulars	2014-2015	2013-14
i) With Holding Company:		
Share Capital		
Balance as at the end of year	658,200,000	658,200,000
Loans		
ICD Taken during the year	-	1,700,000,000
ICD Repaid during the year	-	1,700,000,000
Fixed Asset Purchased during the year	374,621,000	-
Expenses		
Infrastructure Cost	38,224,800	38,224,800
Salary Cost	30,969,167	53,090,000
Interest on ICD	-	11,854,795
Management Fees	31,854,000	31,854,000
Other Expenses transferred under BTA	8,144,985	9,057,897
Interest Expense transferred under BTA	7,341,546	10,118,345
Income		
Interest & Other Income transferred under BTA	9,027,789	11,980,612
Brokerage Commission on property solution	3,437,448	2,591,716
ii) With Fellow Subsidiary:		
Expenses		
Employee Mediclaim premium paid to Reliance General Insurance Company Limited	1,213,548	14,36,375
Brokerage Paid to Reliance Financial Limited	-	353,934
DSA Commission paid to Reliance Money Solutions Private Limited	136,300	-
Income		
Brokerage Received from Reliance Capital Asset Management Limited	-	43,259
iii) With Key Managerial Personnel :		
Loans Repayments during the year	-	10,626,543
Income		
Interest Income during the year	-	140,549

Expenses		
Managerial Remuneration		
1) Mr. K. Suresh Kumar	9,861,158	7,459,412
2) Ms. Roopa Joshi	2,276,860	1,929,323
3) Ms. Neena Parelkar Singarpure	827,664	970,413

Note:
The above disclosed transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.

34. Basic and Diluted Earnings Per Share:
For the purpose of calculation of Basic & Diluted Earnings per Share the following amounts have been considered:

(In Rupees)

	Particular	**2014-15**	**2013-14**
a)	Amount used as the numerators		
	Net Profit/(Loss) available for Equity shareholder	690,632,278	433,889,775
b)	Weighted average number of equity shares (nos.)	65,820,000	65,820,000
c)	Basic & Diluted Earnings Per Share (Rs.)	10.49	6.59

35. Disclosure of details as required by Para 29 of the Housing Finance Companies (NHB) Directions, 2010. (As certified by the management).

a) The total provisions made for substandard, doubtful and loss assets and depreciation in investments carried by the Company in terms of paragraph 29(2) and (3) of the Housing Finance Companies (NHB) Directions, 2010 and NHB Circular NHB.HFC.DIR-3/CMD/2011 dated August 5, 2011 in respect of Housing and Non Housing Loans is as follows:

(In Rupees)

Particulars	**Housing Finance**		**Non-Housing Finance**	
	Outstanding Balance as at March 31, 2015	**Provision as at March 31, 2015**	**Outstanding Balance as at March 31, 2015**	**Provision as at March 31, 2015**
Standard Asset	34,177,013,821 (23,530,055,380)	176,626,872 (124,545,288)	16,251,958,732 (7,302,292,010)	98,793,683 (72,961,950)
Sub-Standard Assets [Refer Note (ii) below]	170,583,725 (218,775,898)	25,587,558 (32,820,935)	16,419,718 (69,840,417)	2,503,478 (10,476,063)
Doubtful Assets	301,315,500 (226,424,214)	81,816,414 (73,004,493)	43,179,385 (5,830,574)	11,031,150 (1,529,419)
Loss Assets	- (-)	- (-)	- (-)	- (-)
Provision for Depreciation in Investments	- (-)	- (-)	- (-)	- (-)

Note:
i) Figures in bracket represent previous year's figures.
ii) Substandard provision on non housing finance includes Rs. 40,521 (previous year Rs. Nil) related to Minimum Retention Requirement (MRR) pools related to Securitization for which loans outstanding not in the books.

b) Disclosure regarding penalty or adverse comments in terms of paragraph 29(5) of the Housing Finance Companies (NHB) Directions, 2010 is as follows :

i) During the year there is no penalty imposed by National Housing Bank.
ii) During the year no inspection has been conduct by the National Housing Bank under section 34 of the National Housing Bank Act, 1987

36. Disclosure regarding provision made for Asset Liability Management (ALM) system for the Housing Finance Companies as per NHB Circular NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010.

(I) Capital to Risk Asset Ratio (CRAR)

Items	**As at March 31, 2015**	**As at March 31, 2014**
CRAR (%)	15.17%	20.40%
CRAR - Tier I capital (%)	11.10%	14.56%
CRAR - Tier II capital (%)	4.07%	5.84%

(II) **Exposure to real estate sector, both direct and indirect:**

(In Rupees)

				As at March 31, 2015	As at March 31, 2014
a)	**Direct Exposure**				
	(i)	Residential Mortgage			
		Individual Housing Loan up to 15 lakhs		3,60,61,29,907	2,101,336,178
		Individual Housing Loan More than 15 lakhs		19,00,76,91,560	13,961,589,593
	(ii)	Commercial Real Estate		11,58,97,04,018	8,724,915,950
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –			
		(a)	Residential -		
		(b)	Commercial -		
b)	**Indirect Exposure** Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).			-	-

Notes:

(i) The direct exposure given in (i) & (ii) represents loans & advances outstanding at the year end, without netting off the Provision for NPA & Doubtful Debts.

(ii) The bifurcation of investments in Mortgage Backed Securities (MBS) and other securitised exposures between residential and commercial is based on nature of underlying loan assets. The same has been relied upon by auditors.

(III) Maturity Patterns of Items of Assets & Liabilities

(In Rupees)

Year	Liabilities As at March 31, 2015		Assets As at March 31, 2015	
	Borrowings from Bank	Market Borrowings	Loans & Advances	Investments
1 day to 30/31 day	960,764,860 (736,168)	1,493,441,405 (647,574,602)	638,378,026 (518,230,174)	- (3,200,000,000)
Over 1 month to 2 months	- (-)	3,453,646,074 (1,087,346,802)	700,214,107 (566,276,236)	- (-)
Over 2 month to 3 months	377,100,000 (606,200,000)	2,458,527,703 (489,990,170)	594,876,732 (533,268,270)	- (-)
Over 3 month to 6 months	2,469,400,000 (2,333,300,000)	288,792,960 (-)	2,021,950,077 (1,299,301,834)	- (-)
Over 6 month to 1 Year	3,714,600,000 (3,347,700,000)	763,000,000 (-)	3,18,37,17,753 (1,882,226,267)	 (-)
Over 1 year to 3 Year	14,260,197,124 (12,490,124,331)	885,775,964 (932,029,842)	5,799,174,072 (3,449,339,439)	 (-)
Over 3 year to 5 Year	8,299,400,000 (4,833,000,000)	1,227,428,917 (1,420,131,801)	4,65,55,80,559 (2,731,002,045)	- (-)
Over 5 Year to 7 years	1,200,000,000 (-)	200,000,000 (-)	5,141,944,250 (2,937,035,364)	- (-)
Over 7 Year to 10 years	- (-)	2,157,000,000 (2,007,000,000)	7,119,505,995 (4,136,626,904)	- (-)
Over 10 years	- (-)	10,000,000 (10,000,000)	20,98,41,90,709 (13,182,081,051)	- (-)
Total	**31,281,461,984 (23,611,060,499)**	**12,937,613,023 (6,594,073,217)**	**50,839,532,280 (31,235,387,584)**	**- (3,200,000,000)**

Notes:

i) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

ii) The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for assets-liabilities management (ALM) system for housing finance companies issued by NHB, best practices and best estimate of the Assets-Liability Committee / management with regard to the timing of various cash flows, which has been relied upon by the auditors. The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Schedule III to the Companies Act, 2013.

iii) Figures in bracket represent previous year's figures.

37. Disclosure of loans/advances and investments in its subsidiaries, associates etc. in terms of the Listing Agreement of Debt Securities with the Stock Exchanges. (As certified by the management)

Particulars		Outstanding Balances		Maximum Balance Outstanding	
		As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
i)	Loans and advances in the nature of loans to subsidiaries	-	-	-	-
ii)	Loans and advances in the nature of loans to associates	-	-	-	-
iii)	Loans and advances in the nature of loans where there is :				
	a) No repayment schedule or repayment beyond seven years	-	-	-	-
	b) No interest or interest below section 186 of the Companies Act, 2013	-	-	-	-
iv)	Loans and advances in nature of loans to firms/companies in which directors are interest	-	-	-	-
v)	Investments by the loanee (borrower) in the shares of parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan.	-	-	-	-

38. Contingent Liabilities/Commitments: (As certified by the management)

(In Rupees)

	Particulars	As at March 31, 2015	As at March 31, 2014
Contingent Liabilities :			
a.	Case against the Company not acknowledge as Debts	2,631,536	5,006,339
Commitments :			
a.	Estimated amount of contracts remaining to be executed on capital account (net of advances).	-	-
b.	Undisbursed amount of Housing loan sanctioned.	6,37,39,87,011	2,889,398,321

39. Till March 31, 2014 all the tangible assets are depreciated as per written down value basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Pursuant to the provisions of the Companies Act, 2013 ("the Act"), with effect from April 1, 2014 the Company has provided depreciation on all tangible assets as per straight line method as per the provision of Schedule II of the Act. Accordingly, the current year depreciation is short by Rs. 4,950 for the year and effect relating to the period prior to April 1, 2014 is a net credit of Rs. 52,505 is included in the current year depreciation.

Had the Company continued to use the earlier method of depreciation, the profit after tax for the current year would have been lower by Rs. 57,455.

40. Outstanding Derivatives (Future & Options) are as under:

Name of Option	No of Contracts	Units	
		Long	Short
Futures	70 (-)	3500 (-)	- (-)

Figures in bracket indicate previous year figures.

41. As per the provision of Section 203 of the Companies Act, 2013, as on March 31, 2015, the Company was in the process of appointing a manager and company secretary.

42. During the year, gross amount required to be spent by the company was Rs. 97,30,000 and the company has spent Rs.98,00,000 towards Corporate Social Responsibility (CSR) activities under section 135 of the Companies Act, 2013 by contributing towards corpus of Mandke Foundation, for Rural outreach initiative to provide cancer care to the communities of interior parts of Maharashtra.

43. Previous year's figures have been regrouped / restated where necessary, to confirm to the presentation of current year's financial statements.

1 Background

The Company is registered with National Housing Bank as Housing Finance Company without accepting public deposit. The Company is principally engaged in housing finance business.

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards as notified by the Companies (Accounting standards) Rules, 2006 and relevant provisions of the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

b Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

c Revenue Recognition

i) **Interest Income**

Repayment of Housing Loan is by way of Equated Monthly Installments (EMI) comprising of principal and interest where interest is collected in monthly installment. Necessary appropriation is made out of these EMI collections to principal and interest. Interest Income on performing assets is recognized on accrual basis and on non- performing assets on realization basis as per guidelines prescribed by the National Housing Bank.

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

ii) Dividend Income

Dividend Income is recognised when the right to receive payment is established.

iii) Loan Processing Fee Income

Loan processing fee income is accounted for upfront as and when it becomes due.

iv) Income from assignment / securitization

In case of assignment / securitization of loans, the assets are derecognized when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned/securtised loans. The profit if any, as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment / securitization on a monthly basis.

v) Other Income

In other cases, income is recognized when there is no significant uncertainty as to determination and realization.

d Fixed Asset

Fixed Assets are stated at cost of acquisition less accumulated depreciation and Impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets.

e Intangible Assets

Intangible Assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

f Depreciation/Amortisation

Depreciation on fixed assets other than computer software is provided on Written Down Value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Computer software are amortised on straight line basis over the useful life of the software up to a maximum of five years commencing from the month in which such software is first installed.

g Loan origination / acquisition cost

All direct cost incurred for the loan origination is amortised over the tenure of the loan.

h Investments

Investments are classified into current investments and long-term investments. In accordance with the Guidelines issued by National Housing Bank (NHB), current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long term investments. Unquoted investments in the units of Mutual Funds in nature of current investment are valued at lower of cost or Net Asset Value declared by Mutual Funds in respect of each particular scheme.

i Discount on Commercial Papers

The difference between the acquisition cost and the redemption value of commercial papers is apportioned on time basis and recognized as discount expense.

j Provision for Standard Assets, Non Performing Assets(NPA) & Doubtful Debts

Provisions on Standard Assets, Non Performing Assets (NPA) & Doubtful Debts are made in accordance with the Prudential Norms as per Housing Finance Companies (NHB) Directions, 2010.

k Employee Benefits

i) Provident fund

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss.

ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in the return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as on the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

iii) Leave Encashment

Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

The employees of the Company are entitled for compensated absence. The employees can carry forward a portion of the unutilised accrued leave balance and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

l Borrowing costs

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

m Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / (loss) per share are included.

n Provision for Current Tax and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

o Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if such condition exists an asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount is treated as impaired, when carrying cost of assets exceeds its recoverable amount.

p Securitised Assets

Derecognition of Securitised assets in the books of the Company, recognition of gain or loss arising on Securitisation and accounting for credit enhancement provided by the Company is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

q Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

3. Share Capital **(Rupees)**

	As at March 31, 2014	As at March 31, 2013
a) Authorised:		
75,000,000 Equity Shares of Rs. 10 each	**75,00,00,000**	**75,00,00,000**
(March 31, 2013: 75,000,000 Equity Shares of Rs. 10 each)		
50,000,000 Preference Shares of Rs. 10 each	**50,00,00,000**	**50,00,00,000**
(March 31, 2013: 50,000,000 Preference Shares of Rs. 10 each)		
	1,25,00,00,000	**1,25,00,00,000**
b) Issued, subscribed & Fully paid up		
65,820,000 Equity Shares of Rs. 10 each	**65,82,00,000**	**65,82,00,000**
(March 31, 2013: 65,820,000 Equity Shares of Rs. 10 each)		
	65,82,00,000	**65,82,00,000**
c) Par Value per Share	**Amount in Rs.**	**Amount in Rs.**
Equity	**10**	**10**

	As at March 31, 2014		As at March 31, 2013	
d) Reconciliation of issued, subscribed and fully paid up Share Capital	**No of Shares**	**Amount in Rs.**	**No of Shares**	**Amount in Rs.**
Equity Shares				
Opening Balance	**6,58,20,000**	**65,82,00,000**	**3,00,00,000**	**30,00,00,000**
Addition during the year				
Issued upon conversion of Preference shares	**-**	**-**	**29,10,000**	**2,91,00,000**
Bonus Shares issued	**-**	**-**	**3,29,10,000**	**32,91,00,000**
Reduction during the year	**-**	**-**	**-**	**-**
Closing Balance	**6,58,20,000**	**65,82,00,000**	**6,58,20,000**	**65,82,00,000**

0% optionally convertible / Redeemable Preference Shares				
Opening Balance	-	-	**29,10,000**	**2,91,00,000**
Add : Converted from Cumpulsory convertible	-	-	-	-
Add : Issued during the year	-	-	-	-
Less : Converted in to equity Shares	-	-	**29,10,000**	**2,91,00,000**
Closing Balance	-	-	-	-

e) Rights, Preferences and Restrictions :

1 Voting Rights :

In case of equity Shares

w.e.f. April 1, 2011, all the equity share holders of the Company have voting rights only and no rights toward dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

In case of Preference Shares :

Preference Share holders have a right to vote only on resolutions which directly affect the rights attached to Preference Shares.

2 Dividends :

The Company has amended its Articles of Association effective from April 1, 2011 to insert a new Article 5A to the effect that the Company shall not declare and /or pay dividend on any of its Share Capital.

f) Terms for Conversion & Repayment of Preference Share Capital

In case of 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each :

(i) Each of the Preference Shares shall be converted into Equity Share of the Company in such fraction or number(s) and in such manner as may be decided by the Board of directors at their sole discretion, in one or more tranches, at any time on or before the expiry of 6 (Six) years from the date of issue of the Preference Shares by giving a notice of 1(one) month in writing to the preference shareholders and upon such conversion shall rank pari-passu in all respects with the existing equity shares of the Company.

(ii) At the time, conversion of each of the Preference Shares into equity Share of the Company is proposed by the Board, an option would be given to the preference shareholder to redeem the preference share at a Premium to be decided by the Board and intimated to the preference shareholder by giving a notice of 1(one) month in writing.

(iii) As on July 28, 2012 the Company has taken approval from its existing preference share holders and accordingly as on September 10, 2012 converted its existing 29,10,000, 0% optionally convertible / Redeemable preference Shares into equivalent number of equity shares of the Company in the ratfo of 1:1. Out of the above preference shares 910,000 preference shares were issued on March 30, 2009, 17,50,000 preference shares were issued on March 25, 2010 and balance 2,50,000 preference shares were issued on June 29, 2011 by the Company.

g) Shares held by holding company i.e. Reliance Capital Limited including jointly Held

		As at March 31, 2014		As at March 31, 2013	
Equity Shares	**%**	**No of Shares**	**Amount in Rs.**	**No of Shares**	**Amount in Rs.**
Reliance Capital Limited	100%	6,58,19,980	65,81,99,800	6,58,19,960	65,81,99,600
Reliance Capital Ltd. and its nominees	0%	20	200	40	400
Total	**100%**	**6,58,20,000**	**65,82,00,000**	**6,58,20,000**	**65,82,00,000**

h) Out of the above equity shares 32,910,000 equity shares (Previous Year 32,910,000 equity shares) were allotted as fully paid-up bonus shares to its existing equity share holders in the financial year 2012-13.

4. Reserves and Surplus

(Rupees)

	As at March 31, 2014		As at March 31, 2013	
a) Statutory Reserve (As per Section 29C of the National Housing Bank Act, 1987) Special Reserve Fund #				
Opening Balance as per Last Balance sheet	20,08,93,055		14,59,27,693	
Add: Transfer from Surplus in Statement of Profit & Loss	8,67,77,955		5,49,65,362	
Less : Appropriation during the year	-		-	
		28,76,71,010		20,08,93,055
# (in terms of Section 36(1)(viii) of the income-tax Act, 1961)				
b) Securities Premium Acccount				
As Per Last Balance Sheet	2,55,18,00,000		2,88,09,00,000	
Less: Utilised for issue of Bonus Shares	-		32,91,00,000	
		2,55,18,00,000		2,55,18,00,000
c) Surplus in Statement of Profit & Loss				
As Per Last Balance Sheet	79,82,13,390		58,16,71,258	
Add: Transfer from Statement of Profit & Loss	43,38,89,775		27,48,26,809	
Less : Transfer to Special Reserve	8,67,77,955		5,49,65,362	
Less : Preference Dividend	-		28,56,000	
Less : Dividend Distribution Tax	-		4,63,315	
		1,14,53,25,210		79,82,13,390
		3,98,47,96,220		3,55,09,06,445

5. Long-term borrowings

(Rupees)

	As at March 31, 2014	As at March 31, 2013
Non convertible Debentures		
Secured (Refer Note 25)	2,88,91,61,644	86,00,00,000
Unsecured	1,48,00,00,000	1,18,00,00,000
Term Loans from Banks		
Secured (Refer Note 26)	17,32,31,24,331	17,11,20,91,797
	21,69,22,85,975	19,15,20,91,797

6. Deferred Tax Liabilities

(Rupees)

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred tax Liability disclosed in the Balance Sheet comprises the following :		
a) **Deferred Tax Liability**		
Related to Fixed Assets	20,772	5,45,091
Unamortised Expenditure	8,62,18,403	7,09,76,972
Special Reserve Fund	7,61,97,910	5,26,89,413
Total	16,24,37,085	12,42,11,476
b) **Deferred Tax Asset**		
Disallowance under the Income Tax Act, 1961	(7,94,528)	(13,46,845)
Provision for NPA/diminution in the value of Assets	(10,73,47,557)	(7,38,14,631)
Total	(10,81,42,085)	(7,51,61,476)
Net Deferred Tax Liabilities/(Asset) (a) - (b)	5,42,95,000	4,90,50,000

7. Long Term Provisions

(Rupees)

	As at March 31, 2014	As at March 31, 2013
a) Provision for Employees Benefits (Refer Note 31)		
Leave Encashment	22,68,781	27,65,643
b) Provision for Standard Assets	16,28,52,455	12,65,09,251
	16,51,21,236	12,92,74,894

8. Short-term borrowings

(Rupees)

		As at March 31, 2014	As at March 31, 2013
a)	**From Banks**		
	Cash Credit facilities - Secured (Refer Note 1 below)	**7,36,168**	**-**
b)	**From Others**		
	Commercial Papers - Unsecured	**2,07,55,75,728**	**24,41,67,068**
		2,07,63,11,896	**24,41,67,068**

Notes :

1 Cash credit referred above are secured by pari passu first charge on all standard assets portfolio of present and future book debts, receivable, bills, claims and loan assets of the Company against security not exceeding Rs. 1,100,000,000 (Previous year Rs.550,000,000).

2 In respect of Commercial Papers referred above, maximum amount outstanding during the year was Rs.2,850,000,000 (Previous year Rs.450,000,000).

9. Trade Payables

(Rupees)

	As at March 31, 2014	As at March 31, 2013
Due to Micro, Medium & Small	**-**	**-**
Due to Others	**1,46,79,108**	**-**
	1,46,79,108	**-**

Note:

The management has identified enterprises which has provided goods and services to the Company and which qualify under the definition of Medium, Micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

10. Other Current Liabilities

(Rupees)

		As at March 31, 2014	As at March 31, 2013
a)	Current maturities of long term debts - Secured (Refer Note 25 & 26)		
	(i) Non convertible Debentures	**14,93,35,845**	-
	(ii) Term Loans from Banks	**6,28,72,00,000**	**4,31,24,00,000**
b)	Interest accrued and not due on borrowings	**22,17,54,148**	**7,54,98,781**
c)	Advance from Customers	**6,66,59,710**	**4,96,23,183**
d)	Payable under Securitisation / Assignment (Net)	**22,73,52,181**	**12,81,65,535**
e)	Temporary Book Overdraft (Refer Note 1 below)	**1,71,87,39,613**	**1,02,27,83,837**
f)	Other Payables (Refer Note 2 below)	**8,05,52,741**	**14,86,61,293**
		8,75,15,94,238	**5,73,71,32,629**

Notes:

1 Temporary Book Overdraft of Rs. 1,718,739,613 (Previous Year Rs. 1,022,783,837) represents cheques issued towards disbursements to borrowers for Rs. 1,661,319,195 (Previous Year Rs.1,015,482,764) and cheques issued for payment of expenses of Rs. 57,420,418 (Previous Year Rs.7,301,073), but not encashed as at March 31, 2014.

2 Other Payables includes TDS, statutory payments and other liabilities.

11. Short Term Provisions

(Rupees)

		As at March 31, 2014		As at March 31, 2013	
a)	Provision for Employees Benefits (Refer Note 31)				
	Leave Encashment	**68,754**		**61,123**	
	Gratuity	**-**	**68,754**	**2,74,199**	**3,35,322**
b)	Provision for Standard Assets		**3,47,26,918**		**1,38,49,330**
c)	Income tax provision [Net off Taxes Paid Rs. 469,276,362 (Previous Year Rs. Nil)]		**1,69,23,638**		**-**
			5,17,19,310		**1,41,84,652**

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note "12"
Fixed Assets

(Rupees)

Sr. No.		Gross Block				Depreciation			Net Block	
		As at April,1 2013	Addition	Deletion	As at March 31, 2014	As at April,1 2013	Depreciation	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
(i)	**Tangible Assets**									
1	Office Equipments	18,300	2,26,000	-	2,44,300	7,585	2,27,490	2,35,075	9,225	10,715
2	Office Buildings	6,65,200	-	-	6,65,200	54,584	30,531	85,115	5,80,085	6,10,616
3	Data Processing Machineries	50,000	59,708	-	1,09,708	15,589	37,648	53,237	56,471	34,411
	Total	**7,33,500**	**2,85,708**	**-**	**10,19,208**	**77,758**	**2,95,669**	**3,73,427**	**6,45,781**	**6,55,742**
	Previous Year	6,83,500	50,000	-	7,33,500	28,300	49,458	77,758	6,55,742	

(ii)	**Intangible Assets**									
	Computer Software	79,09,647	-	-	79,09,647	61,13,611	15,81,929	76,95,540	2,14,107	17,96,036
	Total	**79,09,647**	**-**	**-**	**79,09,647**	**61,13,611**	**15,81,929**	**76,95,540**	**2,14,107**	**17,96,036**
	Previous Year	79,09,647	**-**	**-**	79,09,647	45,31,682	15,81,929	61,13,611	17,96,036	

Note :

1 In respect of Intangible Assets :
a) It is other than internally generated.
b) Balance useful life of 1 month (Previous year 1 Year).

13. Non Current investments

(Rupees)

	Face Value /Issue Price	Quantity As at March 31, 2014	Quantity As at March 31, 2013	Value As at March 31, 2014	Value As at March 31, 2013
Other investments - Unquoted, fully paid-					
Pass Through Certificates					
Serfes A2 PTCs of ILSS 4 Trust 2011	1,05,82,460	-	13	-	13,75,71,973
				-	**13,75,71,973**

Notes :

1 **The aggregate value of investments:**

	As at March 31, 2014 Book Value	As at March 31, 2014 Market Value	As at March 31, 2013 Book Value	As at March 31, 2013 Market Value
Quoted	-	-	-	-
Unquoted	-	-	13,75,71,973	-
TOTAL	**-**	**-**	**13,75,71,973**	**-**

2 **The aggregate Provision for diminution in the value of investments:**

	As at March 31, 2014	As at March 31, 2013
Quoted	-	-
Unquoted	-	-
TOTAL	**-**	**-**

3 **Basis of Valuation**	As at March 31, 2014	As at March 31, 2013
	at cost	at cost

14. Long Term Loans and Advances

(Rupees)

		As at March 31, 2014		As at March 31, 2013	
a)	Security Deposits (Unsecured)		**6,00,042**		**5,00,000**
b)	Loans (Secured)				
	(i) Considered Good				
	Housing loans :				
	Individuals	**14,20,43,62,933**		**15,04,35,41,937**	
	Others	**5,51,23,33,166**		**5,05,70,04,164**	
	Director of the Company (Refer Note 1 below)	**-**		**55,00,000**	
	Officer of the Company	**-**		**1,03,63,309**	
			19,71,66,96,099		**20,11,64,09,410**
	Commercial loans		**6,31,63,48,511**		**4,43,51,41,945**
	(ii) Considered Doubtful				
	Housing loans :				
	Individuals	**41,40,42,138**		**31,76,17,492**	
	Others	**1,04,56,195**		**1,05,90,929**	
		42,44,98,333		**32,82,08,421**	
	Less: Provision for NPA & Doubtful Debts	**9,93,38,687**		**7,89,70,583**	
			32,51,59,646		**24,92,37,838**
	Commercial loans	**7,18,96,901**		**4,62,204**	
	Less: Provision for NPA & Doubtful Debts	**1,13,72,432**		**1,84,881**	
			6,05,24,469		**2,77,323**
c)	Installments Due (Secured) Considered doubtful				
	Principal Overdue	**2,44,75,869**		**1,27,91,116**	
	Less: Provision for NPA & Doubtful Debts	**71,19,790**	**1,73,56,079**	**81,87,545**	**46,03,571**
d)	Balance with Service Tax Authorities		**41,78,943**		**-**
e)	Taxes paid [Net off Income Tax Provision Rs. Nil (Previous Year Rs. 43,41,00,000)]		**-**		**2,02,94,030**
			26,44,08,63,789		**24,82,64,64,117**

Note:

1 Loan to director was disbursed prior to appointment as a director and no further disbursements have been made post appointment as director. This loan is Pre-closed in the current financial year.

15. Other Non Current Assets

(Rupees)

		As at March 31, 2014	As at March 31, 2013
a)	Receivable from Trustee under Securitisation (Secured)	**3,13,68,179**	**16,07,76,928**
b)	Fixed Deposits with banks (Maturity > 12 Months) (kept as credit enhancement towards Securitisation/direct Assignment)	**40,98,50,496**	**60,18,60,496**

c)	Unamortised Expenditure				
	(i) Unamortised DSA Commission	**16,12,78,150**		**15,74,80,336**	
	Add: Incurred during the Year	**8,76,57,944**		**7,33,81,867**	
	Less: Amortised during the year	**6,41,65,396**		**6,95,84,053**	
		18,47,70,698		**16,12,78,150**	
	Less: to be amortised over the next one year	**1,53,44,538**		**1,62,19,848**	
	(Refer Note 20 (b))		**16,94,26,160**		**14,50,58,302**
	(ii) Unamortised Brokerage on Borrowing	**5,74,82,744**		**71,18,789**	
	Add: Incurred during the Year	**2 25 11 442**		**5 69 40 158**	
	Less: Amortised during the year	**1,11,06,741**		**65,76,203**	
		6,88,87,445		**5,74,82,744**	
	Less: to be amortised over the next one year	**1,16,05,322**		**85,06,636**	
	(Refer Note 20 (b))		**5,72,82,123**		**4,89,76,108**
			66,79,26,958		**95,66,71,834**

16. Current investments

(Rupees)

	Face Value / Issue Price	Quantity As at March 31, 2014	Quantity As at March 31, 2013	Value As at March 31, 2014	Value As at March 31, 2013
Other investments - Unquoted, fully paid-up					
Units of Mutual Funds					
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan	1 000	3 84 164	-	120 00 00 000	-
Peerless Liquid Fund - Direct Plan Growth	10	14 22 72 808	-	200 00 00 000	-
				320 00 00 000	-

Notes :

1 **The aggregate value of investments:**

	As at March 31, 2014 Book Value	As at March 31, 2014 Market Value	As at March 31, 2013 Book Value	As at March 31, 2013 Market Value
Quoted	-	-	-	-
Unquoted	320 00 00 000	320 38 16 796	-	-
TOTAL	**320 00 00 000**	**320 38 16 796**	**-**	**-**

2 **The aggregate Provision for diminution in the value of investments:**

	As at March 31, 2014	As at March 31, 2013
Quoted	-	-
Unquoted	-	-
TOTAL	**-**	**-**

3 **Basis of Valuation**	As at March 31, 2014	As at March 31, 2013
	at cost	at cost

4 The market value mentioned above is based on the NAV provided by the respective mutual funds

17. Cash & Cash equivalents

(Rupees)

	As at March 31, 2014	As at March 31, 2013
Balance with Banks in Current Accounts	**2,01,26,21,152**	**70,94,04,580**
Cash on hand	**96,922**	**11,500**
	2,01,27,18,074	**70,94,16,080**

18. Short-term loans and advances

(Rupees)

		As at March 31, 2014		As at March 31, 2013	
a)	Loans repayments within next 12 months (Secured)				
	Considered Good				
	Housing loans :				
	Individuals	**47,22,19,745**		**51,31,78,573**	
	Others	**3,66,67,16,352**		**1,45,76,84,876**	
	Officer of the Company	**-**		**2,63,234**	
			413 89 36 097		**197 11 26 683**
	Commercial loans		**49,44,04,045**		**59,76,96,947**
b)	Installments Due (Secured) Considered good		**16,59,62,638**		**9,05,84,903**
c)	Prepaid expenses (Unsecured)		**43,91,165**		**51,31,099**
d)	Sundry Advances (Unsecured)		**32,79,506**		**21,38,496**
			4,80,69,73,451		**2,66,66,78,128**

19. Other Current Assets

(Rupees)

		As at March 31, 2014		As at March 31, 2013	
a)	Interest Accrued on				
	Investments	-		6,43,407	
	Fixed Deposits	55,91,115		81,98,732	
	Loans and advances	28,71,19,848		20,21,84,952	
			29,27,10,963		21,10,27,091
b)	Unamortised Expenditure				
	Unamortised DSA Commission	1,53,44,538		1,62,19,848	
	Unamortised Brokerage on Borrowing	1,16,05,322		85,06,636	
			2,69,49,860		2,47,26,484
			31,96,60,823		23,57,53,575

20. Revenue from operation **(Rupees)**

		2013-14		2012-13	
a)	**Interest income**				
	Interest on:				
	Housing and Other Loans	3,82,40,81,369		3,26,78,28,680	
	Fixed Deposit	5,84,60,007		5,15,27,711	
	Long term investments	93,14,009		1,39,36,254	
			3,89,18,55,385		3,33,32,92,645
b)	**Other Financial income**				
	Processing Fee income	22,63,60,956		20,30,81,638	
	Foreclosure & Other Operating Charges	10,08,47,584		1,93,27,226	
	Brokerage Commission on property solution	4,92,80,017		2,70,85,741	
		37,64,88,557		24,94,94,605	
	Less : Service Tax Recovered	4,01,01,670		2,68,43,172	
			33,63,86,887		22,26,51,433
			4,22,82,42,272		3,55,59,44,078

21. Other Income **(Rupees)**

		2013-14	2012-13
a)	Profit on Sale of Current Investments (Net)	5,35,30,458	5,09,28,676
b)	Interest on income tax refund	60,10,383	-
c)	Miscellaneous income	5,46,453	8,32,216
d)	Bad Debts Recovered	5,972	37,24,737
e)	Credit Balance / Excess Provision Written Back	87,77,010	67,44,901
		6,88,70,276	6,22,30,530

22. Employee Benefits Expense **(Rupees)**

	2013-14	2012-13
Payments to and Provision for Employees		
- Salary & Bonus etc # (Refer Note "33 (b)")	31,80,84,457	25,76,13,583
- Contrfbution to Provident fund and other Funds	97,84,589	1,20,40,740
- Staff Welfare & other amenities	62,91,560	53,73,027
	33,41,60,606	27,50,27,350

23. Finance Cost **(Rupees)**

		2013-14		2012-13	
a)	Interest Expense				
	Term Loan From Banks	2,24,39,17,035		2,43,82,03,199	
	Cash credit from Banks	3,08,97,888		14,15,403	
	Non Convertible Debentures	39,87,11,025		7,59,22,343	
	Body Corporates	1,29,19,726		25,90,331	
			2,68,64,45,674		2,51,81,31,276
b)	Other Borrowing Cost				
	Amortised Brokerage (Refer Note"15 (c)(ii)")	1,11,06,741		65,76,203	
	Discount on Commercial Paper	6,66,27,510		1,70,81,953	
	Processing Charges	10,507		4,41,314	
			7,77,44,758		2,40,99,470
c)	Interest on Income Tax		55,82,916		-
			2,76,97,73,348		2,54,22,30,746

24. Administration & Other Charges **(Rupees)**

	2013-14	2012-13

Auditor's Remuneration (Refer Note 30)	**8,00,000**	**8,00,000**
Bank Charges	**22,95,732**	**17,22,780**
Credit Cost	**1,33,89,914**	**1,15,37,141**
Collection Cost	**22,27,017**	**9,18,701**
Directors' Sitting Fees	**3,39,776**	**3,34,832**
Amortised DSA Commission (Refer Note"15 (c)(i)")	**6,41,65,396**	**6,95,84,053**
Infrastructure Cost #	**3,82,24,800**	**3,37,08,000**
Legal & Professional Fees	**6,05,77,833**	**3,72,00,468**
Marketing Expenses	**12,00,78,458**	**6,57,26,527**
Management Expenses	**3,18,54,000**	**3,18,54,000**
Miscellaneous Expenses	**1,93,51,267**	**1,52,63,240**
Postage ,Telegram & Telephone	**13,06,061**	**13,98,930**
Printing and Stationary	**24,81,345**	**15,10,539**
Rates and Taxes	**36,02,712**	**25,40,635**
Repairs & Maintenance-Others	**94,20,905**	**1,18,50,869**
Travel & Conveyance	**2,18,47,083**	**1,96,04,560**
Bad Debts Written Off	**4,21,21,408**	**1,48,45,202**
Provision for Standard Asset	**5,72,20,793**	**3,88,12,334**
Provision for NPA & Doubtful Debts	**3,95,45,798**	**1,98,35,670**
	53,08,50,298	**37,90,48,481**

Note:

According to the agreement entered into by the Company with its holding company i.e. Reliance Capital Limited for utilizing their office premises including all other amenities, infrastructure and employees at various locations of the Company. (Refer Note "33(b)")

25. Security clause, Maturity profile & Rate of interest in respect of Non convertible Debentures

a Secured Non convertible Debentures referred above are secured by way of first pari passu legal mortgage and charge over the premises situated at Bharuch and additional pari passu charge by way of hypothication on the present and future books debts/receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders, except those book debts and receivables charged/ to be charged in favour of National Housing Bank for refinance availed/ to be availed from them, of Home Finance Business subject to maintenance of minimum asset coverage of 100% of issue amount.

b **Maturity profile of Non convertible Debentures are as set out below;**

Rate of interest	2014-15	2015-16	2016-17	2017-18	2018-19	2022-23	2023-24	2025-26	Total
#	9,93,35,845	-	3,20,29,843	-	7,01,31,801	-	-	-	20,14,97,489
9.09%	-	-	-	-	5,00,00,000	-	-	-	5,00,00,000
9.25%	-	-	-	-	55,00,00,000	-	10,00,00,000	-	65,00,00,000
9.35%	-	-	-	-	-	-	30,00,00,000	-	30,00,00,000
9.48%	-	-	-	-	-	-	-	1,00,00,000	1,00,00,000
9.50%	-	-	-	-	5,00,00,000	-	25,00,00,000	-	30,00,00,000
9.52%	-	-	-	-	-	-	15,00,00,000	-	15,00,00,000
9.70%	-	-	-	-	10,00,00,000	-	-	-	10,00,00,000
9.75%	-	50,00,00,000	5,00,00,000	-	-	-	-	-	55,00,00,000
9.90%	-	-	15,00,00,000	-	-	-	1,70,00,000	-	16,70,00,000
10.00%	5,00,00,000	15,00,00,000	-	40,00,00,000	-	16,00,00,000	-	-	76,00,00,000
10.10%	-	-	-	20,00,00,000	-	-	-	-	20,00,00,000
10.15%	-	5,00,00,000	-	-	-	-	-	-	5,00,00,000
10.33%	-	-	-	-	-	45,00,00,000	-	-	45,00,00,000
10.40%	-	-	-	-	-	50,00,00,000	-	-	50,00,00,000
10.60%	-	-	-	-	-	8,00,00,000	-	-	8,00,00,000
Total	**14,93,35,845**	**70,00,00,000**	**23,20,29,843**	**60,00,00,000**	**82,01,31,801**	**1,19,00,00,000**	**81,70,00,000**	**1,00,00,000**	**4,51,84,97,489**

 # Zero Coupon Deep Discount Non- Convertible Debentures

26. Security clause & Maturity profile in respect to secured loans from banks

Term loans from Banks referred in Note "5" and current maturity of long term debts (Refer Note "10 (a)(ii)) includes :

a Term loan Rs. 18,586,085,053 (Previous year Rs. 16,949,393,533) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs. 20,569,887,703 (Previous year Rs. 18,797,220,163).

b Term loan Rs. 1,500,000,000 (Previous year Rs. 1,000,000,000) secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs. 1,665,000,000 (Previous year Rs. 1,100,000,000).

c Term loan Rs.2,124,573,410 (Previous year Rs. 1,875,098,264) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 2,353,676,016 (Previous year Rs. 2,062,608,090).

d Term loan Rs. 1,399,665,868 (Previous year Rs. 1,600,000,000) secured secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 1,679,599,042 (Previous year Rs. 1,920,000,000).

e **Maturity profile of Secured Term Loans from banks are as set out below;**

(Amount in Rs)

Year	Principal Repayment
2014-15	6,28,72,00,000
2015-16	6,09,41,24,331
2016-17	6,39,60,00,000
2017-18	3,33,36,00,000
2018-19	1,49,94,00,000
Grand Total	**23,61,03,24,331**

27. As on April 26, 2010 the Company had entered into Business Transfer Agreements ('BTA') with its holding company i.e. Reliance Capital Limited ('RCL') to transfer the RCL's home finance business to the Company at book value, such that the entire economic risk and reward of the RCL's home finance business passes to the Company from the commencement of business on the value date i.e. April 1, 2010. As on January 31, 2011 the BTA further amended between the Company and Reliance Capital Ltd. As per the amended BTA with RCL:

a) The RCL holds loan assets of Rs. 84,167,495 (Previous year Rs. 105,591,590) of the Company in the capacity of trust as on March 31, 2014.

b) During the year the Company has taken the following assets, income and expenses from the RCL :
   i) Unamortized DSA Commission of Rs. Nil (Previous year Rs. 7,50,750)
   ii) Interest & other income of Rs. 11,980,612 (Previous year Rs. 30,091,932)
   iii) Interest & other expenses of Rs. 19,176,242 (Previous year Rs. 31,811,133)
   iv) DSA commission expense of Rs. Nil (Previous year Rs. Nil)

28. a) During the year the Company sold loans through securitisation and direct assignment.

The information related to securitisation and assignment made by the Company, as an originator is given below:

Particulars	Unit	Securitisation	Assignment	Total
		Outside	Outside	Outside
Total number of loan assets Securitized / Assigned	Nos.	399 (526)	1300 (228)	1699 (754)
Total book value of loan assets Securitized / Assigned	Rs.	500,819,503 (655,035,243)	4,427,728,574 (1,149,001,569)	4,928,548,077 (1,804,036,812)
Sale consideration received for the Securitized / Assigned assets	Rs.	500,819,503 (655,035,243)	4,427,728,574 (1,149,001,569)	4,928,548,077 (1,804,036,812)
Net gain on account of Securitization / Assigned	Rs.	- (-)	- (-)	- (-)
Outstanding Credit Enhancement (Funded)	Rs.	119,403,600 (321,413,600)	280,446,896 (280,446,896)	399,850,496 (601,860,496)
Outstanding Liquidity Facility	Rs.	- (-)	- (-)	- (-)
Net Outstanding Servicing Liability	Rs.	30,502,045 (43,091,677)	196,850,136 (85,073,858)	227,352,181 (128,165,535)

Note : Figures in bracket represent previous year's figures.

a) Disclosures for Securitisation Transactions :

(i) Securitisation :

Sr. No.	Particulars	As on 31st March 2014 (No. / Amount in Rs.)	As on 31st March 2013 (No. / Amount in Rs.)
1	No of SPVs sponsored by the Company for Securitisation Transactions	2	2
2	As on March 31, 2014, total amount of securitised assets as per books of the SPVs sponsored by the Company	897,200,165	1,102,522,347
3	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	119,403,600	66,813,600
	• Others	-	-
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-

Sr. No.	Particulars	As on 31st March 2014 (No. / Amount in Rs.)	As on 31st March 2013 (No. / Amount in Rs.)
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	254,600,000
	• Others	-	137,571,973
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-

(ii) Direct Assignments :

Sr. No.	Particulars	As on 31st March 2014 (No. / Amount in Rs.)	As on 31st March 2013 (No. / Amount in Rs.)
1	No of Direct Assignments	11	8
2	Total amount of assigned assets as per books of the Assignor	6,467,924,452	4,729,683,533
3	Total amount of exposures retained by the Assignor to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	-
	• Others	453,887,521	114,900,157
4	Amount of exposures to Assignment transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	280,446,896	280,446,896
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-

29. In the opinion of management, all assets other than fixed asset and non-current investments are approximately of the value stated if realised in the ordinary course of business.

30. Auditors' Remuneration :

(In Rupees)

Particulars	2013-14	2012-13
i) Audit Fees	600,000	600,000
ii) Tax Audit Fees	200,000	200,000
Total	**800,000**	**800,000**

31. Employee Benefits :

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(In Rupees)

Particulars	2013-14	2012-13
i) Employer's Contribution to Provident Fund and LWF	7,254,930	7,057,489
ii) Employer's Contribution to Pension Scheme	1,592,765	1,592,991
Total	**8,847,695**	**8,650,480**

b) Defined Benefit plans

The following table summarise the components of the net employee benefit expenses recognized in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan and leave encashment plan. The said information is based on certificates provided by the actuary.

Gratuity (Funded)

(In Rupees)

PARTICULARS	2013-14	2012-13
I. Assumptions :		
Discount Rate	9.41%	8.00%
Rate of Return on Plan Assets	9.41%	8.00%
Salary Escalation	5.00%	5.00%
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	7,202,203	4,402,671
Interest Cost	576,176	374,227
Current Service Cost	1,737,228	1,409,327
Benefit Paid	(1,372,674)	(926,448)
Actuarial (gain)/loss on obligations	(993,857)	1,942,426
Liability at the end of the Year	7,149,076	7,202,203
III. Tables of Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	6,928,004	4,415,140
Expected Return on Plan Assets	554,240	375,287
Contributions	1,268,026	3,103,593
Benefit Paid	(1,372,674)	(926,448)
Actuarial gain/(loss) on Plan Assets	(171,587)	(39,568)
Fair Value of Plan Assets at the end of the Year	7,206,009	6,928,004
Total Actuarial Gain/(Loss) To Be Recognised	822,270	1,981,994
IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	554,240	375,287
Actuarial gain/(loss) on Plan Assets	(171,587)	(39,568)
Actual Return on Plan Assets	382,653	335,719
V. Amount Recognised in the Balance Sheet :		
Liability at the end of the Year	7,206,009	6,928,004
Fair Value of Plan Assets at the end of the Year	(7,149,076)	(7,202,203)
Difference	56,933	(274,199)
Amount Recognised in the Balance Sheet	56,933	(274,199)
VI. Expenses Recognised in the Statement of Profit & Loss :		
Current Service Cost	1,737,228	1,409,327
Interest Cost	576,176	374,227
Expected Return on Plan Assets	(554,240)	(375,287)
Actuarial (Gain)/Loss	(822,270)	1,981,994

PARTICULARS	2013-14	2012-13
Expense Recognised in Statement of Profit & Loss	936,894	3,390,261
VII. Amount Recognised in the Balance Sheet :		
Opening net liability	274,199	(12,469)
Expense as above	936,894	3,390,261
Employers Contribution	(1,268,026)	(3,103,593)
Amount Recognised in Balance Sheet	(56,933)	274,199
VIII. Experience Adjustment		
Plan Assets	-	-
Defined benefit obligations	-	-
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	-	-
Experience adjustment on Plan Assets	(171,587)	(39,568)
Experience adjustment on Plan Liabilities	(207,165)	1,134,484

Leave Encashment (Unfunded)

(In Rupees)

PARTICULARS	2013-2014	2012-2013
I. Assumptions :		
Discount Rate	8.00%	8.00%
Salary Escalation Current Year	5.00%	5.00%
II. Table Showing Changes in present value of Obligation :		
PVO at the beginning of the Year	2,826,766	2,397,227
Interest Cost	203,361	1,76,280
Current Service Cost	734,915	724,124
Benefit Paid	(569,506)	(646,801)
Actuarial (gain)/loss on obligations	(858,001)	175,886
PVO at the end of the Year	2,337,535	2,826,766
III. Tables of Changes in fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions	569,506	646,801
Benefit Paid	(569,506)	(646,801)
Actuarial gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets at end of year	-	-
IV. Expenses Recognised in the Statement of Profit & Loss:		
Fair Value of Plan Assets at the beginning of the Year	-	-
Actual Return on Plan Assets	-	-
Contributions	569,506	646,801
Benefit Paid	(569,506)	(646,801)
Fair Value of plan Assets at end of year	-	-
Funded Status	(2,337,535)	(2,826,766)
Excess of actual over estimated return on Plan Asset	-	-
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (obligation)	858,001	(175,886)
Actuarial Gain/(Loss) for the year (Plan Asset)	-	-

PARTICULARS	2013-2014	2012-2013
Total Gain/(Loss) for the year	858,001	(175,886)
Actuarial gain/(Loss) recognized for the year	858,001	(175,886)
Unrecognised Acturial Gain/(Loss) at the end of the Year	-	-
VI. Expenses Recognised in the Statement of Profit & Loss:		
Current Service Cost	734,915	724,124
Interest Cost	203,361	176,280
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised	(858,001)	175,886
Expense Recognised in Statement of Profit & Loss	80,275	1,076,290
VII. Amount Recognised in the Balance Sheet :		
PVO at the end of Year	2,337,535	2,826,766
Fair Value of Plan Assets at end of Year	-	-
Funded Status	(2,337,535)	(2,826,766)
Unrecognized Acturial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in balance sheet	(2,337,535)	(2,826,766)
VIII. Movement in the Liability recognized in Balance Sheet		
Opening net Liability	28,26,766	23,97,227
Expenses as above	80,275	1,076,290
Contribution paid	(569,506)	(646,801)
Closing Net Liability	2,337,535	2,826,766
IX. Experience Adjustment		
Plan Assets at the end of year	-	-
Defined benefit obligations at the end of year	2,337,535	2,826,766
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	(2,337,535)	(2,826,766)
Experience adjustment on Plan Assets	-	-
Experience adjustment on Plan Liabilities	(858,001)	175,886

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

32. Segment Reporting:

The Company is mainly engaged in the housing finance business, all other activities revolve around the main business of the Company and as such there is no separate reportable segment as specified in Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounting Standards) Rules, 2006.

33. Related Party Disclosures:

a) List of the Related Parties and their relationship:

Name of the Party	Relationship
Reliance Innoventures Private Limited	Ultimate Holding Company
Reliance Capital Limited	Holding company
Reliance General Insurance Company Limited	Fellow Subsidiary
Reliance Capital Asset Management Limited	Fellow Subsidiary
Reliance Financial Limited	Fellow Subsidiary
Shri K. Suresh Kumar	Key Managerial Personnel (Manager)

b) Transactions during the year with related parties

(In Rupees)

Particulars	2013-2014	2012-2013
i) With Holding Company:		
Share Capital		
Preference Share Capital issued during the year (Including Securities Premium)	-	-
Conversion of Preference shares into equity shares during the year	-	29,100,000
Bonus shares issued during the year	-	329,100,000
Balance as at the end of year (Equity & Preference other than Securities Premium)	658,200,000	658,200,000
Loans		
Assignment of Loan Taken	-	253,055,124
Purchase consideration paid	-	253,055,124
Assignment of Loan Given	-	-
Purchase Consideration received	-	-
ICD Taken during the year	1,700,000,000	
ICD Repaid during the year	1,700,000,000	
Unamortised DSA Commission transferred from	-	750,750
Expenses		
Infrastructure Cost	38,224,800	33,708,000
Salary Cost	53,090,000	-
Interest on ICD	11,854,795	-
Management Fees	31,854,000	31,854,000
Other Expenses transferred under BTA	9,057,897	6,158,723
Interest Expense transferred under BTA	10,118,345	25,652,410
Income		
Interest & Other Income transferred under BTA	11,980,612	30,091,932
Brokerage Received	2,591,716	-
Dividend Paid		
Dividend on Preference Shares	-	2,856,000
ii) With Fellow Subsidiary:		
Expenses		
Employee Mediclaim Paid to Reliance General Insurance Company Limited	14,36,375	-
Brokerage Paid to Reliance Financial Limited	353,934	-
Income		
Brokerage Received from Reliance Capital Asset Management Limited	43,259	-
iii) With Key Managerial Personnel :		
Loans outstanding as at March 31	-	10,626,543
Loans Repayments during the year	10,626,543	225,369
Interest Accrued on Loans and advances	-	42,506
Income		
Interest Income during the year	140,549	981,463
Expenses		
Managerial Remuneration	7,459,412	5,768,119

Note:

The above disclosed transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.

34. Basic and Diluted Earnings Per Share:

For the purpose of calculation of Basic & Diluted Earnings per Share the following amounts have been considered:

(In Rupees)

	Particular	2013-14	2012-13
a)	Amount used as the numerators		
	Net Profit/(Loss) available for Equity shareholder	433,889,775	274,826,809
b)	Weighted average number of equity shares (nos.)	65,820,000	64,528,438
c)	Basic & Diluted Earnings Per Share (Rs.)	6.59	4.26

35. Disclosure of details as required by Para 29 of the Housing Finance Companies (NHB) Directions, 2010. (As certified by the management).

a) The total provisions made for substandard, doubtful and loss assets and depreciation in investments carried by the Company in terms of paragraph 29(2) and (3) of the Housing Finance Companies (NHB) Directions, 2010 is as follows:

(In Rupees)

Particulars	Housing Finance		Non-Housing Finance	
	Outstanding Balance as at March 31, 2014	Provision as at March 31, 2014	Outstanding Balance as at March 31, 2014	Provision as at March 31, 2014
Standard Asset	23,530,055,380 (22,177,506,629)	124,545,288 (93,743,631)	7,302,292,010 (5,033,453,258)	72,961,950 (46,614,950)
Sub-Standard Assets	218,775,898 (87,245,123)	32,820,935 (13,453,085)	69,840,417 (-)	10,476,063 (2,573,625)
Doubtful Assets	226,424,214 (253,738,118)	73,004,493 (69,620,986)	5,830,574 (478,500)	1,529,419 (1,695,313)
Loss Assets	- (-)	- (-)	- (-)	- (-)
Provision for Depreciation in Investments	- (-)	- (-)	- (-)	- (-)

Note:

i) Provision for substandard assets lying in housing finance as well as Non Housing Finance loans & advances includes Rs.NIL (previous year Rs. 2,939,941/-) related to loans & advances, which were transferred under securitisation /assignment deals.

ii) Figures in bracket represent previous year's figures.

b) Disclosure regarding penalty or adverse comments in terms of paragraph 29(5) of the Housing Finance Companies (NHB) Directions, 2010 is as follows :

i) During the year there is no penalty imposed by National Housing Bank.

ii) The Company has received the inspection report under section 34 of the National Housing Bank Act, 1987 from National Housing Bank (NHB) with reference to position as on March 31, 2013, vide its letter no. NHB (ND)/DRS/SUP/2599/2014 dated February 24, 2014 in which NHB has drawn certain contraventions to the provisions and Directions/Guidelines issued by the NHB under the NHB Act, 1987 from time to time and also other deficiencies in the functioning of the Company. The Company will place the replies before the board meeting and the same will be sent to NHB.

36. Disclosure regarding provision made for Asset Liability Management (ALM) system for the Housing Finance Companies as per NHB Circular NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010.

(I) Capital to Risk Asset Ratio (CRAR)

Items	As at March 31, 2014	As at March 31, 2013
CRAR (%)	20.40%	17.55%
CRAR - Tier I capital (%)	14.56%	12.92%
CRAR - Tier II capital (%)	5.84%	4.63%

(II) **Exposure to real estate sector, both direct and indirect:**

(In Rupees)

				As at March 31, 2014	As at March 31, 2013
a)	**Direct Exposure**				
	(i)	Residential Mortgage			
		Individual Housing Loan up to 15 lakhs		2,101,336,178	1,436,511,750
		Individual Housing Loan More than 15 lakhs		13,961,589,593	14,302,769,902
	(ii)	Commercial Real Estate		8,724,915,950	659,706,537
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –			
		(a)	Residential	-	5,669,137
		(b)	Commercial	-	131,902,836
b)	**Indirect Exposure** Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).			**-**	**-**

Notes:

(i) The direct exposure given in (i) & (ii) represents loans & advances outstanding at the year end, without netting off the Provision for NPA & Doubtful Debts.

(ii) The bifurcation of investments in Mortgage Backed Securities (MBS) and other securitised exposures between residential and commercial is based on nature of underlying loan assets. The same has been relied upon by auditors.

(III) Maturity Patterns of Items of Assets & Liabilities

(In Rupees)

Year	Liabilities As at March 31, 2014		Assets As at March 31, 2014	
	Borrowings from Bank	**Market Borrowings**	**Loans & Advances**	**Investments**
1 day to 30/31 day	736,168 (-)	647,574,602 (148,859,436)	518,230,174 (253,325,816)	3,200,000,000 (-)
Over 1 month to 2 months	- (-)	1,087,346,802 (-)	566,276,236 (258,309,701)	- (-)
Over 2 month to 3 months	606,200,000 (606,200,000)	489,990,170 (-)	533,268,270 (261,601,904)	- (-)
Over 3 month to 6 months	2,333,300,000 (1,750,000,000)	- (-)	1,299,301,834 (740,173,542)	- (-)
Over 6 month to 1 Year	3,347,700,000 (1,956,200,000)	- (95,307,632)	1,882,226,267 (1,145,997,569)	- (-)
Over 1 year to 3 Year	12,490,124,331 (11,882,491,797)	932,029,842 (250,000,000)	3,449,339,439 (2,464,949,920)	- (54,877,575)
Over 3 year to 5 Year	4,833,000,000 (5,229,600,000)	1,420,131,801 (600,000,000)	2,731,002,045 (2,067,781,162)	- (82,694,399)
Over 5 Year to 7 years	- (-)	- (-)	2,937,035,364 (2,475,498,597)	- (-)
Over 7 Year to 10 years	- (-)	2,007,000,000 (1,190,000,000)	4,136,626,904 (3,961,083,142)	- (-)
Over 10 years	- (-)	10,000,000 (-)	13,182,081,051 (13,836,357,267)	- (-)
Total	**23,611,060,499 (21,424,491,797)**	**6,594,073,217 (2,284,167,068)**	**31,235,387,584 (27,465,078,619)**	**3,200,000,000 (137,571,974)**

Notes:

i) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

ii) The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for assets-liabilities management (ALM) system for housing finance companies issued by NHB, best practices and best estimate of the Assets-Liability Committee / management with regard to the timing of various cash flows, which has been relied upon by the auditors. The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Revised Schedule VI to the Companies Act, 1956.

iii) Figures in bracket represent previous year's figures.

37. Disclosure of loans/advances and investments in its subsidiaries, associates etc. in terms of the Listing Agreement of Debt Securities with the Stock Exchanges. (As certified by the management)

Particulars		Outstanding Balances		Maximum Balance Outstanding	
		As at March 31, 2014	As at March 31, 2013	2013-14	2012-13
i)	Loans and advances in the nature of loans to subsidiaries	-	-	-	-
ii)	Loans and advances in the nature of loans to associates	-	-	-	-
iii)	Loans and advances in the nature of loans where there is : a) No repayment schedule or repayment beyond seven years	-	-	-	-
	b) No interest or interest below section 372A of the Companies Act, 1956	Not Applicable pursuant to provision of Section 372A(8)(a)(i) of the Companies Act, 1956			
iv)	Loans and advances in nature of loans to firms/companies in which directors are interest	-	-	-	-
v)	Investments by the loanee (borrower) in the shares of parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan.				

38. Contingent Liabilities/Commitments: (As certified by the management)

(In Rupees)

	Particulars	As at March 31, 2014	As at March 31, 2013
Contingent Liabilities :			
a.	Case against the Company not acknowledge as Debts	5,006,339	94,861
Commitments :			
a.	Estimated amount of contracts remaining to be executed on capital account (net of advances).	-	-
b.	Undisbursed amount of Housing loan sanctioned.	2,889,398,321	3,239,199,117

39. Foreign Currency Expenditures:

(In Rupees)

Particulars	2013-14	2012-13
License Renewal fees	-	43,639

40. Previous year's figures have been regrouped / restated where necessary, to confirm to the presentation of current year's financial statements.

1 Background

The Company is registered with National Housing Bank as Housing Finance Company without accepting public deposit. The Company is principally engaged in housing finance business.

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards as notified by the Companies (Accounting standard) Rules, 2006 and relevant provisions of the Companies Act, 1956, the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

b Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual result could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c Revenue Recognition

i) **Interest Income**

Repayment of Housing Loan is by way of Equated Monthly Installments (EMI) comprising of principal and interest where interest is collected in monthly installment. Necessary appropriation is made out of these EMI collections to principal and interest. Interest Income on performing assets is recognized on accrual basis and on non- performing assets on realization basis as per guidelines prescribed by the National Housing Bank.

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

ii) Dividend Income

Dividend Income is recognised when the right to receive payment is established.

iii) Loan Processing Fee income

Loan processing fee income is accounted for upfront as and when it becomes due.

iv) Income from assignment / securitization

In case of assignment / securitization of loans, the assets are derecognized when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned/securtised loans. The profit if any, as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment / securitization on a monthly basis.

v) Other Income

In other cases, income is recognized when there is no significant uncertainty as to determination and realization.

d Fixed Asset

Fixed Assets are stated at cost of acquisition less accumulated depreciation and Impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets.

e Intangible Assets

Intangible Assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

f Depreciation/Amortisation

Depreciation on fixed assets other than computer software is provided on Written Down Value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Computer software are amortised on straight line basis over the useful life of the software up to a maximum of five years commencing from the month in which such software is first installed.

g Investments

Investments are classified into current investments and long-term investments . In accordance with the Guidelines issued by National Housing Bank (NHB), current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long term investments. Unquoted investments in the units of Mutual Funds in nature of current investment are valued at the Net Asset Value declared by Mutual Funds in respect of each particular scheme as per the guidelines issued by the NHB.

h Discount on Commercial Papers

The difference between the acquisition cost and the redemption value of commercial papers is apportioned on time basis and recognized as discount expense.

i Provision for Standard Assets, Non Performing Assets(NPA) & Doubtful Debts

Provisions on Standard Assets, Non Performing Assets (NPA) & Doubtful Debts are made in accordance with the Prudential Norms as per Housing Finance Companies (NHB) Directions, 2010.

j Employee Benefits

i) Provident fund

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are charged to the Statement of Profit and Loss.

ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in the return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as on the balance sheet date.
Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

iii) Leave Encashment

Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

The employees of the Company are entitled for compensated absence. The employees can carry forward a portion of the unutilised accrued leave balance and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

k Borrowing costs

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

l Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / (loss) per share are included.

m Provision for Current Tax and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

n Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if such condition exists an asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount is treated as impaired, when carrying cost of assets exceeds its recoverable amount.

o Securitised Assets

Derecognition of Securitised assets in the books of the Company, recognition of gain or loss arising on Securitisation and accounting for credit enhancement provided by the Company is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

p Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

3. Share Capital **(Rupees)**

	As at March 31, 2013		As at March 31, 2012	
a) Authorised:				
75,000,000 Equity Shares of Rs. 10 each (Refer Note 1 bel (March 31, 2012 : 50,000,000 Equity Shares of Rs. 10 each)	**75,00,00,000**		**50,00,00,000**	
50,000,000 Preference Shares of Rs. 10 each (March 31, 2012 : 75,000,000 Preference Shares of Rs. 10 each)	**50,00,00,000**		**75,00,00,000**	
		1,25,00,00,000		**1,25,00,00,000**
b) Issued, Subscribed & Fully Paid up				
65,820,000 Equity Shares of Rs. 10 each (Refer Note 2 below) (March 31, 2012 : 30,000,000 Equity Shares of Rs. 10 each)	**65,82,00,000**		**30,00,00,000**	
2,910,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each (March 31, 2012 : 2,910,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each) (Refer Note (f) (iii) below)	**-**		**2,91,00,000**	
		65,82,00,000		**32,91,00,000**
c) Par Value per Share		**Amount in Rs.**		**Amount in Rs.**
Equity		**10**		**10**
Preference		**-**		**10**

Notes :

1 In terms of the approval of the shareholders obtained at the Extra Ordinary General Meeting of the Company held on January 29, 2013 the Company has reclassified its Authorised Share Capital from Rs.125,000,000 (50,000,000 Equity Shares of Rs. 10 each and 75,000,000 Preference Shares of Rs. 10 each) to 125,000,000 (75,000,000 Equity Shares of Rs. 10 each and 50,000,000 Preference Shares of Rs. 10 each).

2 In terms of the approval of the shareholders obtained at the Extra Ordinary General Meeting of the Company held on January 29, 2013 the Company has issued 3,29,10,000 bonus share to its existing equity share holders in the ratio 1:1. These bonus shares have been issued by capitalising the Securities Premium Account.

		As at March 31, 2013		As at March 31, 2012	
d)	**Reconciliation of Issued, subscribed and fully paid up Share Capital**	**No of Shares**	**Amount in Rs.**	**No of Shares**	**Amount in Rs.**
	Equity Shares				
	Opening Balance	**3,00,00,000**	**30,00,00,000**	**3,00,00,000**	**30,00,00,000**
	Addition during the year				
	Issued upon conversion of Preference shares	**29,10,000**	**2,91,00,000**	**-**	**-**
	Bonus Shares Issued	**3,29,10,000**	**32,91,00,000**	**-**	**-**
	Reduction during the year	**-**	**-**	**-**	**-**
	Closing Balance	**6,58,20,000**	**65,82,00,000**	**3,00,00,000**	**30,00,00,000**
	0% Optionally Convertible / Redeemable Preference Shares				
	Opening Balance	**29,10,000**	**2,91,00,000**	**-**	**-**
	Add : Converted from Cumpulsory Convertible	**-**	**-**	**26,60,000**	**2,66,00,000**
	Add : Issued during the year	**-**	**-**	**2,50,000**	**25,00,000**
	Less : Converted in to Equity Shares	**29,10,000**	**2,91,00,000**	**-**	**-**
	Closing Balance	**-**	**-**	**29,10,000**	**2,91,00,000**

e) Rights, Preferences and Restrictions :

1 Voting Rights :

In case of Equity Shares

w.e.f. April 1, 2011, all the equity share holders of the Company have voting rights only and no rights toward dividend.

In case of Preference Shares :

Preference Share holders have a right to vote only on resolutions which directly affect the rights attached to Preference Shares.

2 Dividends :

The Company has amended its Articles of Association effective from April 1,2011 to insert a new Article 5A to the effect that the Company shall not declare and /or pay dividend on any of its share capital.

f) Terms for Conversion & Repayment of Preference Share Capital

In case of 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each :

(i) Each of the Preference Shares shall be converted into Equity Share of the Company in such fraction or number(s) and in such manner as may be decided by the Board of Directors at their sole discretion, in one or more tranches, at any time on or before the expiry of 6 (Six) years from the date of issue of the Preference Shares by giving a notice of 1(one) month in writing to the preference shareholders and upon such conversion shall rank pari-passu in all respects with the existing equity shares of the Company.

(ii) At the time, conversion of each of the Preference Shares into Equity Share of the Company is proposed by the Board, an option would be given to the preference shareholder to redeem the preference share at a premium to be decided by the Board and intimated to the preference shareholder by giving a notice of 1(one) month in writing.

(iii) As on July 28, 2012 the Company has taken approval from its existing preference share holders and accordingly as on September 10, 2012 converted its existing 29,10,000, 0% Optionally Convertible / Redeemable preference Shares into equivalent number of equity shares of the Company in the ratio of 1:1. Out of the above preference shares 910,000 preference shares were issued on March 30, 2009, 17,50,000 preference shares were issued on March 25, 2010 and balance 2,50,000 preference shares were issued on June 29, 2011 by the Company.

h) Shares held by holding company i.e. Reliance Capital Limited including jointly Held

	As at March 31, 2013			As at March 31, 2012		
Equity Shares	**%**	**No of Shares**	**Amount in Rs.**	**%**	**No of Shares**	**Amount in Rs.**
Reliance Capital Limited	100%	6,58,19,960	65,81,99,600	100%	2,99,99,980	29,99,99,800
Reliance Capital Ltd. and its nominees	0%	40	400	0%	20	200
	100%	6,58,20,000	65,82,00,000	100%	3,00,00,000	30,00,00,000
Optionally Convertible / Redeemable Preference Shares						
Reliance Capital Limited	-	-	-	100%	29,10,000	2,91,00,000
	-	-	-	100%	29,10,000	2,91,00,000

i) Out of the above Equity shares 32,910,000 shares were allotted as fully paid-up as bonus shares to its existing equity share holders in the current year.

4. Reserves and Surplus **(Rupees)**

		As at March 31, 2013		As at March 31, 2012	
a)	**Securities Premium Acccount**				
	As Per Last Balance Sheet	**2,88,09,00,000**		**2,63,34,00,000**	
	Add: On Issue of 0% Optionally Convertible / Redeemable Preference	**-**		**24,75,00,000**	
	Less: Utilised for issue of Bonus Shares	**32,91,00,000**		-	
			2,55,18,00,000		**2,88,09,00,000**
b)	**Special Reserves #**				
	As Per Last Balance Sheet	**14,59,27,693**		**9,30,48,320**	
	Add: Transfer from Surplus in Statement of Profit & Loss	**5,49,65,362**		**5,28,79,373**	
			20,08,93,055		**14,59,27,693**
c)	**Surplus in Statement of Profit & Loss**				
	As Per Last Balance Sheet	**58,16,71,258**		**37,00,17,458**	
	Add: Transfer from Statement of Profit & Loss	**27,48,26,809**		**26,45,33,173**	
	Less : Transfer to Special Reserve	**5,49,65,362**		**5,28,79,373**	
	Less : Preference Dividend (Refer Note 39)	**28,56,000**		**-**	
	Less : Dividend Distribution Tax	**4,63,315**		**-**	
			79,82,13,390		**58,16,71,258**
			3,55,09,06,445		**3,60,84,98,951**

(in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and Section 29C of National Housing Bank Act, 1987)

5. Long-term borrowings **(Rupees)**

	As at March 31, 2013	As at March 31, 2012
Non Convertible Debentures		
Secured (Refer Note 26)	**86,00,00,000**	**-**
Unsecured	**1,18,00,00,000**	**-**
Term Loans from Banks		
Secured (Refer Note 27)	**17,11,20,91,797**	**18,42,40,88,725**
Unsecured	**-**	**-**
	19,15,20,91,797	**18,42,40,88,725**

6. Deferred Tax Liabilities (Rupees)

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred tax Liability disclosed in the Balance Sheet comprises the following :		
a) **Deferred Tax Liability**		
Related to Fixed Assets	**5,45,091**	**9,67,185**
Unamortised Expenditure	**7,09,76,972**	**5,46,75,715**
Special Reserve	**5,26,89,413**	**4,21,70,657**
Total	**12,42,11,476**	**9,78,13,557**
b) **Deferred Tax Asset**		
Disallowance under the Income Tax Act, 1961	**(13,46,845)**	**(16,67,497)**
Provision for NPA/Diminution in the value of Assets	**(7,38,14,631)**	**(5,81,46,060)**
Total	**(7,51,61,476)**	**(5,98,13,557)**
Net Deferred Tax Liabilities/(Asset) (a) - (b)	**4,90,50,000**	**3,80,00,000**

7. Long Term Provisions (Rupees)

	As at March 31, 2013	As at March 31, 2012
a) Provision for Employees Benefits		
Leave Encashment	**27,65,643**	**23,47,138**
Gratuity	**-**	**-**
b) Provision for Standard Assets	**12,65,09,251**	**9,73,58,930**
	12,92,74,894	**9,97,06,068**

8. Short-term borrowings (Rupees)

	As at March 31, 2013	As at March 31, 2012
a) **From Banks**		
- Cash credit facilities - Secured	**-**	**-**
b) **From Others**		
- Commercial Papers - Unsecured	**24,41,67,068**	**44,31,25,415**
	24,41,67,068	**44,31,25,415**

Notes :

1 Cash Credit referred above are secured by pari passu first charge on all standard assets portfolio of present and future book debts, receivable, bills, claims and loan assets of the Company against security not exceeding Rs. 550,000,000.

2 In respect of Commercial Papers referred above, maximum amount outstanding during the year was Rs.450,000,000 (Previous year Rs. 1,546,982,289).

9. Trade Payables (Rupees)

	As at March 31, 2013	As at March 31, 2012
Due to Micro, Medium & Small	-	-
Due to Others	-	-
	-	-

Note:

The management has identified enterprises which has provided goods and services to the Company and which qualify under the definition of medium, micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

10. Other Current Liabilities (Rupees)

		As at March 31, 2013	As at March 31, 2012
a)	Current maturities of long term debts - Secured (Refer Note 27)	**4,31,24,00,000**	**2,12,50,00,000**
b)	Interest accrued and due on borrowings	-	**3,21,903**
c)	Interest accrued and not due on borrowings	**7,54,98,781**	**-**
d)	Advance from Customers	**4,96,23,183**	**7,31,91,923**
e)	Payable under Securitisation / Assignment (Net)	**12,81,65,535**	**6,35,83,506**
f)	Temporary Book Overdraft (Refer Note 1 below)	**1,02,27,83,837**	**45,33,51,261**
g)	Other Payables	**14,86,61,293**	**5,73,20,108**
		5,73,71,32,629	**2,77,27,68,701**

Notes:

1 Temporary Book Overdraft of Rs. 1,022,783,837 (Previous Year Rs. 453,351,261) represents cheques issued towards disbursements to borrowers for Rs. 1,015,482,764 (Previous Year Rs.438,509,773) and cheques issued for payment of expenses of Rs. 7,301,073 (Previous Year Rs.14,841,488), but not encashed as at March 31, 2013.

2 Other Payables includes statutory payments and others liabilities.

11. Short Term Provisions (Rupees)

		As at March 31, 2013		As at March 31, 2012	
a)	Provision for Employees Benefits				
	Leave Encashment	**61,123**		**50,089**	
	Gratuity	**2,74,199**	**3,35,322**	**-**	**50,089**
b)	Provision for Standard Assets		**1,38,49,330**		**41,87,317**
			1,41,84,652		**42,37,406**

RELIANCE HOME FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Note "12"
Fixed Assets

(Rupees)

Sr. No.		Gross Block				Depreciation			Net Block	
		As at April,1 2012	Addition	Deletion	As at March 31, 2013	As at April,1 2012	Depreciation	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
(i)	**Tangible Assets**									
1	Office Equipments	18,300	-	-	18,300	5,854	1,731	7,585	10,715	12,446
2	Office Buildings	6,65,200	-	-	6,65,200	22,446	32,138	54,584	6,10,616	6,42,754
3	Data Processing Machineries	-	50,000	-	50,000	-	15,589	15,589	34,411	-
	Total	**6,83,500**	**50,000**	**-**	**7,33,500**	**28,300**	**49,458**	**77,758**	**6,55,742**	**6,55,200**
	Previous Year	18,300	6,65,200	-	6,83,500	3,843	24,457	28,300	6,55,200	-

(ii)	**Intangible Assets**									
	Computer Software	79,09,647	-	-	79,09,647	45,31,682	15,81,929	61,13,611	17,96,036	33,77,965
	Total	**79,09,647**	**-**	**-**	**79,09,647**	**45,31,682**	**15,81,929**	**61,13,611**	**17,96,036**	**33,77,965**
	Previous Year	79,09,647	**-**	**-**	79,09,647	29,49,753	15,81,929	45,31,682	33,77,965	

Notes :

1 In respect of Intangible Assets :
a) It is other than internally generated.
b) Balance useful life of 1 years. (Previous Years 2 years)

13. Non Current Investments

(Rupees)

	Face Value /Issue Price	Quantity As at March 31, 2013	Quantity As at March 31, 2012	Value As at March 31, 2013	Value As at March 31, 2012
Other Investments - Unquoted, fully paid-					
Pass through Certificates					
Series A2 PTCs of ILSS 4 Trust 2011	1,05,82,460	13	13	13,75,71,973	13,75,71,973
				13,75,71,973	**13,75,71,973**

Notes :

1 **The aggregate value of investments:**

	As at March 31, 2013 Book Value	As at March 31, 2013 Market Value	As at March 31, 2012 Book Value	As at March 31, 2012 Market Value
Quoted	-	-	-	-
Unquoted	13,75,71,973	-	13,75,71,973	-
TOTAL	**13,75,71,973**	**-**	**13,75,71,973**	**-**

2 **The aggregate provision for diminution in the value of investments:**

	As at March 31, 2013	As at March 31, 2012
Quoted	-	-
Unquoted	-	-
TOTAL	**-**	**-**

3 **Basis of Valuation**	As at March 31, 2013	As at March 31, 2012
	at cost	at cost

14. Long Term Loans and Advances

(Rupees)

		As at March 31, 2013		As at March 31, 2012	
a)	Capital Advances (Unsecured)		**-**		**11,04,075**
b)	Security Deposits (Unsecured)		**5,00,000**		**5,000**
c)	Loans (Secured)				
	(i) Considered Good				
	Housing loans :				
	Individuals	**15,04,35,41,937**		**18,29,02,16,698**	
	Others	**5,05,70,04,164**		**3,80,41,79,070**	
	Director of the Company (Refer Note 1 below)	**55,00,000**		**55,00,000**	
	Officer of the Company	**1,03,63,309**		**1,06,26,542**	
			20,11,64,09,410		**22,11,05,22,310**
	Commercial loans		**4,43,51,41,945**		**38,64,87,348**
	(ii) Considered Doubtful				
	Housing loans :				
	Individuals	**31,76,17,492**		**32,92,04,554**	
	Others	**1,05,90,929**		**66,20,002**	
		32,82,08,421		**33,58,24,556**	
	Less: Provision for NPA & Doubtful Debts	**7,89,70,583**		**6,92,30,655**	
			24,92,37,838		**26,65,93,901**
	Commercial loans	**4,62,204**		**4,67,289**	
	Less: Provision for NPA & Doubtful Debts	**1,84,881**		**1,16,822**	
			2,77,323		**3,50,467**
d)	Installments Due (Secured) considered doubtful				
	Principal Overdue	**1,27,91,116**		**83,20,583**	
	Less: Provision for NPA & Doubtful Debts	**81,87,545**	**46,03,571**	**41,55,984**	**41,64,599**
e)	Balance with Service Tax Authorities		**-**		**1,60,400**
f)	Taxes paid [Net off Income tax provision Rs. 43,41,00,000]		**2,02,94,030**		**3,70,58,379**
			24,82,64,64,117		**22,80,64,46,479**

Note:

1 Loan to director was disbursed prior to appointment as a director and no further disbursements have been made post appointment as director.

15. Other Non Current Assets

(Rupees)

		As at March 31, 2013		As at March 31, 2012	
a)	Receivable from Trustee under Securitisation (Secured)		**16,07,76,928**		**11,78,34,515**
b)	Fixed Deposits with banks (Maturity > 12 Months) (kept as credit enhancement towards securitisation/direct assignment)		**60,18,60,496**		**53,50,46,896**
c)	Unamortised Expenditure				
	(i) Unamortised DSA Commission	**15,74,80,336**		**11,85,97,216**	
	Add: Incurred During the Year	**7,33,81,867**		**6,39,59,854**	
	Less: Amortised During the year	**6,95,84,053**		**2,50,76,734**	
		16,12,78,150		**15,74,80,336**	
	Less: to be amortised over the next one year	**1,62,19,848**		**2,88,37,570**	
	(Refer Note 20 (b))		**14,50,58,302**		**12,86,42,766**
	(ii) Unamortised Brokerage on Borrowing	**71,18,789**		**50 83 333**	
	Add: Incurred during the Year	**5 69 40 158**		**48,45,372**	
	Less: Amortised during the year	**65,76,203**		**28,09,916**	
		5,74,82,744		**71,18,789**	
	Less: to be amortised over the next one year	**85,06,636**		**31,69,243**	
	(Refer Note 20 (b))		**4,89,76,108**		**39,49,546**
			95,66,71,834		**78,54,73,723**

16. Current Investments

(Rupees)

	Face Value / Issue Price	Quantity As at March 31, 2013	Quantity As at March 31, 2012	Value As at March 31, 2013	Value As at March 31, 2012
Other Investments - Unquoted, fully paid-up					
Units of Mutual Funds					
Reliance Liquidity Fund -Growth Fund	10	-	1,54,79,876	-	25,00,00,000
				-	**25,00,00,000**

Notes :

1 **The aggregate value of investments:**

	As at March 31, 2013 Book Value	As at March 31, 2013 Market Value	As at March 31, 2012 Book Value	As at March 31, 2012 Market Value
Quoted	-	-	-	-
Unquoted	-	-	25,00,00,000	-
TOTAL	**-**	**-**	**25,00,00,000**	**-**

2 **The aggregate provision for diminution in the value of investments:**

	As at March 31, 2013	As at March 31, 2012
Quoted	-	-
Unquoted	-	-
TOTAL	**-**	**-**

3 **Basis of Valuation**	As at March 31, 2013	As at March 31, 2012
	at cost	at cost

17. Trade Receivables (Rupees)

	As at March 31, 2013	As at March 31, 2012
(Unsecured, Considered Good)		
Others	-	33,25,085
	-	33,25,085

18. Cash & Cash Equivalents (Rupees)

	As at March 31, 2013	As at March 31, 2012
Balance with the Scheduled Banks in Current Accounts	70,94,04,580	49,53,71,281
Cash on hand	11,500	1,28,211
	70,94,16,080	49,54,99,492

19. Short-term loans and advances (Rupees)

		As at March 31, 2013		As at March 31, 2012	
a)	Loans repayments within next 12 months (Secured)				
	Considered Good				
	Housing loans :				
	Individuals	51,31,78,573		50,27,25,068	
	Others	1,45,76,84,876		46,09,89,786	
	Officer of the Company	2,63,234		2,25,370	
			197 11 26 683		96 39 40 224
	Commercial loans		59,76,96,947		1,85,99,996
b)	Installments Due (Secured) considered good		9,05,84,903		2,30,48,893
c)	Prepaid expenses (Unsecured)		51,31,099		18,59,478
d)	Sundry Advances (Unsecured)		21,38,496		64,86,264
			2,66,66,78,128		1,01,39,34,855

20. Other Current Assets (Rupees)

		As at March 31, 2013		As at March 31, 2012	
a)	Interest Accrued on				
	Investments	6,43,407		6,56,613	
	Fixed Deposits	81,98,732		38,93,510	
	Loans and advances	20,21,84,952		18,66,83,558	
			21,10,27,091		19,12,33,681
b)	Unamortised Expenditure				
	Unamortised DSA Commission	1,62,19,848		2,88,37,570	
	Unamortised Brokerage on Borrowing	85,06,636		31,69,243	
			2,47,26,484		3,20,06,813
			23,57,53,575		22,32,40,494

21. Revenue from operation (Rupees)

		2012-13		2011-12	
a)	**Interest Income**				
	Interest On:				
	Housing and Other Loans	3,26,78,28,680		3,14,64,33,446	
	Fixed Deposit	5,15,27,711		2,36,98,446	
	Long term Investments	1,39,36,254		1,33,62,150	
			3,33,32,92,645		3,18,34,94,042
b)	**Other Financial Income**				
	Processing Fee Income	20,30,81,638		14,39,56,511	
	Foreclosure & Other Operating Charges	1,62,79,345		5,25,57,860	
	Brokerage Commission on property solution	2,70,85,741		3,27,70,760	
		24,64,46,724		22,92,85,131	
	Less : Service tax recovered	2,37,95,291		2,14,11,032	
			22,26,51,433		20,78,74,099
			3,55,59,44,078		3,39,13,68,141

22. Other Income (Rupees)

		2012-13	2011-12
a)	Profit on Sale of Current Investments (Net)	5,09,28,676	-
b)	Interest on Income tax refund	-	1,82,124
c)	Miscellaneous Income	8,32,216	-
d)	Bad Debts Recovered	37,24,737	-
		5,54,85,629	1,82,124

23. Employee Benefits Expense (Rupees)

	2012-13	2011-12
Payments to and Provision for Employees		
- Salary & Bonus etc	25,76,13,583	23,51,64,682
- Contribution to Provident fund and other Funds	1,20,40,740	1,06,79,875
- Staff Welfare & other Amenities	53,73,027	1,08,12,218
	27,50,27,350	25,66,56,775

24. Finance Cost (Rupees)

		2012-13		2011-12	
a)	Interest Expense				
	Term Loan From Banks	2,43,82,03,199		2,11,81,36,336	
	Cash Credit from Banks	14,15,403		3,48,52,120	
	Non Convertible Debentures	7,59,22,343		-	
	Body Corporates	25,90,331		9,18,29,471	
			2,51,81,31,276		2,24,48,17,927
b)	Other Borrowing Cost				
	Amortised Brokerage (Refer Note"15 (c)(ii)")	65,76,203		28,09,916	
	Discount on Commercial Paper	1,70,81,953		7,53,33,892	
	Processing Charges	4,41,314		22,87,646	
			2,40,99,470		8,04,31,454
			2,54,22,30,746		2,32,52,49,381

25. Other expenses **(Rupees)**

	2012-13	2011-12
Auditor's Remuneration (Refer Note 32)	**8,00,000**	**5,00,000**
Bank Charges	**17,22,780**	**11,60,322**
Credit Cost	**1,15,37,141**	**77,31,090**
Collection Cost	**9,18,701**	**8,19,269**
Directors' Sitting Fees	**3,34,832**	**1,60,000**
Amortised DSA Commission (Refer Note"15 (c)(i)")	**6,95,84,053**	**2,50,76,734**
Electricity	**6,345**	**27,20,967**
Infrastructure Cost #	**3,37,08,000**	**1,37,76,474**
Lease Rental	**-**	**2,96,95,116**
Legal & Professional Fees	**3,72,00,468**	**4,70,83,032**
Marketing Expenses	**6,57,26,527**	**7,91,77,205**
Management Expenses	**3,18,54,000**	**3,33,83,336**
Miscellaneous Expenses	**85,18,339**	**49,96,004**
Interest on income tax	**-**	**3,41,601**
Postage ,Telegram & Telephone	**13,98,930**	**39,98,913**
Printing and Stationary	**15,10,539**	**43,71,918**
Rates and Taxes	**25,40,635**	**16,71,103**
Repairs & Maintenance-Others	**1,18,44,524**	**2,85,05,818**
Travel & Conveyance	**1,96,04,560**	**1,69,32,112**
Bad Debts Written Off	**1,48,45,202**	**1,39,00,846**
Provision for Standard Asset	**3,88,12,334**	**7,75,78,372**
Provision for NPA & Doubtful Debts	**1,98,35,670**	**1,78,49,318**
	37,23,03,580	**41,14,29,550**

Note:

According to the agreement entered into by the Company with its holding company i.e. Reliance Capital Limited for utilizing their office premises including all other amenities and infrastructure at various locations the Company has paid Infrastructure Cost to RCL.

26. Security clause, Maturity Profile & Rate of interest in respect of Non Convertible Debentures

a Secured Non Convertible Debentures referred above are secured by way of first pari passu legal mortgage and charge over the premises situated at Bharuch and additional pari passu charge by way of hypothication on the present and future books debts/receivables, outstanding money (loan book), receivable claims of the Company with other secured lenders, except those book debts and recievables charged/ to be charged in favour of National Housing Bank for refinance availed/ to be availed from them, of Home Finance Business subject to maintenance of minimum asset coverage of 100% of issue amount.

b **Maturity profile of Non Convertible Debentures are as set out below;**

Rate of Interest	2014-15	2015-16	2017-18	2022-23	Total
10.00%	5,00,00,000	15,00,00,000	40,00,00,000	16,00,00,000	76,00,00,000
10.10%	-	-	20,00,00,000	-	20,00,00,000
10.15%	-	5,00,00,000	-	-	5,00,00,000
10.33%	-	-	-	45,00,00,000	45,00,00,000
10.40%	-	-	-	50,00,00,000	50,00,00,000
10.60%	-	-	-	8,00,00,000	8,00,00,000
Total	**5,00,00,000**	**20,00,00,000**	**60,00,00,000**	**1,19,00,00,000**	**2,04,00,00,000**

27. Security clause & Maturty Profile in respect to secured loans from banks

Term loans referred in Note "5" and current matuirty of long term debts (Refer Note "10 (a)") includes :

a Term loan Rs. 16,949,393,533 (Previous year Rs. 15,248,766,808) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs. 18,797,220,163 (Previous year Rs. 17,076,616,884).

b Term loan Rs. 1,000,000,000 (Previous year Rs. 1,000,000,000) secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs. 1,100,000,000 (Previous year Rs. 1,100,000,000).

c Term loan Rs. 1,875,098,264 (Previous year Rs. 2,500,000,000) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 2,062,608,090 (Previous year Rs. 2,750,000,000).

d Term loan Rs. 1,600,000,000 (Previous year Rs. 1,800,321,917) secured secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 1,920,000,000 (Previous year Rs. 2,160,386,300).

e **Maturity profile of Secured term loans from banks are as set out below;**

(Amount in Rs)

Year	Principal Repayment
2013-14	4,31,24,00,000
2014-15	5,78,66,91,797
2015-16	6,09,58,00,000
2016-17	3,89,60,00,000
2017-18	1,33,36,00,000
Grand Total	**21,42,44,91,797**

28. As on April 26, 2010 the Company had entered into Business Transfer Agreements ('BTA') with its holding company i.e. Reliance Capital Limited ('RCL') to transfer the RCL's home finance business to the Company at book value, such that the entire economic risk and reward of the RCL's home finance business passes to the Company from the commencement of business on the value date i.e. April 1, 2010. As on January 31, 2011 the BTA further amended between the Company and Reliance Capital Ltd. As per the amended BTA with RCL:

a) The RCL holds loan assets of Rs. 105,591,590 (Previous year Rs. 424,026,006) of the Company in the capacity of trust as on March 31, 2013.

b) During the year the Company has taken the following assets, income and expenses from the RCL :
   i) Unamortized DSA Commission of Rs. 7,50,750 (Previous year Rs. 1,596,221)
   ii) Interest & other income of Rs. 30,091,932 (Previous year Rs. 109,561,344)
   iii) Interest & other expenses of Rs. 31,811,133 (Previous year Rs. 92,075,551)
   iv) DSA commission expense of Rs. Nil (Previous year Rs. 133,805)

29. a) During the year the Company has entered into one agreement on August 1, 2012 (Previous year one agreement on October 7, 2011) with its holding company i.e. Reliance Capital Limited (RCL) for loans assignment from RCL. As per deed of assignment, for loans aggregating to Rs. 253,055,124 (Previous year Rs. 492,614,734) the Company has been assigned the right to future receivables along with a power of attorney authorizing the Company, inter-alia, to obtain possession of the property in case of default. The above loans are secured against mortgage of Housing property.

b) During the year the Company has entered into Nil agreements on various dates (Previous year six agreements on various dates) with RCL for loans assignment to RCL. As per deed of assignment, Rs. Nil (Previous year Rs. 7,034,907,193) the Company assigned the right to future receivables along with a power of attorney authorizing the Company, inter-alia, to obtain possession of the property in case of default.

30. During the year the Company sold loans through securitisation and direct assignment.

a) The information related to securitisation and assignment made by the Company, as an originator is given below:

Particulars	Unit	Securitisation	Assignment	Total
		Outside	Outside	Outside
Total number of loan assets Securitized / Assigned	Nos.	526 (-)	228 (1,898)	754 (1,898)
Total book value of loan assets Securitized / Assigned	Rs.	655,035,243 (-)	1,149,001,569 (2,149,773,678)	1,804,036,812 (2,149,773,678)
Sale consideration received for the Securitized / Assigned assets	Rs.	655,035,243 (-)	1,149,001,569 (2,149,773,678)	1,804,036,812 (2,149,773,678)
Net gain on account of Securitization / Assigned	Rs.	- (-)	- (-)	- (-)
Outstanding Credit Enhancement (Funded)	Rs.	321,413,600 (254,600,000)	280,446,896 (280,446,896)	601,860,496 (535,046,896)
Outstanding Liquidity Facility	Rs.	- (-)	- (-)	- (-)
Net Outstanding Servicing Liability	Rs.	43,091,677 (27,569,422)	85,073,858 (34,376,602)	128,165,535 (61,946,024)

Note : Figures in bracket represent previous year's figures.

b) Disclosures for Securitisation Transactions :

(i) Securitisation :

Sr. No.	Particulars	As on 31st March 2013 (No. / Amount in Rs.)	As on 31st March 2012 (No. / Amount in Rs.)
1	No of SPVs sponsored by the Company for Securitisation Transactions	2	1
2	As on March 31, 2013, total amount of securitised assets as per books of the SPVs sponsored by the Company	1,102,522,347	723,588,585
3	Total amount of exposures retained by the Company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		

	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	66,813,600	-
	• Others	-	-
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	254,600,000	254,600,000
	• Others	137,571,973	137,571,973
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-

(ii) Direct Assignments :

Sr. No.	Particulars	As on 31st March 2013 (No. / Amount in Rs.)	As on 31st March 2012 (No. / Amount in Rs.)
1	No of Direct Assignments	8	7
2	Total amount of assigned assets as per books of the Assignor	4,729,683,533	6,400,865,061
3	Total amount of exposures retained by the Assignor to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	-
	• Others	11,49,00,157	-
4	Amount of exposures to Assignment transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own Assignments		
	• First loss	280,446,896	280,446,896
	• Others	-	-
	ii) Exposure to third party Assignments		
	• First loss	-	-
	• Others	-	-

31. In the opinion of management, all assets other than fixed asset and non-current investments are approximately of the value stated if realised in the ordinary course of business.

32. Auditors' Remuneration :

(In Rupees)

Particulars	2012-13	2011-12
i) Audit Fees	600,000	300,000
ii) Tax Audit Fees	200,000	100,000
iii) Certification Fees	-	100,000
Total	**800,000**	**500,000**

33. Employee Benefits :

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(In Rupees)

Particulars	2012-13	2011-12
i) Employer's Contribution to Provident Fund and LWF	7,057,489	6,984,461
ii) Employer's Contribution to Superannuation Fund	-	23,064
iii) Employer's Contribution to Pension Scheme	1,592,991	1,805,332
Total	**8,650,480**	**8,812,857**

b) Defined Benefit plans

The following table summarise the components of the net employee benefit expenses recognised in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan and leave encashment plan. The said information is based on certificates provided by the actuary.

Gratuity (Funded)

(In Rupees)

PARTICULARS	2012-13	2011-2012
I. Assumptions :		
Discount Rate	8.00%	8.50%
Rate of Return on Plan Assets	8.00%	8.50%
Salary Escalation	5.00%	5.00%
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	4,402,671	2,625,588
Interest Cost	374,227	216,611
Current Service Cost	1,409,327	1,523,363
Benefit Paid	(926,448)	-
Actuarial (gain)/loss on obligations	1,942,426	37,110
Liability at the end of the Year	7,202,203	4,402,671
III. Tables of Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	4,415,140	-
Expected Return on Plan Assets	375,287	-
Contributions	3,103,593	4,505,074
Benefit Paid	(926,448)	-
Actuarial gain/(loss) on Plan Assets	(39,568)	(89,934)
Fair Value of Plan Assets at the end of the Year	6,928,004	4,415140
Total Actuarial Gain/(Loss) To Be Recognised	1,981,994	(127,043)
IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	375,287	-
Actuarial gain/(loss) on Plan Assets	(39,568)	(89,934)
Actual Return on Plan Assets	335,719	(89,934)
V. Amount Recognised in the Balance Sheet :		

Liability at the end of the Year	6,928,004	4,402,671
Fair Value of Plan Assets at the end of the Year	(7,202,203)	4,415,140
Difference	(274,199)	12,469
Amount Recognised in the Balance Sheet	(274,199)	12,469
VI. Expenses Recognised in the Statement of Profit & Loss :		
Current Service Cost	1,409,327	1,523,363
Interest Cost	374,227	216,611
Expected Return on Plan Assets	(375,287)	-
Actuarial (Gain)/Loss	1,981,994	(127,043)
Expense Recognised in Statement of Profit & Loss	3,390,261	1,867,018
VII. Amount Recognised in the Balance Sheet :		
Opening net liability	(12,469)	2,625,588
Expense as above	3,390,261	1,867,018
Employers Contribution	(3,103,593)	(4,505,074)
Amount Recognised in Balance Sheet	2,74,199	(12,469)
VIII. Experience Adjustment		
Plan Assets	-	-
Defined benefit obligations	-	-
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	-	-
Experience adjustment on Plan Assets	(39,568)	(89,934)
Experience adjustment on Plan Liabilities	1,134,484	212,254

Leave Encashment (Unfunded)

(In Rupees)

PARTICULARS	2012-2013	2011-2012
I. Assumptions :		
Discount Rate	8.00%	8.50%
Salary Escalation Current Year	5.00%	5.00%
II. Table Showing Changes in present value of Obligation :		
PVO at the beginning of the Year	2,397,227	2,712,195
Interest Cost	1,76,280	172,556
Current Service Cost	724,124	723,456
Benefit Paid	(646,801)	(822,904)
Actuarial (gain)/loss on obligations	175,886	(388,076)
PVO at the end of the Year	2,826,766	2,397,227
III. Tables of Changes in fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions	646,801	822,904
Benefit Paid	(646,801)	(822,904)
Actuarial gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets at end of year	-	-
IV. Expenses Recognised in the Statement of Profit & Loss:		
Fair Value of Plan Assets at the beginning of the Year	-	-

Actual Return on Plan Assets	-	-
Contributions	646,801	822,904
Benefit Paid	(646,801)	(822,904)
Fair Value of plan Assets at end of year	-	-
Funded Status	(2,826,766)	(2,397,227)
Excess of actual over estimated return on Plan Asset	-	-
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (obligation)	(175,886)	388,076
Actuarial Gain/(Loss) for the year (Plan Asset)	-	-
Total Gain/(Loss) for the year	(175,886)	388,076
Actuarial gain/(Loss) recognized for the year	(175,886)	388,076
Unrecognised Acturial Gain/(Loss) at the end of the Year	-	-
VI. Expenses Recognised in the Statement of Profit & Loss:		
Current Service Cost	724,124	723,456
Interest Cost	176,280	172,556
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised	175,886	(388,076)
Expense Recognised in Statement of Profit & Loss	1,076,290	507,936
VII. Amount Recognised in the Balance Sheet :		
PVO at the end of Year	2,826,766	2,397,227
Fair Value of Plan Assets at end of Year	-	-
Funded Status	(2,826,766)	(2,397,227)
Unrecognized Acturial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in balance sheet	(2,826,766)	(2,397,227)
VIII. Movement in the Liability recognized in Balance Sheet		
Opening net Liability	23,97,227	2,712,195
Expenses as above	1,076,290	507,936
Contribution paid	(646,801)	(822,904)
Closing Net Liability	2,826,766	2,397,227
IX. Experience Adjustment		
Plan Assets at the end of year	-	-
Defined benefit obligations at the end of year	2,826,766	2,397,227
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	(2,826,766)	(2,397,227)
Experience adjustment on Plan Assets	-	-
Experience adjustment on Plan Liabilities	175,886	(388,076)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

34. Segment Reporting:

The Company is mainly engaged in the housing finance business, all other activities revolve around the main business of the Company and as such there is no separate reportable segment as specified in Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounting Standards) Rules, 2006.

35. Related Party Disclosures:

a) List of the Related Parties and their relationship:

Name of the Party	Relationship	Remark
Reliance Innoventures Private Limited	Ultimate Holding Company	
Reliance Capital Limited	Holding company	
Shri K. Suresh Kumar	Key Managerial Personnel	W.e.f. April 28, 2012

Shri K.V.Srinivasan	Key Managerial Personnel	Upto April 28, 2012

b) Transactions during the year with related parties

(In Rupees)

Particulars	2012-2013	2011-2012
i) With Holding Company:		
Share Capital		
Preference Share Capital issued during the year (Including Securities Premium)	-	250,000,000
Conversion of Preference shares into equity shares during the year	29,100,000	-
Bonus shares issued during the year	329,100,000	-
Balance as at the end of year (Equity & Preference other than Securities Premium)	658,200,000	329,100,000
Loans		
Assignment of Loan Taken	253,055,124	492,614,734
Purchase consideration paid	253,055,124	492,614,734
Assignment of Loan Given	-	7,034,907,193
Purchase Consideration received	-	7,034,907,193
Unamortised DSA Commission transferred from	750,750	1,596,221
Unamortised DSA Commission transferred to	-	18,826,713
Expenses		
Infrastructure Cost & Other Expenditures (Net of Recovery of Other Expenditures)	33,708,000	66,766,674
Management Fees	31,854,000	33,383,336
Other Expenses transferred under BTA	6,158,723	379,885
Interest Expense transferred under BTA	25,652,410	91,829,471
Income		
Interest & Other Income transferred under BTA	30,091,932	109,561,344
Dividend Paid		
Dividend on Preference Shares	2,856,000	-
ii)With Key Managerial Personnel :		
Loans outstanding as at March 31	10,626,543	5,500,000
Loans Repayments during the year	225,369	-
Interest Accrued on Loans and advances	42,506	-
Income		
Interest Income during the year	981,463	508,752
Expenses		
Managerial Remuneration	57,68,119	-

Note:
The above disclosed transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.

36. Basic and Diluted Earnings Per Share:
For the purpose of calculation of Basic & Diluted Earnings per Share the following amounts have been considered:

(In Rupees)

	Particular	2012-13	2011-12
a)	Amount used as the numerators		
	Net Profit/(Loss) available for Equity shareholder	274,826,809	264,533,173
b)	Weighted average number of equity shares (nos.)	64,528,438	62,910,000
c)	Basic & Diluted Earnings Per Share (Rs.)	4.26	4.20

Note:
The weighted average number of equity shares for the year 2011-12 have been change on account of bonus shares issued by the Company during the year.

37. Disclosure of details as required by Para 29 of the Housing Finance Companies (NHB) Directions, 2010. (As certified by the management).

a) The total provisions made for substandard, doubtful and loss assets and depreciation in investments carried by the Company in terms of paragraph 29(2) and (3) of the Housing Finance Companies (NHB) Directions, 2010 is as follows:

(In Rupees)

Particulars	Housing Finance		Non-Housing Finance	
	Outstanding Balance as at March 31, 2013	Provision as at March 31, 2013	Outstanding Balance as at March 31, 2013	Provision as at March 31, 2013
Standard Asset	22,177,506,629 (23,097,511,427)	93,743,631 (96,325,958)	5,033,453,258 (405,087,344)	46,614,950 (5,220,289)
Sub-Standard Assets	87,245,123 (208,479,140)	13,453,085 (29,589,931)	- (-)	2,573,625 (-)
Doubtful Assets	253,738,118 (135,654,787)	69,620,986 (43,793,905)	478,500 (478,500)	1,695,313 (119,625)
Loss Assets	- (-)	- (-)	- (-)	- (-)
Provision for Depreciation in Investments	- (-)	- (-)	- (-)	- (-)

Note:

i) Provision for substandard assets lying in housing finance as well as Non Housing Finance loans & advances includes Rs.2,939,941 related to loans & advances, which were transferred under securitisation /assignment deals.

ii) Figures in bracket represent previous year's figures.

b) Disclosure regarding penalty or adverse comments in terms of paragraph 29(5) of the Housing Finance Companies (NHB) Directions, 2010 is as follows :

During the year there is no penalty imposed by National Housing Bank.

38. Disclosure regarding provision made for Asset Liability Management (ALM) system for the Housing Finance Companies as per NHB Circular NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010.

(I) Capital to Risk Asset Ratio (CRAR)

Items	As at March 31, 2013	As at March 31, 2012
CRAR (%)	17.55%	14.21%
CRAR - Tier I capital (%)	12.92%	13.70%
CRAR - Tier II capital (%)	4.63%	0.52%

(II) **Exposure to real estate sector, both direct and indirect:**

(In Rupees)

a)	Direct Exposure			As at March 31, 2013	As at March 31, 2012
	(i)	Residential Mortgage			
		Individual Housing Loan up to 15 lakhs		1,436,511,750	1,198,892,198
		Individual Housing Loan More than 15 lakhs		14,302,769,902	17,970,832,465
	(ii)	Commercial Real Estate		659,706,537	20,417,403
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –			
		(a)	Residential	5,669,137	5,669,137
		(b)	Commercial	131,902,836	131,902,836
b)	**Indirect Exposure** Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).			-	-

Notes:

(i) The direct exposure given in (i) & (ii) represents loans & advances outstanding at the year end, without netting off the Provision for NPA & Doubtful Debts.

(ii) The bifurcation of investments in Mortgage Backed Securities (MBS) and other securitised exposures between residential and commercial is based on nature of underlying loan assets. The same has been relied upon by auditors.

(III) Maturity Patterns of Items of Assets & Liabilities

(In Rupees)

Year	Liabilities As at March 31, 2013		Assets As at March 31, 2013	
	Borrowings from Bank	Market Borrowings	Loans & Advances	Investments
1 day to 30/31 day	- (-)	148,859,436 (-)	253,325,816 (73,287,784)	- (250,000,000)
Over 1 month to 2 months	- (-)	- (346,333,426)	258,309,701 (91,676,097)	- (-)
Over 2 month to 3 months	606,200,000 (200,000,000)	- (-)	261,601,904 (89,131,768)	- (-)
Over 3 month to 6 months	1,750,000,000 (250,000,000)	- (96,791,989)	740,173,542 (272,484,235)	- (-)
Over 6 month to 1 Year	1,956,200,000 (1,675,000,000)	95,307,632 (-)	1,145,997,569 (479,009,229)	- (-)
Over 1 year to 3 Year	11,882,491,797 (9,932,370,796)	250,000,000 (-)	2,464,949,920 (1,504,598,189)	54,877,575 (-)
Over 3 year to 5 Year	5,229,600,000 (7,991,717,929)	600,000,000 (-)	2,067,781,162 (1,640,125,402)	82,694,399 (-)
Over 5 Year to 7 years	- (500,000,000)	- (-)	2,475,498,597 (1,904,030,760)	- (137,571,973)
Over 7 Year to 10 years	- (-)	1,190,000,000 (-)	3,961,083,142 (3,313,145,881)	- (-)
Over 10 years	- (-)	- (-)	13,836,357,267 (14,406,218,392)	- (-)
Total	**21,424,491,797** **(20,549,088,725)**	**2,284,167,068** **(443,125,415)**	**27,465,078,619** **(23,773,707,737)**	**137,571,974** **(387,571,973)**

Notes:

i) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

ii) The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for assets-liabilities management (ALM) system for housing finance companies issued by NHB, best practices and best estimate of the Assets-Liability Committee / management with regard to the timing of various cash flows, which has been relied upon by the auditors. The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Revised Schedule VI to the Companies Act, 1956.

iii) Figures in bracket represent previous year's figures.

39. As on July 28, 2012, all the existing 29,10,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each were converted into equity shares. As per the terms & conditions of preference shares, the preference shares holders were entitled to receive accumulated dividend at the time of conversion resultants as on February 15, 2013 the Company has paid accumulated dividend amounting to Rs. 28,56,000 for the financial year 2009 - 10 and 2010 – 11 to the preference share holders.

40. Disclosure of loans/advances and investments in its subsidiaries, associates etc. in terms of the Listing Agreement of Debt Securities with the Stock Exchanges. (As certified by the management)

Particulars		Outstanding Balances		Maximum Balance Outstanding	
		As at March 31, 2013	As at March 31, 2012	2012-13	2011-12
i)	Loans and advances in the nature of loans to subsidiaries	-	-	-	-
ii)	Loans and advances in the nature of loans to associates	-	-	-	-
iii)	Loans and advances in the nature of loans where there is : a) No repayment schedule or repayment beyond seven years	-	-	-	-
	b) No interest or interest below section 372A of the Companies Act, 1956	Not Applicable pursuant to provision of Section 372A(8)(a)(i) of the Companies Act, 1956			
iv)	Loans and advances in nature of loans to firms/companies in which directors are interest	-	-	-	-
v)	Investments by the loanee (borrower) in the shares of parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan.				

41. Contingent Liabilities/Commitments: (As certified by the management)

(In Rupees)

	Particulars	As at March 31, 2013	As at March 31, 2012
Contingent Liabilities :			
a.	Arrears of Dividend on 8% Compulsory Convertible Preference Shares of Rs. 10 each. 2009 Issue [2nd year of arrears (Previous year 1st year of arrears)]	-	1,456,000
	2010 Issue [1st year of arrears (Previous year Nil year of arrears)]	-	1,400,000
b.	Case against the Company not acknowledge as Debts	94,861	-
Commitments :			
a.	Estimated amount of contracts remaining to be executed on capital account (net of advances).	-	1,104,075
b.	Undisbursed amount of Housing loan sanctioned.	3,239,199,117	2,277,939,997

42. Foreign Currency Expenditures:

(In Rupees)

Particulars	2012-13	2011-12
License Renewal fees	43,639	-

43. Previous year's figures have been regrouped / restated where necessary, to confirm to the presentation of current year's financial statements.

Notes to the financial statements for the year ended March 31, 2012

1 Background

The Company is registered with National Housing Bank as Housing Financial Company without accepting public deposit. The Company is principally engaged in housing finance business.

2 Significant Accounting Policies

a Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards as notified by the Companies (Accounting standard) Rules, 2006 and relevant provisions of the Companies Act, 1956, the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

b Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual result could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c Revenue Recognition

i) **Interest Income**

Repayment of Housing Loan is by way of Equated Monthly Installments (EMI) comprising of principal and interest where interest is collected in monthly installment. Necessary appropriation is made out of these EMI collections to principal and interest. Interest Income on performing assets is recognized on accrual basis and on non- performing assets on realization basis as per guidelines prescribed by the National Housing Bank.

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

ii) Dividend Income

Dividend Income is recognised when the right to receive payment is established.

iii) Loan Processing Fee income

Loan processing fee income is recognised as and when it becomes due.

iv) Income from assignment / securitization

a)In case of assignment of loans, the assets are derecognized when all the rights, title, future receivables and interest thereof along with all the risks and rewards of ownership are transferred to the purchasers of assigned loans. On de-recognition, the difference between book value of the receivables assigned and consideration received, as reduced by the estimated provision for loss/expenses and incidental expenses related to the transaction, is recognised as gain or loss arising on assignment.

b)In case of securitization of loans, the transferred loans are de-recognised and gains/losses are accounted for only if the company surrenders the rights to benefits specified in the underlying securitized loan contract.

v) Other Income

In other cases, income is recognized when there is no significant uncertainty as to determination and realization.

d Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation and Impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets.

e Intangible Assets

Intangible Assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortisation.

f Depreciation/Amortisation

(i) Depreciation on Tangible assets are provided on Written Down Value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

(ii) Intangible assets are amortised on straight line basis over the useful life of the software up to a maximum of five years commencing from the month in which such software is first installed.

g Investments

Investments are classified into current investments and long-term investments . In accordance with the Guidelines issued by National Housing Bank (NHB), current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long term investments. Unquoted investments in the units of Mutual Funds in nature of current investment are valued at the Net Asset Value declared by Mutual Funds in respect of each particular scheme as per the guidelines issued by the NHB.

h Discount on Commercial Papers

The difference between the acquisition cost and the redemption value of commercial papers is apportioned on time basis and recognized as discount expense.

i Provision for Standard Assets, Non Performing Assets(NPA) & Doubtful Debts

Provisions on Standard Assets, Non Performing Assets (NPA) & Doubtful Debts are made in accordance with the Prudential Norms as per Housing Finance Companies (NHB) Directions, 2010.

j Employee Benefits

i) Provident fund

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are charged to the statement of Profit and Loss.

ii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in the return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as on the balance sheet date.

Actuarial gains and losses are recognised immediately in the statement of profit and Loss.

iii) Leave Encashment

Leave encashment which is a defined benefit, is accrued for based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

The employees of the Company are entitled for compensated absence. The employees can carry forward a portion of the unutilised accrued leave balance and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

k Borrowing costs

Borrowing costs, which are directly attributable to the acquisition / construction of fixed assets, till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

l Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / (loss) per share are included.

Notes to the financial statements for the year ended March 31, 2012

m Provision for Current Tax and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

n Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired, if such condition exists an asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount is treated as impaired, when carrying cost of assets exceeds its recoverable amount.

o Securitised Assets

Derecognition of Securitised assets in the books of the Company, recognition of gain or loss arising on Securitisation and accounting for credit enhancement provided by the Company is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

p Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(Rupees)

	As at March 31, 2012		As at March 31, 2011	
3. Share Capital				
a) Authorised:				
50,000,000 Equity Shares of Rs. 10 each	**50,00,00,000**		**50,00,00,000**	
(March 31, 2011 : 50,000,000 Equity Shares of Rs. 10 each)				
75,000,000 Preference Shares of Rs. 10 each	**75,00,00,000**		**75,00,00,000**	
(March 31, 2011 : 75,000,000 Preference Shares of Rs. 10 each)				
		1,25,00,00,000		**1,25,00,00,000**
b) Issued, Subscribed & Paid up				
30,000,000 Equity Shares of Rs. 10 each fully paid	**30,00,00,000**		**30,00,00,000**	
(March 31, 2011 : 30,000,000 Equity Shares of Rs. 10 each)				
- 8% Compulsory Convertible Preference Shares of Rs. 10 each fully paid	**-**		**2,66,00,000**	
(March 31, 2011 : 2,660,000 8% Compulsory Convertible Preference Shares of Rs. 10 each)				
2,910,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each fully paid	**2,91,00,000**		**-**	
(March 31, 2011 : Nil 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each)				
		32,91,00,000		**32,66,00,000**
c) Par Value per Share		**Amount in Rs.**		**Amount in Rs.**
Equity		**10**		**10**
Preference		**10**		**10**

d) Reconciliation of Issued, subscribed and fully paid up Share Capital

	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity Shares				
Opening Balance	**3,00,00,000**	**30,00,00,000**	**3,00,00,000**	**30,00,00,000**
Addition during the year	**-**	**-**	**-**	**-**
Reduction during the year	**-**	**-**	**-**	**-**
Closing Balance	**3,00,00,000**	**30,00,00,000**	**3,00,00,000**	**30,00,00,000**
8% Compulsory Convertible Preference Shares				
Opening Balance	**26,60,000**	**2,66,00,000**	**26,60,000**	**2,66,00,000**
Add : Issued during the year	**-**	**-**	**-**	**-**
Less : Converted into Optionally Convertible	**26,60,000**	**2,66,00,000**	**-**	**-**
Closing Balance	**-**	**-**	**26,60,000**	**2,66,00,000**
0% Optionally Convertible / Redeemable Preference Shares				
Opening Balance	**-**	**-**	**-**	**-**
Add : Converted from Cumpulsory Convertible	**26,60,000**	**2,66,00,000**	**-**	**-**
Add : Issued during the year	**2,50,000**	**25,00,000**	**-**	**-**
Closing Balance	**29,10,000**	**2,91,00,000**	**-**	**-**

e) Rights, Preferences and Restrictions :

1 In case of Equity Shares

Voting Rights :

w.e.f. April 1, 2011, all the equity share holders of the Company have voting rights only and no rights toward dividend.

2 In case of Preference Shares :

Voting Rights :

Preference Share holders have a right to vote only on resolutions which directly affect the rights attached to Preference Shares.

3 Dividend :

The Company has amended its Articles of Association effective from April 1,2011 to insert a new Article 5A to the effect that the Company shall not declare and /or pay dividends on any of its share capital.

f) Repayment & Conversion Ratio

a. 910,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each are optionally convertible on or before 6 years from the date of allotment i.e. March 30, 2009.

b. 17,50,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each are optionally convertible on or before 6 years from the date of allotment i.e. March 25, 2010.

c. 2,50,000 0% Optionally Convertible / Redeemable Preference Shares of Rs. 10 each are optionally convertible on or before 6 years from the date of allotment i.e. June 29,2011.

d. 8% Compulsory Convertible Preference Shares issued on March 30, 2009 & March 25, 2010 have been converted in to 0% optionally convertible /redeemable Preference Shares w.e.f. 1st April, 2011.

g) Terms for Conversion of Preference Shares

(a) Each of the Preference Shares shall be converted into Equity Share of the Company in such fraction or number(s) and in such manner as may be decided by the Board of Directors at their sole discretion, in one or more tranches, at any time on or before the expiry of 6 (Six) years from the date of issue of the Preference Shares by giving a notice of 1(one) month in writing to the preference shareholders and upon such conversion shall rank pari-passu in all respects with the existing equity shares of the Company.

(b)At the time of conversion of each of the Preference Shares into Equity Share of the Company is proposed by the Board, an option would be given to the preference shareholder to redeem the preference share at a premium to be decided by the Board and intimated to the preference shareholder by giving a notice of 1(one) month in writing.

h) Shares held by holding company i.e. Reliance Capital Limited including jointly Held

		As at March 31, 2012		As at March 31, 2011	
	%	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity Shares	100%	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000

(Out of the above equity shares, 20 equity shares (Previous year 20 equity shares) are held jointly by Reliance Capital Ltd. and its nominees.)

0% Optionally Convertible / Redeemable Preference Shares	100%	29,10,000	2,91,00,000	26,60,000	2,66,00,000

(All the above preference shares are held by Reliance Capital Ltd.)

(Rupees)

	As at March 31, 2012		As at March 31, 2011	
4. Reserves and Surplus				
a) Securities Premium Acccount				
As Per Last Balance Sheet	**2,63,34,00,000**		**2,63,34,00,000**	
Add: On Issue of 0% Optionally Convertible / Redeemable Preference	**24,75,00,000**		**-**	
		2,88,09,00,000		**2,63,34,00,000**
b) Special Reserves #				
As Per Last Balance Sheet	**9,30,48,320**		**1,06,31,885**	
Add: Transfer from Surplus in Statement of Profit & Loss	**5,28,79,373**		**8,24,16,435**	
		14,59,27,693		**9,30,48,320**
c) Surplus in Statement of Profit & Loss				
As Per Last Balance Sheet	**37,00,17,458**		**4,03,51,715**	
Add: Transfer from Statement of Profit & Loss	**26,45,33,173**		**41,20,82,178**	
Less : Transfere to Special Reserve	**5,28,79,373**		**8,24,16,435**	
		58,16,71,258		**37,00,17,458**
		3,60,84,98,951		**3,09,64,65,778**

(in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and Section 29C of National Housing Bank Act, 1987)

(Rupees)

	As at March 31, 2012		As at March 31, 2011	
5. Long-term borrowings				
Term Loans from Banks				
- Secured (refer note 26)	**18,42,40,88,725**		**16,81,00,00,000**	
- Unsecured	**-**		**-**	
		18,42,40,88,725		**16,81,00,00,000**
		18,42,40,88,725		**16,81,00,00,000**

Notes to the financial statements for the year ended March 31, 2012

(Rupees)

Particulars	As at March 31, 2012	As at March 31, 2011
6. Deferred Tax Liabilities		
Deferred tax Liability disclosed in the Balance Sheet comprises the following :		
a) **Deferred Tax Liability**		
Related to Fixed Assets	**9,67,185**	**12,27,177**
Unamortised Expenditure	**5,46,75,715**	**4,10,83,586**
Special Reserve	**4,21,70,657**	**2,09,27,703**
Total	**9,78,13,557**	**6,32,38,466**
b) **Deferred Tax Asset**		
Disallowance under the Income Tax Act, 1961	**(16,67,497)**	**(31,91,667)**
Provision for NPA/Diminution in the value of Assets	**(5,81,46,060)**	**(2,55,21,799)**
Total	**(5,98,13,557)**	**(2,87,13,466)**
Net Deferred Tax Liabilities/(Asset) (a) - (b)	**3,80,00,000**	**3,45,25,000**

(Rupees)

	As at March 31, 2012		As at March 31, 2011	
7. Long Term Provisions				
a) Provision for Employees Benefits				
Leave Encashment	**23,47,138**		**26,61,074**	
Gratuity	**-**		**26,25,588**	
(refer note 32 (b))		**23,47,138**		**52,86,662**
b) Provision for Standard Debts		**9,73,58,930**		**2,18,42,393**
		9,97,06,068		**2,71,29,055**

(Rupees)

	As at March 31, 2012		As at March 31, 2011	
8. Short-term borrowings				
a) **From Banks**				
- Cash credit facilities - Secured	**-**		**49,00,00,000**	
		-		**49,00,00,000**
b) **From Others**				
- Commercial Papers - Unsecured		**44,31,25,415**		**2,21,16,20,723**
		44,31,25,415		**2,70,16,20,723**

Note :

1 Cash Credit referred above are secured by pari passu first charge on all standard assets portfolio of present and future book debts, receivable, bills, claims and loan assets of the Company against security not exceeding Rs. 550,000,000.

2 In respect of Commercial Papers referred above, maximum amount outstanding during the year was Rs.1,546,982,289 (Previous year Rs. 2,645,394,061).

(Rupees)

		As at March 31, 2012		As at March 31, 2011	
9.	**Trade Payables**				
	Due to Micro, Medium & Small (Refer note below)	-		-	
	Due to Others	-	-	2,04,324	2,04,324
			-		2,04,324

Note:

The management has identified enterprises which has provided goods and services to the Company and which qualify under the definition of medium, micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

(Rupees)

		As at March 31, 2012		As at March 31, 2011	
10	**Other Current Liabilities**				
a)	Current maturities of long term debts - Secured (refer note 26)		**2,12,50,00,000**		**1,19,00,00,000**
b)	Interest accrued and due on borrowings		**3,21,903**		**-**
c)	Advance from Customers		**7,31,91,923**		**7,35,73,570**
d)	Other Payables				
	TDS Payable	**38,53,039**		**98,38,998**	
	Statutory Dues related to Employees Benefits	**12,34,528**		**12,16,314**	
	Other Liabilities	**5,26,05,380**		**6,94,08,518**	
	Payable under Securitisation / Assignment	**6,35,83,506**		**4,77,51,629**	
	Temporary Book Overdraft (Refer note below)	**45,33,51,261**		**1,24,30,79,505**	
	Service Tax Payable	-		-	
			57,46,27,714		**1,37,12,94,964**
			2,77,31,41,540		**2,63,48,68,534**

Note:

Temporary Book Overdraft of Rs. 453,351,261 (Previous Year Rs.1,243,079,505) represents cheques issued towards disbursements to borrowers for Rs. 438,509,773 (Previous Year Rs.1,110,166,495) and cheques issued for payment of expenses of Rs. 14,841,488 (Previous Year Rs.132,913,010), but not encashed as at March 31, 2012.

(Rupees)

		As at March 31, 2012		As at March 31, 2011	
11.	**Short Term Provisions**				
a)	Provision for Employees Benefits				
	Leave Encashment (refer note 32 (b))	**50,089**		**51,121**	
	Gratuity	-	**50,089**	-	**51,121**
b)	Provision for Others - Standard Debts		**41,87,317**		**21 25 482**
			42,37,406		**21,76,603**

Reliance Home Finance Ltd
(Formerly Reliance Home Finance Private Limited)

Notes to the financial statements for the year ended March 31, 2012

Note "12"
Fixed Assets

(In Rupees)

Sr. No.		Gross Block				Depreciation			Net Block	
	Particulars	As at April,1 2011	Addition	Deletion	As at March 31, 2012	Upto April 1,2011	Depreciation	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
(i)	**Tangible Assets**									
1	Office Equipments	18,300	-	-	18,300	3,843	2,011	5,854	12,446	14,457
2	Buildings office	-	6,65,200	-	6,65,200	-	22,446	22,446	6,42,754	-
	Total	**18,300**	**6,65,200**	**-**	**6,83,500**	**3,843**	**24,457**	**28,300**	**6,55,200**	**14,457**
	Previous Year	17,500	800	-	18,300	707	3,136	3,843	14,457	

(ii)	**Intangible Assets**									
	Computer Software	79,09,647	-	-	79,09,647	29,49,753	15,81,929	45,31,682	33,77,965	49,59,894
	Total	**79,09,647**	**-**	**-**	**79,09,647**	**29,49,753**	**15,81,929**	**45,31,682**	**33,77,965**	**49,59,894**
	Previous Year	79,09,647	**-**	**-**	79,09,647	13,67,824	15,81,929	29,49,753	49,59,894	

Note :

1 In respect of Intangible Assets :
a) It is other than internally generated.
b) Balance useful life of 2 years. (Previous Years 3 years)

Reliance Home Finance Ltd

Notes to the financial statements for the year ended March 31, 2012

Note "13"

(Rupees)

	Face Value / Issue Price	Quantity As at March 31, 2012	Quantity As at March 31, 2011	Value March 31, 2012	Value As at March 31, 2011
Non Current Investments					
Other Investments - Unquoted, fully paid-up					
Pass through Certificates					
Series A2 PTCs of ILSS 4 Trust 2011	1 05 82 460	13	13	13 75 71 973	13 75 71 973
				13 75 71 973	**13 75 71 973**

Notes :

1 **The aggregate value of investments:**

	As at March 31, 2012		As at March 31, 2011	
	Book Value	**Market Value**	**Book Value**	**Market Value**
Quoted	-	-	-	-
Unquoted	13 75 71 973	-	13 75 71 973	-
TOTAL	**13 75 71 973**	**-**	**13 75 71 973**	**-**

2 **The aggregate provision for diminution in the value of investments:**

	As at March 31, 2012	**As at March 31, 2011**
Quoted	-	-
Unquoted	-	-
TOTAL	**-**	**-**

3 **Basis of Valuation**

As at March 31, 2012	**As at March 31, 2011**
at cost	at cost

Notes to the financial statements for the year ended March 31, 2012

(Rupees)

		As at March 31, 2012		As at March 31, 2011	
14.	**Long Term Loans and Advances**				
a)	Capital Advances (Unsecured)		11,04,075		-
b)	Security Deposits (Unsecured)		5,000		1,03,650
c)	Loans (Secured)				
	(i) Considered Good				
	Housing loans :				
	Individuals	18,30,63,43,240		16,91,75,27,086	
	Corporate Bodies	3,80,41,79,070		2,98,78,48,509	
			22,11,05,22,310		19,90,53,75,595
	Commercial loans		38,64,87,348		3,13,15,13,144
	(ii) Considered Doubtful				
	Housing loans :				
	Individuals	32,92,04,554		29,33,80,853	
	Corporate Bodies	66,20,002		2,55,37,381	
		33,58,24,556		31,89,18,234	
	Less: Provision for NPA & Doubtful Debts	6,92,30,655		4,57,77,553	
			26,65,93,901		27,31,40,681
	Commercial loans	4,67,289		48,52,091	
	Less: Provision for NPA & Doubtful Debts	1,16,822		4,85,209	
			3,50,467		43,66,882
d)	Installments Due (Secured) considered doubtful				
	Principal Overdue	83,20,583		63,13,949	
	Less: Provision for NPA & Doubtful Debts	41,55,984	41,64,599	12,09,987	51,03,962
e)	Balance with Service Tax Authorities		5,33,239		1,04,17,079
f)	Taxes paid		3,70,58,379		2,56,93,840
	(Net of Income tax provision Rs. 322,700,000 (Previous year Rs. 194,100,000))				
			22,80,68,19,318		23,35,57,14,833

(Rupees)

		As at March 31, 2012		As at March 31, 2011	
15	**Other Non Current Assets**				
a)	Receivable from Trustee under Securitisation (Secured)		11,78,34,515		6,09,95,824
b)	Fixed Deposits with banks (Maturity > 12 months) (kept as credit enhancement towards securitisation/assignment)		53,50,46,896		25,46,00,000
c)	Unamortised Expenditure				
	(i) Unamortised DSA Commission	11,85,97,216		3,13,97,609	
	Add: Incurred During the Year	6,39,59,854		12,00,78,278	
	Less: Amortised During the year	2,50,76,734		3,28,78,671	
		15,74,80,336		11,85,97,216	
	Less: to be amortised over the next one year	2,88,37,570		1,65,12,022	
			12,86,42,766		10,20,85,194
	(ii) Unamortised Brokerage on Borrowing	50,83,333		-	
	Add: Incurred during the Year	48 45 372		60,00,000	
	Less: Amortised during the year	28,09,916		9,16,667	
		71,18,789		50,83,333	
	Less: to be amortised over the next one year	31,69,243		12,00,000	
			39,49,546		38,83,333
			78,54,73,723		42,15,64,351

Reliance Home Finance Ltd

Notes to the financial statements for the year ended March 31, 2012

Note "16"

(Rupees)

	Face Value / Issue Price	Quantity As at March 31, 2012	Quantity As at March 31, 2011	Value As at March 31, 2012	Value As at March 31, 2011
Current Investments					
Other Investments - Unquoted, fully paid-up					
Mutual Funds					
Reliance Liquidity Fund -Growth Fund	10	1 54 79 876	-	25 00 00 000	-
				25 00 00 000	**-**

Notes :

1 **The aggregate value of investments:**

	As at March 31, 2012 Book Value	As at March 31, 2012 Market Value	As at March 31, 2011 Book Value	As at March 31, 2011 Market Value
Quoted	-	-	-	-
Unquoted	25 00 00 000	-	-	-
TOTAL	**25 00 00 000**	**-**	**-**	**-**

2 **The aggregate provision for diminution in the value of investments:**

	As at March 31, 2012	As at March 31, 2011
Quoted	-	-
Unquoted	-	-
TOTAL	**-**	**-**

3 **Basis of Valuation**

As at March 31, 2012	As at March 31, 2011
at cost	at cost

Notes to the financial statements for the year ended March 31, 2012

(Rupees)

		As at March 31, 2012		As at March 31, 2011	
17.	**Trade Receivables**				
a)	Secured Considered Good		-		-
b)	Unsecured Considered Good		**33,25,085**		-
c)	Unsecured Doubtful	-		27 17 342	
	Less: Provision Doubtful Debts	-		**27,17,342**	
			-		-
d)	Outstanding for a period exceeding six months from the	-		**92,51,864**	
	Less: Provision Doubtful Debts	-		**26,74,425**	
			-		**65,77,439**
			33,25,085		**65,77,439**

(Rupees)

		As at March 31, 2012		As at March 31, 2011	
18.	**Cash & Cash Equivalents**				
	Balance with the Banks - in Current Accounts		**49,53,71,281**		**8,69,72,953**
	Cash on hand		**1,28,211**		**18,100**
			49,54,99,492		**8,69,91,053**

(Rupees)

		As at March 31, 2012		As at March 31, 2011	
19.	**Short-term loans and advances**				
a)	Loans repayments within next 12 months (Secured) Considered Good				
	Housing loans :				
	Individuals	**50,29,50,438**		**57,13,44,700**	
	Corporate Bodies	**46,09,89,786**		**69,72,74,389**	
			96 39 40 224		**126 86 19 090**
	Commercial loans		**1,85,99,996**		**15,35,39,514**
b)	Installments Due (Secured) considered good		**2,30,48,893**		**1,28,56,484**
c)	Prepaid expenses (Unsecured)		**18,59,478**		**5,33,300**
d)	Sundry Advances (Unsecured)		**64,86,264**		**24,44,095**
			1,01,39,34,855		**1,43,79,92,483**

(Rupees)

		As at March 31, 2012		As at March 31, 2011	
20.	**Other Current Assets**				
a)	Interest Accrued on				
	Investments	**6,56,613**		**5,41,251**	
	Fixed Deposits	**38,93,510**		**23,11,099**	
	Loans and advances	**18,66,83,558**		**16,16,39,161**	
			19,12,33,681		**16,44,91,511**
b)	Unamortised Expenditure				
	(To the Extent to be amortised over the next year)				
	Unamortised DSA Commission	**2,88,37,570**		**1,65,12,022**	
	Unamortised Brokerage on Borrowing	**31,69,243**		**12,00,000**	
			3,20,06,813		**1,77,12,022**
			22,32,40,494		**18,22,03,533**

Notes to the financial statements for the year ended March 31, 2012

(Rupees)

	2011-12		2010-11	
21. Revenue from operations				
a) **Interest Income**				
Interest On:				
Housing and Other Loans	**3,14,64,33,446**		**2,94,18,93,051**	
Fixed Deposit	**2,36,98,446**		**1,22,70,973**	
Long term Investments	**1,33,62,150**		**73,63,221**	
		3,18,34,94,042		**2,96,15,27,245**
b) **Other Financial Income**				
Processing Fee Income	**14,39,56,511**		**14,05,10,173**	
Foreclosure & Other Operating Charges	**5,25,57,860**		**10,14,08,573**	
Brokerage Commission on property solution	**3,27,70,760**		**4,94,73,218**	
	22,92,85,131		**29,13,91,964**	
Less : Service tax recovered	**2,14,11,032**		**2,43,56,468**	
		20,78,74,099		**26,70,35,496**
		3,39,13,68,141		**3,22,85,62,741**

(Rupees)

	2011-12	2010-11
22. Other Income		
a) Dividend Income on Current Investments	**-**	**77,87,215**
b) Profit on Sale of Current Investments (Net)	**-**	**12,30,256**
c) Interest on Income tax refund	**1,82,124**	**-**
d) Miscellaneous Income	**-**	**17,597**
	1,82,124	**90,35,068**

(Rupees)

	2011-12	2010-11
23. Employee Benefits Expense		
Payments to and Provision for Employees		
- Salary & Bonus etc	**23,51,64,682**	**25,28,90,571**
- Contribution to Provident fund and other Funds	**1,06,79,875**	**67,87,583**
- Staff Welfare & other Amenities	**1,08,12,218**	**1,87,97,982**
	25,66,56,775	**27,84,76,136**

(Rupees)

	2011-12		**2010-11**	
24. Finance Cost				
a) Interest Expense				
Term Loan From Banks	**2,11,81,36,336**		**1,51,44,68,556**	
Cash Credit from Banks	**3,48,52,120**		**49,80,345**	
Non Convertible Debetures	**-**		**80,000**	
Body Corporates	**9,18,29,471**		**23,79,51,644**	
		2,24,48,17,927		**1,75,74,80,545**
b) Other Borrowing Cost				
Amortised Brokerage (Refer Note"15 (c)(ii)")	**28,09,916**		**9,16,667**	
Discount on Commercial Paper	**7,53,33,892**		**14,38,61,356**	
Processing Charges	**22,87,646**		**15,41,667**	
		8,04,31,454		**14,63,19,690**
		2,32,52,49,381		**1,90,38,00,235**

(Rupees)

	2011-12	2010-11
25. Administration & Other Charges		
Auditor's Remuneration	**5,00,000**	**5,00,000**
Bank Charges	**11,60,322**	**10,56,005**
Credit Cost	**77,31,090**	**1,05,06,362**
Collection Cost	**8,19,269**	**33,35,139**
Directors' Sitting Fees	**1,60,000**	**3,20,000**
Amortised DSA Commission (refer note"15 (c)(i)")	**2,50,76,734**	**3,28,78,671**
Electricity	**27,20,967**	**55,69,798**
Infrastructure Cost (refer note below)	**1,37,76,474**	**60,48,761**
Lease Rental	**2,96,95,116**	**5,64,13,642**
Legal & Professional Fees	**4,70,83,032**	**5,23,74,480**
Marketing Expenses	**7,91,77,205**	**8,81,20,973**
Management Expenses	**3,33,83,336**	**3,29,04,762**
Miscellaneous Expenses	**49,96,004**	**10,05,883**
Interest on income tax	**3,41,601**	**-**
Postage ,Telegram & Telephone	**39,98,913**	**76,85,058**
Printing and Stationary	**43,71,918**	**65,16,461**
Rates and Taxes	**16,71,103**	**34,24,957**
Repairs & Maintenance-Others	**2,85,05,818**	**3,66,42,712**
Travel & Conveyance	**1,69,32,112**	**1,50,37,305**
Bad Debts Written Off	**1,39,00,846**	**81,31,468**
Provision for Standard Asset	**7,75,78,372**	**97,91,319**
Provision for NPA & Doubtful Debts	**1,78,49,318**	**5,34,77,999**
	41,14,29,550	**43,17,41,755**

Note:

According to the agreement entered into by the Company with its holding company i.e. Reliance Capital Limited for utilizing their office premises including all other amenities and infrastructure at various locations the Company has paid Infrastructure Cost to RCL.

26. Security clause in respect to secured loans from banks

1 Term loans referred in Note "5" and current matuirty of loan term debts (refer note "10 (a)") includes :

a Term loan Rs. 15,248,766,808 (Previous year Rs. 14,000,000,000) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs. 17,076,616,884 (Previous year Rs. 15,400,000,000).

b Term loan Rs. 1,000,000,000 (Previous year Rs. 2,000,000,000) secured by pari passu first charge in favor of the lender on all the standard book debts, outstanding moneys, receivable claims of the Company, except for those book debts/receivables to be charged in favor of National Housing Bank for refinance to be availed, if any, from them, against security not exceeding Rs. 1,100,000,000 (Previous year Rs. 2,200,000,000).

c Term loan Rs. 2,500,000,000 (Previous year Rs. 1,000,000,000) secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 2,750,000,000 (Previous year Rs. 1,100,000,000).

d Term loan Rs. 1,800,321,917 (Previous year Rs. 1,000,000,000) secured secured by pari passu first charge in favor of the lender on all the book debts, outstanding moneys, receivable claims of the Company, against security not exceeding Rs. 2,160,386,300 (Previous year Rs. 1,200,000,000).

Maturity profile of Secured term loans from banks are as set out below;

(Amount in Rs)

Year	**Principal**
2012-13	2,12,50,00,000
2013-14	4,31,24,00,000
2014-15	5,61,99,70,796
2015-16	5,09,57,16,830
2016-17	2,89,60,01,099
2017-18	50,00,00,000
Grand Total	**20,54,90,88,725**

27. As on April 26, 2010 the Company had entered into business transfer agreements ('BTA') with its holding company i.e. Reliance Capital Limited (RCL) to transfer the RCL's home finance business to the Company at book value, such that the entire economic risk and reward of the RCL's home finance business passes to the Company from the commencement of business on the value date i.e. April 1, 2010. As on January 31, 2011 the BTA further amended between the Company and Reliance Capital Ltd. As per the amended BTA with RCL:

a) The RCL holds loan assets of Rs. 424,026,006 (Previous year Rs. 1,348,704,112) and liabilities Rs. Nil (Previous Year Rs. 11,393,379) of the Company in the capacity of trust as on March 31, 2012.

b) During the year the Company has taken the following assets, income and expenses from the RCL :
   i) Unamortized DSA Commission of Rs. 1,596,221 (Previous year Rs.19,176,563)
   ii) Interest & other income of Rs. 109,561,344 (Previous year Rs. 466,780,654)
   iii) Interest & other expenses of Rs. 92,075,551(Previous year Rs. 312,518,719)
   iv) DSA commission expense of Rs. 133,805 (Previous year Rs.19,666,343)

28. a) During the year the Company has entered into one agreement on October 7, 2011 (Previous year three agreements on various dates) with its holding company i.e. Reliance Capital Limited (RCL) for loans assignment from RCL. As per deed of assignment, for loans aggregating to Rs. 492,614,734 (Previous year Rs. 5,133,795,108) the Company has been assigned the right to future receivables along with a power of attorney authorizing the Company, inter-alia, to obtain possession of the property in case of default. The above loans are secured against mortgage of Housing property.

b) During the year the Company has entered into six agreements on various dates (Previous year four agreements on various dates) with RCL for loans assignment to RCL. As per deed of assignment, Rs. 7,034,907,193(Previous year Rs. 4,928,765,918) the Company assigned the right to future receivables along with a power of attorney authorizing the Company, inter-alia, to obtain possession of the property in case of default.

29. During the year the Company sold loans through securitisation and direct assignment. The information related to securitisation and assignment made by the Company, as an originator is given below:

Particulars	**Unit**	**Securitisation**	**Assignment**	**Total**
		Outside	**Outside**	**Outside**
Total number of loan assets Securitized / Assigned	Nos.	- (690)	1,898 (-)	1,898 (690)
Total book value of loan assets Securitized / Assigned	Rs.	- (1,37,57,19,737)	2,14,97,73,678 (-)	2,14,97,73,678 (1,37,57,19,737)
Sale consideration received for the Securitized / Assigned assets	Rs.	- (1,37,57,19,737)	2,14,97,73,678 (-)	2,14,97,73,678 (1,37,57,19,737)
Net gain on account of Securitization / Assigned	Rs.	- (-)	- (-)	- (-)
Outstanding Credit Enhancement (Funded)	Rs.	254,600,000 (25,46,00,000)	280,446,896 (-)	53,50,46,896 (25,46,00,000)
Outstanding Liquidity Facility	Rs.	- (-)	- (-)	- (-)
Net Outstanding Servicing Liability	Rs.	3,11,16,036 (4,70,64,646)	4,97,96,660 (13,98,238)	8,09,12,696 (4,84,62,884)

Note : Figures in bracket represent previous year's figures.

30. In the opinion of management, all assets other than fixed asset and non current investments are approximately of the value stated if realised in the ordinary course of business.

31. Auditors' Remuneration :

(In Rupees)

Particulars	**2011-12**	**2010-11**
i) Audit Fees	300,000	300,000
ii) Tax Audit Fees	100,000	100,000
iii) Certification Fees	100,000	100,000
Total	**500,000**	**500,000**

32. Employee Benefits:

a) Defined Contribution Plans
Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(In Rupees)

Particulars	**2011-12**	**2010-11**
i) Employer's Contribution to Provident Fund and LWF	6,984,461	5,520,452
ii) Employer's Contribution to Superannuation Fund	23,064	136,364
iii) Employer's Contribution to Pension Scheme	1,805,332	1,602,429
Total	**8,812,857**	**7,259,245**

b) Defined Benefit plans

The following tables summarise the components of the net employee benefit expenses recognised in the Profit and Loss account, the fund status and amount recognised in the balance sheet for the gratuity benefit plan and leave encashment plan. The said information is based on certificates provided by the actuary.

Gratuity (Funded)

(In Rupees)

PARTICULARS	**2011-12**	**2010-2011**
I. Assumptions :		
Discount Rate	8.50%	8.25%
Rate of Return on Plan Assets	8.50%	8.25%
Salary Escalation	5.00%	5.00%
II. Table Showing Change in Benefit Obligation :		
Liability at the beginning of the year	2,625,588	3,097,250
Interest Cost	216,611	247,780
Current Service Cost	1,523,363	1,551,311
Benefit Paid	-	-
Actuarial (gain)/loss on obligations	37110	(2,270,753)
Liability at the end of the Year	4,402,671	2,625,588
III. Tables of Fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions	4,505,074	-
Benefit Paid	-	-
Actuarial gain/(loss) on Plan Assets	(89,934)	-
Fair Value of Plan Assets at the end of the Year	4,415140	-
Total Actuarial Gain/(Loss) To Be Recognised	(127,043)	2,270,753
IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	-	-
Actuarial gain/(loss) on Plan Assets	(89,934)	-
Actual Return on Plan Assets	(89,934)	-
V. Amount Recognised in the Balance Sheet :		
Liability at the end of the Year	4,402,671	2,625,588
Fair Value of Plan Assets at the end of the Year	4,415,140	-
Difference	12,469	(2,625,588)

Amount Recognised in the Balance Sheet	12,469	(2,625,588)
VI. Expenses Recognised in the Statement of Profit & Loss :		
Current Service Cost	1,523,363	1,551,311
Interest Cost	216,611	247,780
Expected Return on Plan Assets	-	-
Actuarial (Gain)/Loss	(127,043)	(2,270,753)
Expense Recognised in Statement of Profit & Loss	1,867,018	(471,662)
VII. Amount Recognised in the Balance Sheet :		
Opening net liability	2,625,588	3,097,250
Expense as above	1,867,018	(471,662)
Employers Contribution	(4,505,074)	-
Amount Recognised in Balance Sheet	(12,469)	2,625,588
VIII. Experience Adjustment		
Plan Assets	-	-
Defined benefit obligations	-	2,625,588
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	-	(2,625,588)
Experience adjustment on Plan Assets	(89,934)	-
Experience adjustment on Plan Liabilities	212,254	(1,015,020)

Leave Encashment (Unfunded)

(In Rupees)

PARTICULARS	2011-2012	2010-2011
I. Assumptions :		
Discount Rate	8.50%	7.50%
Salary Escalation Current Year	5.00%	5.00%
II. Table Showing Changes in present value of Obligation :		
PVO at the beginning of the Year	2,712,195	2,850,923
Interest Cost	172,556	125,289
Current Service Cost	723,456	711,289
Benefit Paid	(822,904)	(2,360,795)
Actuarial (gain)/loss on obligations	(388,076)	1,385,489
PVO at the end of the Year	2,397,227	2,712,195
III. Tables of Changes in fair value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the Year	-	-
Expected Return on Plan Assets	-	-
Contributions	822,904	2,360,795
Benefit Paid	(822,904)	(2,360,795)
Actuarial gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets at end of period	-	-
IV. Expenses Recognised in the Statement of Profit & Loss:		

Fair Value of Plan Assets at the beginning of the Year	-	-
Actual Return on Plan Assets	-	-
Contributions	822,904	2,360,795
Benefit Paid	(822,904)	(2,360,795)
Fair Value of plan Assets at end of period	-	-
Funded Status	(2,397,227)	(2,712,195)
Excess of actual over estimated return on Plan Asset	-	-
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (obligation)	388,076	(1,385,489)
Actuarial Gain/(Loss) for the period (Plan Asset)	-	-
Total Gain/(Loss) for the period	388,076	(1,385,489)
Actuarial gain/(Loss) recognized for the period	388,076	(1,385,489)
Unrecognised Acturial Gain/(Loss) at the end of the Year	-	-
VI. Expenses Recognised in the Statement of Profit & Loss:		
Current Service Cost	723,456	711,289
Interest Cost	172,556	125,289
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised	(388,076)	1,385,489
Expense Recognised in Statement of Profit & Loss	507,936	2,222,067
VII. Amount Recognised in the Balance Sheet :		
PVO at the end of Period	2,397,227	2,712,195
Fair Value of Plan Assets at end of Period	-	-
Funded Status	(2,397,227)	(2,712,195)
Unrecognized Acturial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in balance sheet	(2,397,227)	(2,712,195)
VIII. Movement in the Liability recognized in Balance Sheet		
Opening net Liability	2,712,195	2,850,923
Expenses as above	507,936	2,222,067
Contribution paid	(822,904)	(2,360,795)
Closing Net Liability	2,397,227	2,712,195
IX. Experience Adjustment		
Plan Assets at the end of year	-	-
Defined benefit obligations at the end of year	2,397,227	2,712,195
Amount not recognised as an Asset (limit in para 59(b))	-	-
Surplus / (Deficit)	(2,397,227)	(2,712,195)
Experience adjustment on Plan Assets	-	-
Experience adjustment on Plan Liabilities	(388,076)	1,385,489

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

33. Related Party Disclosures:

a) List of the Related Parties and their relationship:

Name of the Party	Relationship
Reliance Innoventures Pvt. Ltd.	Ultimate Holding Company
Reliance Capital Limited	Holding company
Reliance General Insurance Company Limited	Fellow Subsidiary

b) Transactions during the year with holding company:

(In Rupees)

Particulars	2011-2012	2010-2011
Share Capital		
Preference Share Capital issued during the year (Including Securities Premium)	250,000,000	-
Balance as at the end of year (Equity & Preference other than Securities Premium)	329,100,000	326,600,000
Loan		
Assignment of Loan Taken	492,614,734	5,133,795,108
Purchase consideration paid	492,614,734	5,133,795,108
Assignment of Loan Given	7,034,907,193	4,928,765,918
Purchase Consideration received	7,034,907,193	4,928,765,918
Unamortised DSA Commission transferred from	1,596,221	19,176,563
Unamortised DSA Commission transferred to	18,826,713	-
Expenses		
Infrastructure Cost & Other Expenditures (Net of Recovery of Other Expenditures)	66,766,674	189,552,120
Management Fees	33,383,336	32,904,762
Other Expenses transferred under BTA	379,885	113,899,759
Interest Expense transferred under BTA	91,829,471	237,951,646
Income		
Interest & Other Income transferred under BTA	109,561,344	466,780,654

Note:

1) Related party transaction with fellow subsidiary i.e. Reliance General Insurance Co. Ltd, Infrastructure Cost sharing Rs. Nil (Previous year Rs.65, 305).

34. Segment Reporting:

The Company is mainly engaged in the housing finance business, all other activities revolve around the main business of the Company and as such there is no separate reportable segment as specified in Accounting Standard (AS-17) on "Segment reporting", notified by the Companies (Accounting Standards) Rules, 2006.

35. Basic and Diluted Earnings Per Share:

For the purpose of calculation of Basic & Diluted Earnings per Share the following amounts have been considered:

(In Rupees)

	Particular	2011-12	2010-11
a)	Amount used as the numerators		
	Net Profit/(Loss) after tax	264,533,173	412,082,178
	Less: Preference Dividend	-	2,128,000
	Net Profit/(Loss) available for Equity shareholder	264,533,173	409,954,178
b)	Weighted average number of equity shares (nos.)	30,000,000	30,000,000
c)	Basic & Diluted Earnings Per Share (Rs.)	8.82	13.67

Note:

During the year the 8 % Compulsory Convertible Preference Share were converted to 0 % Optionally Convertible / Redeemable Preference share with effect from April 1, 2011.For the purpose of calculation of diluted earnings per share, numbers of equity shares to be issued upon conversion cannot be quantified at this stage since the conversion ratio will be decided by the Board of Directors of the Company in such manner, at their sole discretion, hence the basic and diluted earning per share is considered to be same.

36. Disclosure of details as required by Para 29 of the Housing Finance Companies (NHB) Directions, 2010. (As certified by the management).

a) The total provisions made for substandard, doubtful and loss assets and depreciation in investments carried by the Company in terms of paragraph 29(2) and (3) of the Housing Finance Companies (NHB) Directions, 2010 is as follows:

(In Rupees)

Particulars	Housing Finance		Non-Housing Finance	
	Outstanding Balance as at March 31, 2012	Provision as at March 31, 2012	Outstanding Balance as at March 31, 2012	Provision as at March 31, 2012
Standard Asset	23,097,511,427 (21,185,534,493)	96,325,958 (18,196,147)	405,087,344 (3,286,369,335)	5,220,289 (5,771,728)
Sub-Standard Assets	208,479,140 (219,482,020)	29,589,931 (22,212,542)	- (4,880,224)	- (535,574)
Doubtful Assets	135,654,787 (105,722,029)	43,793,905 (24,724,633)	478,500 (-)	119,625 (-)
Loss Assets	- (-)	- (-)	- (-)	- (-)
Provision for Depreciation in Investments	- (-)	- (-)	- (-)	- (-)

b) Disclosure regarding penalty or adverse comments in terms of paragraph 29(5) of the Housing Finance Companies (NHB) Directions, 2010 is as follows :

i) No penalty has been imposed by National Housing Bank.

ii) The Company has received the inspection report from National Housing Bank (NHB) vide its letter no. NHB (ND)/DRS/4432/2012 dated March 12, 2012 in which NHB has draw the certain contraventions of conditions of grant of Certificate of Registration/the Directions and the Guidelines issued by the NHB under the National Housing Bank Act, 1987 from time to time as also other in the functioning of the Company. The Company has placed the replies before the board meeting and the same will be sent to NHB.

iii) Figures in bracket represent previous year's figures.

37. Disclosure regarding provision made for Asset Liability Management (ALM) system for the Housing Finance Companies as per NHB Circular NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010.

(I) Capital to Risk Asset Ratio (CRAR)

Items	As at March 31, 2012	As at March 31, 2011
CRAR (%)	14.21%	12.94%
CRAR - Tier I capital (%)	13.70%	12.94%
CRAR - Tier II capital (%)	0.52%	-

(II) Exposure to real estate sector, both direct and indirect:

(In Rupees)

				As at March 31, 2012	As at March 31, 2011
a)	**Direct Exposure**				
	(i)	Residential Mortgage			
		Individual Housing Loan up to 15 lakhs		1,196,534,610	2,118,241,519
		Individual Housing Loan More than 15 lakhs		17,941,963,622	15,664,011,120
		Other Residential Mortgage		4,271,788,858	3,710,660,280
	(ii)	Commercial Real Estate		405,554,633	3,289,904,749
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –			
		(a)	Residential	5,669,137	5,669,137
		(b)	Commercial	131,902,836	131,902,836
b)	**Indirect Exposure** Fund Based and Non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).			-	-

Notes:

(i) The direct exposure given in (i) & (ii) represents loans principal outstanding at the year end, without netting off the Provision for NPA & Doubtful Debts.

(ii) The bifurcation of investments in Mortgage Backed Securities (MBS) and other securitised exposures between residential and commercial is based on nature of underlying loan assets. The same has been relied upon by auditors.

(III) Maturity Patterns of Items of Assets & Liabilities

(In Rupees)

Period	Liabilities As at March 31, 2012		Assets As at March 31, 2012	
	Borrowings from Bank	Market Borrowings	Loans & Advances	Investments
1 day to 30/31 day	- (-)	- (997,883,285)	73,287,784 (98,779,571)	250,000,000 (-)
Over 1 month to 2 months	- (-)	346,333,426 (-)	91,676,097 (118,243,021)	- (-)
Over 2 month to 3 months	200,000,000 (690,000,000)	- (984,623,321)	89,131,768 (119,173,648)	- (-)
Over 3 month to 6 months	250,000,000 (250,000,000)	96,791,989 (48,222,681)	272,484,235 (371,947,559)	- (-)
Over 6 month to 1 Year	1,675,000,000 (250,000,000)	- (180,891,436)	479,009,229 (726,871,286)	- (-)
Over 1 year to 3 Year	9,932,370,796 (6,104,166,667)	- (-)	1,504,598,189 (2,224,056,974)	- (-)
Over 3 year to 5 Year	7,991,717,929 (8,800,000,000)	- (-)	1,640,125,402 (2,113,274,945)	- (-)
Over 5 Year to 7 years	500,000,000 (2,395,833,333)	- (-)	1,904,030,760 (2,374,679,520)	137,571,973 (-)
Over 7 Year to 10 years	- (-)	- (-)	3,313,145,881 (3,867,287,711)	- (116,864,408)
Over 10 years	- (-)	- (-)	14,406,218,392 (12,740,201,119)	- (20,707,565)
Total	**20,549,088,725 (18,490,000,000)**	**443,125,415 (2,211,620,723)**	**23,773,707,737 (24,754,515,353)**	**387,571,973 (137,571,973)**

Notes:

i) In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

ii) The above maturity pattern of assets and liabilities has been prepared by the Company after taking into consideration guidelines for assets-liabilities management (ALM) system for housing finance companies issued by NHB, best practices and best estimate of the Assets-Liability Committee / management with regard to the timing of various cash flows, which has been relied upon by the auditors. The classification of Assets and Liabilities into current and non-current is carried out based on their residual maturity profile as per requirement of Revised Schedule VI to the Companies Act, 1956.

iii) Figures in bracket represent previous year's figures.

38. During the year, pursuant to the National Housing Bank Circular No. NHB/HFC/DIR.3/ CMD/2011 dated August 5, 2011 and NHB/HFC/DIR.4/CMD/ 2012 dated January 19, 2012, in addition to provision for non performing assets, all housing finance companies are required to carry a general provision (i) at the rate of 2% on housing loans disbursed at comparatively lower rate of interest in the initial few years, after which rates are reset at higher rates; (ii) at the rate of 1% of Standard Assets in respect of Commercial Real Estates and (iii) at the rate of 0.40% of the total outstanding amount of loans which are Standard Assets other than (i) & (ii) above.

Based on this, the Company has aligned its provisioning policy with the extant guidelines and resultantly made further provision of Rs. 1,05,177,637. Had the provisioning policy of the preceding year been continued, the profit before tax for the year ended March 31, 2012 would have been higher by Rs. 1,05,177,637.

39. Contingent Liabilities/Commitments: (As certified by the management)

(In Rupees)

	Particulars	**As at March 31, 2012**	**As at March 31, 2011**
Contingent Liabilities :			
a.	Arrears of Dividend on 8% Compulsory Convertible Preference Shares of Rs. 10 each.		
	2009 Issue [2nd year of arrears (Previous year 1st year of arrears)]	**1,456,000**	**1,456,000**
	2010 Issue [1st year of arrears (Previous year Nil year of arrears)]	**1,400,000**	**1,400,000**
b.	Case against the Company not acknowledge as Debts	**-**	**1,000,000**
Commitments :			
a.	Estimated amount of contracts remaining to be executed on capital account (net of advances).	**1,104,075**	**-**
b.	Undisbursed amount of Housing loan sanctioned.	**2,277,939,997**	**2,135,239,489**

40. The Company has taken approval of the shareholders at the extra ordinary general meeting held on March 2, 2012 for changing its status from Private to Public Limited company and consequent change in the name of the company from Reliance Home Finance Private Limited to Reliance Home Finance Limited. Subsequently on receipt of fresh Certificate of Incorporation dated March 27, 2012 from the Registrar of Companies Maharashtra, Mumbai, the company has changed its name from Reliance Home Finance Private Limited to Reliance Home Finance Limited.

41. The Company has used Pre-revised Schedule VI to the Companies Act, 1956 for the Preparation & Presentation of its Financial Statements till year ended March 31, 2011. Vide Notification No. S.O. 497(E) dated 28-02-2011 (As amended by Government Notification No. F. No. 2/6/2008-C.L-V dated 30-3-2011), issued by Ministry of Corporate Affairs replaces the existing Schedule VI to the said Act by the New Schedule VI, which has came into effect for all accounts presented for accounting year commences on or after April 1, 2011. Therefore the Company has reclassified the previous year figures to confirm to the current year's classification**.**

Annexure V

Accounting Ratio Statement of the Company:

	Fiscal Year ending March 31,				
Particulars	**2016**	**2015**	**2014**	**2013**	**2012**
Earnings Per Share:(In Rs.) *					
- Basic	13.18	10.49	6.59	4.26	4.20
- Diluted	13.18	10.49	6.59	4.26	4.20
Return on Equity (In %)	21.64%	17.07%	11.62%	7.30%	7.88%
Book Value Per Equity Share (In Rs.) *	86.64	75.70	66.69	60.63	59.97
Debt/Equity Ratio (In Times)	11.48	8.87	6.88	5.94	5.56

*The Earnings per share and Book Value per equity share have been restated for the financial year 2011-12 considering the issue of bonus shares in financial year 2012-13, to make them comparable

Note:

1. Earnings per share = Profit after tax for the year / Weighted Average no. of Equity Share outstanding at the end of the year

2. Return on Equity = (Profit after tax + Provision for Standard Asset + Provision for NPA & Doubtful Debts) for the year / Average Net worth of last five years

3. Book Value Per Equity Share = Net worth/Number of Equity Shares outstanding at the end of year

4. Debt / Equity Ratio = Total Debt outstanding at the end of year / Net worth

5. Net Worth = Share Capital + Reserves & Surplus - Unamortised Expenditure

Annexure VI

Capitalisation Statement of the Company as at March 31, 2016:

Particulars	Prior to the Issue (as of March 31, 2016)	Post-Issue[1]
Debt		
Short term debt [2]	7,682,956,487	7,682,956,487
Long term debt [3]	57,800,045,805	92,800,045,805
Total debt	65,483,002,292	100,483,002,292
Shareholder's fund		
Share capital	658,200,000	908,200,000
Reserves and surplus excluding revaluation reserve	5,542,997,446	6,292,997,446
Money received against Share Warrants	-	-
Total shareholders' funds	6,201,197,446	7,201,197,446
Long term debt/ equity (In times)[4]	10.14	13.85
Total debt/ equity (In times)[5]	11.48	14.99

Notes:

1. The debt-equity ratio post the Issue is indicative on account of the assumed inflow of Rs. 35,00,00,00,000 from the proposed Issue in the secured debt category as on March 31, 2016 only. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

2. Long term debt = Long term borrowings + Current Maturities of Long term borrowings

3. Long term debt/equity = Total Long Term Debt outstanding at the end of year / Net worth

4. Total debt/equity = Total Debt outstanding at the end of year / Net worth

5. Net Worth = Share Capital + Reserves & Surplus - Unamortised Expenditure

Annexure VII

Statement of Dividend of the Company

	Fiscal Year ending March 31,				
Particulars	**2016**	**2015**	**2014**	**2013**	**2012**
Equity Share Capital	658,200,000	658,200,000	658,200,000	658,200,000	300,000,000
Preference Share Capital	-	-	-	-	29,100,000
Dividend on Preference Share Capital	-	-	-	2,856,000	-
Dividend rate in %	0.00%	0.00%	0.00%	8.00%	0.00%

Note: As per the terms & conditions of preference shares, the preference shares holders were paid accumulated dividend at the time of conversion to equity on February 15, 2013 amounting to Rs. 28,56,000 for the financial year 2009 - 10 and 2010 – 11 to the preference share holders.

MATERIAL DEVELOPMENTS

There have been no material developments since March 31, 2016 and there have arisen no circumstances that materially or adversely affect the operations, or financial condition or profitability or credit quality of the Company or the value of its assets or its ability to pay its liabilities with the next 12 months except as stated in the chapter "***Financial Information***" beginning on page 108 and as stated below:

1. The Board of Directors in their meeting dated October 22, 2016 approved the Unaudited Financial Statements of our Company for the half year ended September 30, 2016. For details regarding the Unaudited Financial Statements please refer to the chapter "***Financial Information***" beginning on page 108.

2. Our Promoter and our Company at their meetings held on October 28, 2016 have approved the demerger of "real estate lending business" of Reliance Capital Limited ("**Demerged Undertaking**"), into our Company with effect from April 1, 2017, the Appointed Date, subject to requisite approvals. Upon the demerger getting approved, our Promoter will hold a controlling 51% stake in our Company and our Company shall, without any further application or deed, issue and allot, at par, to all equity shareholders of Reliance Capital Limited 1 (One) fully paid Equity Share of our Company for every 1 (One) equity share of ₹10 each fully paid up held in our Promoter.

FINANCIAL INDEBTEDNESS

Details of Secured Term Loans from Banks:

Our Company's outstanding secured term loans availed from banks as on September 30, 2016 amount to ₹4,78,549.55 lakhs on a standalone basis.

Guarantee Agreements:

The Company has entered into various agreement wherein the Company has provided guarantees in favour of third parties, which are as follows:

1. Guarantee dated September 23, 2015 in favour of Catalyst Trusteeship Limited for the deal PBI XI RHF for an amount up to ₹ 1,024 lakhs.

2. Deed of second loss enhancement dated September 30, 2015 in favour of Catalyst Trusteeship Limited for the deal IFMR Capital Moses Vulcan 2015 for an amount up to ₹ 585.78 lakhs;

3. Deed of second loss enhancement dated October 30, 2015 in favour of Catalyst Trusteeship Limited for the deal SOL IFMR Capital 2015 for an amount up to ₹ 287.82 lakhs;

4. Deed of second loss enhancement dated October 30, 2015 in favour of Catalyst Trusteeship Limited for the deal Hysminal IFMR Capital 2015 for an amount up to ₹ 137.31 lakhs; and

5. Deed of second loss enhancement dated October 31, 2015 in favour of Catalyst Trusteeship Limited for the deal Liber IFMR Capital 2015 for an amount up to ₹ 174.20 lakhs;

The Company has also entered into agreements for provision of guarantees to the Company, which are as follows:

1. Mortgage Guarantee Agreement dated March 31, 2015 by India Mortgage Guarantee Corporation in favour of the Company to guarantee the repayment of 1,061 retail mortgage loans provided by the Company to borrowers for an amount up to ₹ 5748.75 lakhs as on September 30, 2016; and

2. Mortgage Guarantee Agreement dated October 13, 2015 by India Mortgage Guarantee Corporation in favour of the Company to guarantee the repayment of 975 retail mortgage loans provided by the Company to borrowers for an amount up to ₹ 5,660.32 lakhs as on September 30, 2016.

Term Loans from Banks:

Sr. No.	Lender's Name	Amount Sanctioned *(₹in lakhs)*	Amount Outstanding as on September 30, 2016 *(₹in lakhs)*	Final Maturity Date/ Repayment Schedule	Pre-payment penalty, if any
1.	Andhra Bank*	20,000.00	6,665.46	December 5, 2016 To be repaid in 3 equal annual instalments, commencing from the end of the third year from the date of first disbursement	The Company may prepay partly/fully, anytime with a prepayment penalty of 1% of the prepaid amount by giving 15 days' advance intimation to the lender. However, no prepayment penalty will be applicable if the Company does not accept the interest reset as per the lender's offer and chooses to prepay the debt within 30 days

Sr. No.	Lender's Name	Amount Sanctioned *(₹in lakhs)*	Amount Outstanding as on September 30, 2016 *(₹in lakhs)*	Final Maturity Date/ Repayment Schedule	Pre-payment penalty, if any
					from the date reset
2.	Andhra Bank*	15,000.00	9,991.07	March 26, 2018 To be repaid in 3 equal annual instalments, commencing from end of the second year from the date of first disbursement	The Company may prepay the loan without penalty by giving 30 days' advance intimation to the lender or if paid on the date of reset.
3.	Andhra Bank*	20,000.00	19,987.53	March 12, 2020 To be repaid in 4 equal annual instalments, commencing from end of the second year from the date of first disbursement	The Company may prepay the loan without penalty by giving 15 days' advance intimation to the lender or if paid on the date of reset.
4.	Andhra Bank#	25,000.00	24,996.50	June 26, 2019 To be repaid in 3 equal annual instalments, commencing from the end of the second year from the date of first disbursement.	The Company may prepay the loan without penalty by giving 15 days' advance intimation to the lender or if paid on the date of reset.
5.	Bank of Bahrain and Kuwait B.S.C.#	4,500.00	3,000.00	August 28, 2018 To be repaid in 3 equal annual instalments of ₹1,500.00 lakhs, commencing from the end of the first year from the date of first drawdown.	The Company may prepay the loan without prepayment penalty if repaid on the date of reset with 30 days' prior notice period.
6.	Bank of Baroda*	20,000.00	19,988.43	July 5, 2021 To be repaid in 2 equal annual instalments of ₹66,67,00,000, at the end of the third and fourth years and an instalment of ₹66,66,00,000 at the end of the fifth year from the date of first disbursement	The Company may prepay the loan without penalty if the same is repaid on interest reset date or after 1 year from the date of first disbursement by giving 30 days' notice. In any other case, prepayment penalty of 0.50% p.a. on the amount prepaid for balance tenor
7.	Bank of Baroda*	15,000.00	14,991.99	March 27, 2020 To be repaid in 3 equal annual instalments of ₹50,00,00,000, at the end of the third, fourth and fifth years from the date of first	The Company may prepay the loan without penalty if the same is repaid on interest reset date or after 1 year from the date of first disbursement by giving 30 days' notice. In any

Sr. No.	Lender's Name	Amount Sanctioned *(₹in lakhs)*	Amount Outstanding as on September 30, 2016 *(₹in lakhs)*	Final Maturity Date/ Repayment Schedule	Pre-payment penalty, if any
				disbursement	other case, prepayment penalty of 0.50% p.a. on the amount prepaid for balance tenor
8.	Bank of Baroda*	20,000.00	19,993.15	March 28, 2019 To be repaid in 2 equal annual instalments of ₹66,67,00,000, at the end of the third and fourth years and an instalment of ₹66,66,00,000 at the end of the fifth year.	The Company may prepay the loan without penalty if the same is repaid on interest reset date or after 1 year from the date of first disbursement by giving 30 days' notice. In any other case, prepayment penalty of 0.50% p.a. on the amount prepaid for balance tenor
9.	Bank of India*	15,000.00	14,999.87	March 30, 2020 To be repaid in 3 equal annual instalments of ₹50 crore starting from the end of the third year from the date of first drawdown. Interest to be serviced on a monthly basis as and when applied.	The Company may prepay the loan without penalty if the same is repaid on the interest reset date or with 15 days' prior notice by the Company. In any other case, prepayment charges of 0.50% p.a. on amount prepaid for the residual period of the loan on a simple interest basis
10.	Bank of Maharashtra*	15,000.00	14,998.98	December 29, 2019 To be repaid in 3 equal annual instalments starting from the end of the third year from the date of first drawdown. Interest to be paid as and when due	The Company may prepay the loan without penalty if the same is repaid on the interest reset date or with 30 days' prior notice by the Company.
11.	Bank of Maharashtra*	20,000.00	13,316.73	December 28, 2017 To be repaid in 3 equal annual instalments starting from the end of the third year from the date of first drawdown. Interest to be paid as and when due	The Company may prepay the loan without penalty if the same is repaid on the interest reset date or with 30 days' prior notice by the Company. In any other case, prepayment charges of 1% on amount prepaid amount
12.	Canara Bank#	30,000.00	30,000.00	March 28, 2021 To be repaid in 4 equal annual instalments of ₹75,00,00,000 each	The Company may prepay the loan without penalty if such prepayment is done on the interest reset date or

Sr. No.	Lender's Name	Amount Sanctioned *(₹in lakhs)*	Amount Outstanding as on September 30, 2016 *(₹in lakhs)*	Final Maturity Date/ Repayment Schedule	Pre-payment penalty, if any
				commencing at the end of the second year from the date of first disbursement. Interest to be paid separately as and when due	with 15 days' notice if revised rate of interest is not acceptable to the Company. In any other case, the prepayment penalty will be 2% of the amount prepaid
13.	HDFC Bank Limited#	10,000.00	4,666.60	September 30, 2019 To be repaid in 3 annual instalments of ₹26,66,66,667 each at the end of the first three years and 2 annual instalments of ₹10,00,00,000 at the end of the fourth and fifth years.	The Company may prepay the loan without any penalty in case of any change in the terms of the loan of the bank. In any other case, the Company shall pay a prepayment penalty of 3% on the balance outstanding
14.	HDFC Bank Limited#	20,000.00	13,333.33	May 22, 2018 To be repaid in 2 annual instalments of ₹66,66,66,667 each at the end of the first two years and an instalment of ₹66,66,66,666 at the end of the third year	The Company may prepay the loan without any penalty in case of any change in the terms of the loan of the bank. In any other case, the Company shall pay a prepayment penalty of 3% on the balance outstanding
15.	HDFC Bank Limited#	10,000.00	10,000.00	December 31, 2018 To be repaid in 3 annual instalments as follows: one instalment of ₹33,33,33,400 at the end of the first year and 2 equal annual instalments of ₹33,33,33,300 at the end of the second and third years.	The Company may prepay the loan without any penalty in case of any change in the terms of the loan of the bank. In any other case, the Company shall pay a prepayment penalty of 3% on the balance outstanding
16.	Karnataka Bank*	5,000.00	4,000.64	September 29, 2020 To be repaid in 5 equal annual instalments of ₹10,00,00,000 at the end of each year from the date of first disbursement. Interest to be compounded and services on a monthly basis and reset annually. Interest to be serviced on monthly basis, as and when due	Not Applicable
17.	Karur Vysya	10,000.00	10,002.85	March 3, 2021	Company may prepay

Sr. No.	Lender's Name	Amount Sanctioned *(₹in lakhs)*	Amount Outstanding as on September 30, 2016 *(₹in lakhs)*	Final Maturity Date/ Repayment Schedule	Pre-payment penalty, if any
	Bank*			To be repaid in 5 equal annual instalments commencing from the first year. Interest during holiday period to be serviced as and when debited	the loan without penalty on any date or reset or if paid out of internal accruals/capital infusion with 15 days' notice to the lender. In any other case, prepayment penalty of 3% of the amount taken over + applicable ST will be applicable
18.	Punjab National Bank*	20,000.00	19,999.59	December 31, 2020 To be repaid in 5 equal annual instalments commencing from the end of the first year from the date of first drawdown	Company may prepay the loan without penalty if repaid within 30 days from the date of issue/issuance of a circular for onward revision of interest rate
19.	State Bank of Bikaner and Jaipur*	10,000.00	7,999.71	September 29, 2020 To be repaid in 5 equal annual instalments of ₹20,00,00,000 each commencing from the end of the first year from the date of first disbursement. Interest to be serviced as and when applied on monthly basis	Company may prepay the loan without penalty if repaid form own sources. In any other case, with a prepayment penalty of 2% of the prepaid amount
20.	State Bank of Hyderabad[#]	10,000.00	6,999.47	September 19, 2020 To be repaid in 10 equal semi-annual instalments of ₹10,00,00,000 each from the date of first disbursement	The Company may prepay the loan without prepayment penalty if prepaid from own resources or on account of non-acceptance of revised rate of interest with 15 days' notice to the lender. In any other case, prepayment penalty of 2% of the prepaid amount will be applicable
21.	Jammu & Kashmir Bank Limited[#]	15,000.00	14,999.87	November 6, 2020 To be repaid in 5 equal annual instalments from the end of the first year	Company may prepay the loan without penalty by providing 15 days' notice of prepayment
22.	State Bank of Patiala*	10,000.00	3,326.10	September 28, 2017 To be repaid 12 equal quarterly instalments after a moratorium	Company may prepay the loan without penalty on an interest reset date by providing 7 days' notice. In any other

Sr. No.	Lender's Name	Amount Sanctioned *(₹in lakhs)*	Amount Outstanding as on September 30, 2016 *(₹in lakhs)*	Final Maturity Date/ Repayment Schedule	Pre-payment penalty, if any
				period of two years from the date of first disbursement	case, Company to pay 2% of the prepaid amount for the remaining period
23.	State Bank of Patiala[#]	10,000.00	9,999.29	March 18, 2021 To be repaid 12 equal quarterly instalments after a moratorium period of two years from the date of first disbursement	Company may prepay the loan without penalty on an interest reset date by providing 7 days' notice. In any other case, Company to pay 2% of the prepaid amount for the remaining period
24.	Syndicate Bank[#]	15,000.00	4,999.59	March 24, 2017 To be repaid in 3 equal annual instalments from the end of the first year from the date of first disbursement	Company may prepay the loan without penalty on an interest reset date by providing 30 days' notice. In any other case, Company to pay 1% of the principal prepaid
25.	Syndicate Bank*	15,000.00	5,012.67	March 4, 2017 To be repaid in 3 equal annual instalments from the end of the fifth year from the date of first drawdown	Company may prepay the loan without penalty on an interest reset date by providing 15 days' notice. In any other case, Company to pay 1% of the balance outstanding
26.	Punjab and Sind Bank*	20,000.00	19,999.55	September 21, 2022 To be repaid in 5 equal annual instalments from the end of the third year from the date of first disbursement. Interest to be serviced as and when charged.	Company may prepay the loan without penalty if prepaid on the date of interest reset or by providing 30 days' notice
27.	Punjab and Sind Bank*	7,500.00	933.98	December 18, 2016 To be repaid in 16 equal quarterly instalments of ₹4.69 crore each after a moratorium of 3 years. Interest to be serviced as and when charged.	Nil
28.	Punjab and Sind Bank*	10,000.00	9,999.88	December 14, 2021 To be repaid in 5 equal annual instalments from the end of third year. Interest to be serviced	Company may prepay the loan without penalty if prepaid on the date of interest reset or by providing 30 days' notice

Sr. No.	Lender's Name	Amount Sanctioned *(₹in lakhs)*	Amount Outstanding as on September 30, 2016 *(₹in lakhs)*	Final Maturity Date/ Repayment Schedule	Pre-payment penalty, if any
				as and when charged.	
29.	Punjab and Sind Bank*	15,000.00	1,874.98	February 25, 2017 To be repaid in 8 equal semi-annual instalments of ₹18.75 crore each after a moratorium of 3 years. Interest to be serviced as and when charged.	Nil
30.	Punjab and Sind Bank*	15,000.00	4,999.94	August 17, 2017 To be paid in 3 equal annual instalments of ₹50 crore each from the end of the fifth year. Interest to be serviced as and when charged.	Nil
31.	Punjab and Sind Bank*	20,000.00	19,999.75	February 8, 2022 To be repaid in 4 equal annual instalments from the end of the fourth year from the date of first drawdown.	Company may prepay the loan without any prepayment penalty if it is prepaid on an interest reset date or with 30 days' notice period
32.	UCO Bank*	10,000.00	3,338.44	January 5, 2017 To be repaid in 3 equal annual instalments after a moratorium of 2 years from the first date of disbursement	Company may prepay the loan without any prepayment penalty if it is prepaid on an interest reset date
33.	UCO Bank*	20,000.00	19,993.74	May 13, 2022 To be repaid in 4 equal annual instalments from the end of the fourth year. Interest to be serviced on a monthly basis as and when applied	Company may prepay the loan without any prepayment penalty if it is prepaid on an interest reset date or with 15 days' notice period
34.	United Bank of India#	25,000.00	16,653.91	September 30, 2018 To be repaid in 3 equal annual instalments after a moratorium of 3 years from the date of first disbursement	Company may prepay the loan without penalty by providing notice of 15 working days to the lender
35.	United Bank of India#	50,000.00	37,494.21	June 30, 2019 To be repaid in 4 equal annual instalments of ₹125 crore each after a moratorium of 1 year from the date of first disbursement	Company may prepay the loan without penalty by providing notice of 15 working days to the lender

Sr. No.	Lender's Name	Amount Sanctioned *(₹in lakhs)*	Amount Outstanding as on September 30, 2016 *(₹in lakhs)*	Final Maturity Date/ Repayment Schedule	Pre-payment penalty, if any
36.	United Bank of India[#]	15,000.00	14,991.86	March 18, 2020 To be repaid in 3 equal annual instalments after a moratorium of 2 years from the date of first disbursement	Company may prepay the loan without penalty by providing notice of 30 working days to the lender
37.	Vijaya Bank*	10,000.00	9,999.91	December 9, 2020 To be repaid in 4 equal annual instalments of ₹25 crore each from the end of the second year from the first date of disbursement. Interest to be paid as and when debited.	Company may prepay the loan without penalty by providing prior written notice of 30 days to the lender. In any other case, with prepayment penalty of 2.25% of the outstanding amount as on date of closure or 0.62% on the outstanding per year of the remaining tenure of the loan, whichever is lower
38.	Federal Bank*	10,000.00	9,999.97	December 16, 2019 To be repaid in 3 equal annual instalments of ₹33.33 crore each at the end of year from the date of first disbursement	Company may prepay the loan without penalty if repaid on the date of reset or with 30 days' notice period
	Total	**6,07,000.00**	**4,78,549.55**		

***secured by first ranking pari passu charge by way of hypothecation in favour of the lender of all present and future books debts and receivables save and except those book debts and receivables charged/to be charged in favour of NHB*

[#] *secured by first ranking pari passu charge by way of hypothecation in favour of lender of all present and future standard book debts and receivables book debts, outstanding, moneys receivables, claims and bills except for those book debts and receivables charged/to be charged in favour of NHB for refinance availed/to be availed from them*

Cash Credit Facilities from Banks:

(₹in lakhs)

Sr. No.	Lender's Name	Type of Facility	Amount Sanctioned	Amount outstanding as on September 30, 2016	Repayment terms
1.	Axis Bank*	Cash Credit	10,000.00	0.16	On Demand
2.	Lakshmi Vilas Bank*	Open Cash Credit Facility	5,000.00	(0.25)	One-year period (September 18, 2016)
3.	Jammu & Kashmir Bank Limited[#]	Cash Credit	5,000.00	4,997.05	One year from the date of sanction, subject to annual review / renewal
4.	Punjab and Sind Bank*	Cash Credit	10,000.00	0.30	On Demand
5.	Vijaya Bank[#]	Cash Credit	2,500.00	(0.10)	One year from the date of sanction, subject to annual review / renewal

Sr. No.	Lender's Name	Type of Facility	Amount Sanctioned	Amount outstanding as on September 30, 2016	Repayment terms
6.	Canara Bank*	Cash Credit	10,000.00	10,000.00	One year from the date of sanction, subject to annual review / renewal
	Total		**42,500.00**	**14,997.16**	

**secured by first ranking pari passu charge by way of hypothecation in favour of the lender of all present and future books debts and receivables save and except those book debts and receivables charged/to be charged in favour of NHB*

[#] secured by first ranking pari passu charge by way of hypothecation in favour of lender of all present and future standard book debts and receivables book debts, outstanding, moneys receivables, claims and bills except for those book debts and receivables charged/to be charged in favour of NHB for refinance availed/to be availed from them

Details of Un-Secured Term Loans from Banks:

Nil

Details of Secured NCDs as on September 30, 2016*:

Debenture Series	Tenor / Period of Maturity (Days)	Coupon (%)	Amount (₹ in lakhs)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /Un-Secured
RHFL F Series B NCD 03	1826	10.10%	2,000.00	November 26, 2012	November 26, 2017	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 04	3652	10.00%	100.00	December 11, 2012	December 11, 2022	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 05	1826	10.00%	1,500.00	January 3, 2013	January 3, 2018	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 06	1826	10.00%	2,500.00	January 8, 2013	January 8, 2018	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 12	4383	9.48%	100.00	April 27, 2013	April 27, 2025	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 13	1826	9.70%	1,000.00	April 29, 2013	April 29, 2018	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 14[#]	1823	0.00%	884.05	May 7, 2013	May 4, 2018	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 15	1826	9.25%	3,000.00	June 3, 2013	June 3, 2018	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 16	1826	9.09%	500.00	June 4, 2013	June 4, 2018	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 17	1826	9.25%	1,500.00	June 7, 2013	June 7, 2018	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 18	1826	9.25%	500.00	June 10, 2013	June 10, 2018	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured

Debenture Series	Tenor / Period of Maturity (Days)	Coupon (%)	Amount (₹ in lakhs)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /Un-Secured
RHFL F Series B NCD 19	1826	9.25%	500.00	June 13, 2013	June 13, 2018	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 20	1826	9.25%	1,000.00	June 19, 2013	June 19, 2018	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 21	3652	9.35%	2,500.00	July 5, 2013	July 5, 2023	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 22	3652	9.35%	500.00	July 5, 2013	July 5, 2023	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 23	3652	9.52%	1,500.00	July 26, 2013	July 26, 2023	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 25	1096	9.90%	1,500.00	January 31, 2014	January 31, 2017	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 26	3653	9.90%	170.00	March 28, 2014	March 28, 2024	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 27	3653	9.80%	1,500.00	May 15, 2014	May 15, 2024	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 28	1826	9.80%	1,000.00	June 19, 2014	June 19, 2019	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 29	1826	9.80%	500.00	June 27, 2014	June 27, 2019	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 30	1826	9.75%	1,000.00	October 16, 2014	October 16, 2019	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 32	1827	9.05%	1,500.00	March 26, 2015	March 26, 2020	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 33	2555	9.15%	2,000.00	March 27, 2015	March 25, 2022	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 34#	532	0.00%	314.86	April 20, 2015	October 3, 2016	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 35	575	0.00%	325.00	July 2, 2015	January 27, 2017	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 36	3653	9.15%	1,500.00	September 22, 2015	September 22, 2025	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 37	2557	8.82%	2,000.00	October 28, 2015	October 28, 2022	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 38	503	0.00%	750.00	November 4, 2015	March 21, 2017	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series	1827	8.80%	2,500.00	December	December	CARE AA+ (by	Secured

Debenture Series	Tenor / Period of Maturity (Days)	Coupon (%)	Amount (₹ in lakhs)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /Un-Secured
B NCD 39				15, 2015	15, 2020	CARE) & BWR AA+ (by Brickwork)	
RHFL F Series B NCD 40	1826	9.00%	5,000.00	March 8, 2016	March 8, 2021	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 41	1826	9.00%	1,000.00	March 16, 2016	March 16, 2021	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 42	2556	8.83%	4,000.00	April 11, 2016	April 11, 2023	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 43	2556	8.81%	2,500.00	April 26, 2016	April 26, 2023	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 44	2555	8.81%	1,500.00	May 6, 2016	May 5, 2023	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 45	3285	8.95%	2,500.00	May 18, 2016	May 16, 2025	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 46 Type III	1826	8.81%	2,500.00	June 24, 2016	June 24, 2021	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 46 Type IV	2555	8.81%	3,000.00	June 24, 2016	June 23, 2023	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 47	1094	8.81%	2,000.00	July 20, 2016	July 19, 2019	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 48	1826	8.90%	5,000.00	July 22, 2016	July 22, 2021	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 49	1094	8.90%	2,500.00	July 27, 2016	July 26, 2019	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
RHFL F Series B NCD 50	1095	8.90%	5,000.00	August 12, 2016	August 12, 2019	CARE AA+ (by CARE) & BWR AA+ (by Brickwork)	Secured
M/01	732	Nifty 50 Index Linked	500.00	February 5, 2015	February 6, 2017	CARE PP-MLD AA+	Secured
M/03	733	Nifty 50 Index Linked	530.00	June 24, 2015	June 26, 2017	CARE PP-MLD AA+	Secured
M/04 - Type I	734	Nifty 50 Index Linked	530.00	June 30, 2015	July 3, 2017	CARE PP-MLD AA+	Secured
M/04 - Type II[#]	643	Nifty 50 Index Linked	229.71	June 30, 2015	April 3, 2017	CARE PP-MLD AA+	Secured
M/05	1094	Nifty 50 Index Linked	500.00	July 8, 2015	July 6, 2018	CARE PP-MLD AA+	Secured
M/06	734	Nifty 50	165.00	July 10,	July 13,	CARE PP-MLD	Secured

Debenture Series	Tenor / Period of Maturity (Days)	Coupon (%)	Amount (₹ in lakhs)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /Un-Secured
		Index Linked		2015	2017	AA+	
M/07	734	Nifty 50 Index Linked	175.00	July 30, 2015	August 2, 2017	CARE PP-MLD AA+	Secured
M/08	732	Nifty 50 Index Linked	270.00	August 27, 2015	August 28, 2017	CARE PP-MLD AA+	Secured
M/10[#]	645	Nifty 50 Index Linked	102.64	September 24, 2015	June 30, 2017	CARE PP-MLD AA+	Secured
M/11 Type I[#]	821	Nifty 50 Index Linked	381.81	October 13, 2015	January 11, 2018	CARE PP-MLD AA+	Secured
M/11 Type II	734	Nifty 50 Index Linked	125.00	October 13, 2015	October 16, 2017	CARE PP-MLD AA+	Secured
M/12 Type I	823	Nifty 50 Index Linked	150.00	October 23, 2015	January 23, 2018	CARE PP-MLD AA+	Secured
M/12 Type II	731	Nifty 50 Index Linked	125.00	October 23, 2015	October 23, 2017	CARE PP-MLD AA+	Secured
M/13	734	Nifty 50 Index Linked	100.00	November 18, 2015	November 21, 2017	CARE PP-MLD AA+	Secured
M/14	456	Nifty 50 Index Linked	200.00	December 17, 2015	March 17, 2017	CARE PP-MLD AA+	Secured
M/15	610	Nifty 50 Index Linked	125.00	December 30, 2015	August 31, 2017	CARE PP-MLD AA+	Secured
M/16	1216	Nifty 50 Index Linked	630.00	January 22, 2016	May 22, 2019	CARE PP-MLD AA+	Secured
M/17 - Type I	733	Nifty 50 Index Linked	135.00	January 29, 2016	January 31, 2018	CARE PP-MLD AA+	Secured
M/17 - Type II	733	LT Stock Linked	55.00	January 29, 2016	January 31, 2018	CARE PP-MLD AA+	Secured
M/17 - Type III[#]	1098	Nifty 50 Index Linked	118.20	January 29, 2016	January 31, 2019	CARE PP-MLD AA+	Secured
M/18	762	Nifty 50 Index Linked	275.00	February 9, 2016	March 12, 2018	CARE PP-MLD AA+	Secured
M/19	608	Nifty 50 Index Linked	1,000.00	February 16, 2016	October 16, 2017	CARE PP-MLD AA+	Secured
M/20 - Type I	822	Nifty 50 Index Linked	380.13	February 29, 2016	May 31, 2018	CARE PP-MLD AA+	Secured
M/20 - Type II	853	Nifty 50 Index	125.00	February 29, 2016	July 1, 2018	CARE PP-MLD AA+	Secured

Debenture Series	Tenor / Period of Maturity (Days)	Coupon (%)	Amount (₹ in lakhs)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /Un-Secured
		Linked					
M/20 - Type III	608	Nifty 50 Index Linked	201.50	February 29, 2016	October 29, 2017	CARE PP-MLD AA+	Secured
M/21 - Type I	1279	Nifty 50 Index Linked	100.57	March 9, 2016	September 9, 2019	CARE PP-MLD AA+	Secured
M/22 - Type I	1279	Nifty 50 Index Linked	1,200.00	March 30, 2016	September 30, 2019	CARE PP-MLD AA+	Secured
M/22 - Type II	852	Nifty 50 Index Linked	170.00	March 30, 2016	July 30, 2018	CARE PP-MLD AA+	Secured
M/22 - Type III	824	Nifty 50 Index Linked	490.00	March 30, 2016	July 2, 2018	CARE PP-MLD AA+	Secured
M/22 - Type IV	1217	Nifty 50 Index Linked	50.00	March 30, 2016	July 30, 2019	CARE PP-MLD AA+	Secured
M/23 - Type II	1279	Nifty 50 Index Linked	1,500.00	March 31, 2016	October 19, 2017	CARE PP-MLD AA+	Secured
M/24	1278	Nifty 50 Index Linked	1,400.00	April 7, 2016	October 7, 2019	CARE PP-MLD AA+	Secured
M/25	640	Nifty 50 Index Linked	100.00	April 20, 2016	January 20, 2018	CARE PP-MLD AA+	Secured
M/26	852	Nifty 50 Index Linked	175.00	April 29, 2016	August 29, 2018	CARE PP-MLD AA+	Secured
M/27	854	Nifty 50 Index Linked	125.00	May 30, 2016	October 1, 2018	CARE PP-MLD AA+	Secured
M/28-Type I	426	Nifty 50 Index Linked	1,000.00	June 28, 2016	August 28, 2017	CARE PP-MLD AA+	Secured
M/29	1277	Nifty 50 Index Linked	500.00	September 19, 2016	March 19, 2020	CARE PP-MLD AA+	Secured

***** *The Company has entered into debenture trust deed dated August 20, 2016. However, no tranche of debentures has been issued under this trust deed as on September 30, 2016.*

[#]*Series of debentures issued at a discount*

***Note**: Security: (a) First pari passu charge on present and future book debts / receivables except for those book debts and receivables charged / to be charged in favour of National Housing Bank (NHB) for refinance availed / to be availed from them, as mentioned in the respective Debenture Trust Deed; and (b) Registered mortgage over immovable property of the Company, pari passu first charged in favour of the Debenture Trustees, the description of which is as follows: Office No. 4/A, Third Floor, Shiv Complex, Station Road, Bharuch*

Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on September 30, 2016.

Tier II Debt as on September 30, 2016, as under*:

Debenture Series	Tenor / Period of Maturity (Days)	Coupon (%)	Amount (₹ in lakhs)	Date of Allotment	Redemption Date/ Schedule	Credit Rating as on September 30, 2016**	Secured / Un-Secured
RHFL F Series T NCD 01	3652	10.60%	100.00	September 18, 2012	September 18, 2022	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 02	3652	10.60%	500.00	September 18, 2012	September 18, 2022	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 03	3652	10.40%	1,500.00	September 21, 2012	September 21, 2022	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 04	3652	10.40%	1,500.00	September 24, 2012	September 24, 2022	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 05	3652	10.40%	500.00	September 24, 2012	September 24, 2022	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 06	3643	10.60%	200.00	September 27, 2012	September 18, 2022	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 07	3652	10.40%	1,500.00	October 4, 2012	October 4, 2022	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 08	3652	10.33%	2,000.00	October 10, 2012	October 10, 2022	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 09	3652	10.33%	1,000.00	October 10, 2012	October 10, 2022	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 10	3652	10.33%	1,000.00	October 18, 2012	October 18, 2022	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 11	3652	10.33%	500.00	November 26, 2012	November 26, 2022	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 12	3652	10.00%	1,500.00	February 7, 2013	February 7, 2023	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 13	2008	9.50%	500.00	May 14, 2013	November 12, 2018	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 14	3652	9.50%	2,500.00	May 29, 2013	May 29, 2023	CARE AA (by CARE) & BWR AA+ (by	Un-Secured

Debenture Series	Tenor / Period of Maturity (Days)	Coupon (%)	Amount (₹ in lakhs)	Date of Allotment	Redemption Date/ Schedule	Credit Rating as on September 30, 2016**	Secured / Un-Secured
						Brickworks)	
RHFL F Series T NCD 15	3653	9.50%	2,000.00	June 9, 2015	June 9, 2025	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 16	3653	9.50%	1,000.00	June 12, 2015	June 12, 2025	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 17	3651	9.50%	1,000.00	June 15, 2015	June 13, 2025	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 18	3653	9.50%	1,000.00	June 29, 2015	June 29, 2025	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 19	3653	9.50%	1,000.00	July 1, 2015	July 1, 2025	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 20	3653	9.25%	2,000.00	July 3, 2015	July 3, 2025	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 21	3653	9.50%	1,000.00	August 21, 2015	August 21, 2025	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 22	3652	9.25%	700.00	August 24, 2015	August 23, 2025	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 23	2556	9.45%	1,000.00	September 16, 2015	September 15, 2022	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 24	3653	9.00%	1,500.00	January 21, 2016	January 21, 2026	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured
RHFL F Series T NCD 25	3653	9.00%	300.00	February 10, 2016	February 10, 2026	CARE AA (by CARE) & BWR AA+ (by Brickworks)	Un-Secured

***** *The Company has entered into debenture trust deed dated August 11, 2016. However, no tranche of debentures has been issued under this trust deed as on September 30, 2016.*

***The rating for Tier II Debt has subsequently been upgraded to CARE AA+ vide letter dated November 11, 2016.*

List of Top 10 Debenture Holders (secured and un-secured) as on September 30, 2016:

(₹ in lakhs)

Sr. No.	Name of Debenture Holders	Amount
1.	General Insurance Corporation of India	12,000.00
2.	United India Insurance Company Limited	11,500.00
3.	The New India Assurance Company Limited	7,500.00
4.	Andhra Bank	7,000.00

Sr. No.	Name of Debenture Holders	Amount
5.	The Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)	6,000.00
6.	The J and K Bank Limited	6,000.00
7.	NPS Trust – A/C LIC Pension Fund Scheme – Central Government	6,000.00
8.	Syndicate Bank	5,500.00
9.	Trustees Central Bank of India Employees' Pension Fund	5,000.00
10.	Oriental Bank of Commerce Employees Pension Fund	5,000.00
	Total	**71,500.00**

As on September 30, 2016, the amount of corporate guarantee issued by our Company in favour of its Subsidiaries, Joint Venture entity, group company, etc. is 'Nil'.

The total face value of Commercial Papers Outstanding as on September 30, 2016:

(₹ in lakhs)

Sr. No.	Maturity Date	Amount Outstanding
1.	October 10, 2016	9,980.49
2.	October 28, 2016	14,922.72
3.	October 31, 2016	14,911.72
4.	November 1, 2016	9,940.84
5.	November 10, 2016	14,879.77
6.	November 18, 2016	24,774.74
7.	December 2, 2016	34,587.04
8.	December 9, 2016	14,806.94
9.	June 1, 2017	1,421.33
10.	July 14, 2017	469.43
11.	August 24, 2017	2,331.22
12.	September 7, 2017	18,574.49
13.	September 8, 2017	4,646.66
14.	September 12, 2017	18,555.10
15.	September 15, 2017	464.38
	Total	**1,85,266.87**

The total amount of loans and advances from related parties (ICDs) outstanding as of September 30, 2016 is 'Nil'.

Restrictive Covenants under our Financing Arrangements:

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

1. to effect any change in its capital structure;

2. to formulate any scheme of amalgamation or reconstruction;

3. to undertake any new project or expansion scheme, unless the expenditure on such expansion is covered by the Company's net cash accruals after providing for debt servicing or from long term funds received for financing such new projects or expansion;

4. to invest by way of share capital in or lend or advance funds to or place deposits with any other concern;

5. to enter into borrowing arrangements, either secured or Un-Secured, with any other bank, financial institution, company or otherwise;

6. to undertake guarantee obligations on behalf of any other company, firm or person;

7. to create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons apart from the arrangement indicated in the funds flow statements submitted to the lenders from time to time and approved by the lenders.

Penalty

The loans availed by our Company contain provisions prescribing penalties for delayed payment or default in the repayment obligations of our Company or delay in creation of the stipulated security, which typically range from 0.5% to 3% of the outstanding principal amount.

There has been no re-scheduling, default and/or delay in payment of principal and/or interest of any kind on any borrowing or other form of financial indebtedness, including corporate guarantees issued by our Company in the 5 years preceding the date of this Draft Shelf Prospectus.

There are no outstanding borrowings taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or in part, (ii) at a premium or discount, or (iii) in pursuance of an option as on the date of this Draft Shelf Prospectus, except as disclosed above.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of (a) consumer complaints, (b) petitions pending before appellate authorities, (c) criminal complaints, and (d) civil suits. We believe that the number of proceedings in which we are involved in is not unusual for a company of our size in the context of doing business in India.

As on the date of this Draft Shelf Prospectus, there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, and arrears on cumulative preference shares, etc., by our Company. Further, there are no outstanding Tax litigations against the Company.

The NCD Committee of our Company in their meeting dated November 15, 2016 has adopted a policy for determination of materiality for disclosure of litigation involving the Company, the Directors, Promoter and Group Companies which may have an adverse impact on the position of our Company.

Save as disclosed below, there are no:

1. litigation or legal actions pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of our Company during the last five years immediately preceding the year of the issue of this Draft Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;

2. inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company;

3. litigation involving our Company, Promoters, Directors, group companies or any other person, whose outcome could have material adverse effect on the position of our Company; and

4. pending proceedings initiated against our Company for economic offences.

Our Company

For the purposes of disclosure, all other pending litigation involving our Company, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if the monetary amount of claim is more than 5% of the consolidated profit after tax our Company for the Fiscal 2016.

Litigations against our Company

Criminal

There are no criminal cases that have been instituted against our Company.

Civil

There are various civil proceedings instituted against our Company from time to time, mostly arising in the ordinary course of its business. Other than as disclosed below, there are no pending civil proceedings instituted by our Company that involve an amount more than 5% of the consolidated profit after tax for the Fiscal 2016.

1. BBF Industries (the "**Petitioners**") have filed a civil suit against our Company under section 34 of the Arbitration and Conciliation Act, 1996 before ADJ, Chandigarh in relation to agreement no. RHHLLUD000002706 on May 26, 2015. An arbitral award was passed directing the Petitioner to pay ₹ 590.42 lakhs along with interest at the rate of 18% to our Company. The Petitioner then filed a section 34 application against the impugned award and has sought to set aside the award. In response our Company has challenged the territorial jurisdiction of the Petitioners' application. The matter is pending.

Litigations by our Company

Criminal

Nil

Cases filed by the Company under Section 138 of the Negotiable Instruments Act, 1881

Our Company has filed various complaints and notices under section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Draft Shelf Prospectus, there are 753 such complaints pending before various courts. The total amount involved in such cases is approximately ₹3,037.96 lakhs.

Civil

There are various civil proceedings instituted by our Company from time to time, mostly arising in the ordinary course of its business. Other than as disclosed below, there are no pending civil proceedings instituted by our Company that involve an amount more than 5% of the consolidated profit after tax for the Fiscal 2016.

1. Our Company had referred to arbitration in Mumbai, a dispute against Dharam Paul Singla, Sarla Singla, Sunil Kumar Singla, Sangeeta Singla, Karan Pratap Singla, Viresh Singla, M/s Punjab Containers Private Limited, M/s Sangrur Organic Private Limited and M/s. Kingfisher Industries (collectively referred to as the "**Respondents**"), in accordance with Clause 19 of the loan agreement dated September 30, 2012 (the "**loan agreement**"). Our Company had disbursed an amount of ₹ 376.55 lakhs (the "**said loan**") to the Respondents, against an equitable mortgage on property as described in the loan agreement (the "**mortgaged property**"). The Respondents were to repay the said loan in 180 equal monthly instalments at a floating interest rate of 18.25% per annum. The Respondents defaulted in making payment towards the monthly instalments, and the post-dated cheques provided by the Respondents for repayment were dishonoured, pursuant to which our Company had terminated the loan agreement. An amount of ₹ 406.95 lakhs was payable by the Respondent to our Company as on December 14, 2015, which was payable as on December 14, 2015, at the rate of interest of 18% per annum. Our Company thus filed this arbitration petition praying that inter alia, the arbitrator: (i) order the Respondents to pay us an amount of ₹ 406.95 lakhs with further interest at the rate of 18% per annum till the rate of realisation and pendent lite at the rate of 3% per annum on the unpaid amount; and (ii) cost of this arbitration proceedings in favour of our Company. The matter is currently pending.

2. Our Company had referred to arbitration in Mumbai, a dispute against Bharat Box Factory Limited, Anil Kumar, Baljinder Kumar, Parveen Kumar, and Rajinder Kumar (collectively referred to as the "Respondents", in accordance with Clause 17 of the loan agreement dated March 12, 2010 (the "**loan agreement**"). Our Company had disbursed an amount of ₹ 600 lakhs (the "**said loan**") to the Respondents, against an equitable mortgage on property as described in the loan agreement (the "**mortgaged property**"). The Respondents were to repay the said loan in 180 equal monthly instalments at an interest rate of 8.5% per annum. The Respondents defaulted in making payment towards the monthly instalments, and the post-dated cheques provided by the Respondents for repayment were dishonoured, pursuant to which our Company had terminated the loan agreement. An amount of ₹ 590.43 lakhs was payable by the Respondent to our Company as on March 13, 2014. The arbitrator passed an arbitral award on February 11, 2015 (the "**arbitral award**") ordering: (i) the Respondents to pay our Company the sum of ₹ 590.43 lakhs with further interest thereon at the rate of 18% per annum from March 14, 2014 till the date of payment and realisation thereof; and (ii) arbitration costs of ₹ 7,500, to be borne equally by our Company and the Respondents. The amounts due under this arbitral award are yet to be received by our Company.

3. Our Company has referred to arbitration a dispute against M/s. Core Indo Ispat Pvt. Ltd. and others (the "**Respondent**"), with Mumbai as the place of arbitration proceedings. Our Company, by way of Loan Agreement dated January 15, 2015 had lent an amount of ₹ 650.00 lakhs to the Respondent, which was payable in 144 installments with interest at the rate of 14% p.a. (floating rate) against equitable mortgage of the property purchased by the Respondents, ***viz***. Flat No.301, 3rd floor, Godambe Apartments CHSL, Plot no. 424, Chitrakar Dhurandhar Marg, Khar (West), Mumbai- 400 052. After availing the loan, the Respondents made several defaults in the payment of monthly installments and did not regularize their account despite repeated requests of the Company. Following this the loan account of the Respondent was terminated and the Respondent were called to pay the overdue amount due under the loan agreement alongwith further interest @3% p.m. Despite the notice the Respondents failed to pay the outstanding dues. Our Company has amongst

others sought that the Respondents be ordered and decreed to pay to the Company a sum of ₹ 698.36 lakhs together with further interest thereon at 14% p.a. from the date of March 4, 2016 till the date of realization of dues and pendent ***lite*** at the rate of 3% p.m., on the unpaid amount.

4. Our Company had referred to arbitration a dispute against Jitendra Umedbhai Patel and others (the "**Respondents**"), with Mumbai as the place of arbitration proceedings. Our Company, by way of Loan Agreement dated August 30, 2013 had lent an amount of ₹ 488 lakhs to the Respondents, against mortgage of the property of the Respondents, *viz.* Bunglow No. 24-A, Balaji Green Vallysnr, Narmada canal, near Balaji Upvanambapur, Adalaj- 382 421 along with its title deeds. After availing the loan, the Respondents made several defaults in the payment of monthly installments and did not regularize their account despite repeated requests of the Company. Following this the loan account of the Respondent was terminated and the Respondent were called to pay the amount due under the loan agreement. Despite the notice the Respondents failed to pay the outstanding dues. Thereafter the Respondents remained absent and did not file any defence statement on both dates of hearing of the arbitration matter, inspite of sufficient opportunity. The arbitrator finally proceeded ex-parte against the Respondents and passed the award on August 20, 2016, that the Respondent was to pay to the Company a sum of ₹ 494.74 lakhs, due as on March 4, 2016, together with further interest thereon at the rate of 18% p.a. from March 5, 2016 thereon till payment or realization.

5. Our Company had referred to arbitration a dispute against Jitendra Umedbhai Patel and others (the "**Respondents**"), with Mumbai as the place of arbitration proceedings. Our Company, by way of Loan Agreement dated December 8, 2014 had lent an amount of ₹ 425 lakhs to the Respondents, against mortgage of the property of the Respondents, *viz.* Bunglow No. 24-A, Balaji Green Vallysnr, Narmada canal, near Balaji Upvanambapur, Adalaj- 382 421 along with its title deeds. After availing the loan, the Respondents made several defaults in the payment of monthly installments and did not regularize their account despite repeated requests of the Company. Following this the loan account of the Respondent was terminated and the Respondent were called to pay the amount due under the loan agreement. Despite the notice the Respondents failed to pay the outstanding dues. Thereafter the Respondents remained absent and did not file any defence statement on both dates of hearing of the arbitration matter, inspite of sufficient opportunity. The arbitrator finally proceeded ex-parte against the Respondents and passed the award on August 20, 2016, that the Respondent was to pay to the Company a sum of ₹ 444.61 lakhs, due as on March 4, 2016, together with further interest thereon at the rate of 18% p.a. from March 5, 2016 thereon till payment or realization.

6. Our Company has filed an arbitration petition no. C(L) 9 of 2016 on June 1, 2016, under section 9 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Bombay High Court, against Core Indo Ispat Private Limited (the "**Respondents**"). Our Company had sanctioned two loan facilities, pursuant to the terms of the mortgage loan sanction letters and the mortgage loan agreements dated January 9, 2015 and January 15, 2015 respectively (the "**mortgage loan agreements**") (collectively referred to as the "**loan agreements**"), and secured against properties described in the mortgage loan agreements (the "mortgaged properties"). Under the mortgage loan agreements, the Respondents were to repay both the loan amounts within a period of 144 months with interest at the rate of 14% per annum. The Respondents has defaulted in the repayment of the loan instalments as required under the loan agreements, pursuant to which our Company had terminated the loan agreements and called upon the Respondents to pay ₹ 378.39 lakhs and ₹ 699.92 lakhs payable under the mortgage loan agreement. In accordance with Clause 17 of the mortgage loan agreements, disputes arising thereunder were to be referred to arbitration in Mumbai, however, to prevent any alienation or creation of third party rights over the mortgaged properties between the reference to arbitration and the passing of the final arbitral award, our Company filed this arbitration petition praying inter alia for the court to grant the following ad-interim reliefs : (i) order the appointment of a receiver to take possession of and hand over the mortgaged properties to our Company and allow sale by private contract; (ii) permit the receiver to take forcible possession of the mortgaged properties; (iii) direct the Respondents to disclose all properties held by them (the "**disclosed properties**"), and prevent the Respondents from parting with possession, creating third party rights, alienating or encumbering the mortgaged properties or any disclosed properties pending the hearing and final disposal of the arbitral proceedings; and (iv) direct the Respondents to deposit a sum of and furnish a bank guarantee of ₹ 373.80 lakhs and ₹ 693.58 lakhs as on May 12, 2016, with further overdue compensation at the rate of 3% per month from May 13, 2016; and grant costs in relation to this petition, to secure the claim of our Company. The matter is currently pending.

Details of acts of material frauds committed against our Company in the last five years, if any, and if so, the action taken by our Company

There have been instances of fraud, which are inherent in the nature of the business of our Company. However,

there is no material fraud committed against our Company in the last five Fiscals.

Litigations against our Promoter, Group Companies and Directors which may have an adverse impact on our Company

For the purposes of disclosure, all other pending litigation involving our Promoter and Group Companies, would be considered 'material' if the monetary amount of claim is more than 10% of the Networth of our Promoter or 10% of Profit after Tax of our Promoter for the Fiscal 2016, whichever are lower.

Litigation involving our Promoters

Nil

Litigation involving our Group Companies

1. Reliance Infocomm Infrastructure Limited ("RIIL") filed Writ Petition No. 4855/2015 before the Bombay High Court against the impugned demand of ₹ 1,184 crores by Maharashtra State Electricity Distribution Company Limited for differential electricity charges raised for the MBP office vide order dated April 24, 2015. On May 22, 2015, the Bombay High Court has directed RIIL to deposit 50% of the said demand with the Registry and seek alternate remedy by way of filing an appeal. The same was challenged by the RIIL in the Supreme Court, but no relief was granted. Hence, appropriate civil application was filed in Bombay High Court seeking protection and same has been granted on condition that RIIL has to deposit ₹ 200 crores in the Court. RIIL deposited the said amount. Matter is currently pending admission.

Litigations involving our Directors

2. The Securities and Exchange Board of India ("**SEBI**") had passed an order dated September 29, 2015 against *inter alia* Ms. Deena Mehta ("**Director**"), an independent director of our Company, under Section 15H(ii) of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"), whereby the respondents in the said order, including the Director (collectively, the "**Respondents**"), were order to pay a penalty of ₹ 25,00,000 for acquisition of shares in a company promoted by one of the Respondents without public announcement, pursuant to showcause notice dated July 7, 2014. The Respondents filed appeal No. 490 of 2015 before the Securities and Appellate Tribunal ("**SAT**") challenging the said order of SEBI. SAT in its order dated March 21, 2016 quashed the said order of SEBI and restored the file to SEBI for fresh order on merits and in accordance with law.

3. On October 22, 2011, the Special Judge, CBI framed charges against inter alia Mr. Gautam Doshi and certain Reliance and non-Reliance Group persons for various offences, including criminal breach of trust, criminal conspiracy, forgery, giving false evidence, abetment of corruption of a public servant and abetment of an offence under Sections 109, 120B, 193, 409, 420, 468, 471 of the IPC, or in the alternative, Sections 11, 12 and 13(2) read with 13(1)(d) of the Prevention of Corruption Act, 1988, inter alia in relation to award of the Unified Access Services License ("**UASL**") to Swan Telecom Private Limited, now known as Etisalat DB Private Limited ("**Swan**"). It is alleged that Swan was ineligible to be granted a UASL as Reliance Telecom Limited ("**Reliance Telecom**"), directly as well as through its associates, was holding securities in Swan in excess of the prescribed limits. Clause 8 of the UASL agreement stated that no single person could directly or indirectly hold 10% or more of more than one licensee in the same service area for the same service. Reliance Telecom and the other accused contended that Reliance Telecom had held securities within the prescribed limits in Swan when Swan had applied for the UASL but had not acquired the UASL and before the grant of UASL to SWAN in 2007 Reliance Telecom sold the securities it held in Swan. The matter is pending before the Special Judge, CBI. The Supreme Court has granted bail to Mr. Doshi on November 24, 2011.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on November 10, 2016 the Directors approved the issue of Secured NCDs up to ₹ 3,00,000 lakhs and Un-Secured NCDs up to ₹ 50,000 lakhs, aggregating upto a shelf limit not exceeding ₹ 3,50,000 lakhs, in one or more tranches to the public. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders *vide* AGM dated August 4, 2016.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Directors and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Wilful Defaulter

Our Company has not been identified as wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, A. K. CAPITAL SERVICES LIMITED, AXIS BANK LIMITED, TRUST INVESTMENT ADVISORS PRIVATE LIMITED, AND YES SECURITIES (INDIA) LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, A. K. CAPITAL SERVICES LIMITED, AXIS BANK LIMITED, TRUST INVESTMENT ADVISORS PRIVATE LIMITED, AND YES SECURITIES (INDIA) LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●], 2016.

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE TRANCHE 1 ISSUE OR RELATING TO THE TRANCHE 1 ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE TRANCHE 1 ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE**

ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE TRANCHE 1 ISSUE HAVE BEEN GIVEN.

3. **WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008.**

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

WE CONFIRM THAT NO COMMENTS/ COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED NOVEMBER 15, 2016 FILED WITH THE BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED.
*(for the purposes of due diligence certificate, term 'Prospectus' shall constitute Shelf Prospectus and Tranche 1 Prospectus)***.**

Disclaimer Clause of NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN *VIDE* ITS LETTER REF.: [●] DATED [●] PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER.

EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN *VIDE* ITS LETTER DATED [●], PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS THE STOCK EXCHANGE ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. **WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**
B. **WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
C. **TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of the NHB

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED JANUARY 6, 2009 ISSUED BY THE NATIONAL HOUSING BANK UNDER SECTION 29A OF THE NATIONAL HOUSING BANK ACT, 1987. HOWEVER, THE NHB DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITIES BY THE COMPANY.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Manager	Website
Edelweiss Financial Services Limited	www.edelweissfin.com
A.K. Capital Services Limited	www.akcapindia.com
Axis Bank Limited	www.axisbank.com
Trust Investment Advisors Private Limited	www.trustgroup.in
YES Securities (India) Limited	http://yesinvest.in/YES/aboutus.jsp

Listing

An application has been made to the Stock Exchanges for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Shelf Prospectus and the relevant Tranche Prospectus(es).

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 12 Working Days from the date of closure of the relevant Tranche Issue.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription to any one or more of the series, such NCDs with series shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer (c) Lead Managers; (d) the Registrar to the Issue, (e) Legal Advisor to the Issue, (f) Credit Rating Agencies, (g) the Debenture Trustee (h) Chief Financial Officer (i) Banker to the Issue, (j) Refund Banker in respective tranche, (k) Consortium Members in respective tranche and (l) CRISIL in respective tranche to act in their respective capacities, have been obtained and the same will be filed along with a copy of the Shelf Prospectus and Tranche Prospectus with the RoC.

The consent of the Statutory Auditors of our Company, namely Chaturvedi & Shah, *Chartered Accountants* for (a) inclusion of their name as the Statutory Auditors, (b) examination reports on Reformatted Financial Statements

in the form and context in which they appear in this Draft Shelf Prospectus, and (c) statement of tax benefits have been obtained and has not withdrawn such consent and the same will be filed with RoC, along with a copy of the Shelf Prospectus and Tranche Prospectus.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Draft Shelf Prospectus:

1. Our Company has received consent from its Statutory Auditors namely, Chaturvedi & Shah, *Chartered Accountants* to include their name as required under Section 26 (1) (v) of the Companies Act, 2013 and as "Expert" as defined under Section 2(38) of the Companies Act, 2013 in this Draft Shelf Prospectus in respect of the examination report of the Auditors dated August 17, 2016 and statement of tax benefits dated November 10, 2016 included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

2. Our Company has received consent from CARE to act as the credit rating agency to the Issue and an expert as defined under Section 2(38) of the Companies Act, 2013 vide its letter dated November 10, 2016.

3. Our Company has received consent from Brickwork to act as the credit rating agency to the Issue and an expert as defined under Section 2(38) of the Companies Act, 2013 *vide* its letter dated November 10, 2016.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of the Base Issue, within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within 12 days from the date of closure of the Issue. In the event, there is a delay, by the Issuer in making the aforesaid refund, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Filing of the Draft Shelf Prospectus

A copy of this Draft Self Prospectus has been filed with the Stock Exchanges in terms of SEBI Debt Regulations for dissemination on their respective websites.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

Our Company is eligible to file a Shelf Prospectus as per requirements of Section 6A of SEBI Debt Regulations. A copy of the Shelf Prospectus and relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company

shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Third Amendment Rules, 2016, dated July 19, 2016, further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-lA of the RBI (Amendment) Act, 1997 shall be 25% of the value of outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the NCDs, outstanding as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on 31st day of March of that year.

Issue Related Expenses

The expenses of this Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, consortium members, fees payable to debenture trustees, underwriters (if any), the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated break-up of the total expenses shall be as specified in the relevant Tranche Prospectus.

Reservation

No portion of this Issue has been reserved

Public/ Rights Issues

Our Company has not made any public or rights issuances in the last five years.

Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B) of the Companies Act, which made any capital issue during the last three years

Nil

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on October 30, 2016 our Company has listed rated, secured/ Un-Secured, Non Convertible redeemable debentures and listed subordinated debt. For further details, please refer to the chapter titled "***Financial Indebtedness***" on page 110.

Dividend

Our Company has no stated dividend policy. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

Our Company has not paid any dividend in the last five financial years on Equity Shares. Our Company has paid a dividend of ₹ 28,56,000 on Preference Shares. The dividend was declared on January 24, 2013 and paid on February 15, 2013.

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated November 10, 2016 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted. The contact details of Registrar to the Issue are as follows:

Karvy Computershare Private Limited

Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032
Telangana, India
Tel: +91 40 6716 1500
Fax: +91 40 6716 1791
Email: mis.radag@karvy.com
Investor Grievance Email: rhfl.ncd@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Regn. No: INR00000021
CIN: U74140TG2003PTC041636

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this agreement and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed fifteen (15) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:

Ms. Ekta Thakurel
Company Secretary & Compliance Officer

Reliance Centre, 6th Floor, South Wing,
Off Western Express Highway,
Santacruz (East), Mumbai – 400 055,
Maharashtra, India;
Tel: +91 22 3303 6000;
Fax: +91 22 2610 3299;
Email: rhfl.secretarial@relianceada.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application amount etc.

Change in Auditors of our Company during the last three years

There has been no change(s) in the Statutory Auditors of our Company in the last 3 (three) Fiscals preceding the date of this Draft Shelf Prospectus.

Details of overall lending as of March 31, 2016

1. Classification of loans/advances

a. Type of loans

(in ₹ lakhs)

Sr. No.	Type of loans	Amount	(%)
1.	Secured	6,75,264	100
2.	Un-Secured	0	0
	Total Loans	**6,75,264**	**100**

b. Sectoral Exposure

Sr. No.	Segment	Percentage of Loans (%)
1.	Housing Loans	75
2.	Other Property Loans	25
	Total	**100**

c. Geographical classification of borrowers

Sr. No.	Regions	Percentage of Loans (%)
1.	North, Eastern & Central	26
2.	South	17
3.	West	57
	Total	**100**

d. Details of loans overdue and classified as non-performing in accordance with NHB guidelines

(i) Movement of Gross NPAs

(in ₹ lakhs)

Sr. No.	Particulars	Amount
1.	Opening balance as of April 1, 2015	5,315
2.	Additions during the year	3,244
3.	Reductions during the year	(1,998)
4.	Closing balance as of March 31, 2016	**6,561**

(ii) Movement of provisions for NPAs (excluding provisions on standard assets)

(in ₹ lakhs)

Sr. No.	Particulars	Amount
1.	Opening balance as of April 1, 2015	1,209
2.	Provisions made during the year	843
3.	Write-off / write back of excess provisions	(501)
4.	Closing balance as of March 31, 2016	**1,551**

e. Segment-wise gross NPA

Sr. No.	Sector	Sectoral Percentage (%) of NPAs to Total Advances
1.	Housing Loans	0.7
2.	Other Property Loans	0.3

2. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (As of March 31, 2016)

(₹ in lakhs)

Particulars	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
Loans and Advances	6,197	6,346	6,677	23,824	35,296	72,223	64,797	4,58,351	6,73,711
Investments	363	532	1,019	2,444	2,990	694	0	0	8,042
Borrowings from Bank	27,448	6,667	14,271	27,542	63,147	2,34,610	1,26,834	24,000	5,24,519

Particulars	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
Borrowings from Market	10,430	34,603	0	5,245	3,577	20,146	16,640	39,760	1,30,311

Others

a. **Lending policy**: For details on lending policy please refer to "***Our Business – Our Products and Services***" on page 72.

b. Our Company has not provided any loans/advances to associates, entities/person relating to the board, senior management, Promoters expect as provided for in "***Financial Statements***" on page 108.

c. Our Company has not provided any loans/advances to "***Group***" entities.

Utilization details regarding the Previous Issues of the issuer as well as the Group Companies

Our Company has not made any public issue of non convertible debentures prior to this Issue.

None of our group companies have made any public issue of debentures.

SECTION VII- ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This chapter should be read in conjunction with, and is qualified in its entirety by more detailed information in the chapter titled "***Terms of the Issue***" on page 143.

The key common terms and conditions of the NCDs are as follows:

Issuer	Reliance Home Finance Limited
Type of instrument/ Name of the security/ Seniority	Secured Redeemable Non Convertible Debentures and Un-Secured Redeemable Non Convertible Subordinated NCDs in the nature of Subordinated Debt and eligible for inclusion as Upper Tier II capital
Nature of the instrument	Secured Redeemable Non Convertible Debentures and Un-Secured Redeemable Non Convertible Debentures in the nature of Subordinated Debt and will be eligible for inclusion as Upper Tier II capital
Mode of the issue	Public issue
Lead Managers	Edelweiss Financial Services Limited, A. K. Capital Services Limited, Axis Bank Limited, Trust Investment Advisors Private Limited, and Yes Securities (India) Limited
Debenture Trustee	IDBI Trusteeship Services Limited
Depositories	NSDL and CDSL
Registrar	Karvy Computershare Private Limited
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Eligible investors	Please refer to "***Issue Procedure – Who can apply?***" on page 158
Objects of the Issue	Please refer to the chapter titled "***Objects of the Issue***" on page 44
Details of utilization of the proceeds	Please refer to the chapter titled "***Objects of the Issue***" on page 44
Interest rate for each category of investors	As specified in the relevant Tranche Prospectus for each Tranche Issue
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issuance mode of the instrument*	Physical and demat
Trading mode of the instrument	Compulsorily in dematerialised form
Settlement mode of the Instrument	1. Direct credit; 2. NECS; 3. RTGS; 4. NEFT; and 5. Cheques / pay order / demand draft. For further details in respect of the aforesaid modes, please refer to the chapter titled "***Issue Procedure – Terms of Payment***" on page 150.
Frequency of interest payment	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest payment date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count basis	Actual/ Actual
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deeds, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws

Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Amount	The principal amount on the NCDs along with interest, if any, accrued on them as on the Redemption Date
Redemption premium/ discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face value	₹ 1,000 per NCD
Issue Price (in ₹)	As specified in the relevant Tranche Prospectus for each Tranche Issue
Discount at which security is issued and the effective yield as a result of such discount.	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put option date	Not applicable
Put option price	Not applicable
Call option date	Not applicable
Call option price	Not applicable
Put notification time.	Not applicable
Call notification time	Not applicable
Minimum Application size and in multiples of NCD thereafter	As specified in the relevant Tranche Prospectus for each Tranche Issue
Market Lot/ Trading Lot	One NCD
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit ratings	The Secured NCDs proposed to be issued under this Issue have been rated 'CARE AA+ (Double A plus)' for an amount of ₹3,00,000 lakhs, by CARE *vide* their letter dated October 13, 2016 *(validated as on November 11, 2016)* and BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Stable for an amount of ₹3,00,000 lakhs, by Brickwork *vide* their letter dated October 25, 2016 *(validated as on November 9, 2016).* The rating of CARE AA+ by CARE and BWR AA+, Outlook: Stable by Brickwork indicate that instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The Un-Secured NCDs proposed to be issued under this Issue have been rated 'CARE AA (Double A)' for an amount of ₹50,000 lakhs, by CARE *vide* their letter dated November 8, 2016 and BWR AA (Pronounced as BWR Double A) Outlook: Stable for an amount of ₹50,000 lakhs, by Brickwork *vide* their letter dated October 4, 2016 *(validated as on November 9, 2016).* The rating of CARE AA by CARE and BWR AA, Outlook: Stable by Brickwork indicate that instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see Annexure A and B to this Draft Shelf Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. For the rationale for these ratings, see Annexure A & B of this Draft Shelf Prospectus.
Listing	The NCDs are proposed to be listed on NSE and BSE. The NCDs shall be listed within 12 Working Days from the date of Issue Closure.
Issue size	As specified in the respective Tranche Prospectus
Modes of payment	Please refer to the chapter titled ***"Issue Procedure – Terms of Payment***" on page 150
Trading	In dematerialised form only
Issue opening date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue closing date**	As specified in the relevant Tranche Prospectus for each Tranche Issue *The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("**Board**") or the NCD Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that*

	notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges.
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date
Security and Asset Cover	The principal amount of the Secured NCDs proposed to be issued in terms of the Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of first charge in favour of the Debenture Trustee on specific present and future receivables/assets of our Company and our Promoter as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon), which shall be free from any encumbrances. The Issuer reserves the right to sell or otherwise deal with the assets, including receivables, both present and future, including to create a charge on pari passu basis thereon for its present and future financial requirements, with prior permission of Debenture Trustee in this connection as provide for in the Secured Debenture Trust Deed and provided that a minimum security cover of 1 (one) time on the principal amount and interest thereon, is maintained. No security will be created for Un-Secured NCD in the nature of subordinated Debt. For further details, please refer to the section titled "***Terms of the Issue – Security***" on page no. 155.
Issue documents	This Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deeds and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Issue Agreement, Debenture Trust Deeds, the Debenture Trustee Agreement, the Tripartite Agreements, the Escrow Agreement, the Registrar Agreement, the Agreement with the Lead Managers and the Consortium Agreement. For further details, please refer to "*Material Contracts and Documents for Inspection*" on page 188
Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement.
Events of default / cross default	Please refer to the chapter titled "***Terms of the Issue – Events of Default***" on page 144
Deemed date of Allotment	The date on which the Board of Directors/or duly authorised committee thereof approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or duly authorised committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment
Roles and responsibilities of the Debenture Trustee	Please refer to the chapter titled "***"Terms of the Issue – Trustees for the Secured Holders"*** on page 144

Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively
Working day convention	If any Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Such additional interest will be deducted from the interest payable on the next date of payment of interest. If the Redemption Date of any series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment

** In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. However, our Company has applied to SEBI on November 11, 2016 to exempt our Company from the aforementioned requirements and issue the NCDs in physical form, in terms of section 8(1) of the Depositories Act, 1996. However, trading in NCDs shall be compulsorily in dematerialized form.*

SPECIFIC TERMS FOR EACH SERIES OF NCDs

As specified in the relevant Tranche Prospectus.

Terms of payment

The entire face value per NCDs is payable on application (except in case of ASBA Applicants). In case of ASBA Applicants, the entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall refund the amount paid on application to the Applicant, in accordance with the terms of the respective Tranche Prospectus.

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account (in case of Applicants applying for Allotment of the NCDs in dematerialized form) held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue. For further details, please refer to the chapter titled "***Issue Procedure***" on page 157.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorized by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on November 10, 2016. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders *vide* their resolution approved at the AGM dated August 4, 2016.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Application Forms, the Abridged Prospectus, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deeds, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/the Stock Exchanges, RBI, NHB and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of Secured NCDs

The Secured NCDs would constitute secured and senior obligations of our Company and shall be first ranked *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements. The Secured NCDs proposed to be issued under the Issue and all earlier issues of secured debentures outstanding in the books of our Company, shall be first ranked *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the Secured NCD holders shall rank *pari passu* to those of the other secured creditors of our Company, subject to applicable statutory and/or regulatory requirements.

Ranking of Un-Secured NCDs

The Un-Secured NCDs would constitute unsecured and subordinated obligations of the Company. The Un-Secured NCDs proposed to be issued under this Issue shall rank above the Tier I capital. The claims of the Un-Secured NCD holders shall be superior to the claims of investors in instruments eligible for inclusion in tier I capital and subordinated to those of the other creditors of our Company, subject to applicable statutory and/or regulatory requirements. Our Company may, subject to applicable RBI and/or NHB requirements and other applicable statutory and/or regulatory provisions, treat the Un-Secured NCDs as Upper Tier II capital.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Third Amendment Rules, 2016, dated July 19, 2016, further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-lA of the RBI (Amendment) Act, 1997 shall be 25% of the value of outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the NCDs, outstanding as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year.

Face Value

The face value of each NCD shall be ₹ 1,000.

Trustees for the NCD Holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute the Debenture Trust Deeds, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The Secured NCD Holders and the Un-secured NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default

Subject to the terms of the Debenture Trust Deeds, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deeds.

Default is committed in payment of the principal amount of the NCDs on the due date(s); and Default is committed in payment of any interest on the NCDs on the due date(s).

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI LODR Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deeds, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.

2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deeds, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deeds, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the respective Tranche Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deeds, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. A register of NCD Holders holding NCDs in physical form ("**Register of NCD Holders**") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.

6. Subject to compliance with RBI and/or NHB requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days' prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company may redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of this Draft Shelf Prospectus, the respective Tranche Prospectus and the Debenture Trust Deeds.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or

- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or

herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form.

Applicants who have opted for allotment of NCDs in the physical form and/or persons holding NCDs in the physical form should provide required details in connection with their nominee to our Company and inform our Company in connection with NCDs held in the physical form.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

NCDs being issued through this Draft Shelf Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable.

Form and Denomination (Secured NCDs)

In case of Secured NCDs held in physical form, a single certificate will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held ("**Consolidated Certificate**"). A successful Applicant can also request for the issue of Secured NCDs certificates in the denomination of 1 (one) NCD at any time post allotment of the NCDs ("**Market Lot**").

In respect of Consolidated Certificates, we will, only upon receipt of a request from the Secured NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of original NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the original NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Form and Denomination (Un-Secured NCDs)

In case of Un-Secured NCDs held in physical form, a single certificate will be issued to the Un-Secured NCD Holder for the aggregate amount of the Un-Secured NCDs held ("**Consolidated Certificate**"). A successful Applicant can also request for the issue of Un-Secured NCDs certificates in the denomination of 1 (one) NCD at any time post allotment of the NCDs ("**Market Lot**").

In respect of Consolidated Certificates, we will, only upon receipt of a request from the Un-Secured NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of Un-Secured NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the Un-Secured NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the Companies Act, 2013 shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCD(s) as well. In respect of the NCDs held in physical form, a suitable instrument of transfer as may be prescribed by the Issuer may be used for the same. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

Please refer to "- ***Interest/Premium***" on page 148 for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

For NCDs held in electronic form:

The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. In case the transferee does not have a DP account, the seller can re-materialise the NCDs and thereby convert his dematerialized holding into physical holding. Thereafter, the NCDs can be transferred in the manner as stated above.

In case the buyer of the NCDs in physical form wants to hold the NCDs in dematerialized form, he can choose to dematerialize the securities through his DP.

Title

In case of:

- the NCDs held in the dematerialized form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and

- the NCDs held in physical form, the person for the time being appearing in the Register of NCD Holders as NCD Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the NCD Holder.

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCD s will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.

2. Proof that the non-resident Indian is an Indian national or is of Indian origin.

3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialization.**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any requirements of the RBI, NHB and/or as provided in our Articles of Association. Please refer to the chapter titled "***Main Provisions of the Articles of Association of our Company***" on Page 185.

Period of Subscription

ISSUE PROGRAMME	
ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Lead Managers or the Trading Members of the Stock Exchange, as the case maybe, at the centers mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centers of the Lead Managers or the Trading Members of the Stock Exchange, as the case maybe, only at the Selected Cities. On the Issue Closing Date Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis in accordance with SEBI Circular dated October 29, 2013.

Interest/Premium

As specified in the relevant Tranche Prospectus.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior

to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

However, in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor (in case of resident Individuals and HUFs), if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted to the Registrar quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original from Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Shelf Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention:

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013.

Effect of holidays on payments:

If the date of payment of interest does not fall on a Working Day, then the immediately succeeding Working Day will be considered as the effective date for such payment of interest along with interest for such additional period (the "**Effective Date**"). Such additional interest will be deducted from the interest payable on the next date of payment of interest. Interest and principal or other amounts, if any, will be paid on the Effective Date. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 will be a disclosed in the relevant Tranche Prospectus.

Interest on Application Amount

Interest on application amounts received which are used towards allotment of NCDs

Our Company shall pay interest on application amount on the amount allotted to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as

amended, as applicable, to any Applicants to whom NCDs are allotted pursuant Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount Allotted from three Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchanges upto one day prior to the Deemed Date of Allotment, at the rate as specified in the relevant Tranche Prospectus.

Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Applicants. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment/ NCD Certificates at the sole risk of the Applicant, to the sole/first Applicant**.**

Interest on application amounts received which are liable to be refunded

Our Company shall pay interest on the application amount which is liable to be refunded to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts which are liable to be refunded from three Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchange upto one day prior to the Deemed Date of Allotment, at the rate as specified in the relevant Tranche Prospectus. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) along with the Letter(s) of Refund at the sole risk of the Applicant, to the sole/first Applicant.

In the event our Company does not receive a minimum subscription, as specified in the relevant Tranche Prospectus, our Company shall pay interest on application amount which is liable to be refunded to the Applicants, other than to ASBA Applicants, in accordance with the provisions of the Debt Regulations and/or the Companies Act, 2013, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please refer to "***Issue Procedure- Rejection of Applications***" at page 177.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Put/ Call Option

As specified in the relevant Tranche Prospectus.

Application Size

As specified in the relevant Tranche Prospectus.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund the excess amount paid on application to the Applicant in accordance with the terms of this Draft Shelf Prospectus. For further details, please refer to the paragraph on "***Interest on Application Amount***" on page 149.

Manner of Payment of Interest / Refund

The manner of payment of interest / refund in connection with the NCDs is set out below:

For NCDs held in physical form:

The bank details will be obtained from the Application Form or from the copy of the cancelled cheque or such other documentary proof as may have been annexed to the Application Form by the Applicant for payment of interest / refund / redemption as the case may be. In case of NCDs held in physical form on account of re-materialization and/or subsequent transfer post-allotment, the bank details will be obtained from the documents submitted to our Company along with the re-materialisation request. Please refer to *"**Procedure for Re-materialization of NCDs**"* on page 148 for further details.

For NCDs applied / held in electronic form:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and neither the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. **Direct Credit:** Investors having their bank account with the Refund Banks, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. **NECS:** Payment of interest / refund / redemption shall be undertaken through NECS for Applicants having an account at the centers mentioned in NECS MICR list.
   This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code, IFSC, bank account number, bank name and branch name as appearing on a cheque leaf, from the Depositories. One of the methods for payment of interest / refund / redemption is through NECS for Applicants having a bank account at any of the abovementioned centers.

3. **RTGS:** Applicants having a bank account with a participating bank and whose interest payment / refund / redemption amount exceeds ₹ 2 lakhs, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment / refund / redemption through RTGS are required to provide the IFSC in the Application Form or intimate our Company and the Registrars to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment / refund / redemption shall be made through NECS subject to availability of complete bank account details for the same as stated above.

4. **NEFT:** Payment of interest / refund / redemption shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of interest/refund/redemption will be made to the Applicants through this method.

5. **Registered Post/ Speed Post:** For all other Applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through Speed Post/ Registered Post only to Applicants that have provided details of a registered address in India. Refunds may be made by cheques, pay orders, or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. All cheques, pay orders, or demand drafts as the case may be, shall be sent by registered/speed post at the Investor's sole risk. Bank charges, if any, for cashing

such cheques, pay orders, or demand drafts at other centres will be payable by the Applicant.

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/issue instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/Allotment of NCDs. In case of Applicants who have applied for Allotment of NCDs in dematerialized form, the Registrar to the Issue will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds. In case of Applicants who have applied for Allotment of NCDs in physical form, the bank details will be extracted from the Application Form or the copy of the cancelled cheque. For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be issued to the clearing system within 12 Working Days of the Issue Closing Date. A suitable communication will be dispatched to the Applicants receiving refunds through these modes, giving details of the amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses (in India) of Applicants, as per Demographic Details received from the Depositories or the address details provided in the Application Form, in case of Applicants who have applied for Allotment of NCDs in physical form. The Demographic Details or the address details provided in the Application Form would be used for mailing of the physical refund orders, as applicable. Investors who have applied for NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of their Depository Participant. Failure to do so could result in delays in credit of refund to the investors at their sole risk and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for such delays on part of the investors**.**

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCDs as available in the records of our Company. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company. Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form:

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the NCD Holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also please refer to the para "*Payment on Redemption*" given below.

NCDs held in electronic form:

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form:

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s). Dispatch of cheques/pay order, etc. in respect of such payment will be made on the Redemption Date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD Holders whose names stand in the Register of NCD Holders maintained by us/Registrar to the Issue on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least 7 (seven) days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 (seven) days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrars.

Our liability to holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s). Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in electronic form:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s). Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Issue of Duplicate NCD Certificate(s)

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and

upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013"

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the relevant Tranche Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Tranche Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue statutory advertisement and advertisement for opening or closure of the issue have been given.

Minimum Subscription

In terms of the SEBI circular dated June 17, 2014, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue, within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within 12 Days from the date of closure of the Issue. In the event, there is a delay, by the Issuer in making the aforesaid refund, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank accounts until the documents for creation of security are executed and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.
2. Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
3. Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
4. We shall utilize the Issue proceeds only upon execution of the documents for creation of security as stated in this Draft Shelf Prospectus, on receipt of the minimum subscription and receipt of listing and trading approval from the Stock Exchanges.
5. The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

Security and asset cover

The principal amount of the Secured NCDs proposed to be issued in terms of the Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of first charge in favour of the Debenture Trustee on specific present and future receivables/assets of our Company and our Promoter as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon), which shall be free from any encumbrances.

The Issuer reserves the right to sell or otherwise deal with the assets, including receivables, both present and future, including to create a charge on pari passu basis thereon for its present and future financial requirements, with prior permission of Debenture Trustee in this connection as provide for in the Secured Debenture Trust Deed and provided that a minimum security cover of 1 (one) time on the principal amount and interest thereon, is maintained.

No security will be created for Un-Secured NCD in the nature of subordinated Debt.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

A copy of the Shelf Prospectus and relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Tranche Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Listing

The NCDs offered through this Draft Shelf Prospectus are proposed to be listed on the Stock Exchanges. Our Company has obtained an 'in-principle' approval for the Issue from the NSE *vide* their letter dated [●] and BSE *vide* their letter dated [●]. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 12 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

ISSUE PROCEDURE

This chapter applies to all Applicants. ASBA Applicants should note that the ASBA process involves application procedures which may be different from the procedures applicable to Applicants who apply for NCDs through any of the other channels, and accordingly should carefully read the provisions applicable to ASBA Applications hereunder. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the Designated Branches of the SCSBs.

*ASBA Applicants should note that they may submit their ASBA Applications to the Members of Consortium, or Trading Members of the Stock Exchange only in the Specified Cities or directly to the Designated Branches of the SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Lead Manager, or Trading Members of the Stock Exchange at the centres mentioned in the Application Form. For further information, please refer to "***- Submission of Completed Application Forms***" on page* 175.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Shelf Prospectus.

Please note that this chapter has been prepared based on the Circular No. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI. The following Issue procedure is subject to the functioning and operations of the necessary systems and infrastructure put in place by the Stock Exchange for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Direct Online Applications through the online platform and online payment facility to be offered by the Stock Exchange and is also subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchange. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 SEBI Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE WHO WISH TO COLLECT AND UPLOAD APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE.

THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GREIVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.

For purposes of the Issue, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closure to listing of the securities, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India.

The information below is given for the benefit of the investors. Our Company and the Members of Consortium

are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

PROCEDURE FOR APPLICATION

Availability of the Abridged Prospectus and Application Forms

Please note that there is a single Application Form for ASBA Applicants as well as Non-ASBA Applicants who are Persons Resident in India.

Physical copies of the abridged Shelf Prospectus containing the salient features of the Shelf Prospectus, the respective Tranche Prospectus together with Application Forms may be obtained from:

1. Our Company's Registered Office and Corporate Office;
2. Offices of the Lead Managers/ Consortium Members;
3. Trading Members; and
4. Designated Branches of the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchange and on the websites of the SCSBs that permit submission of ASBA Applications electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

On a request being made by any Applicant before the Issue Closing Date, physical copies of this Draft Shelf Prospectus, the Shelf Prospectus, the respective Tranche Prospectus and Application Form can be obtained from our Company's Registered and Corporate Office, as well as offices of the Members of Consortium. Electronic copies of this Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus will be available on the websites of the Lead Managers, the Stock Exchange, SEBI and the SCSBs.

Who can apply?

The following categories of persons are eligible to apply in the Issue:

Category I **Institutional Investors**	Category II **Non Institutional Investors**	Category III **High Net-worth Individual, ("HNIs"), Investors**	Category IV **Retail Individual Investors**
• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorised to invest in the NCDs; • Provident funds, pension funds with a minimum corpus of ₹ 2500.00 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Venture Capital Funds/ Alternative Investment Fund registered with SEBI; • Insurance Companies	• Companies within the meaning of section 2(20) of the Companies Act, 2013; co-operative banks, and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Statutory Bodies/Corporations, • Regional Rural Banks • Public/private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to	Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakhs across all series of NCDs in Issue	Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lakhs across all series of NCDs in Issue

Category I Institutional Investors	Category II Non Institutional Investors	Category III High Net-worth Individual, ("HNIs"), Investors	Category IV Retail Individual Investors
registered with IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual Funds.	invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons		

Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The Members of Consortium and their respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

1. Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
2. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
3. Persons resident outside India and other foreign entities;
4. Foreign Institutional Investors;
5. Foreign Portfolio Investors;
6. Foreign Venture Capital Investors
7. Qualified Foreign Investors;
8. Overseas Corporate Bodies; and
9. Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

No offer to the public (as defined under Directive 20003/71/EC, together with any amendments and implementing measures thereto, the "**Prospectus Directive**") has been or will be made in respect of the Issue or otherwise in respect of the NCDs, in any Member State of the European Economic Area which has implemented the Prospectus Directive (a "**Relevant Member State**") except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the NCDs.

Please refer to "***Rejection of Applications***" on page 177 for information on rejection of Applications.

Modes of Making Applications

Applicants may use any of the following facilities for making Applications:

1. ASBA Applications through the Members of Consortium, or the Trading Members of the Stock Exchange only in the Specified Cities (namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) ("**Syndicate ASBA**"). For further details, please refer to "***Submission of ASBA Applications***" on page 164;

2. ASBA Applications through the Designated Branches of the SCSBs. For further details, please refer to "***Submission of ASBA Applications***" on page 164; and

3. Non-ASBA Applications through the Members of Consortium or the Trading Members of the Stock Exchange at the centres mentioned in Application Form. For further details, please refer to "***Submission of Non-ASBA Applications (other than Direct Online Applications)***" on page 165.

4. Non-ASBA Applications for Allotment in physical form through the Members of Consortium, Consortium Members, sub-brokers or the Trading Members of the Stock Exchange at the centres mentioned in Application Form. For further details, please refer to "- ***Submission of Non-ASBA Applications for Allotment of the NCDs in Physical Form***" on page 163.

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and is subject to confirmation from Stock Exchange.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016 ("**SEBI Circular 2016**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards HFCs is 10.0% of net assets value and single issuer limit is 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval). Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 25% of the net assets of the scheme.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which Application is being made. In

case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The Applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Commercial Banks, Co-operative Banks and Regional Rural Banks

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.**

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other

statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions, Statutory Corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) Board Resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) Specimen signature of authorized person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) Tax Exemption certificate issued by Income Tax Authorities, if exempt from Tax. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions; (iv) Specimen signature of authorized person. **Failing this, our**

Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms (ASBA as well as non-ASBA Applications) online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE PHYSICAL AND DEMATERIALIZED FORM

Application for allotment in the physical form

Submission of Non- ASBA Applications for Allotment of the NCDs in physical form

Applicants can also apply for Allotment of the NCDs in physical form by submitting duly filled in Application Forms to the Members of Consortium, Consortium Members, sub-brokers or the Trading Members of the Stock Exchange, with the accompanying account payee cheques or demand drafts representing the full Application Amount and KYC documents as specified under "***Applications for Allotment of NCDs***" and "***-Additional instructions for Applicants seeking Allotment of NCDs in physical form***" on page 160 and page 171, respectively. The Lead Managers, Consortium Members, sub-brokers and the Trading Members of the Stock Exchange shall, on submission of the Application Forms to them, verify and check the KYC documents submitted by such Applicants and upload details of the Application on the online platforms of Stock Exchange, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and time and returning it to the Applicant.

On uploading of the Application details, the Lead Managers, Consortium Members, sub-brokers and Trading Members of the Stock Exchange will submit the Application Forms, with the cheque/demand draft to the Escrow Collection Bank(s) along with the KYC documents, which will realise the cheque/demand draft, and send the Application Form and the KYC documents to the Registrar to the Issue, who shall check the KYC documents submitted and match Application details as received from the online platforms of Stock Exchange with the Application Amount details received from the Escrow Collection Bank(s) for reconciliation of funds received from the Escrow Collection Bank(s). In case of discrepancies between the two databases, the details received from the online platforms of Stock Exchange will prevail, except in relation to discrepancies between Application Amounts. Lead Managers, Consortium Members and the Trading Members of the Stock Exchange are requested to note that all Applicants are required to be banked with only the designated branches of Escrow Collection Bank(s). On Allotment, the Registrar to the Issue will dispatch NCD certificates/Allotment Advice to the successful Applicants to their addresses as provided in the Application Form. **If the KYC documents of an Applicant are not in order, the Registrar to the Issue will withhold the dispatch of NCD certificates pending receipt of complete KYC documents from such Applicant. In such circumstances, successful Applicants should provide complete KYC documents to the Registrar to the Issue at the earliest. In such an event, any delay by the Applicant to provide complete KYC documents to the Registrar to the Issue will be at the Applicant's sole risk and neither our Company, the Registrar to the Issue, the Escrow Collection Bank(s), nor the Lead Managers and/or the Consortium Members will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest on the Application Amounts for such period during which the NCD certificates are withheld by the Registrar to the Issue. Further, our Company will not be liable for any delays in payment of interest**

on the NCDs Allotted to such Applicants, and will not be liable to compensate such Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay in payment of interest on the NCDs.

For instructions pertaining to completing Application Form please refer to "- ***General Instructions***" and "***Additional Instructions for Applicants seeking allotment of NCDs in physical form***" on pages 166 and 171, respectively.

Applications for allotment in the dematerialized form

Submission of ASBA Applications

Applicants can also apply for NCDs using the ASBA facility. ASBA Applications can be submitted through either of the following modes:

1. Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the ASBA Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.

2. Physically through the Members of Consortium, or Trading Members of the Stock Exchange only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

Upon receipt of the Application Form by the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. **If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

ASBA Applicants must note that:

1. Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Members of Consortium and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Tranche Prospectus is made available on their websites.

2. The Designated Branches of the SCSBs shall accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please refer to "***General Information – Issue Programme***" on page 39.

3. In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Members of Consortium or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. **Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.**

Please note that ASBA Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Non-ASBA Applications (Other than Direct Online Applications)

Applicants must use the specified Application Form, which will be serially numbered, bearing the stamp of the relevant Lead Manager or Trading Member of the Stock Exchange, as the case maybe, from whom such Application Form is obtained. Such Application Form must be submitted to the relevant Lead Manager, Consortium Members or Trading Member of the Stock Exchange, as the case maybe, at the centers mentioned in the Application Form along with the cheque or bank draft for the Application Amount, before the closure of the Issue Period. **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount.** The Stock Exchange may also provide Application Forms for being downloaded and filled. Accordingly, the investors may download Application Forms and submit the completed Application Forms together with cheques/ demand drafts to the Lead Manager, Consortium Members or Trading Member of the Stock Exchange at the centers mentioned in the Application Form. On submission of the complete Application Form, the relevant Lead Manager, Consortium Members or Trading Member of the Stock Exchange, as the case maybe, will upload the Application Form on the electronic system provided by the Stock Exchange, and once an Application Form has been uploaded, issue an acknowledgement of such upload by stamping the acknowledgement slip attached to the Application Form with the relevant date and time and return the same to the Applicant. Thereafter, the Application Form together with the cheque or bank draft shall be forwarded to the Escrow Collection Banks for realization and further processing.

The duly stamped acknowledgment slip will serve as a duplicate Application Form for the records of the Applicant. The Applicant must preserve the acknowledgment slip and provide the same in connection with:

1. any cancellation/ withdrawal of their Application;
2. queries in connection with allotment and/ or refund(s) of NCDs; and/or
3. all investor grievances/ complaints in connection with the Issue.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and is subject to confirmation from Stock Exchange.

In the event the Direct Online Application facility is implemented by the Stock Exchange, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated UAN and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On

Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per Circular No. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in this Draft Shelf Prospectus, the abridged Tranche Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.
- Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- Applications must be for a minimum of [●] NCDs and in multiples of [●] NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same series or across different series. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Members of Consortium, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the

Application Form.

- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- All Applicants are required to tick the relevant box of the "Mode of Application" in the Application Form choosing either ASBA or Non-ASBA mechanism.
- ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected
- KYC Documents to be submitted by Applicants who do not have a Demat account and are applying for NCDs in the Physical Form

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of Consortium, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of Consortium, Trading Member of the Stock Exchange, Escrow Collection Banks nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the series of NCDs, as specified in the relevant Tranche Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialized form must mention their DP ID and Client ID in the Application Form, and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("**MICR**") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Members of Consortium, Trading Members of the Stock Exchange, Escrow Collection Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders.

Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Members of Consortium, Trading Members of the Stock Exchange, Escrow Collection Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through

electronic modes as detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN Field i.e. either Sikkim category or exempt category.

D. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size of ₹ [●] and in multiples of ₹ [●] thereafter as specified in the relevant Tranche Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 10 lakhs shall be deem such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications

shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.
4. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.
5. Ensure that the Application Forms are submitted at the collection centres provided in the Application Forms, bearing the stamp of a member of the Consortium or Trading Members of the Stock Exchange, as the case may be, for Applications other than ASBA Applications.
6. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
7. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the NSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
8. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
9. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;
10. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
11. Ensure that the Applications are submitted to the Members of Consortium, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please refer to "***General Information – Issue Programme***" on page 39.
12. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
13. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Issue;
14. **Permanent Account Number:** Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
15. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
16. Applicants (other than ASBA Applicants) are requested to write their names and Application serial number on the reverse of the instruments by which the payments are made;
17. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form;
18. Tick the series of NCDs in the Application Form that you wish to apply for; and

19. Submit KYC documents in case you are applying for physical allotment.

The Reserve Bank of India has issued standard operating procedure in terms of paragraph 2(a) of RBI circular number DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, detailing the procedure for processing CTS 2010 and non-CTS 2010 instruments in the three CTS grid locations.

SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011 stipulating the time between closure of the Issue and listing at 12 Working Days. In order to enable compliance with the above timelines, investors are advised to use CTS cheques or use ASBA facility to make payment. Investors using non-CTS cheques are cautioned that applications accompanied by such cheques are liable to be rejected due to any clearing delays beyond 6 Working Days from the date of the closure of the Issue to avoid any delay in the timelines mentioned in the aforesaid SEBI Circular.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;
3. Do not send Application Forms by post; instead submit the same to the Members of Consortium, sub-brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;
4. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
5. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
6. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
7. Do not submit the Application Forms without the full Application Amount;
8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
9. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
10. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
11. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
12. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA);
13. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases; and
14. Do not make an application of the NCD on multiple copies taken of a single form.

Additional Instructions Specific to ASBA Applicants

Do's:

1. Before submitting the physical Application Form with the Member of the Syndicate at the Syndicate ASBA Application Locations ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
2. Ensure that you tick the ASBA option in the Application Form and give the correct details of your ASBA Account including bank account number/ bank name and branch;
3. For ASBA Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Members of the Syndicate at the Syndicate ASBA Application Locations or the Trading Members and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to the Issuer, the Registrar;
4. For ASBA Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to the Issuer, the Registrar or the Members of the Syndicate or Trading Members;
5. Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;

6. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, or to the Members of the Syndicate at the Syndicate ASBA Application Locations, or to the Trading Members, as the case may be;
8. Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;
9. Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, or the Trading Member, as the case may be, for the submission of the Application Form; and
10. In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Don'ts:

1. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
2. Do not submit the Application Form to the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities.
3. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and
4. Do not submit more than five Application Forms per ASBA Account.

Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit such Application Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

Please refer to "*Rejection of Applications*" on page 177 for information on rejection of Applications.

ADDITIONAL INSTRUCTIONS FOR APPLICANTS SEEKING ALLOTMENT OF NCDS IN PHYSICAL FORM

Only Applicants who do not have a demat account as on date of the Application shall be eligible to apply for Allotment of NCDs in the physical form. Any Applicant who subscribes to the NCDs in physical form shall undertake the following steps:

Complete the Application Form in all respects, by providing all the information including PAN and Demographic Details. However, do not provide DP details in the Application Form. The requirement for providing DP details shall be mandatory only for Applicants who wish to subscribe to the NCDs in dematerialised form.

Provide the following documents with the Application Form:

(a) Self-attested copy of the PAN card (in case of a minor, the guardian shall also submit the self attested copy of his/her PAN card)

(b) Proof of identification in case of Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by Applicants residing in the State of Sikkim. Any one of the following documents shall be considered as a verifiable proof of identification:

i. valid passport issued by the GoI; or
ii. voter's identity card issued by the GoI; or

iii. valid driving license issued by any transport authority of the Republic of India; or
iv. Government ID card; or
v. Defence ID card; or
vi. ration card issued by the GoI
vii. Aadhar Card, Photo PAN Card

(c) Self-attested copy of proof of residence:

Any one of the following documents shall be considered as a verifiable proof of residence:

i. ration card issued by the GoI; or
ii. valid driving license issued by any transport authority of the Republic of India; or
iii. electricity bill (not older than three months); or
iv. landline telephone bill (not older than three months); or
v. valid passport issued by the GoI; or
vi. voter's identity card issued by the GoI; or
vii. passbook or latest bank statement issued by a bank operating in India; or
viii. registered leave and license agreement or agreement for sale or rent agreement or flat maintenance bill.
ix. AADHAAR letter, issued by Unique Identification Authority of India, GoI.

(d) Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited. In the absence of such cancelled cheque, our Company reserves the right to reject the Application or to consider the bank details given on the Application Form at its sole discretion. In such case our Company, the Members of Consortium and the Registrar to the Issue shall not be liable for any delays/errors in payment of refund and/or interest.

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers, the Consortium Members nor our Company shall have any responsibility and undertake any liability for the same. Applications for Allotment of the NCDs in physical form, which are not accompanied with the above stated documents, may be rejected at the sole discretion of our Company.

In relation to the issuance of the NCDs in physical form, note the following:

1. An Applicant has the option to seek Allotment of NCDs in either dematerialised or physical mode. **However, an Applicant can seek Allotment of NCDs in physical mode only if the Applicant does not have a beneficiary account. No partial Application for the NCDs shall be permitted; any such partial Application is liable to be rejected.**
2. **Any Applicant who provides Depository Participant details in the Application Form shall be Allotted the NCDs in dematerialised form only, irrespective of whether such Applicant has provided the details required for Allotment in physical form. Such Applicant shall not be Allotted NCDs in physical form.**
3. In case of NCDs issued in physical form, our Company will issue one certificate to the holders of the NCDs for the aggregate amount of the NCDs for each of the series of NCDs that are applied for (each such certificate, a "**Consolidated NCD Certificate**"). A successful Applicant can also request for the issue of NCD certificates in the denomination of 1 (one) NCD at any time post allotment of the NCDs.
4. Our Company shall dispatch the Consolidated NCD Certificate to the (Indian) address of the Applicant provided in the Application Form, within the time and in the manner stipulated under Section 113 of the Companies Act, 2013 read with our Company's Articles of Association.

All terms and conditions disclosed in relation to the NCDs held in physical form pursuant to rematerialisation shall be applicable mutatis mutandis to the NCDs issued in physical form.

The Applicant shall be responsible for providing the above information and KYC documents accurately. Delay or failure in credit of payments or receipt of Allotment Advice or NCD certificates due to inaccurate or incomplete details shall be at the sole risk of the Applicants only and the Lead Managers, the Consortium Members, our Company and the Registrar to the Issue shall have no responsibility and undertake no liability in this relation. In case of Applications for Allotment of NCDs in physical form, which are not accompanied with the aforestated documents, Allotment of NCDs in physical form may be held in abeyance by the Registrar to the Issue, pending receipt of KYC documents.

TERMS OF PAYMENT

The entire issue price for the NCDs is payable on Application only. In case of Allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

Payment mechanism for ASBA Applicants

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 12 (twelve) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be.

Escrow Mechanism for Applicants other than ASBA Applicants

Our Company shall open an Escrow Account with each of the Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) shall draw the cheque or demand draft in respect of his or her Application. Cheques or demand drafts received for the full Application Amount from Applicants would be deposited in the Escrow Account(s). All cheques/ bank drafts accompanying the Application should be crossed "A/c Payee only" for eligible Applicants must be made payable to the account details as specified in the relevant Tranche Prospectus. **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount.**

The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account into the Public Issue Account(s), as per the terms of the Escrow Agreement and the Shelf Prospectus.

The Escrow Collection Banks will act in terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Applicants, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of NCDs (other than in respect of Allotment to successful ASBA Applicants) from the

Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account(s) maintained with the Bankers to the Issue provided that our Company will have access to such funds only after receipt of minimum subscription and creation of security for the NCDs as described in relevant Tranche Prospectus, receipt of final listing and trading approval from the Stock Exchange and execution of the Debenture Trust Deeds.

The balance amount after transfer to the Public Issue Account(s) shall be transferred to the Refund Account. Payments of refund to the relevant Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement, the Shelf Prospectus and the relevant Tranche Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Applicants.

Each Applicant shall draw a cheque or demand draft mechanism for the entire Application Amount as per the following terms:

1. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form.

2. The Applicants shall, with the submission of the Application Form, draw a payment instrument for the Application Amount in favour of the Escrow Accounts and submit the same along with their Application. If the payment is not made favouring the Escrow Accounts along with the Application Form, the Application is liable to be rejected by the Escrow Collection Banks. Application Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn as specified in the relevant Tranche Prospectus.

4. The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants (other than ASBA Applicants) till the Designated Date.

5. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account(s) with the Bankers to the Issue and the refund amount shall be transferred to the Refund Account.

6. Payments should be made by cheque or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques, post-dated cheques and cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/ money orders/ postal orders will not be accepted. Please note that cheques without the nine-digit Magnetic Ink Character Recognition ("**MICR**") code are liable to be rejected.

7. Applicants are advised to provide the Application Form number on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.

8. Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount**.**

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	(i) If using physical Application Form, (a) to the Members of Consortium or Trading Members of the Stock Exchange only at the Specified Cities ("**Syndicate ASBA**"), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.
Non-ASBA Applications	Consortium Members or Trading Members of the Stock Exchange at the centres mentioned in the Application Form. Note: Applications for Allotment in physical form can be made only by using non-ASBA Applications and Applicants are not permitted to make Applications for Allotment in physical form using ASBA Applications and Direct Online Applications.

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Members of Consortium/ Trading Members of Stock Exchange will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as a duplicate Application Form for the records of the Applicant.

Syndicate ASBA Applicants must ensure that their ASBA Applications are submitted to the Members of Consortium or Trading Members of the Stock Exchange only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

For information on the Issue programme and timings for submission of Application Forms, please refer to "***General Information – Issue Programme***" on page 39.

Applicants other than ASBA Applicants are advised not to submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Electronic Registration of Applications

(a) The Members of Consortium, Trading Members of the Stock Exchange and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchange. **The Members of Consortium, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted both uploaded and/or not uploaded by the Trading Members of the Stock Exchange.**

In case of apparent data entry error by the Members of Consortium, Trading Members of the Stock Exchange, Escrow Collection Banks or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted

to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of Consortium, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment/rejection of Application.

(b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Members of Consortium, Trading Members of the Stock Exchange and the SCSBs during the Issue Period. The Members of Consortium and Trading Members of the Stock Exchange can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Members of Consortium, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Members of Consortium, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please refer to "***General Information – Issue Programme***" on page 39.

(c) At the time of registering each Application, other than ASBA Applications and Direct Online Applications, the Members of Consortium, or Trading Members of the Stock Exchange shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID (not applicable to Applications for Allotment of NCDs in physical form)
- Client ID (not applicable to Applications for Allotment of NCDs in physical form)
- Series of NCDs applied for
- Number of NCDs Applied for in each series of NCD
- Price per NCD
- Application amount
- Cheque number

(d) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- Series of NCDs applied for
- Number of NCDs Applied for in each series of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Application amount

(e) With respect to ASBA Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchange only at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- Series of NCDs applied for

- Number of NCDs Applied for in each series of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Location of Specified City
- Application amount

(f) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Members of Consortium, Trading Members of the Stock Exchange and the Designated Braches of the SCSBs, as the case may be. The registration of the Application by the Members of Consortium, Trading Members of the Stock Exchange and the Designated Braches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**

(g) Applications can be rejected on the technical grounds listed on page 177 or if all required information is not provided or the Application Form is incomplete in any respect.

(h) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

(i) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment. The Members of Consortium, Trading Members of the Stock Exchange and the Designated Braches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Members of Consortium, Trading Members of the Stock Exchange and the Designated Braches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

i. Applications submitted without payment of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
ii. Applications not being signed by the sole/joint Applicant(s);
iii. Investor Category in the Application Form not being ticked;
iv. In case of Applications for Allotment in physical form, bank account details not provided in the Application Form;
v. Application Amount paid being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
vi. Applications where a registered address in India is not provided for the Applicant;
vii. In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However, a Limited Liability Partnership firm can apply in its own name;
viii. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic

details provided by the Depository Participants;

ix. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

x. PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;

xi. DP ID and Client ID not mentioned in the Application Form (except in case Applicant has applied for Allotment of NCDs in the physical form);

xii. GIR number furnished instead of PAN;

xiii. Applications by OCBs;

xiv. Applications for an amount below the minimum application size;

xv. Submission of more than five ASBA Forms per ASBA Account;

xvi. Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

xvii. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

xviii. Applications accompanied by Stockinvest/ money order/ postal order/ cash;

xix. Signature of sole Applicant missing or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

xx. Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.

xxi. Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.

xxii. ASBA Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;

xxiii. Application Forms submitted to the Members of Consortium, or Trading Members of the Stock Exchange does not bear the stamp of the relevant Lead Manager or Trading Member of the Stock Exchange, as the case may be. ASBA Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Members of Consortium, or Trading Members of the Stock Exchange, as the case may be;

xxiv. ASBA Applications not having details of the ASBA Account to be blocked;

xxv. In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;

xxvi. With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

xxvii. With respect to ASBA Applications, the ASBA Account not having credit balance to meet the Application Amounts or no confirmation is received from the SCSB for blocking of funds;

xxviii. SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

xxix. Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

xxx. Applications where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;

xxxi. Authorization to the SCSB for blocking funds in the ASBA Account not provided;

xxxii. Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;

xxxiii. Applications by any person outside India;

xxxiv. Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;

xxxv. Applications not uploaded on the online platform of the Stock Exchange;

xxxvi. Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

xxxvii. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus and as per the instructions in the Application Form, the Shelf Prospectus and

the relevant Tranche Prospectus;

xxxviii. Non- ASBA Applications accompanied by more than one payment instrument;

xxxix. Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

xl. Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;

xli. Applications for Allotment of NCDs in dematerialised form providing an inoperative demat account number;

xlii. ASBA Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchange at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained;

xliii. ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

xliv. Applications tendered to the Trading Members of the Stock Exchange at centers other than the centers mentioned in the Application Form;

xlv. Investor Category not ticked; and/or

xlvi. In case of Applicants applying for the NCDs in physical form, if the address of the Applicant is not provided in the Application Form;

xlvii. Application Form accompanied with more than one cheque.

xlviii. In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

xlix. Forms not uploaded on the electronic software of the Stock Exchange.

l. ASBA Application submitted directly to escrow banks who aren't SCSBs.

li. Payment made through non CTS cheques are liable to be rejected due to any clearing delays to avoid any delay in the timelines in terms of SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011.

Kindly note that ASBA Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Members of Consortium, or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please refer to "***Information for Applicants***" on this page 179.

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs, and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of ASBA Applicants submitted to the Members of Consortium, and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

In case of non-ASBA Applications, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks with the electronic details in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010 and the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar will

undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

As specified in the relevant Tranche Prospectus.

Allocation Ratio

Allocation for each category of investors shall be specified in the relevant Tranche Prospectus.

Retention of oversubscription

As specified in the relevant Tranche Prospectus

PAYMENT OF REFUNDS

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/ give instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/ Allotment of NCDs.

The Registrar to the Issue will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds.

For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Issue Closing Date. A suitable communication shall be dispatched to the Applicants receiving refunds through these modes, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses of Applicants, as per the Demographic Details received from the Depositories.

The Demographic Details would be used for mailing of the physical refund orders, as applicable.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through any of the following modes:

1. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

2. NECS – Payment of refund would be done through NECS for Applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.

3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available

and whose refund amount exceeds ₹ 2 lakhs, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Applicant's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code (IFSC). Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the Applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post or Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

With respect to Applicants other than ASBA Applicants, our Company shall (i) ensure dispatch of Allotment Advice/ intimation within 12 Working Days of the Issue Closing Date, and (ii) give instructions for credit of NCDs to the beneficiary account with Depository Participants, for successful Applicants who have been allotted NCDs in dematerialized form, within 12 Working Days of the Issue Closing Date. The Allotment Advice for successful Applicants who have been allotted NCDs in dematerialized form will be mailed to their addresses as per the Demographic Details received from the Depositories.

With respect to the ASBA Applicants, our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants within 12 Working Days of the Issue Closing Date. The Allotment Advice for successful ASBA Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 12 Working Days from the Issue Closing Date.

Allotment Advices shall be issued or Application Amount shall be refunded within fifteen days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period

Our Company will provide adequate funds required for dispatch of refund orders and Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Withdrawal of ASBA Applications

ASBA Applicants can withdraw their ASBA Applications during the Issue Period by submitting a request for the same to Consortium Member, Trading Member of the Stock Exchange or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Consortium Member, or Trading Members of the Stock Exchange at the Specified Cities, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Consortium Member, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the ASBA Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

Withdrawal of Non-ASBA Applications (other than Direct Online Applications)

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to Consortium Member, or Trading Member of the Stock Exchange, as the case may be, through whom the Application had been placed. Upon receipt of the request for withdrawal from the Applicant, the relevant Consortium Member, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn Non-ASBA Application Form from the electronic system of the Stock Exchange.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE and notice No: NSE/CML/2012/0672 dated August 7, 2012 issued by NSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Consortium Member / Trading Members of the Stock Exchange/ the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Consortium Member, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

i. Tripartite agreement dated July 29, 2015 among our Company, the Registrar and CDSL and tripartite

agreement dated March 25, 2009 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.

ii. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

iv. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

v. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.

x. It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.

xi. Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

xii. The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form only.

Please also refer to "***Instructions for filling up the Application Form - Applicant's Beneficiary Account and Bank Account Details***" on page 167.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Lead Manager, Trading Member of the Stock Exchange or Designated Branch, as the case may be, where the Application was submitted, and cheque/ draft number and issuing bank thereof or with respect to ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact our Compliance Officer (and Company Secretary) or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on application amount or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account

other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.

(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

(e) Undertaking by our Company for execution of Debenture Trust Deeds.

(f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deeds as stated in this Draft Shelf Prospectus, the Shelf Prospectus and on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchange.

(g) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

Other Undertakings by our Company

Our Company undertakes that:

1. Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;
2. Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
3. Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 12 Working Days of the Issue Closing Date;
4. Funds required for dispatch of refund orders/Allotment Advice/NCD Certificates will be made available by our Company to the Registrar to the Issue;
5. Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee on a half-yearly basis;
6. Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in the Shelf Prospectus and the relevant Tranche Prospectus.
7. Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.
8. Our Company has not defaulted in the repayment of interest payable, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any public financial institution or banking company, in the last three financial years preceding the date of this Draft Shelf Prospectus

SECTION VIII- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

The main provisions of the AOA relating to the issue and allotment of debentures and matters incidental thereto have been set out below. Please note that each provision herein below is numbered as per the corresponding article number in the AOA. All defined terms used in this section have the meaning given to them in the AOA. Any reference to the term "Article" hereunder means the corresponding article contained in the AOA.

Article 4(a) states that the Company shall not have power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of Sections 100 to 104 or Section 402 of the Act. Further, Article 4(b) states that the Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company.

However, Article 4 shall not be taken to prohibit: the provision by the Company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for fully paid shares in the Company or its holding company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company, including any Director holding a salaried office or employment in the Company; or the making by the Company of loans, within the limit laid down in sub-section (3) of Section 77 of the Act, to persons (other than Directors or Managers) bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding Company to be held by themselves by way of beneficial ownership.

Article 4(c) states that no loan made to any person in pursuance of clause (b) of the foregoing proviso shall exceed in amount, his salary or wages at that time for a period of six months. Article 4(d) states that Article 4 shall not affect the right of the Company to redeem any shares issued under Section 80 of the Act.

Article 5(a) states that the Authorised Share Capital of the Company is as referred to in Clause V of the Memorandum of Association. The Company may issue shares, either equity or any other kind with non-voting rights and the resolutions authorising such issue shall prescribe the terms and conditions of the issue. Further, Article 5(b) states that the Company may purchase any of its own fully paid shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.

Further, Article 5A states that the company may declare and / or pay dividends on any of its share capital.

Article 6 states that the shares in the capital of the Company for the time being (including any share forming part of any increased capital of the Company) shall be under the control of the Board of Directors who may allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such times as they may think fit and proper, and with the sanction of the Company in General Meeting to give to any person the option to subscribe for and be allotted shares of any class of the Company either at par or at a premium or at a discount, such option being exercisable at such times and for such consideration as the Board of Directors think fit.

Article 10 states that the Company may, from time to time and subject to the provisions of Sections 78, 80 and 100 to 105 (both inclusive) of the Act by Special Resolution, reduce its share capital and any capital redemption reserve fund or share premium account.

Article 11 states that the Company shall be entitled to dematerialize its existing Shares, Debentures and other securities; rematerialize its Shares, Debentures and other Securities held in the Depositories and/or offer its fresh Shares and Debentures and other Securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed thereunder.

Article 13(1) states that subject to the provisions of Section 94 of the Act, the Company may by an ordinary resolution alter the conditions of its Memorandum as follows: (a) increase its share capital by such amount as it thinks expedient by issuing new shares; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between

the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 17(iii) states that where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefits of survivorship, subject that on the death of any such joint holders, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Further, Article 17(v) states that only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notice from the Company and any notice given to such person shall be deemed notice to all the joint holders.

Article 30 states that the Company shall have a first and paramount lien upon all the shares(other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created upon the footing and condition that this clause is to have full effect and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

Article 34 states that subject to the provisions of Section 108 of the Act, the Company shall not register a transfer of shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company within the period specified in Section 108 of the Act, specifying the name, address and occupation if any of the transferee together with the share certificate relating to the shares or, if no such certificate is in existence, the letter of allotment of the shares and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the shares, provided that where on any application in writing made to the Company by the transferee it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

Article 35 states that, an instrument for the transfer of shares shall be in the prescribed form and shall be stamped by the prescribed authority in accordance with Section 108(1A) of the Act.

Article 37(a) states that nothing contained in Article 32, 33 and 34 shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository. Further, Article 37(b) states that in the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.

Article 38(1) states that subject to the provisions of Section 111 of the Act, the Directors may, in their discretion, decline to register any proposed transfer of shares or transmission of shares whether or not the transferee is a Member of the Company. If the Company refuses to register the transfer of any shares or transmission of any shares, the Company shall within two months from the date on which the instrument of transfer was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of the transmission as the case may be in accordance with the provisions of Section 111(2) of the Act.

Article 39(3) states that notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debenture holder or, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.

Article 39(5) also states that a nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either: (a) to be registered himself as holder of the share or debenture, as the case may be; or (b) to make such transfer of the share or debenture, as the case may be, as the deceased

shareholder or debenture holder, could have made; (c) if the nominee elects to be registered as holder of the share or debenture, himself as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be; and (d) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Further, the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

Article 56 states that unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 (three) and not more than such number as may be stipulated by the Companies Act, 1956, for the time being in force. Subject to the provisions of Section 255 of the Companies Act, 1956, not more than one-third of the total number of Board of Directors shall be permanent Directors. Nomination of such permanent Director(s) shall be decided by the Chairman. Such permanent Director(s) and/or any Nominee Director appointed under Article 66 shall not be liable to retire by rotation.

Article 73(i) states that subject to the provisions of the Act, the control of the Company shall be vested in the Board which shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do, which are not, by these Articles or by the Act or by the Memorandum of Association of the Company or otherwise to be exercised or done by the company in General meeting. The Board shall, however, exercise its powers, subject to the provisions of the Act, the Memorandum of Association of the Company and these Articles and any regulations not inconsistent therewith and duly made thereunder by the company in General Meeting, but no regulation made by the company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Article 74(i) states that subject to the provisions of Sections 197 A, 198, 267, 269, 309, 311, 316 and 317 of the Act and these Articles, the Board shall have the power to appoint, from time to time one of its number to be Managing Director of the Company for a term not exceeding five years at a time on such terms and conditions as the Board thinks fit and may, from time to time (subject to the provisions of any contract between him and the Company), remove or dismiss him from office and appoint another in his place. Further, Article 74(ii) states that subject to the provisions of the Act, a Managing Director shall not, while he continues to hold that office, be liable to retire by rotation but he shall (subject to the provisions of any contract between him and the Company) be subject to the same provision as to resignation and removal as the other Directors of the Company and shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of Director from any cause.

SECTION IX- MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Corporate Office of our Company situated at Reliance Centre, 6th Floor, South Wing, Off Western Express Highway, Santacruz (East), Mumbai – 400 055, Maharashtra, India between 10 am to 5 pm on any Working Day (Monday to Friday) during which issue is open for public subscription under the respective Tranche Prospectus.

MATERIAL CONTRACTS

1. Issue Agreement dated November 10, 2016 between our Company and the Lead Managers.
2. Agreement dated November 10, 2016 between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated November 10, 2016 executed between our Company and the Debenture Trustee.
4. Escrow Agreement dated [●] between our Company, the Registrar, the Escrow Collection Bank(s), and the Lead Managers.
5. Tripartite agreement dated July 29, 2015 among our Company, the Registrar and CDSL.
6. Tripartite agreement dated March 25, 2009 among our Company, the Registrar and NSDL.
7. Consortium Agreement dated [●] between our Company, the Consortium Members and the Lead Managers.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated June 5, 2008, issued by RoC.
3. Certificate of Registration dated January 6, 2009 (revised on April 20, 2009 pursuant to change of name) bearing registration no. 07.0101.12 issued by the National Housing Bank.
4. Copy of shareholders' resolution approved *vide* their resolution approved at the AGM dated August 4, 2016, under section 180 (1) (c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.
5. Copy of the resolution by the Board of Directors dated November 10, 2016, approving the issue of NCDs.
6. Copy of the resolution passed by NCD Committee at its meeting held on November 15, 2016, approving this Draft Shelf Prospectus.
7. Letter dated October 13, 2016 (*validated as on November 11, 2016*) by CARE assigning a rating of 'CARE AA+ (Double A plus)' for Secured NCDs in relation to this Issue.
8. Letter dated November 8, 2016 by CARE assigning a rating of 'CARE AA (Double A)' for Un-Secured NCDs in relation to this Issue.
9. Letter dated October 25, 2016 *(validated as on November 9, 2016)* by Brickwork assigning a rating of 'BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Stable' for Secured NCDs in relation to this Issue.
10. Letter dated October 4, 2016 (*validated as on November 9, 2016*) by BWR AA (Pronounced as BWR Double A) Outlook: Stable' for Un-Secured NCDs in relation to this Issue.
11. Consents of the Directors, Chief Financial Officer, our Company Secretary and Compliance Officer, Lead Managers, Members of the Consortium, Legal Advisor to the Issue, Credit Rating Agencies, Bankers to the Company, Bankers to the Issue, Refund Bank, Registrar to the Issue and the Debenture Trustee for the NCDs, to include their names in this Draft Shelf Prospectus, in their respective capacities.
12. Consent of the Statutory Auditors of our Company, for inclusion of their name and the report on the Reformatted Financial Statements in the form and context in which they appear in this Draft Shelf Prospectus and their statement on tax benefits mentioned herein.
13. The examination report dated November 10, 2016 in relation to the Reformatted Financial Statements included therein.
14. Limited review report dated October 22, 2016 on the Unaudited Financial Statements of our Company for the half year ended September 30, 2016.
15. Statement of tax benefits dated November 10, 2016 issued by our Statutory Auditors.
16. Annual Report of our Company for the last five Fiscals.
17. In-principle listing approval from NSE by its letter no. [●] dated [●].
18. In-principle listing approval from BSE by its letter no. [●] dated [●].
19. Due Diligence Certificate dated [●] filed by the Lead Managers with SEBI.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, relevant provisions of Companies Act, 1956, as applicable and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the National Housing Bank and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Issue have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Draft Shelf Prospectus.

We further certify that all the disclosures and statements in this Draft Shelf Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Gautam Doshi
Non-Executive Director

Soumen Ghosh
Non-Executive Director

K. V. Srinivasan
Non-Executive Director

Padmanabh Vora
Independent Director

Deena Mehta
Independent Director

Place: Mumbai
Date: November 15, 2016

CARE Ratings
Professional Risk Opinion

20 YEARS PLUS
Analytical Excellence

CARE/HO/RL/2016-17/2858
Mr. K. V. Srinivasan
Chief Executive Officer
Reliance Home Finance Limited
Reliance Centre, 6th Floor, North Wing,
Off Western Express Highway,
Santa Cruz (E), Mumbai - 400055

November 11, 2016

Confidential

Dear Sir,

Credit rating for NCD public issue

Please refer to our letter dated October 13, 2016 and your request for revalidation of the rating assigned to the Non-Convertible Debentures public issue of your company.

2. The following rating has been reviewed:

Instrument	Rated amount (Rs. crore)	Outstanding amount as on November 10, 2016 (Rs. crore)	Rating[1]	Remarks
Non-Convertible Debentures public issue	3,000 (Rupees Three Thousand crore only)	Nil	**CARE AA+ (Double A Plus)**	**Reaffirmed**

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
4. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE reserves the right to suspend / withdraw / revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such

[1] *Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

information, material and clarifications as may be required by CARE. CARE shall also be entitled to publicize / disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without any reference to you.

7. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
8. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

[Jay Parekh]
Deputy Manager
jay.parekh@careratings.com

[Anuj Jain]
AGM
anuj.jain@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CARE Ratings
Professional Risk Opinion

20 YEARS PLUS
Analytical Excellence

CARE/HO/RL/2016-17/2652
Mr. K. V. Srinivasan
Director
Reliance Home Finance Limited
Reliance Centre, 6th Floor, South Wing,
Off Western Express Highway,
Santa Cruz (E), Mumbai – 400055

October 13, 2016

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debentures public issue

Please refer to your request for rating of proposed Non-Convertible Debentures public issue aggregating to Rs.3,000 crore of your company. The following rating has been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating[1]	Remarks
Non-Convertible Debentures public issue	3,000 (Rupees Three Thousand crore only)	**CARE AA+ (Double A Plus)**	**Assigned**

3. The rationale for the rating will be communicated to you separately.

4. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is October 5, 2016).

5. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

6. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of payment of interest, date and amount of repayment etc.] as soon as the NCDs have been placed.

[1] *Complete definitions of the ratings assigned are available at* www.careratings.com *and in other CARE publications.*

CREDIT ANALYSIS & RESEARCH LTD.
CORPORATE OFFICE: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai 400 022.
Tel.: +91-22-6754 3456; Fax: +91-22-6754 3457 | Email: care@careratings.com | www.careratings.com
CIN-L67190MH1993PLC071691

7. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

9. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.

10. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

[Jay Parekh]
Deputy Manager
jay.parekh@careratings.com

[Anuj Jain]
AGM
anuj.jain@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CARE Ratings
Professional Risk Opinion

20 YEARS PLUS Analytical Excellence

CARE/HO/RL/2016-17/2824

Mr. K. V. Srinivasan
Director
Reliance Home Finance Limited
Reliance Centre, 6th Floor, South Wing,
Off Western Express Highway,
Santa Cruz (E),
Mumbai – 400055

November 8, 2016

Confidential

Dear Sir,

Credit rating for proposed Upper Tier II Bonds public issue

Please refer to your request for rating of proposed Upper Tier II Bonds public issue aggregating to Rs.500 crore of your company. The following rating has been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating[1]	Remarks
Upper Tier II Bonds public issue	500 (Rupees Five Hundred crore only)	**CARE AA (Double A)**	**Assigned**

2. The rationale for the rating will be communicated to you separately.

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is November 7, 2016).

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

5. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of payment of interest, date and amount of repayment etc.] as soon as bonds have been placed.

[1] *Complete definitions of the ratings assigned are available at* www.careratings.com *and in other CARE publications.*

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CIN-L67190MH1993PLC071691

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the Upper Tier II issue, including the offer document and the trust deed.

7. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

8. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.

9. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

[Jay Parekh]
Dy. Manager
jay.parekh@careratings.com

[Anuj Jain]
AGM
anuj.jain@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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CARE Ratings
Professional Risk Opinion

20 PLUS YEARS Analytical Excellence

CARE/HO/RR/2016-17/1831

Mr. K. V. Srinivasan
Director
Reliance Home Finance Limited
Reliance Centre, 6th Floor, South Wing,
Off Western Express Highway,
Santa Cruz (E),
Mumbai - 400055

November 9, 2016

Dear Sir,

Credit rating of various debt instruments

Please refer to our rating letter dated October 13, 2016 and November 8, 2016 on the above subject.

2. The rationale for the rating is attached as an **Annexure - I**. Kindly note that the rationale would be published in the forthcoming issue of our monthly journal, 'CAREVIEW'.

3. A write-up (brief rationale) on the above rating is proposed to be issued to the press shortly. A draft of this is enclosed for your perusal as **Annexure - II**.

4. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by November 14, 2016, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

[Jay Parekh]
Dy. Manager

[Anuj Jain]
A.G.M.

Encl: As above

CARE Ratings
Professional Risk Opinion

20 PLUS YEARS Analytical Excellence

Annexure I

Rating Rationale

Reliance Home Finance Ltd. (RHFL)

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Remarks
Non Convertible Debentures public issue	3,000	CARE AA+ (Double A Plus)	Assigned
Upper Tier II Bonds public issue	500	CARE AA (Double A)	Assigned
Total	3,500 (Rupees Three Thousand Five Hundred crore only)		

CARE has rated the aforesaid Upper Tier II bonds after taking into consideration their increased sensitiveness to the Capital Adequacy Ratio (CAR), capital raising ability and profitability during the long tenure of the instruments. The rating factors in the additional risk arising due to the existence of the lock-in clause in the instruments. Any delay in payment of interest/principal (as the case may be) following invocation of the lock-in-clause, would constitute as an event of default as per CARE's definition of default and as such these instruments may exhibit a somewhat sharper migration of rating compared to other debt instruments.

Rating Rationale

The ratings are based on strong parentage (Reliance Home Finance Ltd. (RHFL) is currently a wholly owned subsidiary of Reliance Capital Ltd (RCL) - rated CARE AAA), management support, access to operational systems and direct brand linkage with RCL, strategic importance of the mortgage finance business in the overall business framework of the parent. The ratings also take into account increase in scale of company's operations over past few years, recent equity infusion and expected capital support by the parent in future. The rating also factors average capitalization, profitability and asset quality parameters of RHFL. The ratings further factors RHFL's

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

limited seasoning of its mortgage finance portfolio. Continued parentage support, capitalization, gearing, asset quality and profitability are the key rating sensitivities.

Other Ratings

Facilities	Amount (Rs. crore)	Ratings
Long-term Debt Programme	8,000	CARE AA+ (Double A Plus)
Principal Protected Market Linked Debenture	300	CARE PP-MLD AA+ (PP-MLD Double A Plus)
Subordinated Debt	400	CARE AA+ (Double A Plus)

Key Developments –

- Going forward, management plans to list RHFL on stock exchanges by allotting 49% of its stake to existing shareholders of RCL (1 share of RHFL free of cost to be issued for every 1 share of RCL). Consequently, RHFL will not remain wholly owned subsidiary of RCL. As per the said arrangement, promoter holding of RHFL will reduce.
- On October 28, 2016, RCL infused equity capital of Rs.100 crore into RHFL. This will help the company in improving its gearing and capitalization levels. Further, RCL plans to infuse ~Rs.250 crore of equity capital by March 2017.

Background

RHFL was incorporated in June 2008 and is the wholly-owned subsidiary of Reliance Capital Ltd. (RCL). The top management team as well as the operational executive team of RHFL has been carved out of the parent resulting in strong linkages and seamless functioning of both the entities. The company primarily concentrates on housing loans to individuals. RHFL had gross loan portfolio of Rs.6791 crore and assets under management (AUM) of Rs.7,357 crore as on March 31, 2016. Out of the outstanding loan portfolio as on March 31, 2016, home loans, LAP and construction finance accounted for 62%, 12% and 20% of the portfolio, respectively. The company has also extended loans to small medium enterprises which account for 6% of

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outstanding loan book as on March 31, 2016. Further, RCL plans to demerge its real estate lending portfolio into RHFL going forward.

Credit Risk Assessment

Strong parentage

RHFL is a 100% subsidiary of Reliance Capital Ltd. (RCL) rated CARE AAA. RCL is the financial services flagship company of Reliance Group. The group has business interests in various sectors like telecommunications, defence, financial services, generation and distribution of power, infrastructure, media, entertainment and health care. The rating of RHFL draws comfort from the high financial flexibility enjoyed by the company owing to it being a wholly owned subsidiary of RCL and the seamless functioning of both the entities. The rating also factors in RHFL's experienced team and operational systems which are same as the parent resulting in strong inter-linkages of both the entities.

Average Capitalization

The company is adequately capitalized with capital adequacy ratio of 16.34% (P.Y.: 15.17%) with a Tier I CAR of 10.51% (P.Y.: 11.10%) at the end of FY16. Company is expanding its loan book since FY15 which resulted in the rise of overall gearing to 11.5 times as on March 31, 2016 (March 31, 2015: 8.9 times). As on September 30, 2016, total capital adequacy ratio stood at 14.08% with Tier I CAR at 9.15%. Gearing levels stood at 12.95 times as on September 30, 2016. However, company received equity infusion of Rs.100 crore in October 2016 which is likely to improve its capitalization and gearing levels going forward.

Average profitability

In FY16, RHFL reported total income of Rs. 815 crore as against total income of Rs. 513 crore in FY15 registering a year on year growth of 59%. Growth in total income is on account of higher disbursements in FY16. The company's NIMs improved to 3.06% in FY16 (FY15: 2.71%) on account of higher portfolio yields. However, company's cost to income ratio saw deterioration in FY16 and stood at 45.34% as

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against 39.05% in FY15 on account of higher operating expenses undertaken to expand operations. Overall, the company reported PAT of Rs.87 crore in FY16 as against PAT of Rs.69 crore in FY15 registering a year on year growth of 26% which is above industry average. The company reported RoTA of 1.32% in FY16 as against RoTA of 1.49% in FY15.

In H1FY17, gross loan portfolio of RHFL grew by 34% year on year and stood at Rs.7890 crore. RHFL reported PAT of Rs. 42 crore on a total income of Rs.502 crore in H1FY17 as against PAT of Rs.45 crore on a total income of Rs.383 crore in H1FY16. Reduction in profitability is on account of higher operating expenses and provisions.

Increase in scale of operations however limited seasoning of the portfolio

Size of RHFL's loan book has shown significant growth from FY15 but it still continues to be a mid size player in the housing finance segment. The assets under management (AUM) stood at Rs.7357 crore as on March 31, 2016 as compared to Rs.5771 crore as on March 31, 2015 registering a growth of 27%. Gross loans outstanding grew by 34% in FY16 to Rs.6791 crore. Company's gross loan outstanding as on September 30, 2016 stood at Rs.7890 crore registering 17% growth from Q4FY16 loan book. Due to aggressive disbursements in the past two years, the current loan portfolio of the company has limited seasoning.

Average asset quality

In FY16, RHFL's Gross NPA and Net NPA stood at 0.97% (FY15: 1.04%) and 0.74% (FY15: 0.81%) respectively. In absolute terms, gross and net NPA stood at Rs.66 crore (P.Y.: Rs.53 crore) and Rs.50 crore (P.Y.: Rs.41 crore), respectively. The Net NPA to net worth ratio stood at 8.8% as on March 31, 2016 as against 8.2% as on March 31, 2015. As on September 30, 2016, Gross and net NPA ratios stood at 1.45% and 1.15% respectively. Asset quality saw deterioration in H1FY17 on account of slippages from large ticket clients. Given the company's strong portfolio growth in FY16 and H1FY17 and the resultant low seasoning, the asset quality of new disbursements remains to be seen.

Liquidity profile

RHFL's liquidity profile as on September 30, 2016 shows negative cumulative mismatches beyond one year time bracket. This is typical for HFCs due to longer duration of assets being funded by medium term bank loans. The company's ability to refinance the borrowings on account of the high resource raising ability enjoyed by the group is expected to help it in managing its liquidity. RHFL's funding profile comprises of bank borrowings, NCDs and sub debt.

Resource Profile

RHFL's resource profile primarily comprises bank borrowings and non-convertible debentures. The proportion of outstanding bank borrowings stood at 80% (P.Y.: 71%) of total borrowings as on March 31, 2016. The NCD proportion stood at 12% (P.Y.: 13%) of total borrowings as on March 31, 2016. Short term borrowings by way of commercial paper accounted for 8% (P.Y.: 16%) of total borrowings as on March 31, 2016.

Prospects

The housing finance segment in India has emerged as one of the most secured and resilient asset classes witnessing healthy growth rates and low delinquencies. As a result, housing finance has continued to be a focus segment for both banks as well as housing finance companies registering a robust CAGR growth of roughly 19% during 2011-2016. Owing to the stress in their corporate portfolios, banks have been increasingly shifting their focus towards retail asset classes such as mortgage finance. As per CARE estimates, the size of mortgage finance market stood at over Rs.12.4 trillion as of March 2016 of which HFCs accounted for roughly 40% and banks for the remaining 60%. Although banks continue to dominate the housing finance space in India given their extensive reach and access to low cost funds which has resulted into a rise in balance transfers from HFCs to banks; HFCs continue to mark their presence with their focus, systems as well as specialization in their target segment and geographies.

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During FY16, HFC's portfolio growth is estimated to be around 18-19% y-o-y. Continued healthy portfolio growth, stable margins and operating efficiencies as well as low credit costs have contributed to healthy profitability parameters of HFCs. As per performance estimates of select large players, HFCs registered net interest margin and Return on Total Assets (ROTA) of over 3.0% and 2.2%, respectively, during FY16 while GNPA ratio stood at 0.7%. One year lagged GNPA ratios continue to be stable and are estimated at 0.8%. While some of the players are witnessing rising NPA levels in their loans against property (LAP) and non- housing loans portfolio; the fact that individual housing loans (excluding LAP) account for bulk of the total mortgage finance portfolios of HFCs, the overall delinquencies are still low.

Over the last few years, many new HFCs backed by private equity players and or strong promoters with a focus on affordable housing have started operations. Recent initiatives such as lowering of risk weights for housing loans up to Rs.75 lakh (risk weight for individual housing loans of up to Rs.30 lakh and having LTVs of upto 80% has been reduced from 50% to 35%), revision in interest rates and on-lending spread caps under Rural Housing Fund by NHB in addition to Housing for All by 2022 are expected to boost credit growth in the affordable housing segment. Furthermore, initiatives such as Real Estate Act, 2016, 100% tax exemption to developers on profits from building affordable housing and services tax exemption are expected to help transparency and supply side issues.

HFCs are expected to maintain their good profitability on the basis of strong business growth and stable asset quality over the medium term. However, rising competition and the resultant possible dilution in credit underwriting norms, long-term funding and asset quality are the key challenges for the sector.

For RHFL, continued support from the parent, capitalization, profitability and asset quality are the key rating sensitivities.

CARE Ratings
Professional Risk Opinion

20 PLUS YEARS Analytical Excellence

Financial Performance-

(Rs. Crore)

For the period ended / as at Mar.31,	2014 (12m,A)	2015 (12m,A)	2016 (12m,A)
Interest Income	389	442	737
Fee Income	23	43	40
Other Income	17	28	38
Total Income	429	513	815
Interest expended	277	317	536
Net Interest Income	112	125	201
Operating Expenses	72	76	126
Provisions	14	14	16
PBT	66	106	137
PAT	43	69	87
Total Loans outstanding (Net)	3113	5,085	6791
Tangible Net worth	439	498	570
Total Borrowings	3,020	4,422	6,548
Total Assets	3,720	5,522	7,644
Assets under Management (AUM)	3,766	5,771	7357
Key Ratios %			
Overall Debt/Equity ratio (times)	6.88	8.87	11.48
Interest Coverage ratio (times)	1.24	1.33	1.26
Net Interest Margin (%)*	3.37	2.71	3.06
RONW (%)*	10.36	14.74	16.24
ROTA (%)*	1.30	1.49	1.32
Capital Adequacy Ratio (CAR) (%)	20.40	15.17	16.34
Tier I Ratio (%)	14.56	11.10	10.51
Gross NPA Ratio	1.66	1.04	0.97
Net NPA Ratio	1.29	0.81	0.74
Net NPA to Net worth Ratio	9.18	8.24	8.79

**Note: Ratios have been computed based on average of annual opening and closing balances*

Note: Shri V. K. Chopra, who is a Director on the board of Reliance Capital Pension Fund Ltd, a subsidiary of Reliance Capital Ltd, is a member of the Rating Committee in CARE. Mr Chopra did not participate in the rating process or in the meeting of the Rating Committee when the rating of RHFL was discussed.

Disclaimer

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CARE Ratings
Professional Risk Opinion

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CARE Ratings
Professional Risk Opinion

20 YEARS PLUS
Analytical Excellence

Annexure II

Brief Rationale

CARE ASSIGNS RATING TO THE PROPOSED NCD PUBLIC ISSUE AND UPPER TIER II BONDS OF RELIANCE HOME FINANCE LIMITED (RHFL)

Ratings

Facilities	Amount (Rs. crore)	Ratings[2]	Remarks
Non Convertible Debentures public issue	3,000	CARE AA+ (Double A Plus)	Assigned
Upper Tier II Bonds public issue	500	CARE AA (Double A)	Assigned
Total	3,500 (Rupees Three Thousand Five Hundred crore only)		

CARE has rated the aforesaid Upper Tier II bonds after taking into consideration their increased sensitiveness to the Capital Adequacy Ratio (CAR), capital raising ability and profitability during the long tenure of the instruments. The rating factors in the additional risk arising due to the existence of the lock-in clause in the instruments. Any delay in payment of interest/principal (as the case may be) following invocation of the lock-in-clause, would constitute as an event of default as per CARE's definition of default and as such these instruments may exhibit a somewhat sharper migration of rating compared to other debt instruments.

Rating Rationale

The ratings are based on strong parentage (Reliance Home Finance Ltd. (RHFL) is currently a wholly owned subsidiary of Reliance Capital Ltd (RCL) - rated CARE AAA), management support, access to operational systems and direct brand linkage with RCL, strategic importance of the mortgage finance business in the overall business framework of the parent. The ratings also take into account increase in scale of company's operations over past few years, recent equity infusion and expected capital support by the parent in future. The rating also factors average capitalization,

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profitability and asset quality parameters of RHFL. The ratings further factors RHFL's limited seasoning of its mortgage finance portfolio. Continued parentage support, capitalization, gearing, asset quality and profitability are the key rating sensitivities.

Other Ratings

Facilities	Amount (Rs. crore)	Ratings
Long-term Debt Programme	8,000	CARE AA+ (Double A Plus)
Principal Protected Market Linked Debenture	300	CARE PP-MLD AA+ (PP-MLD Double A Plus)
Subordinated Debt	400	CARE AA+ (Double A Plus)

Key Developments –

- Going forward, management plans to list RHFL on stock exchanges by allotting 49% of its stake to existing shareholders of RCL (1 share of RHFL free of cost to be issued for every 1 share of RCL). Consequently, RHFL will not remain wholly owned subsidiary of RCL. As per the said arrangement, promoter holding of RHFL will reduce.
- On October 28, 2016, RCL infused equity capital of Rs.100 crore into RHFL. This will help the company in improving its gearing and capitalization levels. Further, RCL plans to infuse ~Rs.250 crore of equity capital by March 2017.

Background

RHFL was incorporated in June 2008 and is the wholly-owned subsidiary of Reliance Capital Ltd. (RCL). The top management team as well as the operational executive team of RHFL has been carved out of the parent resulting in strong linkages and seamless functioning of both the entities. The company primarily concentrates on housing loans to individuals. RHFL had gross loan portfolio of Rs.6791 crore and assets under management (AUM) of Rs.7,357 crore as on March 31, 2016. Out of the outstanding loan portfolio as on March 31, 2016, home loans, LAP and construction finance accounted for 62%, 12% and 20% of the portfolio, respectively. The company has also extended loans to small medium enterprises which account for 6% of

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outstanding loan book as on March 31, 2016. Further, RCL plans to demerge its real estate lending portfolio into RHFL going forward.

During FY16 (refers to period from April 1, 2015 to March 31, 2016), gross loan portfolio registered a year on year growth of 34%. In FY16, RHFL reported total income of Rs.815 crore as against total income of Rs.513 crore in FY15 registering a year on year growth of 59%. Growth in total income is on account of higher disbursements and better portfolio yield. Company reported PAT of Rs.87 crore in FY16 as against PAT of Rs.69 crore in FY15 registering a year on year growth of 26%. The Company's RoTA in FY16 stood at 1.32% as against RoTA of 1.49% in FY15. The company has reported comfortable capital adequacy ratio of 16.34% with a Tier I CAR of 10.51% at the end of FY16. As on March 31, 2016, asset quality parameters of RHFL remained stable with Gross and Net NPA ratio at 0.97% (P.Y.: 1.04%) and 0.74% (P.Y.: 0.81%), respectively. The Net NPA to net worth ratio stood at 8.79% as on March 31, 2016 (P.Y.: 8.24%).

In H1FY17, RHFL reported PAT of Rs. 42 crore on a total income of Rs.502 crore as against PAT of Rs.45 crore on a total income of Rs.383 crore in H1FY16. Reduction in profitability is on account of higher operating expenses and provisions. As on September 30, 2016, company's total CAR stood at 14.08% with Tier I CAR at 9.15%. Gearing levels stood at 12.95 times as on September 30, 2016. RCL infused equity capital of Rs.100 crore in RHFL in October 2016. This will help RHFL in improving its capitalization levels and funding its lending portfolio growth. As on September 30, 2016, Gross and net NPA ratios stood at 1.45% and 1.15% respectively.

Note: Shri V. K. Chopra, who is a Director on the board of Reliance Capital Pension Fund Ltd, a subsidiary of Reliance Capital Ltd, is a member of the Rating Committee in CARE. Mr Chopra did not participate in the rating process or in the meeting of the Rating Committee when the rating of RHFL was discussed.

Analyst Contact
Name: Mr. Anuj Jain
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Cell: +91-9892209428
Email: anuj.jain@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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BWR/NCD/HO/ERC/MM/0425/2016-17

November 09, 2016

CIN: L67190KA2007PTC043591

Mr. K. V. Srinivasan
Director
Reliance Home Finance Limited
Reliance Centre, 6th Floor, South Wing
Off Western Express Highway, Santa Cruz East
Mumbai - 400055

Dear Sir,

Sub: Validation of Rating – Public Issue of Long Term Secured NCD up to ₹ 3,000 Crores rated by Brickwork Ratings vide letter BWR/NCD/HO/ERC/MM/0380/2016-17 dated October 25, 2016

Ref: Your Company's email dated November 09, 2016

We wish to advise that your Company's Proposed Public Issue of Long Term Secured NCD up to ₹ 3,000 Crores carries the rating of **BWR AA+ (Pronounced BWR Double A Plus)** with **Stable** outlook. This rating is valid up to October 24, 2017. We note that as on date there has been no utilization of the said facility to raise any amount.

Instruments with this rating are considered to have a **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk.**

Please note that all terms and conditions of our letter BWR/NCD/HO/ERC/MM/0380/2016-17 dated October 25, 2016 remain unchanged.

Please note to furnish complete details of borrowings under the above issue, as and when NCDs are subscribed.

Best Regards,

Vidya Shankar
Chief General Manager

Brickwork Ratings India Pvt Ltd.

Note: In case of all valid Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

BWR/NCD/HO/ERC/MM/0380/2016-17

CIN: L67190KA2007PTC043591

October 25, 2016

Mr. K. V. Srinivasan
Director
Reliance Home Finance Limited
Reliance Centre, 6th Floor, South Wing
Off Western Express Highway, Santa Cruz East
Mumbai - 400055

Dear Sir,

Sub: Rating of proposed Public Issue of Long Term Secured Non-Convertible Debentures (NCD) up to ₹ 3,000 Crores of Reliance Home Finance Limited

Ref: Your mandate dated September 13, 2016 and October 24, 2016 and our Letter BWR/NCD/HO/ERC/MM/0357/2016-17 dated October 04, 2016

Thank you for giving us an opportunity to undertake Rating of the proposed **Public Issue** of **Long Term Secured NCD** of **Reliance Home Finance Limited**. Based on the information and clarifications provided by your company, draft terms of issue shared with us, as well as information available in public sources, Brickwork Ratings is pleased to inform you that **Reliance Home Finance Limited's** proposed **Public Issue** of **Long Term Secured NCD** up to **₹ 3,000 Crores** has been assigned a rating of **BWR AA+** (BWR Double A Plus), **Outlook: Stable**.

Instruments with this rating are considered to have **high degree** of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The Rating is valid for one year from the date of this letter subject to the terms and conditions that were agreed in your mandates referred above and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended below.

This letter supersedes Our letter dated October 04, 2016 referred above.

Brickwork Ratings India Pvt. Ltd., Brickwork Ratings India Pvt Ltd.

CIN: U67190KA2007PTC043591

Reliance Home Finance Limited

Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance of the above Rating within two days of the date of this letter. Kindly note that unless acceptance is received by us, the rating is not valid and should not be used for any purpose whatsoever.

Best Regards,

MSR Manjunatha
Director - Ratings

Note: In case of all valid Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

BWR/NCD/HO/ERC/MM/0426/2016-17

November 09, 2016

CIN: L67190KA2007PLC043091

Mr. K. V. Srinivasan
Director
Reliance Home Finance Limited
Reliance Centre, 6th Floor, South Wing
Off Western Express Highway, Santa Cruz East
Mumbai - 400055

Dear Sir,

Sub: Validation of Rating – Public Issue of Long Term Unsecured Upper Tier II NCD up to ₹ 500 Crores rated by Brickwork Ratings vide letter BWR/NCD/HO/ERC/MM/0358/2016-17 dated October 04, 2016

Ref: Your Company's email dated November 09, 2016

We wish to advise that your Company's Proposed Public Issue of Long Term Unsecured Upper Tier II NCD up to ₹ 500 Crores carries the rating of **BWR AA (Pronounced BWR Double A)** with **Stable** outlook last reaffirmed on October 25, 2016. This rating is valid up to October 24, 2017. We note that as on date there has been no utilization of the said facility to raise any amount.

Instruments with this rating are considered to have a **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk.**

Please note that all terms and conditions of our letter BWR/NCD/HO/ERC/MM/0358/2016-17 dated October 04, 2016 remain unchanged.

Please note to furnish complete details of borrowings under the above issue, as and when NCDs are subscribed.

Best Regards,

Vidya Shankar
Chief General Manager

Brickwork Ratings India Pvt. Ltd.

Note: In case of all valid Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

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BWR/NCD/HO/ERC/MM/0358/2016-17

CIN: U67190KA2007PLC043591

October 04, 2016

Mr. K. V. Srinivasan
Director
Reliance Home Finance Limited
Reliance Centre, 6th Floor, South Wing
Off Western Express Highway, Santa Cruz East
Mumbai - 400055

Dear Sir,

Sub: Rating of proposed Public Issue of Long Term Unsecured Upper Tier II Non-Convertible Debentures (NCD) up to ₹ 500 Crores of Reliance Home Finance Limited

Ref: Your mandate dated September 13, 2016

Thank you for giving us an opportunity to undertake Rating of the proposed Public Issue of **Long Term Unsecured Upper Tier II NCD** of **Reliance Home Finance Limited**. Based on the information and clarifications provided by your company, draft terms of issue shared with us, as well as information available in public sources, Brickwork Ratings is pleased to inform you that **Reliance Home Finance Limited's** proposed Public Issue of **Long Term Unsecured Upper Tier II NCD** up to **₹ 500 Crores** has been assigned a rating of **BWR AA** (BWR Double A), **Outlook: Stable**.

Instruments with this rating are considered to have **high degree** of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The Rating is valid for one year from the date of this letter subject to the terms and conditions that were agreed in your mandate dated September 13, 2016 and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended below.

Brickwork Ratings India Pvt. Ltd.

CIN: U67190KA2007PTC043591

Reliance Home Finance Limited

Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance of the above Rating within two days of the date of this letter. Kindly note that unless acceptance is received by us, the rating is not valid and should not be used for any purpose whatsoever.

Our Rating Letter BWR/NCD/HO/ERC/MM/0336/2016-17 dated September 23, 2016 stands cancelled.

Best Regards,

Brickwork Ratings India Pvt Ltd.

MSR Manjunatha
Director - Ratings

Note: In case of all valid Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

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Rating Rationale

Brickwork Ratings has assigned the rating of BWR AA+ for the Secured NCD (Public issue) up to ₹ 3,000 Crores, BWR AA for the Unsecured Subordinated Upper Tier II NCD (Public issue) up to ₹ 500 Crores with Stable Outlook and reaffirmed the existing ratings for Reliance Home Finance Limited

Brickwork Ratings (BWR) has assigned the Ratings of BWR AA+ for the Secured NCD (Public issue) up to ₹ 3,000 Crores, BWR AA for the Unsecured Subordinated Upper Tier II NCD **(Public issue)** up to ₹ 500 Crores with Stable Outlook and reaffirmed the existing Ratings for various issues of Reliance Home Finance Limited ('RHFL' or 'the Company') as detailed in the Annexure I. Instruments with these ratings are considered to have **high degree** of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

BWR has relied upon the audited financial results of the Company up to FY16, unaudited financials for Q1FY17, available information and information/clarifications provided by the Company's management.

The rating has factored, *inter alia*, RHFL's strong parentage (Reliance Capital Limited-rated BWR AAA), experienced management in place, comfortable capital adequacy, Financial and Operational flexibility in terms of synergies with RCL and healthy Net Interest Margin. The rating is, however, constrained by the leveraged balance sheet, inherent risks associated with Housing Finance industry in India and the competitive landscape for HFCs.

Background

Reliance Home Finance Limited (RHFL) is a Housing Finance Company, incorporated in June, 2008 and registered with National Housing Bank. RHFL is currently a wholly owned subsidiary of Reliance Capital Limited (RCL), which is a listed company belonging to Reliance Group.

RCLhas interests in asset management and mutual funds, life and general insurance, commercial finance and Home Finance, equities and commodities broking, wealth management services, distribution of financial products; asset reconstruction; proprietary investments and other activities in financial services. RHFL's mortgage

finance business is strategically important in the overall business framework of the parent company RCL.

Business Operations & Volume

RHFL's product offering includes Home Loans, Loan Against Property and Construction Finance. Asset Under Management (AUM) has increased from₹5,771 Crores as of Mach 31, 2015 to ₹7,357 Crores as of Mach 31, 2016 which is 27% increment y-o-y, with loan disbursement of ₹3,922 Crores during FY16. The Company has also undertaken securitization of its mortgage book, and the outstanding securitized portfolio amounted to ₹566 Crores as of March 31, 2016.

Asset Quality

Asset quality in terms of Gross NPA as a percentage of Loan Portfolio Outstanding was at 0.9% as of March 31, 2016compared to 0.9% as of March 31, 2015. Net NPA was at 0.7% compared to 0.8%. Provisioning for the sub-standard assets are done as per the guidelines of NHB and Provision Coverage Ratio was 23.64%.

Capital Adequacy

Tangible Net worth of the Company has increased from ₹ 533 Crores as of March 31, 2015 to ₹ 620 Crores as of March 31, 2016 due to retained profit for the financial year. It has a healthy capital adequacy with Total CRAR at around 16.34% (15.17% as of FY15 end), which is well above the NHB's minimum stipulated requirement of 12%. Tier I CRAR was at 10.51% (11.10% as of FY15 end).

Liquidity

As of March 31, 2016, Company's borrowings aggregated ₹ 6,548 Crores.For short to medium term, the Company has a comfortable liquidity position. HFCs, in general, will have long-term mis-matches, which they need to manage appropriately. The company stipulates floating rates of interest for its loans, and hence, can pass on the varying cost of its borrowings to its customers.

Financial Performance

As per audited financial statements for FY16 of RHFL, Total Operating Income stood at₹ 796 Crores compared to₹ 501 Crores for FY15, a y-o-y growth of ~59%, while Net Income from Operations increased from ₹ 184 Crores to ₹ 260 Crores, a growth of ~41%. Net Interest

Margin (NIM) was 4.4% for FY16. The Company reported PAT of ₹87Crores in FY16 compared to ₹69Crores in FY15.

Performance up to Q1FY17

As per Unaudited financials for Q1FY17, the Company reported Total Income from Operations of ₹232 Crores with PBT of ₹31 Crores. Asset Under Management (AUM) has increased from ₹7,357 Crores as of Mach 31, 2016 to ₹8,259 Crores as of June 30, 2016 with Gross NPA at 1% and Net NPA% at 0.7%. Tangible Networth was at ₹ 642 Crores with Total CRAR at 14.59%.

Issue Details

Proposed Secured NCD (Public Issue) Structure

Important terms of the proposed Secured NCD (Public Issue) as per the draft term sheet shared by the Company are as follows:

1. It is a Listed Secured Non-Convertible Debentures
2. Security cover is minimum 1.0 times the face value of the NCD issued
3. The tenor of the instrument is up to 10 years from the deemed date of allotment
4. The instrument is to be issued and redeemed at face value

Proposed Unsecured Upper Tier II NCD (Public Issue) Structure

Important terms of the proposed Unsecured Upper Tier IINCD as per the draft term sheet shared by the Company are as follows:

1. It is a Listed Unsecured Non-Convertible Debentures
2. The tenor of the instrument is minimum of 15 years from the deemed date of allotment
3. The instrument is to be issued and redeemed at face value
4. Call Option for the Issuer not earlier than 10 years from the deemed date of allotment

Rating Outlook

The outlook is expected to be stable over the current year and it draws comfort from being a Reliance Group Company. Going forward the ability of the Company to grow profitably, prudently manage its asset quality, maintain healthy capitalization level and cope with the changing and competitive nature of the finance industry would be the key rating sensitivities.

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Reliance Home Finance Limited

Annexure I: Other Ratings Reaffirmed

Issue	Issue Size (₹ Cr)	O/S (30-Sep-16) (₹ Cr)	Tenure	Rating History (Nov 2016)	Rating[1]
Secured NCD	2,000	728	Long Term	**BWR AA+** Outlook: Stable	**BWR AA+** Outlook: Stable ***(Reaffirmed)***
Unsecured Subordinated NCD	400	273	Long Term	**BWR AA+** Outlook: Stable	**BWR AA+** Outlook: Stable ***(Reaffirmed)***