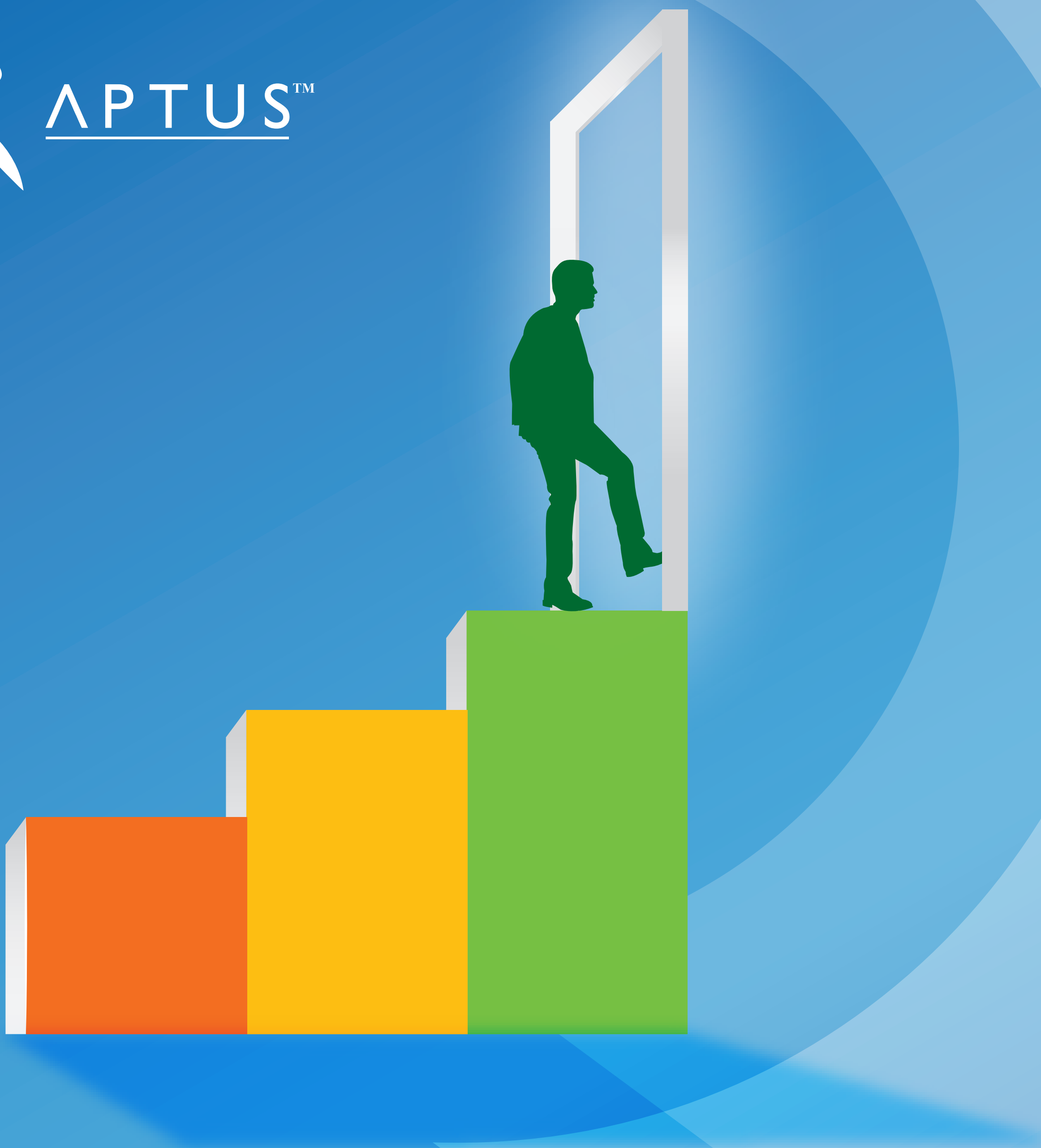
APTUS™



STEPPING AHEAD

ANNUAL REPORT | 2016 - 17

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CORPORATE INFORMATION

Board of Directors	Mr. M. Anandan, Chairman & Managing Director Mr. K.M. Mohandass Mr. S. Krishnamurthy Mr. Krishnamurthy Vijayan Mr. K.P.Balaraj Ms. Mona Kachhwaha Mr. Shailesh J Mehta Mr. Suman Bollina Mr. Deepak Ramineedi
Registered Office	8B, Doshi Towers, 205, Poonamalle High Road Kilpauk, Chennai 600 010
Management Team	Mr. P.Balaji – EVP & Chief Financial Officer Mr. G.Subramaniam – EVP – Risk & Operations Mr. C. T. Manoharan – Vice President – Sales & Marketing Mr. Sarath Chandran - Vice President – Technical & Infra
Company Secretary	Ms. C. Payal
Auditors	Deloitte Haskins & Sells 8th Floor, ASV'N Ramana Towers 52, Venkatnarayna Road, T Nagar, Chennai 600 017
Bankers / Financial Institution	National Housing Bank State Bank of India HDFC Bank Axis Bank Yes Bank Central Bank of India Oriental Bank of Commerce Dena Bank IDBI Bank RBL Bank DCB Bank Vijaya Bank Karur Vysya Bank ICICI Bank United Bank of India

CHAIRMAN'S NOTE

Aptus firmly believes in value creation and will stay focused in creating long lasting, significant value for all its key stakeholders, viz., customers, employees, shareholders and community at large

Dear Shareholders

It gives me immense pleasure to share with you the progress made by your Company so far. Aptus, over the years, has kept the focus on affordable housing finance to fulfill the aspirations of informal, self employed, Lower and Middle Income (LMI) families largely in Tier II and Tier III towns by providing them an access to long term housing finance to buy or construct a home of their own. As on date, more than 85% of the sanctioned customers of Aptus belong to LMI/self employed category. Aptus has been pursuing a socially relevant business model which helps to make an impact in the lives of these informal, bottom of the pyramid customers, which in turn help to build financial inclusion.

Aptus has now completed 7 full years of operation and this eventful journey has established a strong, robust platform for substantial growth in future. Some of the key highlights of Aptus, including the achievements in the current year FY 2017 are given below:

- A customer base in excess of 13,500 families.
- Cumulative loan disbursements of over Rs. 1,130 crores till March 2017. (Disbursements during FY 2017 was at Rs. 420 crores as opposed to Rs. 244 crores in the previous year – a growth of 72%).
- Expanded the footprint to 87 locations (70 branches in previous year) in four southern states.
- Has built an excellent team of around 650 well trained, experienced manpower (400 in previous year)
- To serve the customers better, faster, at low cost and to take care of future growth, new/upgraded software and hardware implemented in FY 2017.
- Company's portfolio is one of the best in the Industry for 7 years and the NPA as on March 2017 is only 0.35% of the loan book.
- Well capitalized company with a networth in excess of Rs. 520 crores as on March 2017 (FY 2017 saw a capital infusion of Rs. 270 crores from two of existing investors).
- Diversified funding source from NHB, Banks and International Finance Corporation(IFC). NCD of Rs. 100 Crores tied up with IFC in FY 2017.
- PBT of Rs. 55.78 crores in FY 2017, 113% growth over the previous year PBT of Rs. 26.18 crores.
- PAT of Rs. 36.91 crores in FY 2017, 111% growth over the previous year PAT of Rs. 17.51 crores.

Aptus would cement its position in the affordable housing finance segment with more robust growth in the coming years. In addition to affordable housing finance, the Company is also addressing the huge potential to service the financial requirements of large number of underserved, last mile, Micro, Small and Medium Enterprises (MSME) segment for which existing customer base, branch network and systems /processes of Aptus is leveraged efficiently.

Aptus firmly believes in value creation and will stay focused in creating long lasting, significant value for all its key stakeholders, viz., customers, employees, shareholders and community at large. Towards this the Company will further scale up its operations, expand product range and harness people strength and expand its geographical presence and new markets.

I thank all our stakeholders for their excellent and continued support.

M Anandan

Chairman and Managing Director

Directors Report to members

Your directors have pleasure in presenting the Eighth Annual report together with the audited accounts of the company for the financial year ended March 31, 2017.

1. Financial Highlights

Particulars	For the Financial Year ended March 31, 2017	For the Financial Year ended March 31, 2016
Operating income	1,212,564,009	765,879,631
Other Income	46,650,531	13,732,538
Less: Expenditure including depreciation	701,416,943	517,844,232
Profit before taxation	557,797,597	261,767,937
Provision for taxation	188,738,306	86,715,578
Profit after taxation	369,059,291	175,052,359

2. Operations

2.1: The year, 2016-17 saw your Company record strong growth in disbursements. Disbursements for the year 2016-17, was at Rs. 420 crores as compared with the previous year disbursements of Rs. 244 crores, thus registering a growth of 72%. As at March 2017, the assets under management stood at Rs. 847 crores, growing significantly from Rs. 519 crores in the previous year registering a growth of 63% despite demonetization move of the Government. Aptus continued to focus on Low and Middle Income families in Tier II and III cities that are largely underserved, for their affordable housing finance needs. Distribution network of Aptus also got stabilized. As of March 2017, there were total of 87 branches spread across Tamil Nadu, Pondicherry, Karnataka, Telangana and Andhra Pradesh. Gross Income of the Company during the year ended March 31, 2017 amounted to Rs. 121.26 crores, higher by 58% over Rs. 76.59 crores in the previous year. PBT was at Rs. 55.78 crores up by 113% over the previous year's Rs. 26.18 crores. At Rs. 36.91 crores, PAT was higher by 110% over previous year's Rs. 17.51 crores.

The Company's net worth stood at Rs. 520.73 crores as on March 31, 2017 (Previous year - Rs. 211.99 crores).

2.2: Asset Quality

Your Company, closed the financial year 2016-17 with a Gross NPA of 0.45%. These levels, one of the best in the industry, have been maintained by Aptus since inception. This would not have been possible but for the excellent systems and processes in originating loan proposals from customers and strong adherence to laid down policies in terms of credit, legal, technical and collections. The above organization strengths coupled with very good quality of portfolio gives us confidence to aspire for more aggressive growth in the years to come.

2.3: Resource Mobilisation

During the year, the Company raised equity capital of Rs. 270 crores by way of issuance of fresh equity shares to two of our existing investors, namely, Westbridge Capital (Rs. 245 crores) and India Financial Inclusion Fund (Rs. 25 crores).

Also the Year 2016-17 saw Aptus diversify its debt funding by issuing Debentures (Rs. 66.40 crores) to International Finance Corporation (World Bank Group). Apart from this, National Housing Bank also increased their refinance exposure to the Company to around Rs. 78.40 crores. In addition, term loan (Rs. 160.83 Crores) from leading banks continues to be a strong source of funding to the Company.

2.4: Credit Rating

As of March 31, 2017, your company's bank borrowings enjoys the rating of A(-) from both ICRA and CARE. This has since been upgraded to 'A' by both the rating agencies.

2.5: Outlook

The Company will continue to focus and grow its two main product lines, namely, Home Loans and Loans to SME customers from Low and Middle Income families largely from Rural and Semi Urban areas.

3. Dividend

Your directors do not recommend any dividend for the financial year in order to conserve its resources for future growth.

4. Transfer to Reserves

As per Section 29C (1) of National Housing Bank Act, 1987, the Company is required to transfer atleast 20% of its net profit every year to a reserve before any dividend is declared. Accordingly, your Company has transferred Rs. 112,581,156 to special reserve in accordance with Section 29C(1) of National Housing Bank Act, 1987 read along with Section 36(1)(viii) of the Income Tax Act, 1961.

5. Changes in Share Capital

During the financial year 2016-17, your Company had made an allotment of 1,44,41,176 equity shares of Rs. 10 each, at a premium of Rs. 160 per share on private placement basis aggregating upto Rs. 245.50 crores to M/s WestBridge Crossover Fund, LLC and 14,70,589 equity shares of Rs. 10 each, at a premium of Rs. 160 per share on private placement basis aggregating upto Rs. 25.00 crores to M/s. India Financial Inclusion Fund. Subsequent to that, your Company's networth stood at Rs. 520.73 crores at the end of March 2017.

6. Capital Adequacy Ratio

Your Company had a Capital to Risk Adjusted Ratio (CRAR) of 98.07% against the statutory requirement of 12% due to higher capital base and lower leverage. Tier II Capital includes Rs. 3.26 crores of provision made towards standard assets.

7. Employee Stock Options Scheme

Your Company has implemented an Employees Stock Option Scheme for its employees in the name & style of Aptus Employees Stock Option Scheme, 2010 during the financial year 2010-11. During 2015-16, a new ESOP scheme titled Aptus Employees Stock Option Scheme 2015 (ESOP 2015) was introduced. The details of these ESOP schemes are given in the **Annexure A** to this report.

8. Extract of Annual Return

As per Section 134 (3) and 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT 9 is enclosed and form part of this report as **Annexure B**.

9. Internal Financial Controls

Your Company has an internal control system, commensurate with the size, scale and complexity of its operations. Your Company's Internal Auditors, M/s. Kumbhat & Co review internal control and risk-management measures, accounting procedures, highlight areas requiring attention, and report their main findings and recommendations to the Audit Committee. The Audit Committee regularly reviews the audit findings and action taken thereon, as well as the adequacy and effectiveness of the internal financial systems and controls.

10. Auditor's Report

The Auditors did not make any qualification, reservation or adverse remark or disclaimer on the financial statements prepared as per Section 133 of Companies Act, 2013 and notes on accounts annexed thereto.

11. Risk Management Policy

As per the directions issued by National Housing Bank, the Company has constituted a Risk Management Committee which is responsible for putting in place a risk management system, risk management policy and strategy to be followed by the Company.

As per this, various risks identified are as follows:

- Credit risk
- Liquidity risk
- Interest rate risk
- Operational risk

The Risk Management Committee alongwith the Asset Liability Management Committee review and monitor these risks at regular intervals.

Credit risk of the Company is managed through credit norms in line with the business requirements and also following a practice of personally assessing every borrower through discussions to assess their credit worthiness.

The running of efficient and successful Housing Finance Company depends on careful assessment and effective management of Operational, Market and Reputation risks in addition to Credit risk. The company has put in place efficient risk management policies, systems and processes that seek to strike an appropriate balance between risk and returns. These include efficient risk management measures, such as assessing the applicant's credit history with credit information bureaus, field investigation of the applicant's credentials, adoption of prudent Loan to value ratio and analysis of the borrower's debt service capacity, monitoring the end use of approved loans, lending only against approved properties, risk based loan pricing and property insurance.

The Company has employed qualified Technical and Legal team to value properties, track property price movements and scrutiny of legal documents.

A separate collection vertical has been set up to monitor recovery of dues from the borrowers. The recovery team constantly follows up with borrowers for the collection of outstanding dues.

Liquidity risks are managed through ongoing monitoring of Asset Liability mismatch and interest rate risks are managed through regular monitoring of maturity profiles of borrowings and advances to customers.

Operational risks arising from inadequate internal processes, people and systems or from external events are adequately addressed by the internal control system and are continuously reviewed and monitored. The senior management team regularly assesses the risks and takes appropriate measure to mitigate them. Process improvements and quality control are on-going activities and are built into the employee training modules as well. The Company has well documented systems to ensure better control over transaction processing and regulatory compliance.

12. Human Resources

In order to attract and retain talent, the Company has formalized HR policies which includes compensation and other service terms in line with the industry norms, imparting training to its employees, both on and off the job on an ongoing basis, encouraging ownership of the Company's equity shares by senior employees through ESOP Scheme etc. During the current year, in-house training programs were provided to employees inter alia in lending operations, recoveries, KYC, IT system & security and accounts. Employees were also nominated to training programmes conducted by NHB and other institutions. Your company has built its workforce to achieve the goals in the most effective and efficient manner. Aptus staff strength as at March 31, 2017 was around 650.

13. Directors and Key Managerial Personnel

13.1 :

Mr. Deepak Ramineedi was appointed as an Additional Director (Nominee) on October 25, 2016 and holds office upto the date of the Eighth Annual General Meeting and being eligible has offered himself for reappointment. The Company has received a notice from a member pursuant to Section 161 of the Companies Act 2013 proposing his candidature for Nominee Director.

Mr. Shailesh J Mehta was appointed as a Non-Executive Director on August 11, 2016 and holds office upto the date of the Eighth Annual General Meeting and being eligible has offered himself for reappointment. The Company has received a notice from a member pursuant to Section 161 of the Companies Act 2013 proposing his candidature for Non-Executive Director

Mr. K P Balaraj, Nominee Director of WestBridge Crossover Fund, LLC retired by rotation at the 7th Annual General Meeting held on August 11, 2016, and was re-appointed.

Mr. Suman Bollina, Non-Executive Director, retires by rotation at the 8th Annual General Meeting and being eligible has offered himself for re-appointment as Director not liable to retire by rotation.

13.2:

Ms. Payal C was appointed as a Company Secretary with effect from March 27, 2017, in the place of Mr Ashok Kumar R who resigned on February 10, 2017. There were no other changes in the composition of “Key Managerial Personnel” during the year.

14. Board Meetings held during the year

During the financial year ended March 31, 2017, five (5) Board Meetings were held on May 13, 2016, August 11, 2016, November 11, 2016, February 13, 2017 and March 27, 2017 respectively. And the gap between two meetings were not more than 120 days.

15. Auditors

Statutory Auditors

Pursuant to the provisions of Section 139 and 141 of the Companies Act, 2013, M/s Deloitte Haskins & Sells, Chartered Accountants were appointed as the statutory auditors of the Company at the 7th Annual General Meeting (AGM) of the shareholders held on August 11, 2016, to hold office from the conclusion of the 7th AGM upto the conclusion of the 10th AGM to be held in the calendar year 2019 subject to the ratification of such appointment at every subsequent AGM.

They have expressed their willingness for their appointment to be ratified at the ensuing AGM and have given a certificate pursuant to Section 139 of the Companies Act, 2013, confirming that their appointment, if ratified, will be in accordance with the specified limits.

They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Statutory Auditors of the Company.

Secretarial Auditor

Mr. S Sandeep from M/s. S Sandeep & Associates, Practicing Company Secretaries was appointed to conduct the secretarial audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and rules made thereunder.

The secretarial audit report for the financial year ended March 31, 2017 forms part of Annual report as an **Annexure C** to Board’s Report.

16. Particulars of Contracts or Arrangements with Related parties

During the financial year, the Company has not entered into any Contract or Arrangement with Related Parties as per Section 188 of the Companies Act, 2013 and the Rules framed thereunder. The Company has framed a Related Party Transaction policy for the Company as per the HFC Corporate Governance (NHB) Directions, 2016. The same is enclosed as **Annexure D** to this report.

17. Material Changes and Commitments

There are no material changes and commitments between March 31, 2017 and the date of this report having an adverse bearing on the financial position of the Company.

18. Conservation of Energy, Technological Absorption

The Company does not have any activity relating to conservation of energy and technical absorption and does not own any manufacturing facility. Hence the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and the Rules framed thereunder is not applicable.

19. Foreign Exchange Earnings/Outgo

Your Company does not have any foreign currency earnings or expenditure during the financial year ended March 31, 2017.

20. Particulars of Employees

In accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the name and other particulars of employees are to be set out in the annexure forming part of the Annual Report. However, as per provisions of Section 136(1) of the Companies Act 2016, read with relevant proviso of the Companies Act, 2013 the Annual Report is being sent to members excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company. Any member interested in obtaining such particulars may write to the Company and the same will be furnished without any fee and free of cost.

21. Dematerialisation of Shares & Non-Convertible Debentures

The equity shares of the Company have been admitted for dematerialization by National Securities Depository Limited (NSDL) with ISIN No. INE852O01017.

The Non-Convertible Debentures of the Company have been admitted for dematerialization by National Securities Depository Limited (NSDL) with ISIN Nos. INE852O07014 & INE852O07022.

22. Particulars of Loans, Guarantees or Investments under Section 186 of Companies Act, 2013:

During the year under review, the Company had not granted any loans or guarantees or Investments covered under Section 186 of the Act 2013.

During the financial year ended March 31, 2016, your Company has promoted a wholly owned subsidiary, namely, M/s. Aptus Finance India Private Limited and has agreed to subscribe to 2,00,00,000 equity shares of of Rs. 10 each at par in one or more tranches. For the year ending March 31, 2017, your Company has not made any investment, Details of investment made during the financial year ended March 31, 2016 are as under:

S.No.	Date of Investment	Details of Investee	Amount (in Rs)	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of Board Resolution	Date of Special Resolution	Expected rate of return
1	October 14, 2015	Aptus Finance India Pvt Ltd.	69,999,000 Comprising of 6,999,900 equity shares of Rs. 10 each.	Working capital requirements and general corporate purposes	August 7, 2015	NA	NA

Aptus Finance India Private Limited is a wholly owned subsidiary of the Company incorporated on September 18, 2015. In accordance with the provisions of section 129 (3) of the Companies Act, 2013, the Consolidated Financial Statements drawn up in accordance with the applicable accounting standards form part of the Annual Report.

23. Disclosure of Significant & Material Orders passed by the Regulators or court or tribunal

During the financial year, there are no significant and material orders passed by the regulators or Courts or Tribunals which can have an impact on the going concern status and the Company's operations in future.

24. Deposits

Your Company is registered as a non deposit taking Housing Finance Company with National Housing Bank and hence does not accept any deposits. No deposits were accepted from the public in the financial year ended March 31, 2017.

25. Declaration from Independent Directors

The Company has received declarations from all the Independent Directors to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

26. Corporate Social Responsibility Policy (CSR)

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has adopted a Policy on CSR and the Policy has been placed in the website of the Company. A report on CSR is attached as **Annexure E** to this Report.

27. Formal Annual Evaluation

As per the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. A structured exercise was carried out based on the criteria for evaluation forming part of the Directors Appointment, Remuneration & Evaluation Policy, including framework for performance evaluation of Directors, Board & Committees, familiarisation Programme for Independent Directors Criteria for Evaluation and the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committee, attendance at meetings, Board culture, duties of directors and governance. The aforesaid policy is attached as **Annexure F** to this report.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its stakeholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors have expressed their satisfaction with the evaluation process.

28. Vigil Mechanism, Whistle Blower Policy

Your Company as part of the "Vigil Mechanism" has in place a "Whistle Blower Policy" to deal with instances of fraud and misappropriations, if any. This policy has been placed in the website of the Company. During the year under review, no whistle blower complaint was received.

29. Management Discussion and Analysis

Report on Management Discussion and Analysis is enclosed and is forming part of this report as **Annexure G**

30. Corporate Governance Report

National Housing Bank, vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017, has mandated all the Housing Finance Companies to follow the guidelines on Corporate Governance as per the HFC Corporate Governance (NHB) Directors, 2016. The Company has accordingly framed the internal guidelines on Corporate Governance and the same is forming part of this report as **Annexure H**.

31. Committees

Details on composition of various Committees of the Board and number of meetings of the Board and Committees are given in the Corporate Governance Report in **Annexure H.**

32. Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy named "Policy Against Sexual Harassment" in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The said policy is uploaded in the website of the Company. During the year under review, no complaint of harassment was received.

33. Directors' Responsibility Statement

The Board of Directors have instituted/put in place a framework of internal financial controls and compliance systems, which is reviewed by the management and the relevant board committees, including the audit committee and independently reviewed by the internal, statutory and secretarial auditors.

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;

(ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at March 31, 2017 and the profit of the company for the year ended on that date;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis;

(v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively during the year ended March 31, 2017; and

(vi) proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended March 31, 2017.

Acknowledgement

Your Directors wish to thank the shareholders, customers, employees, bankers, financial institutions, National Housing Bank / other regulatory authorities for their cooperation and continued support.

For and on behalf of the Board of Directors

Place : Chennai
Date : May 17, 2017

M Anandan
Chairman & Managing Director
DIN: 00033633

ANNEXURE – A

APTUS EMPLOYEES STOCK OPTION SCHEME, 2010

The decision to introduce APTUS Employees Stock Option Scheme, 2010 (hereinafter called "APTUS ESOS, 2010" or "The Scheme") was taken by the Board of Directors at the meeting held on July 21, 2010 and was approved by the shareholders of the Company at the Extraordinary General Meeting held on July 29, 2010.

Pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014, the details of the Aptus Employees Stock Option Scheme, 2010 as on March 31, 2017 are :-

1. options granted: 3,052,500
2. options vested: 2,519,780
3. options exercised: 2,519,780
4. options lapsed: 532,720
5. variation of terms of options: There were no variations of terms of options during the financial year 2016-17.
6. money realized by exercise of options during the year 2016-17: Rs. 2,512,500 (including premium)
7. total number of options in force: nil
8. employee wise details of options granted to :-

   (i) key managerial personnel: Nil

   (ii) any other employee who receives a grant of options in any one year of option amounting to 5 percent or more of options granted during that year : NIL

   (iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: NIL

APTUS EMPLOYEES STOCK OPTION SCHEME, 2015

The decision to introduce APTUS Employees Stock Option Scheme, 2015 (hereinafter called "APTUS ESOP, 2015" or "The Scheme") was taken by the Board of Directors at the meeting held on May 12, 2015, and was approved by the shareholders of the Company at the Annual General Meeting held on August 7, 2015.

Pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014, the details of the Aptus Employees Stock Option Scheme, 2015 as on March 31, 2017 are :-

1. options granted: 1,700,000
2. options vested: 425,000
3. options exercised: 375,000
4. options lapsed: 50,000
5. variation of terms of options: There were no variations of terms of options during the financial year 2016-17.
6. money realized by exercise of options during the year 2016-17: Rs. 28,125,000/-
7. employee wise details of options granted to :-

   (iv) key managerial personnel: Mr P Balaji – EVP & Chief Financial Officer

   (v) any other employee who receives a grant of options in any one year of option amounting to 5 percent or more of options granted during that year : NIL

   (vi) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: NIL

ANNEXURE B

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended March 31, 2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U65922TN2009PLC073881
2	Registration Date	December 11, 2009
3	Name of the Company	APTUS VALUE HOUSING FINANCE INDIA LIMITED
4	Category / Sub-category of the Company	Company Limited by Shares
5	Address of the Registered office & contact details	No.8B, Doshi Towers, 205, Poonamallee High Road, Kilpauk, Chennai, Tamilnadu – 600 010.
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Karvy Computershare Private Limited **Address:** KARVY CENTRE 8-2-609/K, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034. Telephone No. 040-67406120 / 67406121

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Housing Finance & Non Housing Finance	64990	100%

III. PARTICULARS OF HOLDING, SUBS IDIARY AND ASSOCIATE COMPANIES

S.No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	M/s. Aptus Finance India Private Limited	U74900TN2015PTC102252	Subsidiary	99.99%	2(87)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	24,919,498	24,919,498	40.03%	-	24,919,498	24,919,498	31.72%	-8.31%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	**-**	**24,919,498**	**24,919,498**	**40.03%**	**-**	**24,919,498**	**24,919,498**	**31.72%**	**-8.31%**
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**0.00%**
TOTAL (A)	**-**	**24,919,498**	**24,919,498**	**40.03%**	**-**	**24,919,498**	**24,919,498**	**31.72%**	**-8.31%**
B. Public Shareholding									
(1) Institutions	-	-	-	0.00%	-	-	-	0.00%	0.00%
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1)	-	-	-	0.00%	-	-	-	0.00%	0.00%

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	875,000	1,079,092	1,954,092	3.14%	875,000	1,079,092	1,954,092	2.49%	-0.65%
ii) Overseas	32,866,836	704,275	33,571,111	53.93%	49,482,876	-	49,482,876	62.98%	9.05%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	400	400	0.00%	-	400	400	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,491,766	13,005	1,504,771	2.42%	1,491,766	421,505	1,913,271	2.44%	0.02%
c) Others (specify)									
Non Resident Indians	300,000	-	300,000	0.48%	300,000	-	300,000	0.38%	-0.10%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (B) (2)	**35,533,602**	**1,796,772**	**37,330,374**	**59.97%**	**52,149,642**	**1,500,997**	**53,650,639**	**68.28%**	**8.31%**
Total Public (B)	**35,533,602**	**1,796,772**	**37,330,374**	**59.97%**	**52,149,642**	**1,500,997**	**53,650,639**	**68.28%**	**8.31%**
c) Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	35,533,602	26,716,270	62,249,872	100.00%	52,149,642	26,420,495	78,570,137	100.00%	0.00%

(ii). Shareholding of Promoter

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M Anandan	18,732,833	30.09%	-	18,732,833	23.84%	-	6.25%
2	Padma Anandan	5,916,666	9.50%	-	5,916,666	7.53%	-	1.97%
3	Immediate relatives of M.Anandan	269,999	0.44%	-	269,999	0.35%	-	0.09%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	At the beginning of the year	NO CHANGE			
2	Changes during the year				
3	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders *(Other than Directors, Promoters and Holders of GDRs and ADRs)*

S.No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total	No. of Shares	% of total
1	WestBridge Crossover Fund LLC	18,283,775	29.37%	32,724,951	41.65%
2	GHIOF Mauritius	8,711,571	13.99%	8,711,571	11.09%
3	India Financial Inclusion Fund	6,575,765	10.56%	8,046,354	10.24%
4	AR Chadha & Co India Pvt Ltd	1,366,592	2.20%	1,366,592	1.74%
5	M A Alagappan	1,175,000	1.89%	1,175,000	1.50%
6	AMM Arunachalam & Sons Pvt Ltd	587,500	0.94%	587,500	0.75%
7	Kalpa Mehta	300,000	0.48%	300,000	0.38%
8	Saurabh Vijay Bhat	66,666	0.10%	66,666	0.08%

(v) Shareholding of Directors and Key Managerial Personnel

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares	No. of Shares	% of total Shares
A	**Directors:**				
1	Changes in Shareholding of Directors - K M Mohandass	250,100	0.40%	250,100	0.32%
2	Changes in Shareholding of Directors - Suman Bollina	83,333	0.13%	83,333	0.11%
B	**Key Managerial Personnel:**				
1	Changes in Shareholding of Key Managerial Personnel P Balaji	-	-	75,000	0.09%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,773,271,580	-	-	2,773,271,580
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10,288,190	-	-	10,288,190
Total (i+ii+iii)	**2,783,559,770**	**-**	**-**	**2,783,559,770**
Change in Indebtedness during the financial year				
* Addition	302,346,468	-	-	302,346,468
* Reduction	-	-	-	-
Net Change	**302,346,468**	**-**	**-**	**302,346,468**
Indebtedness at the end of the financial year				
i) Principal Amount	3,056,721,552	-	-	3,056,721,552
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29,184,685	-	-	29,184,685
Total (i+ii+iii)	**3,085,906,237**	**-**	**-**	**3,085,906,237**

(vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No.	Particulars of Remuneration	Total Amount (Rs.)
	Name	M Anandan
	Designation	Chairman and Managing Director
1	Gross salary	
	(a) Salary as per provisions contained in section 17 (1) of the Income tax Act, 1961	15,000,000
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	162,808
	(c) Profits in lieu of salary under section 17 (3) Income tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	5,000,000
5	Others, please specify	-
	Total (A)	**20,162,808**
	Ceiling as per the Act	**29,703,000**

B. Remuneration to other Directors

S.No.	Particulars of Remuneration (Name of Directors)					Total Amount (Rs.)
1	**Independent Directors**	**Mr. Shailesh J Mehta**	**Mr. K.M.Mohan-dass**	**Mr. S.Krishnamur-thy**	**Mr. Krishnamur-thy Vijayan**	
	Fee for attending board committee	85,000	170,000	170,000	70,000	495,000
	Commission	250,000	250,000	250,000	250,000	1,000,000
	Others, please specify					-
	Total (1)	**335,000**	**420,000**	**420,000**	**320,000**	**1,495,000**

2	**Other Non-Executive Directors**	**India Financial inclusion Fund on behalf Ms. Mona Kachhwaha**	**Mr. K.P. Balaraj**	**Mr. Suman Bollina**	**Mr. Deepak Ramineedi**	
	Fee for attending board committee	-	-	80,000	-	80,000
	Commission	250,000	-	250,000	-	500,000
	Others, please specify					-
	Total (2)	**250,000**	**-**	**330,000**	**-**	**580,000**
	Total (B) = (1+2)					**2,075,000**
	Total Managerial Remuneration					**22,237,808**
	Overall Ceiling as per the Act					**29,703,000**

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

S.No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs.)
	Name	P Balaji	R Ashok Kumar	
	Designation	EVP & CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income tax Act, 1961	5,638,942	476,802	6,115,744
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17 (3) Income tax Act, 1961	-	-	-
2	Stock Option	12,750,000	-	12,750,000
3	Sweat Equity			
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	**18,388,942**	**476,802**	**18,865,744**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			Not applicable		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			Not applicable		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			Not applicable		
Compounding					

ANNEXURE C

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,

APTUS VALUE HOUSING FINANCE INDIA LIMITED
No 8B, Doshi Towers, 8th Floor, No.205, Poonamallee High Road,
Kilpauk, Chennai -600 010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of M/s. APTUS VALUE HOUSING FINANCE INDIA LIMITED (CIN: U65922TN2009PLC073881) (hereinafter called "the Company").
The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The provisions of Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as applicable to the Company;

(iii) The provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as applicable to the Company.

(iv) The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder as applicable to the extent of Foreign Direct Investment. The Company does not have any External Commercial Borrowings or other credit facilities or Overseas Direct Investment.

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

(a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

(b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(vi) The Company has materially complied with the following and other laws applicable specifically to the Housing Finance Sector as identified by the Company including:

(a) National Housing Bank (NHB) Act, 1987 and the guidelines carried thereunder;

(b) NHB (Housing Finance) Directions, 2010 and

(c) The Prevention of Money Laundering Act, 2002

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During August 2016, the Company has entered into a listing agreement with Bombay Stock Exchange in India, pursuant to the issuance of Non Convertible Debentures on private placement basis.

During the period under review the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that, during the audit period there were no actions / events in pursuance of:

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009;

f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were taken unanimously and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period the Company has issued & allotted

a. 14,441,176 Equity shares of Rs. 10/- each at a premium of Rs. 160/- per share to M/s WestBridge Crossover Fund, LLC on preferential basis.

b. 1,470,589 Equity shares of Rs. 10/- each at a premium of Rs. 160/- per share to M/s India Financial Inclusion Fund on preferential basis

c. 6,640,000 Non Convertible Debentures of at Rs. 100/- (Rupees One Hundred Only) each total amounting to Rs. 664,000,000/- (Rupees Sixty Six Crores Forty Lakhs Only) to M/s International Finance Corporation (World Bank Group) on private placement basis and subsequently the same were listed in the Bombay Stock Exchange.

We further report that, during the audit period there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

For S Sandeep & Associates

Place: Chennai
Date: May 17, 2017

S Sandeep

Managing Partner

FCS No.5853

Annexure D

APTUS VALUE HOUSING FINANCE INDIA LIMITED

RELATED PARTY TRANSACTION POLICY

Aptus Value Housing Finance India Limited (Holding Company) is a public limited debt listed company incorporated under the Companies Act, 1956 (CIN: U65922TN2009PLC073881) having its registered office at No. 8B, Doshi Towers, 8th Floor, No:205, Poonamallee High Road, Kilpauk Chennai – 600 010. It has promoted a wholly owned subsidiary in the name and style of M/s Aptus Finance India Private Limited (Subsidiary Company) which has been incorporated under the Companies Act, 2013 (CIN: U74900TN2015PTC102252) having its registered office at No. 8B, Doshi Towers, 8th Floor, No: 205, Poonamallee High Road, Kilpauk, Chennai – 600 010.

The holding company would be providing / sharing its infrastructure and resources to / with the subsidiary company. These transactions which are proposed between the holding company and subsidiary company would fall under the purview of Related Party Transactions as dealt with under Section 188 of the Companies Act, 2013 and the rules made thereunder and other applicable laws.

This policy, namely, the related party transaction policy is being formulated and is to be implemented to address these aspects.

This policy seeks to address 2 points.

1. Identification and disclosure of Related Party Transactions (RPT)

2. Lay down transfer pricing norms between the holding company and the subsidiary company.

WHO IS A RELATED PARTY

As per Section 2(76) of the Companies Act, 2013 related party , with reference to a company, means—.

- A director or his relative
- Key Managerial Personnel or his relative
- A firm, in which a director, manager or his relative is a partner
- A private company in which a director or manager is a member or director
- A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital
- A body corporate whose board, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager, except if advice/ directions/ instructions are given in the professional capacity
- Any person on whose advice, directions or instructions a director or manager is accustomed to act, except if advice/ directions/ instructions are given in the professional capacity
- Any company which is:
  - A holding, subsidiary or an associate company of such company, or
  - A subsidiary of a holding company to which it is also a subsidiary
- Such other persons as may be prescribed

As can be clearly seen from the above, holding and subsidiary companies fall into the category of Related Party and hence transactions between these 2 entities will have to be disclosed in the accounts / financial statements as Related Party Transactions and necessary approvals are required to be obtained from the Audit Committee, Board of Directors and the shareholders, as the case may be as laid down under the Companies Act, 2013 and the rules made thereunder and other applicable laws.

RELATED PARTY TRANSACTIONS

The following transactions would be disclosed as Related Party Transactions:

1. Investment by the Holding company into the subsidiary company
2. Other transactions between the holding company and subsidiary company

In the transactions above, the investment by the holding company into the subsidiary needs no further explanation. However, it is essential to cover the other transactions that could be entered into between the holding company and the subsidiary company.

OTHER TRANSACTIONS BETWEEN THE HOLDING COMPANY AND SUBSIDIARY COMPANY

The holding company would be providing / sharing its infrastructure and resources to / with the subsidiary company, it becomes necessary for the holding company to transfer / allocate costs / expenses appropriately and proportionately to the subsidiary company to ensure that such transactions are done on an arm's length basis.

All the costs / expenses that are incurred by the subsidiary company directly would be booked in the books of the subsidiary. However, the costs / expenses incurred by the holding where a portion of the benefits / services are utilized / accrue by / to the subsidiary company, such costs / expenses would need to be shared between the 2 entities. Such costs / expenses are listed below.

a. Personnel costs – The holding company would be providing or deputing its employees and personnel to manage, administer and handle the business of the subsidiary company in all areas including collections, legal, disbursements, software, customer care, marketing, etc. The holding company would be providing or deputing all kinds and types of employees and personnel who are on the rolls of the holding company to the subsidiary company including Senior Management personnel, Key Management Personnel, Managers, Cashiers, etc. Their costs would have to be proportionately and appropriately transferred / allocated to the subsidiary company.

b. Expenses for shared infrastructure and resources – The holding company would be sharing all kinds and types of its infrastructure, assets and resources with the subsidiary company like registered office premises, branch offices and premises, storage premises, servers, computers, work stations, hardware and peripherals, telephone and mobile connections, broad band and internet connectivity, logos, stationery, electricity, etc. Hence the expenses pertaining to such infrastructure, assets and resources like rent, electricity charges, repairs & maintenance, communication expenses, software expenses, stationery expenses, etc. would be shared between the holding company and the subsidiary company.

METHODOLOGY FOR ALLOCATION OF SHARED COSTS

The shared costs / expenses enumerated above would be shared / apportioned between the holding company and subsidiary company in the proportion of the closing Assets Under Management(AUM) of the 2 entities which has been budgeted as per the business plan approved by the Board.

This sharing / apportionment ratio would be calculated at the time of commencement of NBFC business by the subsidiary company and at the beginning of every financial year / and presented to the Audit Committee / Board for their approval. The sharing / apportionment ratio may be modified during the course of the financial year with the approval of the Audit Committee / Board.

The Related Party Transactions are to be reviewed by the Audit Committee / Board on a quarterly basis.

ANNEXURE E

Corporate Social Responsibility Policy

Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Aptus is a growing company and is committed towards social welfare of the common people as it caters the housing needs of self employed, informal segment of customers, belonging to middle income, primarily from semi urban and rural markets. The Company shall seek to positively impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their wellbeing.

Your company would be undertaking the CSR activities as listed in Schedule VII and Section 135 of the Companies Act, 2013 and the Rules framed thereunder.

The Company's CSR policy has been uploaded in the website of the Company and the web link to CSR policy is http://www.aptusindia.com/files/Aptus-CSR-Policy.pdf

Composition of the CSR Committee

Mr. Krishnamurthy Vijayan,
Mr. K M Mohandass,
Mr. M Anandan, CMD
The Committee met once during the year under review.

Average net profit of the Company for the last three financial years.

Average net profit: Rs. 164,411,935/-

Prescribed CSR expenditure (2% of the average net profit of the last three financial years)

The Company during the financial year 2016-17 is required to spend Rs. 3,288,239/- towards CSR.

Details of CSR spent during the financial year:

a) Total amount spent for the financial year; Rs. Nil./-.

b) Amount unspent, if any; Rs. 3,288,239/-.

The Company did not spend any amount towards CSR expenditure during the year 2016-17 as the the management is in the process of identifying suitable projects and programme which can be identified and which would complement the businesses of the Company.

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the company.

ANNEXURE F

APTUS – DIRECTORS APPOINTMENT, REMUNERATION & EVALUATION POLICY

1. Purpose of this Policy:

Aptus Value Housing Finance India Limited ("Aptus" or the "Company") has adopted this Policy on appointment, remuneration and evaluation of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act").

The purpose of this Policy is to establish and govern the procedure applicable:

a) To evaluate the performance of the members of the Board.

b) To ensure remuneration to Directors, KMP 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.

c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Company should ensure 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 and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

2. Definitions:

Independent Director means a director referred to in Section 149(6) of the Act , as amended from time to time.

Key Managerial Personnel (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

Nomination and Remuneration Committee, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act.

Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Managing Director, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Accounting Standards shall have the meanings assigned to them in these regulations.

3. Composition of the Nomination & Remuneration Committee: The composition of the Committee to be in compliance with the Act, Rules made thereunder, as amended from time to time.

4. Role of the Committee:

a. To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's Corporate Strategy.

b. To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for Directorships.

c. To access the independence of Independent Non-Executive Directors.

d. To review the result of the performance evaluation process that relates to the composition of the Board.

e. To make recommendation to the Board regarding the appointment and re-appointment of Directors and succession planning for Directors in particular for Chairman & Chief Executive.

f. To recommend the remuneration payable to Non-Executive Directors of the Company from time to time.

g. Annual appraisal of the performance of Managing Director and fixing his terms of remuneration.

h. Annual appraisal of the Senior Management Team reporting to the Managing Director.

i. Administration and superintendence in connection with the Scheme under the broad policy and framework laid down by the Company and / or by the Board of Directors.

j. Formulate from time to time specific parameters relating to the Scheme, including,

(i) The quantum of Options to be granted under the Scheme to a particular Eligible employee or to a category or group of Eligible employees and in aggregate;

(ii) Determination of eligibility conditions and selection of Eligible employees to whom Options may from time to time be granted hereunder;

(iii) The Vesting Period and the Exercise Period within which the eligible employee should exercise the Options and that Options would lapse on failure to exercise the Options within the exercise period;

(iv) The conditions under which Options vested in Eligible employee may lapse in case of termination of employment for misconduct;

(v) The specified time period within which the Eligible employee shall exercise the vested Options in the event of termination or resignation of an Eligible employee;

(vi) The right of an Eligible employee to exercise all the Options vested in him at one time or at various points of time within the Exercise Period;

(vii) The procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, etc;

(viii) Make rules by which all options including non-vested options vest immediately in case of sale, transfer or takeover of the company or amalgamation of the Company with any other company, etc. and provide for rules related to exercise period under such circumstances.

(ix) Make rules related to performance based vesting of such part of the options granted to eligible employees as the Committee may decide.

(x) To prescribe, amend and rescind rules and regulations relating to the Scheme;

(xi) To construe, clarify and interpret the terms of the Scheme and Options granted pursuant to the Scheme;

k. Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

l. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

5. Appointment and removal of Director, KMP and Senior Management:

Appointment criteria and qualification: The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.

For the appointment of KMP (other than Managing Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment.

Further, for administrative convenience, the appointment of KMP (other than Managing Director) or Senior Management, the Managing Director is authorised to identify and appoint a suitable person for such position. However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance.

Term: The Term of the Directors including Managing Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder, as amended from time to time. Whereas the term of the KMP (other than the Managing Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

Evaluation: The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

Framework for performance evaluation of Directors, Board and committees is as per this Policy.

Removal: Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

Policy Review: Subject to the approval of the Board, the Nomination & Remuneration Committee reserves the right to review and amend this policy, if required, to ascertain its appropriateness as per the needs of the Company. The company may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

6. Remuneration of Managing Director, KMP and Senior Management:

The remuneration / compensation / commission, etc., as the case may be, to the Managing Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder. Further, the Managing Director of the Company is authorised to decide the remuneration of KMP and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

7. Remuneration to Non-executive / Independent Director:

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive/ Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

Annexure G

Management Discussion and Analysis

1. Industry Overview

According to the Census of India 2011, India's urban population increased to 377 million, reflecting the rise in urbanisation from 27.8% to 31.2% between 2001 and 2011. This rate of urbanisation has led to many issues such as housing shortfall, severe pressure on infrastructure, transportation deficits and stress on basic amenities.

In this context, India's roughly Rs. 10 trillion mortgage market is witnessing a quiet revolution. Even though it has been growing at around 18-19% every year, the size of the market continues to be pretty small–a minuscule portion of India's gross domestic product–but the interesting development is that around one-third of the new home loans, in terms of units, has started flowing into the low-cost housing segment, where the average size of a loan is around Rs. 10 lakh.

Last year, new home loan disbursements were to the tune of Rs. 2.9 trillion and, net of repayment, the growth has been close to Rs. 2 trillion. The growth will be higher this year, riding the government's thrust on meeting the housing needs. At present, there is a shortage of 18.8 million homes across urban centers of India, of which 15 million are needed in the LIG (Low Income Group) category.

At least four government schemes have been in the works to meet the housing shortage of 18.8 million across 681 cities. The schemes include the redevelopment of slums, creation of affordable housing through public-private partnerships, subsidy for economically weaker sections of the society and a credit-linked subsidy.

The promotion of affordable housing for weaker sections through credit-linked subsidy is a vertical under the Pradhan Mantri Awas Yojana and probably the most promising one. Under the credit-linked subsidy scheme, a person buying her first house, costing between Rs. 3 lakh and Rs. 6 lakh, gets 6.5% interest subsidy. We understand that the government is working on a similar scheme for rural housing where the average loan size would be Rs. 2.5 - 3 lakh and around 25 million beneficiaries have already been identified.

The recently-announced Union Budget 2017-18 has yet again emphasized the importance of housing, and has accorded infrastructure status to this sector. Given the benefits offered in the Budget, the clearer definition of affordable housing in terms of area, relaxation of construction timelines for affordable housing projects, tax incentives, it is evident that India is moving towards significantly reducing its share of homeless people.

If some of the schemes work well and half of what is on the drawing board gets translated into action, we possibly will have an inclusive mortgage market in India going forward. Hence there is no reason why financial intermediaries would not get excited about spreading low cost housing, given high growth rates and lower delinquency in mortgages.

2. Industry trends

2.1 Operating Environment:

Operating environment of mortgage finance industry is characterized by high unsold inventory levels in some cities, slow pace of under construction projects in affordable housing and higher growth in underserved segments. The support from Government of India for affordable housing coupled with higher growth in underserved segments are likely to contribute to faster pace of growth in housing credit over the medium term.

2.2 Intense Competition:

There has been an increase in the number of new entrants in the housing finance market, including HFCs promoted by NBFCs, new companies started by entrepreneurs supported by private equity investors and from Small Finance Banks. This has led to increased competition in the industry especially in home loan and loan against property segment. High competitive intensity, sizeable sourcing by DSAs, nil prepayment penalties are encouraging balance transfers at lower rates.

2.3 Asset Quality:

Asset Quality of HFCs, by and large, have been stable despite demonetisation. With new entrants getting covered under SARFAESI and with overall comfort of lending to secured asset class, the loan loss is expected to be stable.

2.4 Funding Mix:

Currently, funding mix is diversified for larger players and smaller HFCs are relying more on bank funding. ALM management continues to remain a challenge especially for the smaller HFCs who have limited access to long term funding of greater than 7 years. Having said this, 2016-17 saw some smaller HFCs diversifying their funding sources through debentures issued to Multilateral Financial Institutions, Mutual Funds and Insurance Companies.

2.5 Earnings:

Intense competition could lead to increased balance transfers rather than increased loan book for the industry as a whole. Further lack of diversity in earnings is likely to lead to stagnation in spreads. However, profitability is likely to be supported by good growth in business, stable operating expenses and lower credit costs which in turn will lead to HFCs generate good Returns on Assets (ROA) and Equity (ROE).

2.6 Capitalization:

Capitalization of HFCs are comfortable for current scale of business due to the benefit from lower risk weights for home loans in the affordable housing segment i.e. loans up to Rs. 30 lakhs. Capital requirement for HFCs over the medium term will be around Rs. 160 - 275 billion to grow at 20-22% over the next 3 years. With good Market and Investor sentiment for the sector, HFCs are better positioned to raise equity capital in the medium term.

3. Key Regulatory changes for HFCs:

3.1 Demonetisation:

On November 8, 2016, Government of India announced its decision to cancel the legal tender character of high denomination bank notes of Rs. 500 and Rs. 1,000 issued by Reserve Bank of India.

This move by Government of India had a big impact on financial services that had high reliance of cash disbursements and collections. While the micro finance and gold loan companies were severely impacted by this move of the Government, companies in the affordable housing segment were moderately impacted and were quickly able to come back to near normal level of operations.

3.2 Relaxation in Prudential Norms for Debt Mutual Funds:

SEBI, in August 2016, increased the exposure limits in HFCs, in debt oriented mutual fund schemes from 5% to 10%. The current norms require debt mutual fund schemes to cap their investments at 25% of the Net Assets of the scheme in a single sector except for the financial services sector wherein additional exposure can be taken for the housing finance segment. With this change in regulation, total exposure cap to the financial services sector (Including Housing finance) stands at 35%.

3.3 Amendments to Income Tax Act:

- Under Section 80 C of the Income Tax Act, Principal repayment of Housing loans up to Rs. 1.50 lakhs can be claimed as deduction from the Total Taxable Income.

- Under Section 24 of Income Tax Act, Interest payment of up to Rs. 2 lakhs can be claimed as expense if the property is self-occupied. In case the property is given on rent, then the total interest paid can be claimed as an expense.

However from the year 2017-18 as per the recent announcement of budget, the interest payment that can be claimed as expense both under self-occupied property and property which has been rented out is capped at Rs. 2 lakhs.

- Under Section 80 EE of Income Tax Act, an additional Rs. 50,000 interest on home loan is available to be claimed as expense provided certain conditions are satisfied:

3.4 Housing for All 2022:

The increased thrust of the government on the housing sector is highlighted by the recently launched “Housing for All” mission under the “Pradhan Mantri Awas Yojana”, which is trying to address both demand as well as supply side constraints that have affected the growth of the sector in the past. As a supply side intervention, the GOI proposes to encourage Public-Private Partnership in building homes for the EWS/LIG segments by offering incentives like allowing higher FSI and through announcing grants/subsidies for slum redevelopment programs.

On the demand side, GOI has proposed credit linked subsidy scheme for EWS/LIG customers which provides interest subsidy. With this scheme, there is a likelihood of increase in demand, as the customer’s ability to afford would improve due to lower EMIs. In addition to this Government has launched another credit linked subsidy schemes in urban areas targeting the MIG customers as well.

All these initiatives are likely to create a new set of borrowers who would get access to the formal credit channels leading to increased market potential for HFCs operating in affordable housing space.

3.5 Infrastructure status for Affordable Housing:

In the recent budget, affordable housing is classified as infrastructure thereby enabling both the builders who carry out affordable housing projects and the housing finance companies who are in the affordable housing space to access External Commercial Borrowings (ECB) easily to diversify the funding and at lower cost.

3.6 Relaxation of refinance norms:

In January 2017, NHB had relaxed the norms for providing refinance to HFCs. The relaxed norms stated that in order to avail refinance from NHB, HFCs have to maintain 51% of total tangible assets less cash and bank balance in housing loans to individuals. This was earlier at 75% of capital employed without the benefit of deduction of cash and bank balances.

4. APTUS : Business Overview

4.1 Primary focus – Self Employed, LMI families:

Aptus, over the years, has kept the focus in providing retail home loans to the underserved LMI families largely in Tier II and III Cities to buy or construct a home of their own. More than 80% of the sanctioned customers belong to the LMI / self-employed category. The customers belong to varied categories including, retailers, agents, professionals, traders, shop owners, contractors and service centers etc. These customers aspire to own a home but are under served by banks / HFCs due to challenges faced in income assessment, repayment capacity. Hence Aptus focus is in niche segment underserved LMI families, by existing financial institutions.

4.2 Focus : Semi Urban/ Rural.

Keeping in line with Aptus focus on Tier II and Tier III towns, today over 80% of Aptus loans disbursed fall under the Rural Areas as classified by NHB. Aptus focus will continue to be in extended suburbs of Metro and mini towns, underserved Tier II and III locations, potential semi urban and rural housing locations. With a branch network in over 87 locations (Budgeted 116 for FY 2018) spread across 4 states, the distribution reach of Aptus is one of the best and largest in Southern part of India.

4.3 Average Ticket Size

Most of Aptus customers are either constructing a house on their own land or buying their small first home. As we reach out to more and more customers from smaller towns, the average ticket size of the loans have come down a bit but this will get reversed going forward. With Loan to value at around 45%, the average value of the properties funded is around Rs. 15-20 lacs. The Average ticket size as of now is around Rs. 7.50 lacs .

4.4 Products:

Home Loans:

Aptus product portfolio is exhaustive including, Home loans for purchase, construction / plot loans / Home improvement / extension loans. Home loans account for about 60% of the portfolio.

Loan against Property – Construction & Purchase:

As per NHB norms, in order to classify a loan as a housing loan, the property for which the funding is done should be built with all relevant approvals from various authorities. In situations where approvals are not there, Aptus funds these customers through its products named Loan against Property – Construction and Purchase. These are, for all practical purposes, home loans but cannot be classified as housing loans because of the regulatory norms. These loans account for around 15% of the portfolio.

SME Loans:

Significant part of Aptus customers are self-employed, MSME space in need of working capital / small capex loans. This is a large, growing, profitable product and APTUS provides business loans based on cash flows and security of property, largely residential. Top up loans for existing customers also comes under this category. SME loans account for about 25% of the portfolio.

4.5 Funding

During the year 2016-17, Aptus focused on building a strong and diversified borrowing profile coupled with focus on reducing the cost of funds. While the bigger HFCs have always had options of more diversified funding profiles, including deposits and NCDs etc, the new HFCs like Aptus had to depend on banks and NHB for its funding needs. In this context, Aptus was able to secure support from both NHB and banks (both private and public sector) to cater to the funding requirement for the year. In the year 2016-17, Aptus was able to diversify its source of borrowing by way of issuance of debentures to International Finance Corporation for Rs. 100 crores.

2016-17 also saw Aptus raising equity to the tune of around Rs. 270 crores from its existing investors WestBridge and IFIF. With this equity round the net worth of Aptus has gone up to over Rs. 500 crores.

With this strong net worth base, diversified funding sources and good quality loan book, Aptus was able to secure an upgrade in its ratings from A(-) to A from ICRA as well as from CARE. This had resulted in reduction in cost of funds.

4.6 Human Resources

Organizations can survive in the dynamic, competitive environment of today only if they capitalize on the full potential of each employee. Aptus understands the importance of the human capital in its successful operations. The segment we are present also calls for continuous training of its manpower. Aptus lays importance to this and prepares the people to face and overcome these challenges, through constant training which focuses not only on the job oriented skills but also building a sense of belonging, ethical and fair practices when dealing with the vulnerable informal customers. Importance is also given to imbibe the organizational values and performance driven work culture from the early days.

Of the total 650 odd employees we have, substantial part of them have completed three years with Aptus, many of whom have been associated with the organization since inception. Most of these persons have grown from within and company is working on their career progression within the organization.

4.7 Business process, Systems and IT.

The Company has put in place a robust Credit Underwriting process, which ensures the under lying risk in the untested market like self-employed, LMI customers where adequate documents may not be readily available for verification.

Also, Aptus has chosen to have the legal scrutiny and technical evaluation of the property done by in house specialists.

Core lending Suite include:

Branch level:

- Sourcing of loan proposals.
- Screening by the Credit officer.
- Screening of property and valuation documents.
- Legal and Technical evaluation.

HO Level:

- Evaluation by Credit / Operations team
- Comply with Loan eligibility, LCR, LTV, IIR etc.
- CIBIL check
- Direct call to customer by credit / CRM team,
- Performance track done through MIS, CRM, post audit etc.

A robust new IT system has been put in place wherein the data entered at branches flows to HO seamlessly.

4.8 Outlook

The company will continue to focus and grow its main product lines namely home loans and loans to SME customers from low and middle income families largely from rural and semi urban areas. The organization strengths given above coupled with quality portfolio gives the company the confidence to aspire for sustained growth in the years to come.

ANNEXURE H

REPORT ON CORPORATE GOVERNANCE

The fundamental objective of "Good Corporate Governance and Ethics" is to ensure the commitment of an organization in managing the company in an ethical, legal and transparent manner in order to maximize the long-term value of the company for its stakeholders including shareholders, customers, employees and other partners. Your company is committed to good corporate governance in all its activities.

1. Company Philosophy

Aptus Value Housing Finance India Limited (Aptus) philosophy on corporate governance envisages adherence to the highest levels of commitment, integrity, transparency, accountability and fairness, in all areas of its business and in all interactions with its stakeholders.

2. Board of Directors

Your Board of Directors currently consists of Nine (9) members including the Chairman cum Managing Director. Of these, three are Independent Directors and five are Non-Executive Directors.

Mr. M Anandan is the Executive Chairman and Managing Director of the Company.

During the financial year ended (5) Board Meetings were held on May 13, 2016, August 11, 2016, November 11, 2016, February 13, 2017 and March 27, 2017 respectively and not more than 120 days elapsed between any two meetings.

Particulars of the Directors' attendance to the Board / Committee Meetings and particulars of their other company directorships are given below:

Name	Nature of Directorship	Attendance		Other Directorships
		Board	Committees	
M Anandan	Chairman & Managing Director	5	11	-
K M Mohandass	Independent Director	5	15	2
S Krishnamurthy	Independent Director	5	14	2
Krishnamurthy Vijayan	Independent Director	3	3	3
Shailesh J Mehta	Non Executive Director	4	1	7
Suman Bollina	Non Executive Director	4	NA	-
Mona Kachhwaha	Nominee Director, Non Executive	4	3	3
K P Balaraj	Nominee Director, Non Executive	3	2	4
Deepak Ramineedi	Nominee Director, Non Executive	2	NA	-

2.1 Changes in Board of Directors

Mr. Deepak Ramineedi was appointed as an Additional Director (Nominee) on October 25, 2016 and holds office upto the date of the ensuing Eighth Annual General Meeting and being eligible has offered himself for reappointment. The Company has received a notice from a member pursuant to Section 161 of the Companies Act, 2013 proposing his candidature for Nominee Director.

Mr. Shailesh J Mehta was appointed as an Non-Executive Director on August 11, 2016 and holds office upto the date of the ensuing Eighth Annual General Meeting and being eligible has offered himself for reappointment. The Company has received a notice from a member pursuant to Section 161 of the Companies Act, 2013 proposing his candidature for Non-Executive Director.

Mr. K P Balaraj, Nominee Director of Westbridge Crossover Fund, LLC retired by rotation at the 7th Annual General Meeting held on August 11, 2016, and was re-appointed.

Mr. Suman Bollina, Non-Executive Director, retires by rotation at the ensuing 8th Annual General Meeting and being eligible has offered himself for re-appointment as Director not liable to retire by rotation.

2.2 Independent Directors

Your Company appointed Independent Directors who are renowned people having expertise / experience in their respective field / profession. None of the Independent Directors are Promoters or are related to Promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as required under Section 149(7) of the Companies Act, 2013.

The Company had issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed in the website of the Company.

2.3 Code of Conduct for Directors and Senior Management

Your Company has adopted a Code of Conduct for Independent Directors as per Schedule IV to the Companies Act, 2013. The Code aims at ensuring transparency and independence and at the same time to bring value to the company by providing input on strategy, business, and other matters including performance of monitoring functions.

Your Company has also adopted a Code of Business Ethics for Directors and members of the Senior Management. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company.

Your Company continues to ensure effective implementation and enforcement of these codes to achieve the objectives enshrined in these Codes.

3. Committees

A. Committees of the Board

3.1 Audit Committee

Composition and Meetings

The Audit Committee currently consists of the following members:

1. Mr. K M Mohandass, Chairman
2. Mr. S Krishnamurthy
3. Mr. Krishnamurthy Vijayan
4. Ms. Mona Kachhwaha
5. Mr. K P Balaraj

Mr. M Anandan, CMD and Mr. Shailesh J Mehta, Non executive Director are invitees to the meetings of the Committee.

The Audit Committee of the Board met four (4) times during the year on May 13, 2016, August 11, 2016, November 11, 2016 and February 13, 2017 respectively.

Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial interest to ensure that the financial statements are correct, sufficient and credible.
2. The recommendation for appointment, remuneration and terms of appointment of statutory, secretarial and internal auditors of the company.
3. Reviewing with the management the quarterly, half yearly and annual financial statements before submission to the Board, with particular reference to:
   - Matters required to be included in Director's Responsibility Statement to be included in the Board's report to members.
   - Changes, if any in accounting policies and practices and reasons for the same.
   - Major Accounting entries involving estimates based on the exercise of judgment by management.
   - Significant adjustments made in the financial statements arising out of audit findings.
   - Compliance with accounting and other legal requirements relating to financial statements.
   - Disclosure of any Related Party Transactions.
   - Qualifications in draft Auditors Report.
4. Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems.
5. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department reporting structure and frequency of internal audit.
6. Discussion with internal auditors any significant findings and follow up there on.
7. 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.
8. Discussion with statutory auditors before the audit commences, about the nature & scope of audit as well as post audit discussion to ascertain any area of concern.
9. Review on quarterly basis the securitization / bilateral assignment transactions and investment activities of the Company.
10. Annual Review of Company's policies framed pursuant to RBI and NHB guidelines and suggest changes if any, required to the Board for adoption.
11. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
12. Examination of the financial statement and the auditors' report thereon.
13. Approval or any subsequent modification of transactions of the company with related parties.
14. Scrutiny of inter-corporate loans and investments.
15. Valuation of undertakings or assets of the company, wherever it is necessary.

The Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operation.
2. Management letters/letters of internal control weaknesses issued by the statutory auditors.
3. Internal audit report relating to internal control weaknesses.

3.2 Nomination & Remuneration Committee

Composition and Meetings

The Nomination & Remuneration Committee currently consists of the following members:

1. Mr. K M Mohandass
2. Mr. S Krishnamurthy
3. Mr. M Anandan, CMD
4. Mr. Shailesh J Mehta
5. Ms. Mona Kachhwaha
6. Mr. K P Balaraj

The Nomination & Remuneration Committee of the Board met once during the year on May 13, 2016.

Terms of Reference

1. To review the structure, size and composition (including the skills, knowledge and experience) of the Board atleast annually and make recommendations on any proposed changes to the Board to complement the Company's Corporate Strategy.
2. To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for Directorships.
3. Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
4. To access the independence of Independent Non-Executive Directors.
5. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
6. To review the result of the performance evaluation process that relates to the composition of the Board.
7. To make recommendation to the Board regarding the appointment and re- appointment of Directors and succession planning for Directors in particular for Chairman & Chief Executive.
8. To recommend the remuneration payable to Non-Executive Directors of the Company from time to time.
9. Annual appraisal of the performance of Managing Director and fixing his terms of remuneration.
10. Annual appraisal of the Senior Management Team reporting to the Managing Director.
11. Administration and superintendence of ESOP scheme of the Company and / or by the Board of Directors.

3.3 Resourcing & Business Committee

Composition and Meetings

The Resourcing & Business Committee currently consists of the following members:

1. Mr. S Krishnamurthy
2. Mr. K M Mohandass
3. Mr. M Anandan

Terms of Reference

1. Borrowing such sum or sums of moneys, availing all kinds and types of loans and credit facilities including debentures and other debt instruments, commercial paper, temporary loans from the company's bankers, from time to time, upto such sum / limit as may be fixed by the Board of Directors / Shareholders, for and on behalf of the Company, from its directors, shareholders, banks, NBFCs, financial institutions, companies, firms, bodies corporate, Co-operative Banks, investment institutions and their subsidiaries, or from any other person as may be permitted under applicable laws, whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and/or properties, whether movable including stocks, fixed assets, book debts and to create security over the assets and / or properties of the Company in relation to such borrowings and loan/ credit facilities, modification or satisfaction of the charge / security created on the assets and/or properties of the Company from time to time.

2. To mortgage / charge/ hypothecate all or any of the movable properties and assets of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to with the Lender(s), Debenture holders and providers of credit and debt facilities to secure the loans / borrowings / credit / debt facilities obtained or as may be obtained, or Debentures / Bonds and other instruments issued or to issued by the Company to or in favour of the financial institutions, Non Banking Financial Companies, Co-operative Banks, investment institutions and their subsidiaries, banks, mutual funds, trusts and other bodies corporate or trustees for the holders of debentures/bonds and/or other instruments.

3. To establish current and other banking accounts with various banks upon such terms and conditions as may be agreed upon with the said bank and various other entities; to specify and change the authorized signatories and their transaction limits to the said banking accounts; to close current and other banking accounts.

4. Any unsecured loans to be given by the Company other than staff loan advances to be approved by the Resourcing & Business Committee.

5. Any secured loan to be given by the Company including Housing loans, loans against property, SME loans and other loans exceeding Rs. 1 crore to be approved by Resourcing & Business Committee.

6. To consider and approve securitization arrangements and to authorize carrying out of all actions connected therewith.

7. Issuance of Share / Debenture and other security certificates.

    a. Issuance of fresh Share / Debenture and other security certificates.

    b. Issuance of duplicate Share / Debenture and other security certificates.

    c. Issuance of certificates upon request of the Company on split / consolidation / replacement of old and duplicate certificates, transfer or transmission requests.

8. To review, modify and approve investment policy of the Company from time to time.

9. To authorize affixing the common seal of the Company in accordance with the manner laid down in the Articles of Association and to authorize taking the Common Seal out of the registered office of the Company.

    The Resourcing & Business Committee of the Board met nine (9) times during the year on May 11, 2016, June 21, 2016, July 27, 2016, August 31, 2016, September 9, 2016, September 21, 2016, October 18, 2016, February 1, 2017 & February 8, 2017 respectively.

3.4 Corporate Social Responsibility Committee

Composition and Meetings

The Committee currently consists of following members:

1. Mr. Krishnamurthy Vijayan

2. Mr. K M Mohandass

3. Mr. M Anandan, CMD

Terms of Reference

(1) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013 as may be amended or modified from time to time.

(2) To recommend the amount of expenditure to be incurred on the activities referred above

(3) To monitor the Corporate Social Responsibility activities of the company from time to time.

Your Company has adopted a Corporate Social Responsibility Policy and forms part of the Director's Report as **Annexure D**.

The Corporate Social Responsibility Committee of the Board met One (1) time during the year on March 27, 2017.

B. Internal Committees:

3.5 Asset Liability Committee (ALCO)

Composition and Meetings

The Asset Liability Committee currently consists of the following members:

1. Mr. M Anandan, CMD
2. Mr. P Balaji, EVP & CFO
3. Mr. G Subramaniam, EVP – Risk & Operations
4. Mr. C T Manoharan, VP – Sales and Marketing

The Asset Liability Committee meets regularly to review the areas falling within its terms of reference as given below.

Terms of Reference

1. Liquidity Risk Management
2. Management of Market (Interest Rate) Risk
3. Funding and Capital Planning
4. To determine Aptus Value Housing Finance Base Rate (AVHFBR)
5. Credit and Portfolio Risk Management
6. Setting credit norms for various lending products of the company
7. Operational and Process Risk Management
8. Laying down guidelines on KYC norms
9. To approve and revise the actual interest rates to be charged from customers for different products from time to time applying the interest rate model.

3.6 Risk Management Committee

Composition and Meetings

The Risk Management Committee currently consists of the following members:

1. Mr. M Anandan, CMD
2. Mr. P Balaji, EVP & CFO
3. Mr. G Subramaniam, EVP – Risk & Operations
4. Mr. C T Manoharan, VP – Sales and Marketing

Terms of Reference

1. Laying down the review of procedures relating to risk assessment & risk minimization to ensure that executive management controls risk through means of a properly defined framework.
2. Credit & Portfolio Risk Management
3. Operational & Process Risk Management.
4. Laying down guidelines on KYC Norms.
5. Annual Review of Company's policies framed pursuant to RBI and NHB guidelines and suggest changes if any, required to the Board for adoption.
6. Evaluation of internal financial controls and risk management systems.

4. Remuneration of Directors

4.1 Sitting Fees

All directors except the CMD and Nominee Directors are paid a sitting fee of Rs. 20,000 for attending every meeting of the Board and Rs. 5,000 for attending every meeting of the Audit Committee, Nomination & Remuneration Committee and Resourcing and Business Committee thereof.

The details of sitting fees paid to Directors during the financial year and the shares held by them in the Company as at March 31, 2017 are as follows:

Name	Sitting Fees (Rs)*		No. of equity shares held in the Company
	Board	Committees	
Mr. K M Mohandass	100,000	70,000	250,100
Mr. S Krishnamurthy	100,000	70,000	Nil
Mr. Krishnamurthy Vijayan	60,000	10,000	Nil
Mr. Shailesh J Mehta	80,000	5,000	Nil
Ms. Mona Kachhwaha	NA	NA	Nil
Mr. K P Balaraj	NA	NA	Nil
Mr. Suman Bollina	80,000	NA	83,333

*excluding reimbursement of travel and other expenses incurred for the Company's business / meetings.

4.2 Commission to Non-Executive Directors:-

The Non-executive Directors (including Independent Directors) of the Company are paid remuneration by way of profit related Commission based on the criteria laid down by the Nomination and Remuneration Committee and the Board. The same has been approved by the Board and the shareholders and is within the limits prescribed under the Companies Act, 2013.

The details of commission paid to Directors during the financial year ended March 31, 2017 are as follows:

Name	Commission (Rs)
Mr. K M Mohandass	250,000
Mr. S Krishnamurthy	250,000
Mr. Krishnamurthy Vijayan	250,000
Mr. Shailesh J Mehta	250,000
M/s. India Financial Inclusion Fund (on behalf of Ms. Mona Kachhwaha, Nominee Director)	250,000
Mr. K P Balaraj (**)	NA
Mr. Deepak Ramineedi (**)	NA
Mr. Suman Bollina	250,000

** Commission Waiver: Based on the advice received from Mr. K P Balaraj & Mr. Deepak Ramineedi, Nominee Directors of M/s. Westbridge Crossover Fund LLC, Investor the Board of Directors approved waiver of their commission.

4.3 Remuneration to Managing Director

The details of remuneration paid to Mr. M Anandan, CMD for the financial year ended March 31, 2017 are as follows:

Particulars	Amount (Rs.)
Salary	15,000,000
Commission	5,000,000
Other allowances and Perquisites	162,808
Total	20,162,808

5. CMD/EVP &CFO Certification

CMD and EVP & CFO have given a certificate to the Board as per the format given in regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) 2015.

6. Related Party Transactions

During the financial year, the Company has not entered into any contract or Arrangement with Related Parties as per Section 188 of the Companies Act, 2013 and the Rules framed thereunder.

7. General Body Meetings

During the financial year ended March 31, 2017, one (1) Annual General Meeting was held on August 11, 2016 and two (2) Extra Ordinary General Meetings were held on June 20, 2016 and August 31, 2016.

All the proposed resolutions, including special resolutions, were passed by the shareholders as set out in the Notices.

8. General Shareholder Information

Financial year	April 1, 2016 to March 31, 2017
8th Annual General Meeting	
Day, Date and Time	August 8, 2017 , 11.00 A.M
Venue	Regd. Office: No. 8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk, Chennai – 600 010.
Registrar and Transfer Agents	M/s Karvy Computershare Private Limited., **Address:** KARVY CENTRE 8-2-609/K, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500034. **Telephone No.** 040-67406120 / 67406121
Demat ISIN Number in NSDL	INE852O01017 (Shares of the Company can be held in electronic form) INE852O07014 & INE852O07022 (Non-Convertible Debentures of the Company are held in electronic form).
Listing on Stock Exchange	Debt Securities: F-class segment of BSE Limited The listing fee for FY 17 were paid to the above Stcok Exchange.

9. Shareholding pattern as on March 31, 2017

S.No.	Name of the shareholder	Category	Current	
			No. of shares	Shareholding %
1	M. Anandan & immediate relatives	Promoter	24,919,498	31.71%
2	WestBridge Crossover Fund LLC	Foreign Body Corporate	32,724,951	41.65%
3	India Financial Inclusion fund	Foreign Body Corporate	8,046,354	10.24%
4	GHIOF Mauritius	Foreign Body Corporate	8,711,571	11.09%
5	Others	Resident	4,167,763	5.31%
	Total		**78,570,137**	**100.00%**

For and on behalf of the Board of Directors

Place : Chennai
Date : May 17, 2017

M Anandan
Chairman & Managing Director
DIN: 00033633

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF APTUS VALUE HOUSING FINANCE INDIA LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **APTUS VALUE HOUSING FINANCE INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India and state of affairs of the Company as at March 31, 2017, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

    e) On the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts. The Company does not have any derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management

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

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.: 008072S)

Ananthi Amarnath
Partner
(Membership No. 209252)

Chennai, May 17, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

We have audited the internal financial controls over financial reporting of **APTUS VALUE HOUSING FINANCE INDIA LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm’s Registration No.: 008072S)

Ananthi Amarnath
Partner
(Membership No. 209252)

Chennai, May 17,2017

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable property of leasehold land.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there are no unclaimed deposits as at March 31, 2017.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Service Tax and Cess as on March 31, 2017 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer/ further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review.

In respect of the above issue, we further report that:

a) The requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) The amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.: 008072S)

Ananthi Amarnath
Partner
(Membership No. 209252)

Chennai, May 17, 2017

Balance Sheet as at March 31, 2017

	Particulars	Note no.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	785,701,370	622,498,720
	(b) Reserves and surplus	4	4,421,613,705	1,497,422,343
			5,207,315,075	**2,119,921,063**
2	Non-current liabilities			
	(a) Long-term borrowings	5	2,681,037,915	2,213,586,363
	(b) Deferred tax liabilities (net)	6	57,057,197	24,167,891
	(c) Long-term provisions	7	41,937,524	23,883,806
			2,780,032,636	**2,261,638,060**
3	Current liabilities			
	(a) Short-term borrowings	5	30,000,000	30,000,000
	(b) Trade payables			
	i) Total outstanding dues of micro enterprises and small enterprises		-	-
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		19,078,998	14,616,226
	(c) Other current liabilities	8	402,393,009	576,334,489
	(d) Short-term provisions	7	9,038,537	5,327,630
			460,510,544	**626,278,345**
	TOTAL		**8,447,858,255**	**5,007,837,468**
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	34,039,896	19,331,267
	(ii) Intangible assets	9	12,672,876	1,475,118
	(iii) Intangible assets under development		-	1,276,313
			46,712,772	**22,082,698**
	(b) Non-current investments	10	69,999,000	69,999,000
	(c) Long term receivables under financing activities	11	7,782,837,237	4,450,497,735
	(d) Long-term loans and advances	12	19,401,116	24,634,049
	(e) Other Non Current Assets	14	18,333,499	18,333,499
			7,937,283,624	**4,585,546,981**
2	Current assets			
	(a) Current investments	13	5,327,910	-
	(b) Short term receivables under financing activities	11	404,208,694	304,478,939
	(c) Cash and cash equivalents	15	92,511,417	109,415,796
	(d) Short-term loans and advances	12	3,928,272	2,027,421
	(e) Other current assets	14	4,598,338	6,368,331
			510,574,631	**422,290,487**
	TOTAL		**8,447,858,255**	**5,007,837,468**

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 17, 2017

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director

K M Mohandass
Director

P Balaji
EVP & Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 17, 2017

Statement of Profit and Loss for the year ended March 31, 2017

	Particulars	Note no.	For the year ended March 31, 2017 Rs.	Fwor the year ended March 31, 2016 Rs.
1	Revenue from operations	16	1,212,564,009	765,879,631
2	Other income	17	46,650,531	13,732,538
3	**Total revenue (1+2)**		**1,259,214,540**	**779,612,169**
4	Expenses			
	(a) Finance costs	18	359,768,954	276,549,583
	(b) Employee benefits expense	19	222,843,034	158,048,663
	(c) Depreciation and amortisation expense	9	18,002,087	9,810,728
	(d) Other expenses	20	100,802,868	73,435,258
	Total expenses		**701,416,943**	**517,844,232**
5	Profit before tax (3-4)		557,797,597	261,767,937
6	Tax expense			
	- Current tax expense		155,849,000	72,970,000
	- Deferred tax	6	32,889,306	13,745,578
	Net tax expense		188,738,306	86,715,578
7	**Profit for the year (5-6)**		**369,059,291**	**175,052,359**
	Earnings per share (of Rs.10/- each):			
	(a) Basic	23.4	5.18	2.81
	(b) Diluted	23.4	5.18	2.81

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 17, 2017

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director

K M Mohandass
Director

P Balaji
EVP & Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 17, 2017

Cash Flow Statement for the year ended March 31, 2017

Particulars	For the year ended March 31, 2017 Amount in Rs.		For the year ended March 31, 2017 Amount in Rs.	
Cash flow from operating activities				
Net Profit before tax		**557,797,597**		**261,767,937**
Adjustments for :				
Depreciation and amortisation expense	18,002,087		9,810,728	
Profit on Sale of Fixed Assets	(307,030)		-	
Finance costs	359,768,954		276,349,583	
Interest income from bank deposits	(34,960,202)		(1,314,612)	
Dividend income	(10,964,927)		(12,035,817)	
Provision for Standard Assets (net)	13,672,270		5,566,623	
Provision for Sub standard assets	1,326,018		1,789,580	
Provision for Doubtful assets	3,567,576		411,897	
		350,104,746		280,577,982
Operating profit before working capital changes		**907,902,343**		**542,345,919**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Long term receivables under financing activities	(3,332,339,502)		(1,295,415,160)	
Long-term loans and advances	(2,426,627)		(10,447,145)	
Short term receivables under financing activities	(99,729,755)		(110,511,609)	
Short-term loans and advances	(1,900,851)		776,191	
Other Current Assets	1,627,738		(4,883,870)	
Other Non Current Assets	-		(9,036,847)	
Current Investments	(5,327,910)		-	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	4,462,772		3,964,557	
Other current liabilities	(11,837,406)		32,121,214	
Short-term provisions	1,334,706		943,877	
Long-term provisions	1,864,054	(3,444,272,781)	819,709	(1,391,669,083)
Cash used in operations		(2,536,370,438)		(849,323,164)
Financing charges		(340,872,461)		(273,619,549)
Direct Taxes paid		(155,532,872)		(74,491,164)
Net cash used in operating activities (A)		**(3,032,775,771)**		**(1,197,433,877)**
Cash flow from investing activities				
Capital expenditure on fixed assets,including capital advances	(32,935,742)		(16,819,634)	
Proceeds from sale of fixed assets	955,000		-	
Bank balances not considered as Cash and cash equivalents	1,834,056		(19,693)	
Investment in subsidiary	-		(69,999,000)	
Interest received	35,102,457		348,303	
Dividend received	10,964,927		12,035,817	
Net cash used in investing activities (B)		**15,920,698**		**(74,454,207)**
Cash flow from financing activities				
Proceeds from issue of equity shares (including securities premium)	2,733,795,050		1,680,000	
Expenses for Issue of Debentures	(15,460,329)		-	
Proceeds from long-term borrowings	1,614,000,000		1,779,500,000	
Repayment of long-term borrowings	(1,330,549,971)		(430,894,903)	
Net cash flow from financing activities (C)		**3,001,784,750**		**1,350,285,097**

Cash Flow Statement for the year ended March 31, 2017

Contd.,

Particulars	For the year ended March 31, 2017 Amount in Rs.		For the year ended March 31, 2017 Amount in Rs.	
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)		(15,070,323)		78,397,013
Cash and cash equivalents at the beginning of the year		106,381,600		27,984,587
Cash and cash equivalents at the End of the year		91,311,277		106,381,600
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents (Refer Note 15)		92,511,417		109,415,796
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements In other deposit accounts - original maturity more than 12 months		1,200,140		3,034,196
Cash and cash equivalents at the end of the year		**91,311,277**		**106,381,600**

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 17, 2017

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director

K M Mohandass
Director

P Balaji
EVP & Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 17, 2017

Notes forming part of the financial statements

Note	Particulars

1 **Corporate information**

Aptus Value Housing Finance India Limited ('the Company') was incorporated on December 11, 2009 with the primary objective of carrying on the business of providing long term housing finance to meet the housing needs of the low and middle income segment in the country. The Company is also engaged in providing loans for non-housing finance activities in the form of Loan Against Properties (LAP).

The Company received the certificate of registration from the National Housing Bank (NHB) on May 31, 2010 to commence the business of Housing Finance without accepting public deposits. The certificate of commencement of business was received from the Registrar of Companies on June 25, 2010.

2 **Significant accounting policies**

2.1 **Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 **Use of estimates**

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

2.3 **Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 **Cash flow statement**

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

2.5 **Depreciation and amortization**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on the following categories of tangible fixed assets has been provided on the straight-line method, the useful lives of which have been assessed as under, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The other assets have been depreciated on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Office Equipment	- 3 Years
Servers (under office equipments)	- 3 Years
Furniture and Fixtures	- 3 Years
Vehicles	- 3 Years

Intangible assets are amortized over their estimated useful life on straight line method as follows:

Intangibles – Computer Software - 3 years or License Period whichever is lower.

Improvements to Leasehold Premises are amortized over the primary lease period or 3 years, whichever is lower.

Individual fixed assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

2.6 Revenue recognition

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

Repayment of Housing Loans and Loans Against Property (LAP) is generally by way of Equated Monthly Installments (EMIs) comprising principal and interest. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month. Interest on loans is computed on a monthly rest basis.

Interest Income on Non Housing and refinance Loans are recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income on Non-performing Assets is recognized only when realized and any interest accrued until the asset became a Non-performing Asset and remaining overdue is de-recognized in the month in which the loan is classified as Non Performing.

Processing Fees is recognized when the loan is disbursed as per terms of agreements with the customers.

Pre-closure charges are levied in accordance with the NHB guidelines and are accounted at the time of actual pre-closure. Interest spread on securitization of receivables is recognized over the tenor of the underlying assets.

2.7 Other income

Interest income on bank deposits is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.8 Fixed assets (tangible / Intangible)

Fixed assets, are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

2.9 Investments

Investments are classified as long-term or current based on their nature and intended holding period. Current investments are valued at lower of cost or fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

2.10 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences .

Defined contribution plans

The Company's contributions to the Employees Provident Fund Scheme maintained by the Central Government and employee state insurance are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity which is unfunded, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.11 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

2.12 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.13 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.14 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

2.15 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment, if any, indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

2.16 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the financial statements.

2.17 Classification and Provisioning of Loan Portfolio

Loans are classified and provided for as per the classification and provisioning norms prescribed under the Housing Finance Companies (NHB) Directions, 2010

A general provision at the rate of 0.40% of the total outstanding amount of Standard Assets is provided in accordance with the guidelines issued by NHB in this regard.

2.18 Special Reserve

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36 (1) (viii) of the Income-tax Act, 1961 is considered to be an eligible transfer.

2.19 Employee share based payments

Employees Stock options granted to the employees are accounted as per the accounting treatment prescribed by Guidance Note on Accounting for Employee Share-based payments, issued by the ICAI. The Company measures compensation cost relating to employees stock options using the intrinsic value method. The Compensation cost, if any, is amortized over the vesting period of the options.

2.20 Operating Cycle

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

Notes forming part of the financial statements

Note 3 Share capital

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Rs.	Number of shares	Rs.
(i) Authorised				
Equity shares of Rs. 10 each with voting rights	82,600,000	826,000,000	70,000,000	700,000,000
(ii) Issued, Subscribed and fully paid up				
Equity shares of Rs. 10 each with voting rights	78,570,137	785,701,370	62,249,872	622,498,720
Total	**78,570,137**	**785,701,370**	**62,249,872**	**622,498,720**

Notes:

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening balance	Fresh issue	ESOP	Closing Balance
Equity shares with voting rights Year ended March 31, 2017				
- Number of shares	62,249,872	15,911,765	408,500	78,570,137
- Amount (Rs.)	622,498,720	159,117,650	4,085,000	785,701,370
Year ended March 31, 2016				
- Number of shares	62,131,872	-	118,000	62,249,872
- Amount (Rs.)	621,318,720	-	1,180,000	622,498,720

(b) During the year, the Company has allotted 15,911,765 equity shares of Rs. 10 each at a premium of Rs. 160 per share on preferential basis to Westbridge Cross Over Fund LLC (14,441,176 shares) and India Financial Inclusion Fund (1,470,589 shares) vide Share Subscription Agreement dated August 31, 2016. The said allotment has been approved by the Board of Directors at its meeting held on August 11, 2016 and by the members in the Extraordinary General Meeting held on August 31, 2016.

(c) Pursuant to Aptus Employees Stock Option Scheme 2010 and Aptus Employees Stock Option Scheme 2015, the Board of Directors have allotted fully paid up equity shares of Rs. 10 each to the employees of the Company vide circular resolution dated October 14, 2016 as follows:

- 33,500 shares of Rs. 10 each allotted at a premium of Rs. 10 each, pursuant to Aptus Employees Stock Option Scheme 2010; and

- 375,000 equity shares of Rs. 10 each allotted at a premium of Rs. 65 each, pursuant to Aptus Employees Stock Option Scheme 2015

(d) Terms/right attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs.10 each. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividends proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting except in case of interim dividend. Repayment of capital will be in proportion to the number of equity shares held.

(e) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
M.Anandan	18,732,833	23.84%	18,732,833	30.09%
Padma Anandan	5,916,666	7.53%	5,916,666	9.50%
Westbridge Cross Over Fund LLC	32,724,951	41.65%	18,283,775	29.37%
Granite Hill India Oppoortunities Fund, Mauritius	8,711,571	11.09%	8,711,571	13.99%
India Financial Inclusion Fund	8,046,354	10.24%	6,575,765	10.56%

(f) Shares reserved for issue under options: Refer Note 22 for details of shares reserved for issue under options.

Notes forming part of the financial statements

Note 4 Reserves and surplus

Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Securities premium account		
Opening balance	1,160,566,480	1,160,066,480
Add : Premium on shares issued during the year	2,570,592,400	500,000
Less : Debenture Issue Expenses	15,460,329	-
Closing Balance	**3,715,698,551**	**1,160,566,480**
Special Reserve under Section 29C of National Housing Bank (NHB) Act, 1987 Balance at the beginning of the year		
(a) Statutory Reserve u/s 29C of NHB Act, 1987	7,234,702	7,234,702
(b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	100,684,350	47,970,355
Addition / Appropriation / withdrawal during the year		
Add: a) Amount transferred u/s 29C of NHB Act,1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of the NHB Act, 1987	112,581,156	52,713,995
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29 C of NHB Act 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	7,234,702	7,234,702
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	213,265,506	100,684,350
	220,500,208	**107,919,052**
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	228,936,811	106,598,447
Add: Profit for the year	369,059,291	175,052,359
Less: Transfer to Special reserve (Refer Note (b) below)	(112,581,156)	(52,713,995)
Closing Balance	**485,414,946**	**228,936,811**
Total	**4,421,613,705**	**1,497,422,343**

Notes :

(a) As per Section 29C(1) of the National Housing Bank Act, 1987, the Company is required to transfer atleast 20% of its net profit after tax every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961, is considered to be an eligible transfer. During the current year, the company has transferred Rs. 112,581,156 (Previous year - Rs. 52,713,995) in terms of section 36(1)(viii) to the Special Reserve.

(b) Total amount clearly earmarked for the purposes of Statutory Reserve u/s 29C is Rs. 148,173,990 (Previous Year - Rs. 74,362,132) out of which Rs. 7,234,702 (Previous Year - Rs. 7,234,702) is distinctly identifiable above and the balance of Rs. 140,939,288 (Previous Year - Rs. 67,127,430) is included in the Special Reserve created u/s 36(1)(viii) of the Income Tax Act,1961.

Notes forming part of financial statements

Note 5 Borrowings

Particulars	Non - Current		Current	
	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Long-Term Borrowings - Secured				
Redeemable Non-Convertible Debentures	664,000,000	-	-	-
Term loans				
From banks				
National Housing Bank	694,801,000	599,723,000	89,532,000	69,012,000
Other Banks	1,322,236,915	1,613,863,363	256,151,638	460,673,217
	2,681,037,915	**2,213,586,363**	**345,683,638**	**529,685,217**
Amount disclosed under Note 8 - Other Current Liabilities	-	-	(345,683,638)	(529,685,217)
Short-Term Borrowings - Secured				
Working Capital Demand Loan				
From banks				
Other Banks	-	-	30,000,000	30,000,000
	-	-	30,000,000	30,000,000
Total	**2,681,037,915**	**2,213,586,363**	**30,000,000**	**30,000,000**

Note 5(a) Details of Secured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option:

No of Debentures	Rate of interest %	Due date of redemption	Face Value Rs.	Balance Oustanding	
				As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
3,320,000	10%	May 15, 2023	100	332,000,000	-
3,320,000	9.35%	May 15, 2023	100	332,000,000	-

(i) Redeemable Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities and specified immovable property.

Notes forming part of the financial statements

Note 5(b) Details of Term loans are as follows:

Rate of Interest	Maturity	Non - Current		Current	
		As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
9%-10%	1- 5 years	-	100,000,000	-	-
10%-11%		-	131,250,000	-	-
11% -11.50%		-	34,735,000	30,000,000	30,000,000
>11.50%		-	411,499,335	-	-
7%-7.50%	5- 7 years	11,045,000	18,465,000	-	-
9%-10%		761,923,075	96,250,000	-	-
10%-11%		580,833,290	285,000,000	-	-
11%-11.50%		-	604,350,000	-	-
>11.50%		-	226,452,245	-	-
9%-10%	7-10 years	514,910,000	529,550,000	-	-
10%-11%		-	79,200,000	-	-
11% -11.50%		-	41,520,000	-	-
>11.50%		-	35,000,000	-	-
8%-9%	> 10 years	220,250,000	-	-	-
9%-10%		235,632,188	-	-	-
10%-11%		38,128,000	150,000,000	-	-
Total		2,362,721,553	2,743,271,580	30,000,000	30,000,000
Less: Current Maturities of Long Term Borrowings classified under other current liability (Refer Note 8)		345,683,638	529,685,217	-	-
Long Term Borrowings from Banks		2,017,037,915	2,213,586,363	30,000,000	30,000,000

(i) Term loans from Banks are secured by hypothecation of specified Receivables under Financing Activities.
(ii) The Company has not defaulted in the repayment of term loans from Banks.
(iii) Loans aggregating to Rs. 1,165,006,077 (Previous year - Rs. 1,857,286,539) has been guaranteed by the promoter Mr. M Anandan.

Note 6 Deferred tax liabilities (net)

Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Deferred tax (liabilities) / assets **Tax effect of items constituting deferred tax liabilities:**		
On Special Reserve created under section 36(1)(viii) of the Income Tax Act, 1961	(76,310,712)	(37,348,626)
On Provision for doubtful advances allowed under section 36(1) (viia)	(1,693,575)	-
Tax effect of items constituting deferred tax liabilities	**(78,004,287)**	**(37,348,626)**
Tax effect of items constituting deferred tax assets:		
Provision for compensated absences, gratuity and other employee benefits	3,212,373	2,105,345
Provision for doubtful debts / advances	14,429,423	8,004,149
On difference between written down value of Fixed Assets as per books and as per Section 32 of Income Tax Act, 1961	3,191,797	2,987,426
Others	113,497	83,815
Tax effect of items constituting deferred tax assets	**20,947,090**	**13,180,735**
Deferred tax (liabilities) / assets (net)	**(57,057,197)**	**(24,167,891)**
Reconciliation of Deferred Tax:		
Net Deferred Tax Asset as at the beginning of the year	(24,167,891)	(10,422,313)
Add / (Less): Deferred tax asset credited to / expense recognized in Statement of profit and loss.	(32,889,306)	(13,745,578)
Net Deferred Tax Asset / (Liability) as at the end of the year	**(57,057,197)**	**(24,167,891)**

Notes forming part of financial statements

Note 7 Provisions

Particulars	Non - Current		Current	
	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Provision for employee benefits:				
Provision for gratuity (net)	3,526,942	2,192,236	1,628,551	1,299,737
Provision for compensated absences	-	-	4,126,673	2,591,432
	3,526,942	**2,192,236**	**5,755,224**	**3,891,169**
Provision for standard receivables under financing activities				
Housing loans	18,476,124	12,581,631	751,751	417,781
Non-Housing loans - Loans against property and Loans subordinated as Credit Enhancements for assets derecognised	12,530,463	5,136,866	836,494	786,284
	31,006,587	**17,718,497**	**1,588,245**	**1,204,065**
Provision for sub-standard asset and doubtful asset				
Housing loans				
- Sub-standard assets	1,972,599	1,832,021	125,398	60,833
- Doubtful assets	3,519,384	1,302,849	434,004	43,262
Non-Housing loans - Loans against property				
- Sub-standard assets	1,489,692	656,751	388,461	100,527
- Doubtful assets	422,320	181,452	747,205	27,774
	7,403,995	**3,973,073**	**1,695,068**	**232,396**
Total	**41,937,524**	**23,883,806**	**9,038,537**	**5,327,630**

Note 8 Other current liabilities

Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Current maturities of long-term borrowings		
- Term loan from NHB-secured	89,532,000	69,012,000
- Term loan from banks-secured	256,151,638	460,673,217
Interest accrued but not due on borrowings	29,184,685	10,288,190
Deferred Rent	327,950	242,183
Share application money pending to be refunded	80	-
Other payables		
Statutory remittances	3,776,286	2,789,285
Payables on purchase of fixed assets	3,001,012	-
Advances from customers	879,695	4,425,502
Remittances Payable - Derecognized Assets	19,539,663	28,904,112
Total	**402,393,009**	**576,334,489**

Notes forming part of the financial statements

Note 9 Fixed assets

A. Tangible Assets

Particulars	Gross block				Accumulated depreciation and impairment				Net block	
	Balance as at April 1, 2016	Additions	Disposals	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation expense forthe year	Eliminated on disposal of assets	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Land - Freehold	-	6,457,145	-	6,457,145	-	-	-	-	6,457,145	-
(Previous year)	-	-	-	-	-	-	-	-	-	-
(b) Leasehold improvements	21,405,208	5,033,748	-	26,438,956	12,248,293	12,248,293	-	17,473,021	8,965,935	9,156,915
(Previous year)	(14,657,068)	(6,748,140)	-	(21,405,208)	(8,220,301)	(4,027,992)	-	(12,248,293)	(9,156,915)	(6,436,767)
(c) Furniture and fixtures - Owned	2,675,275	1,760,121	-	4,435,396	2,423,167	1,609,482	-	4,032,649	402,747	252,108
(Previous year)	(2,131,148)	(544,127)	-	(2,675,275)	(1,720,721)	702,446)	-	(2,423,167)	(252,108)	(410,427)
(d) Vehicles - Owned	4,844,703	6,185,126	1,361,703	9,668,126	3,088,188	1,249,115	713,733	3,623,570	6,044,556	1,756,515
(Previous year)	(4,844,703)	-	-	(4,844,703)	(1,469,024)	(1,619,164)	-	(3,088,188)	(1,756,515)	(3,375,679)
(e) Office equipment - Owned	20,629,155	10,101,493	-	30,730,648	12,463,424	6,097,711	-	18,561,135	12,169,513	8,165,729
(Previous year)	(13,476,667)	(7,152,488)	-	(20,629,155)	(9,523,421)	(2,940,003)	-	(12,463,424)	(8,165,729)	(3,953,246)
Total	**49,554,341**	**29,537,633**	**1,361,703**	**77,730,271**	**30,223,072**	**14,181,036**	**713,733**	**43,690,375**	**34,039,896**	**19,331,267**
(Previous year)	**(35,109,586)**	**(14,444,755)**	**-**	**(49,554,341)**	**(20,933,467)**	**(9,289,605)**	**-**	**(30,223,072)**	**(19,331,267)**	**(14,176,119)**

B. Intangible Assets

Particulars	Gross block				Accumulated amortisation and impairment				Net block	
	Balance as at April 1, 2016	Additions	Disposals	Balance as at March 31, 2017	Balance as at April 1, 2016	Amortisation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Internally generated	-	-	-	-	-	-	-	-	-	-
(a) Computer software	6,886,216	15,018,809	-	21,905,025	5,411,098	3,821,051	-	9,232,149	12,672,876	1,475,118
(Previous year)	5,787,650)	(1,098,566)	-	(6,886,216)	(4,889,975)	(521,123)	-	(5,411,098)	(1,475,118)	(897,675)
Total - Intangible assets	**6,886,216**	**15,018,809**	**-**	**21,905,025**	**5,411,098**	**3,821,051**	**-**	**9,232,149**	**12,672,876**	**1,475,118**
(Previous year)	**(5,787,650)**	**(1,098,566)**	**-**	**(6,886,216)**	**(4,889,975)**	**(521,123)**	**-**	**(5,411,098)**	**(1,475,118)**	**(897,675)**

Notes forming part of the financial statements

Note 10 Non-current investments (valued at cost unless stated otherwise)

Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Trade Investments - Unquoted		
Investment in Equity shares of subsidiaries Aptus Finance India Private Limited 6,999,900 Equity Shares of Face Value Rs. 10/- each fully paid up	69,999,000	69,999,000
Total	**69,999,000**	**69,999,000**

Note 11 Receivables under Financing Activities

Particulars	Non - Current		Current	
	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Receivables under Financing Activites (Secured)				
Housing loans	4,638,866,651	3,161,388,052	182,836,217	102,884,165
Non-Housing loans - Loans against property	3,081,622,353	1,226,761,450	209,959,274	194,629,962
Loans subordinated as Credit Enhancements for assets derecognised	62,348,233	62,348,233	-	-
	7,782,837,237	**4,450,497,735**	**392,795,491**	**297,514,127**
Installments and Other Dues from Borrowers				
- Housing loans	-	-	6,760,822	3,628,486
- Loans against property	-	-	4,652,381	3,336,326
	-	**-**	**11,413,203**	**6,964,812**
Total	**7,782,837,237**	**4,450,497,735**	**404,208,694**	**304,478,939**

Note: The housing loans and non housing loans are secured by deposit of original title deeds of immovable properties with the Company or registered mortgage of title deeds.

Of the above:				
Housing loans				
Standard Assets - Considered good	4,619,030,955	3,145,407,716	187,937,707	105,982,014
Substandard assets	13,150,667	12,213,476	835,985	405,556
Doubtful Assets	6,685,029	3,766,860	823,347	125,081
Sub-Total (A)	**4,638,866,651**	**3,161,388,052**	**189,597,039**	**106,512,651**
Loans against property and Loans subordinated as Credit Enhancements for assets de-recognised				
Standard Assets - Considered good	3,132,615,820	1,284,216,407	209,123,553	197,217,290
Substandard assets	9,722,021	4,378,342	2,799,000	670,179
Doubtful Assets	1,632,745	514,934	2,689,102	78,819
Sub-Total (B)	**3,143,970,586**	**1,289,109,683**	**214,611,655**	**197,966,288**
Total (A+B)	**7,782,837,237**	**4,450,497,735**	**404,208,694**	**304,478,939**

Notes forming part of the financial statements

Note 12 Loans and advances

Particulars	Non - Current		Current	
	As at March 31, 2017 Rs.	As at March 31, 2016 Rs..	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Unsecured - considered good				
Security deposits	13,385,110	10,958,539	-	-
Capital Advances	-	7,343,376	-	-
Advance income tax (Net of provisions Rs. 295,512,000 (Previous year - Rs. 139,663,000))	6,016,006	6,332,134	-	-
Loans and advances to employees	-	-	53,993	99,892
Balances with government authorities:				
- Service Tax credit receivable	-	-	253,825	913,063
Prepaid Expenses	-	-	467,675	-
Other deposits and advance	-	-	3,152,779	1,014,466
Total	**19,401,116**	**24,634,049**	**3,928,272**	**2,027,421**

Note 13 Current Investments

Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Investment in Mutual Funds		
ICICI Prudential Liquid - Reg - Dly Dividend (53,029 Units (Previous Year - Rs. Nil))	5,327,910	-
Total	**5,327,910**	**-**

Note 14 Other Assets

Particulars	Non - Current		Current	
	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Balances held as margin money against securitisation	18,333,499	18,333,499	-	-
Interest Accrued but not due on Deposits with Banks	-	-	1,342,206	1,484,461
Other Receivables (Refer note below)	-	-	3,256,132	4,883,870
Total	**18,333,499**	**18,333,499**	**4,598,338**	**6,368,331**

(i) Includes an amount of Rs. 3,189,734 (Previous year - Rs. 4,883,870) receivable from the investors on remittance of the dues towards derecognized assets referred in Note 8.

Note 15 Cash and cash equivalents

Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Cash on Hand - Refer Note (iii) below	5,104,352	819,503
Cheques on hand	1,142,116	3,837,595
Balances with banks (Refer Note (i) below)		
- In current accounts	85,064,809	101,724,502
- In other deposit accounts (Original maturity more than 3 months)	1,200,140	3,034,196
Total	**92,511,417**	**109,415,796**
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	91,311,277	106,381,600

Notes :

(i) Balances with banks include Rs. 544,586 (Previous year - Rs. Nil) which have remaining maturity of more than twelve months.

(ii) Balances with Banks on Current Accounts and cash, cheques and drafts on hand include amounts collected in respect of assets de-recognised on account of Securitisation of Receivables pending remittance to the investors. Refer Note 8.

(iii) Refer Note 27 for Disclosure pursuant to Ministry of Corporate Affairs Notification No. 17/62/2015-CL-V (Vol. I) dated March 30, 2017

Notes forming part of the financial statements

Note 16 Revenue from operations

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
Interest income		
- on Housing Loans	602,610,594	442,467,059
- on Non-Housing Loans Loan against property	498,605,383	263,312,932
Other financial services		
Processing fees	84,721,762	46,793,796
Other operating income	26,626,270	13,305,844
Total	**1,212,564,009**	**765,879,631**

Note 17 Other income

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
Interest Income from Deposits with Banks	34,960,202	1,314,612
Dividend income:		
from current investments	10,964,927	12,035,817
Profit on Sale of Fixed Assets	307,030	-
Other Non Operating Income	418,372	382,109
Total	**46,650,531**	**13,732,538**

Note 18 Finance Costs

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
Interest expense on Borrowings		
- Term Loans	312,067,846	255,516,984
- Debentures	26,970,133	-
Other borrowing cost	20,730,975	21,032,599
Total	**359,768,954**	**276,549,583**

Note 19 Employee benefits expense

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
Salaries and wages	203,332,609	141,356,894
Contributions to provident and other funds	8,039,085	8,794,524
Gratuity expense	1,871,790	1,283,811
Staff welfare expenses	9,599,550	6,613,434
Total	**222,843,034**	**158,048,663**

Notes forming part of the financial statements

Note 20 Other expenses

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
Rent including lease rentals (Refer Note (i) & (ii) below)	17,759,248	13,168,968
Repairs and maintenance		
- Computers	513,355	426,367
- Others	1,132,426	544,390
Insurance	794,482	251,436
Software expenses	769,014	1,891,088
Rates and taxes	1,991,929	17,269
Communication Expenses	8,536,314	4,978,096
Travelling and conveyance	12,564,590	10,528,899
Office expenses	10,230,163	6,096,636
Printing and stationery	2,939,402	1,662,467
Commission to Directors	6,500,000	5,200,000
Sitting fees to non-whole time directors	659,050	689,253
Rating Fee	2,429,002	3,013,600
Electricity Charges	1,707,434	1,120,361
Provision for standard assets (net)	13,672,270	5,566,623
Provision for sub standard assets (net)	1,326,018	1,789,580
Provision for doubtful assets (net)	3,567,576	411,897
Bank charges	967,907	749,850
Business promotion	1,016,222	2,170,562
Legal and professional	4,626,621	7,610,009
Payments to auditors (Refer Note (iii) below)	2,305,000	2,288,159
Corporate Social Responsibility Expenditure	-	177,177
Miscellaneous expenses	4,794,845	3,082,571
Total	**100,802,868**	**73,435,258**

Notes

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
(i) Lease equalisation charge included in Rent	85,767	159,079
(ii) Cancellable operating lease entered for office space	17,759,248	13,168,968
(iii) Payments to the Statutory Auditors comprise (net of service tax input credit, where applicable):		
For Statutory Audit	1,700,000	1,700,000
For Taxation matters	100,000	100,000
For other services	505,000	460,000
Reimbursement of expenses	-	28,159
Total	**2,305,000**	**2,288,159**

Notes forming part of the financial statements

Note 21 Additional information to the financial statements

Note	Particulars
21.1(a)	**Contingent Liability** Corporate undertakings for securitisation of receivables aggregated to Rs. 1,694,667 (Previous year Rs. 1,295,514). The outflow would arise in the event of a shortfall, if any, in the cashflows of the pool of the securitised receivables. In respect of these undertakings, management does not believe, based on currently available information, that the maximum outflow that could arise, will have a material adverse effect on the Company's financial condition.

	Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
21.1(b)	**Commitments**		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Computer software and mobile receipting software	-	8,384,313
	(b) Loans sanctioned to Borrowers pending disbursement	369,047,285	249,043,084
		369,047,285	257,427,397

21.2	**Micro, Small and Medium Enterprises** Based on the extent of information available with the Management, there are no transactions with Micro and Small Enterprises. This has been relied upon by the Auditors.
21.3	**Loan Portfolio and Provision for Standard and Non Performing Assets**
21.3.a	**Current year**

Asset Classification	Loan Outstanding as at March 31, 2017 (Gross)	Provision as at March 31, 2017	Loan Outstanding as at March 31, 2017 (Net)
A. Housing Finance Activities			
Standard Assets	4,806,968,662	19,227,875	4,787,740,787
Sub-Standard Assets	13,986,652	2,097,997	11,888,655
Doubtful Assets	7,508,376	3,953,388	3,554,988
Sub total (A)	**4,828,463,690**	**25,279,260**	**4,803,184,430**
B. Non Housing Finance Activities - Loans Against Property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets	3,341,739,373	13,366,957	3,328,372,416
Sub-Standard Assets	12,521,021	1,878,153	10,642,868
Doubtful Assets	4,321,847	1,169,525	3,152,322
Sub total (B)	**3,358,582,241**	**16,414,635**	**3,342,167,606**
Grand total (A+B)	**8,187,045,931**	**41,693,895**	**8,145,352,036**

The Company has created provision for standard receivables under financing activities @ 0.40% in accordance with NHB.HFC.DIR.3/CMD/2011 Notification dated 05 August 2011.

21.3.b	**Previous year**

Asset Classification	Loan Outstanding as at March 31, 2016 (Gross)	Provision as at March 31, 2016	Loan Outstanding as at March 31, 2016 (Net)
A. Housing Finance Activities			
Standard Assets	3,251,389,730	12,999,412	-
Sub-Standard Assets	12,619,032	1,892,854	10,726,178
Doubtful Assets	3,891,941	1,346,111	2,545,830
Sub total (A)	**3,267,900,703**	**16,238,377**	**13,272,008**
B. Non Housing Finance Activities - Loans Against Property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets	1,481,433,697	5,923,150	1,474,864,285
Sub-Standard Assets	5,048,521	757,278	4,291,243
Doubtful Assets	593,753	209,226	384,527
Sub total (B)	**1,487,075,971**	**6,889,654**	**1,479,540,055**
Grand total (A+B)	**4,754,976,674**	**23,128,031**	**1,492,812,063**

Notes forming part of the financial statements

Note 22 Disclosures on Employee share based payments

Note	Particulars
Employee Stock Option Scheme a) In the extraordinary general meeting held on July 29, 2010 and in the Annual General Meeting held on August 7, 2015, the shareholders approved the issue of up to 3,200,000 options and 1,800,000 options respectively under the Scheme titled “APTUS Employees Stock Option Scheme 2010” (hereinafter referred to as Aptus ESOS, 2010) and “Aptus Employees Stock Option Scheme 2015” (hereinafter referred to as Aptus ESOS, 2015). Both the Schemes allow the issue of options to employees of the Company. Each option comprises one underlying equity share. As per the Scheme, the Nomination and Remuneration Committee (“The Committee”) grants the options to the employees deemed eligible and also governs the opearation of the scheme. The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.	
b) Employee stock options details as on the balance sheet date are as follows:	

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7 under Aptus ESOS 2015	Total
Date of Grant	26-Aug-10	03-Dec-10	11-May-11	19-May-12	03-Aug-12	12-Feb-13	07-Aug-15	
Exercise price per option	10.00	10.00	10.00	10.00	20.00	20.00	75.00	
Intrinsic Value per option	7.33	7.32	7.25	10.25	10.34	20.91	56.26	
Total options granted and outstanding as on March 31, 2016	-	-	-	-	-	33,500	1,700,000	1,733,500
Add: Options granted during the year	-	-	-	-	-	-	-	-
Less: Options forfeited / lapsed during the year	-	-	-	-	-	-	200,000	200,000
Less: Options exercised during the year	-	-	-	-	-	33,500	375,000	408,500
Options outstanding as at March 31, 2017								
- Vested	-	-	-	-	-	-	375,000	375,000
- Yet to Vest	-	-	-	-	-	-	750,000	750,000

Notes forming part of the financial statements

Note 22 Disclosures on Employee share based payments (contd.)

Note	Particulars
c) The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:	

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
Profit / (Loss) (as reported)	369,059,291	175,052,359
Add / (Less): stock based employee compensation (intrinsic value)	2,640,000	1,889,210
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (See note (d) below)	-	-
Net Profit / (Loss) (proforma)	**366,419,291**	**173,163,149**
Basic earnings per share (as reported)	5.18	2.81
Basic earnings per share (proforma)	5.14	2.43
Diluted earnings per share (as reported)	5.18	2.81
Diluted earnings per share (proforma)	5.14	2.43

d) During the financial year 2015-16, 1,700,000 shares were granted under the Aptus ESOS 2015 scheme. The fair value of options used to compute Proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an external firm of Chartered Accountants for the financial year 2015-16. The key assumptions used in the model for calculating fair value are as below:

Assumptions	Date of Grant						
	26-Aug-10	03-Dec-10	09-May-11	19-May-12	03-Aug-12	12-Feb-13	07-Aug-15
Risk Free Interest Rate	7.13% to 7.78%	7.07% to 7.58%	7.87% to 7.93%	7.83% to 7.91%	7.83%	7.69% to 7.74%	7.96%
Expected Life	1.58 to 3.58	1.25 to 3.25	1.83 to 3.83	1.83 to 3.83	1.67	2.17 to 4.17	4.00
Expected Annual Volatility of Shares	38% to 44%	31% to 41%	35% to 42%	34% to 53%	33%	27% to 36%	30%
Expected Dividend Yield	0%	0%	0%	0%	0%	0%	0%
Price of Underlying share at the time of the Option Grant	7.33	7.32	7.25	10.25	10.34	20.91	56.26
Fair Value of the Option (Rs.)							
1st Stage	1.07	0.43	0.88	3.50	0.29	6.22	3.88
2nd Stage	1.62	1.13	1.49	3.50	0.53	6.64	7.04
3rd Stage	1.96	1.93	2.25	3.97	0.00	9.42	10.39
4th Stage	-	-	-	-	-	-	13.78

Note 23 Disclosures under Accounting Standards

Note	Particulars
23.1	**Employee benefit plans**
23.1.a	**Defined contribution plans** The Company makes Provident Fund contributions for qualifying employees to the Regional Provident Fund Commissioner. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 8,039,085 (Previous year - Rs. 8,794,524) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to the scheme by the Company are at rates specified in the rules of the scheme.
23.1.b	**Defined benefit plans** The Company does not have a funded gratuity scheme for its employees. Gratuity provision has been made based on the actuarial valuation done as at the year end. The details of actuarial valuation as provided by the Independent Actuary is as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
	Rs.	Rs.
Change in defined benefit obligations during the year		
Present value of obligation as at beginning of the year	**3,491,973**	**2,467,777**
Current service cost	827,627	467,976
Interest cost	291,588	179,348
Benefits paid	(208,270)	(259,615)
Actuarial (gains) / losses	752,575	636,487
Present value of obligation at end of the year	**5,155,493**	**3,491,973**
Liability recognized in the Balance Sheet		
Present value of obligation	5,155,493	3,491,973
Fair value of Plan Assets	-	-
Net Liability recognized in the Balance Sheet	**5,155,493**	**3,491,973**
Cost of Defined Benefit Plan for the year		
Current service cost	827,627	467,976
Interest cost	291,588	179,348
Actuarial (gains) / losses	752,575	636,487
Net cost recognized in the statement of Profit and Loss	**1,871,790**	**1,283,811**
Actual return on Plan Assets	-	-

The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Discount Rate	6.60%	7.50%
Future Salary Increase	5.00%	5.00%
Mortality	Indian Assured Lives (2006-08) Ultimate table	Indian Assured Lives (2006-08) Ultimate table

Notes :

1. The estimate of the future salary increase takes into account inflation, seniority, promotion and other relevant factors.
2. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
3. Experience adjustments (Details disclosed to the extent available)

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
Projected Benefit Obligation	5,155,493	3,491,973	-	-	792,513
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit) Experience	(5,155,493)	(3,491,973)	(2,467,777)	(1,801,624)	(792,513)
Adjustments on Plan Liabilities	(180,824)	(668,113)	(112,483)	(634,150)	31,967

23.1.c	**Compensated absences**

The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Discount Rate	6.60%	7.50%
Future Salary Increase	5.00%	5.00%

Notes forming part of the financial statements

Note 23 Disclosures under Accounting Standards (contd.)

Note	Particulars
23.2	**Segment Reporting:** The Company is primarily engaged in the business of housing finance. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS 17 "Segment Reporting".
23.3	**Related party transactions**
23.3.a	**Details of related parties:**

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. M Anandan, Chairman & Managing Director
	Mr. P Balaji, EVP & Chief Financial Officer
	Mr. R Ashok Kumar, Company Secretary (till February 10, 2017)
	Ms. C Payal, Company Secretary (from March 27, 2017)
Relatives of Key Management Personnel	Mr. Suman Bollina, Director
Individuals Holding Substantial Interest	Mr. M Anandan, Chairman & Managing Director
Subsidiary	Aptus Finance India Pvt Limited (from September 18, 2015)
Entities in which Key Management Personnel Exercise Significant Influence	None

Note: Related party relationships are as identified by the Management and relied upon by the Auditors.

23.3.b	**Details of related party transactions for the year**

Transactions	Names of related parties	Year ended March 31, 2017	Year ended March 31, 2016
		Rs.	Rs.
Remuneration	Mr. M Anandan		
	- Salary	15,000,000	12,000,000
	- Commission	5,000,000	4,000,000
	Others	162,808	165,216
Remuneration	Mr. P Balaji		
	- Salary	5,638,942	4,854,696
	- Stock Option	12,750,000	10,710,000
Remuneration	Mr. R Ashok Kumar		
	- Salary	476,802	315,388
Director Commisson	Mr. Suman Bollina	250,000	200,000
Investment in subsidiary as at year end	Aptus Finance India Pvt Limited	69,999,000	69,999,000
Advances given	Aptus Finance India Pvt Limited	340,500	-
Personal guarantee given for Borrowings taken by the Company as at year end	Mr. M Anandan	1,165,006,077	1,857,286,539

Notes forming part of the financial statements

Note 23 Disclosures under Accounting Standards (contd.)

Note	Particulars
23.4	**Earnings per share**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rs.	Rs.
Basic & Diluted		
Profit / (Loss) After Tax (Rs.)	369,059,291	175,052,359
Weighted Average Number of Equity Shares (Face Value Rs. 10 Each) - Basic	71,239,103	62,200,732
Earnings Per Share - Basic (Rs.)	**5.18**	**2.81**
Weighted Average Number of Equity Shares (Face Value Rs. 10 Each) - Diluted	71,284,191	62,220,406
Earnings Per Share - Diluted (Rs.)	**5.18**	**2.81**

Note	Particulars
23.5	**Corporate Social Responsibility expenditure:** As per Section 135 of Companies Act, 2013, the Company is required to spend Rs. 3,288,239 (Rs. 1,768,964) towards CSR activities. The Company has not made any contributions during the year, since the Management could not identify suitable projects and programme which can be identified and which would complement the businesses of the Company. During the previous year, the Company had spent Rs. 177,177 toward CSR activities.

Note	Particulars
24	**Assets De-Recognized on Securitization**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rs.	Rs.
Number of Special Purpose Vehicle (SPV) sponsored for Securitisation transactions	4	4
Outstanding securitised Assets in books of SPV	351,839,761	520,708,477
Less: Collections not yet due to be remitted to SPV*	13,429,623	18,945,884
Outstanding securitised Assets as per books	338,410,138	501,762,593
Total amount of exposure to comply with Minimum Retention Ratio (MRR)		
a) Off Balance Sheet Exposure		
• First Loss	-	-
• Others	-	-
b) On Balance Sheet Exposure		
• First Loss – Cash collateral	18,333,499	18,333,499
• Others – Overcollateral	62,348,233	62,348,233
Book value of Assets sold	699,598,612	699,598,612

* excludes interest collected from customers on securitised assets.

Note	Particulars
25	**Details of Provision**

Particulars	As at April 1, 2016	Additions	Utilisation / Reversals	As at March 31, 2017
Provision for Standard Assets	18,922,562	13,672,270	-	32,594,832
	(13,355,939)	(5,566,623)	-	(18,922,562)
Provision for Sub standard Assets	2,650,132	3,668,939	2,342,921	3,976,150
	(860,553)	(2,136,012)	(346,433)	(2,650,132)
Provision for doubtful assets	1,555,337	3,567,576	-	5,122,913
	(1,143,440)	(411,897)	-	(1,555,337)

Previous year figures are given in brackets.

Notes forming part of the financial statements

Note 26 Disclosures pursuant to Notifications issued by National Housing Bank (vide circular NHB/ND/ DRS/Pol-No.35/2010-11 dated October 11, 2010 and Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017

Note	Particulars
26.1	**Capital to Risk Assets Ratio (CRAR)**

Particulars	As at March 31, 2017	As at March 31, 2016
	Rs.	Rs.
Tier I Capital	5,174,336,590	2,077,109,091
Tier II Capital	12,290,224	-
Total Capital	5,186,626,814	2,077,109,091
Total Risk Assets	5,288,507,603	2,776,945,985
Capital Ratios		
Tier I Capital as a percentage of Total Risk Assets (%)	97.84%	74.80%
Tier II Capital as a percentage of Total Risk Assets (%)	0.23%	0.00%
Total Capital (%)	98.07%	74.80%

Note	Particulars
26.2	**Exposure to Real Estate Sector**

Particulars	As at March 31, 2017	As at March 31, 2016
	Rs.	Rs.
Direct Exposure		
(i) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
Upto Rs. 15 Lakhs	7,282,266,789	4,149,201,390
More than Rs. 15 Lakhs	904,779,142	605,775,284
Total	**8,187,045,931**	**4,754,976,674**
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) Limits	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-
Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

Note 26 Disclosures pursuant to Notifications issued by National Housing Bank (Contd.)

Note	Particulars
26.3	**Asset Liability Management**

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2017:

Amount in Rs.

Particulars	1 day to 30 - 31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Borrowings from Bank* (incl. from NHB)	32,686,782	1,436,782	70,422,346	109,545,909	172,841,819	765,152,274	615,277,274	971,911,880	199,770,138	117,676,349	**3,056,721,553**
Market Borrowings	-	-	-	-	-	-	-	-	-	-	**-**
Assets											
Advances	41,293,694	30,794,133	31,252,102	96,564,427	204,304,338	1,013,915,150	1,344,990,797	1,441,355,225	2,007,677,063	1,974,899,002	**8,187,045,931**
Investments	5,327,910	-	-	-	-	-	-	-	-	69,999,000	**75,326,910**

* The above borrowings excludes Interest payable on borrowings from banks

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2016:

Amount in Rs.

Particulars	1 day to 30 - 31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Borrowings from Bank* (incl. from NHB)	43,243,333	17,946,221	67,282,554	161,865,471	269,347,608	1,026,100,803	611,485,003	275,207,893	174,275,988	126,516,706	**1,424,666,483**
Market Borrowings	-	-	-	-	-	-	-	-	-	-	**-**
Assets											
Advances	22,640,445	22,729,011	23,088,746	72,423,001	153,723,390	703,355,799	872,292,774	469,144,611	1,174,281,552	1,241,297,345	**4,754,976,674**
Investments	-	-	-	-	-	-	-	-	-	69,999,000	**69,999,000**

* The above borrowings excludes Interest payable on borrowings from banks

In case of Housing loans, where the loan is not completely disbursed and it is in Pre-EMI stage, the Company has estimated the EMI commencement date based on the technical evaluation and other information available as on date. Accordingly, the maturity pattern for such loans has been considered based on th estimated EMI commencement date.

26.4	**During the year ended March 31, 2017 and March 31, 2016.**

(i) there are no penalties imposed on the Company by NHB.

(ii) the Company has not received any adverse comments in writing by NHB on regulatory compliances, with a specific communication to disclose the same to the public.

Notes forming part of the financial statements

Note 26 Disclosures pursuant to Notifications issued by National Housing Bank (Contd.)

Note	Particulars
26.5	**Investments**

Particulars	As at March 31, 2017	As at March 31, 2016
	Rs.	Rs.
Value of Investments		
i) Gross Value of Investments		
(a) In India	75,326,910	69,999,000
(b) Outside India	-	-
ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
iii) Net Value of Investments		
(a) In India	75,326,910	69,999,000
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
i) Opening Balance	-	-
ii) Add:Provisions made during the year	-	-
iii) Less: Write-off / Written-bank of excess provisions during the year	-	-
iv) Closing balance	-	-

Note	Particulars
26.6	**Other Regulator Registrations**

Regulator	Registration No.
1. Ministry of Company Affairs	CIN: U65922TN2009PLC073881
2. National Housing Bank	Certificate Registration No. 05.0084.10 dated May 31, 2010

Note	Particulars
26.7	**Ratings assigned by Credit Rating Agencies**

Particulars	As at March 31, 2017	As at March 31, 2016
Non-Convertible Debentures	CARE A(-)	-
Bank Term Loans	CARE A(-)	CARE A(-)
	ICRA A(-)	ICRA BBB(+)

Note	Particulars
26.8	**Concentration of Loans & Advances**

Particulars	As at March 31, 2017	As at March 31, 2016
	Rs.	Rs.
Total Loans & Advances to twenty largest borrowers	70,754,632	64,211,535
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	0.86%	1.35%

Notes forming part of the financial statements

Note 26 Disclosures pursuant to Notifications issued by National Housing Bank (Contd.)

Note	Particulars
26.9	**Concentration of Exposures**

Particulars	As at March 31, 2017	As at March 31, 2016
	Rs.	Rs.
Total Exposure to twenty largest borrowers/customers	70,754,632	64,211,535
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	0.86%	1.35%

Note	Particulars
26.10	**Concentration of NPAs**

Particulars	As at March 31, 2017	As at March 31, 2016
	Rs.	Rs.
Total Exposure to top ten NPA accounts	16,906,160	15,206,608

Note	Particulars
26.11	**Sector-wise NPAs**

Sector	Percentage of NPAs to Total Advances in that Sector	
	As at March 31, 2017	As at March 31, 2016
A. Housing Loans:		
1. Individuals	0.45%	0.51%
2. Builders/Project Loans	0.00%	0.00%
3. Corporates	0.00%	0.00%
4. Others (specify)	0.00%	0.00%
B. Non-Housing Loans:		
1. Individuals	0.50%	0.38%
2. Builders/Project Loans	0.00%	0.00%
3. Corporates	0.00%	0.00%
4. Others (specify)	0.00%	0.00%

Note	Particulars
26.12	**Movement of NPAs**

Particulars	As at March 31, 2017	As at March 31, 2016
	Rs.	Rs.
(I) Net NPAs to Net Advances (%)	0.36%	1.20%
(II) Movement of Gross NPAs		
a) Opening balance	22,153,247	8,818,260
b) Additions during the year	24,528,509	16,519,032
c) Reductions during the year	(8,343,860)	(3,184,045)
d) Closing balance	38,337,896	22,153,247
(III) Movement of Net NPAs		
a) Opening balance	17,947,778	6,814,267
b) Additions during the year	17,291,994	13,971,123
c) Reductions during the year	(6,000,939)	(2,837,612)
d) Closing balance	29,238,833	17,947,778
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	4,205,469	2,003,993
b) Provisions made during the year	7,236,515	2,547,909
c) Write-off / write-back of excess provisions	(2,342,921)	(346,433)
d) Closing balance	9,099,063	4,205,469

Notes forming part of the financial statements

Note 26 Disclosures pursuant to Notifications issued by National Housing Bank (Contd.)

Note	Particulars
26.13	**Customer Complaints**

Particulars	March 31, 2017	March 31, 2016
Pending as at beginning of the year	-	-
Received during the year	-	-
Redressed during the year	-	-
Pending as at end of the year	-	-

27	**Disclosure pursuant to Ministry of Corporate Affairs Notification No. 17/62/2015-CL-V (Vol. I) dated March 30, 2017**

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	6,848,500	44,672	6,893,172
(+) Permitted receipts	-	38,198,895	38,198,895
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	6,848,500	36,852,318	43,700,818
Closing cash in hand as on December 30, 2016	-	1,391,249	1,391,249

28	**Previous Year's Figures** **Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.**

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director

K M Mohandass
Director

P Balaji
EVP & Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 17, 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APTUS VALUE HOUSING FINANCE INDIA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of APTUS VALUE HOUSING FINANCE INDIA LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of subsidiary referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs.73,985,879 as at 31st March, 2017, total revenues of Rs.4,386,845 and net cash inflows amounting to Rs.4,123,089 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of subsidiary, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary, none of the directors of the Group companies is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”, which is based on the auditors’ reports of the Holding company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company and subsidiary company incorporated in India.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. There were no pending litigations which would impact the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and other auditors by the Management of the respective group entities.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm’s Registration No.: 008072S)

Ananthi Amarnath
Partner
(Membership No. 209252)

Chennai, May 17,2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **APTUS VALUE HOUSING FINANCE INDIA LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, which is a company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary company, which is a company incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the Other Matter paragraph below, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.: 008072S)

Ananthi Amarnath
Partner
(Membership No. 209252)

Chennai, May 17,2017

Consolidated Balance Sheet as at March 31, 2017

	Particulars	Note no.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
A	**EQUITY AND LIABILITIES**			
1	Shareholders' funds			
	(a) Share capital	3	785,701,370	622,498,720
	(b) Reserves and surplus	4	4,424,895,788	1,497,822,190
			5,210,597,158	2,120,320,910
2	Minority Interest		8,820	3,506
3	Non-current liabilities			
	(a) Long-term borrowings	5	2,681,037,915	2,213,586,363
	(b) Deferred tax liabilities (net)	6	57,057,197	24,167,891
	(c) Long-term provisions	7	41,937,524	23,883,806
			2,780,032,636	2,261,638,060
4	Current liabilities			
	(a) Short-term borrowings	5	30,000,000	30,000,000
	(b) Trade payables			
	i) Total outstanding dues of micro enterprises and small enterprises		-	-
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		19,078,998	14,667,678
	(c) Other current liabilities	8	402,503,337	576,334,489
	(d) Short-term provisions	7	9,624,186	5,327,630
			461,206,521	626,329,797
	TOTAL		**8,451,845,135**	**5,008,292,273**
B	**ASSETS**			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	34,039,896	19,331,267
	(ii) Intangible assets	9	12,672,876	1,475,118
	(iii) Intangible assets under development		-	1,276,313
			46,712,772	**22,082,698**
	(b) Deferred tax assets (net)	10	217,760	389,590
	(c) Long term receivables under financing activities	11	7,782,837,237	4,450,497,735
	(d) Long-term loans and advances	12	19,401,116	24,137,600
	(e) Other Non Current Assets	14	18,333,499	18,333,499
			7,867,502,384	4,515,441,122
2	Current assets			
	(a) Current investments	13	5,327,910	-
	(b) Short term receivables under financing activities	11	404,208,694	304,478,939
	(c) Cash and cash equivalents	15	166,173,494	178,954,784
	(d) Short-term loans and advances	12	3,928,272	2,039,457
	(e) Other current assets	14	4,704,381	7,377,971
			584,342,751	492,851,151
	TOTAL		**8,451,845,135**	**5,008,292,273**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 17, 2017

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director

K M Mohandass
Director

P Balaji
EVP & Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 17, 2017

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

	Particulars	Note no.	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
1	Revenue from operations	16	1,212,564,009	765,879,631
2	Other income	17	51,037,376	15,977,683
3	**Total revenue (1+2)**		**1,263,601,385**	**781,857,314**
4	Expenses			
	(a) Finance costs	18	359,768,954	276,549,583
	(b) Employee benefits expense	19	223,023,154	158,141,743
	(c) Depreciation and amortisation expense	9	18,002,087	9,810,728
	(d) Other expenses	20	100,991,729	74,954,561
	Total expenses		**701,785,924**	**519,456,615**
5	Profit before tax (3-4)		561,815,461	262,400,699
6	Tax expense			
	- Current tax expense		156,807,483	73,590,000
	- Deferred tax	6,10	33,061,137	13,355,988
	Net tax expense		189,868,620	86,945,988
7	Profit after tax before share of profit attributable to Minority Interest		371,946,841	175,454,711
8	Less: Share of profit attributable to Minority Interest		5,314	2,506
9	**Profit for the year attributable to the shareholders of the Company**		**371,941,527**	**175,452,205**
Earnings per share (of Rs.10/- each):				
(a) Basic		23.4	5.22	2.82
(b) Diluted		23.4	5.22	2.82

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 17, 2017

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director

K M Mohandass
Director

P Balaji
EVP & Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 17, 2017

Consolidated Cash Flow Statement for the year ended March 31, 2017

Amount in Rs

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
Cash flow from operating activities				
Net Profit before tax		**561,815,461**		**262,400,699**
Adjustments for :				
Depreciation and amortisation expense	18,002,087		9,810,728	
Profit on Sale of Fixed Assets	(307,030)		-	
Finance costs	359,768,954		276,349,583	
Interest income from bank deposits	(39,345,812)		(3,559,757)	
Dividend income	(10,964,927)		(12,035,817)	
Provision for Standard Assets (net)	13,672,270		5,566,623	
Provision for Sub standard assets	1,326,018		1,789,580	
Provision for Doubtful assets	3,567,576		411,897	
		345,719,136		278,332,837
Operating profit before working capital changes		**907,534,597**		**540,733,536**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Long term receivables under financing activities	(3,332,339,502)		(1,295,415,160)	
Long-term loans and advances	(2,426,638)		(10,447,144)	
Short term receivables under financing activities	(99,729,755)		(110,511,609)	
Short-term loans and advances	(1,888,815)		764,156	
Other Current Assets	1,627,738		(4,883,870)	
Other Non Current Assets	-		(9,036,847)	
Current Investments	(5,327,910)			
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	4,411,320		4,016,007	
Other current liabilities	(11,727,080)		32,121,214	
Short-term provisions	1,334,706		822,519	
Long-term provisions	1,864,053	(3,444,201,883)	819,709	(1,391,751,026)
Cash used in operations		(2,536,667,286)		(851,017,490)
Financing charges		(340,872,459)		(273,619,549)
Direct Taxes paid		(156,402,144)		(74,614,715)
Net cash used in operating activities (A)		**(3,033,941,889)**		**(1,199,251,754)**
Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(32,935,742)		(16,819,634)	
Proceeds from sale of fixed assets	955,000		-	
Bank balances not considered as Cash and cash equivalents	(1,273,757)		(69,131,648)	
Interest received	40,391,664		1,583,810	
Dividend received	10,964,927		12,035,817	
Net cash used in investing activities (B)		**18,102,092**		**(72,331,655)**
Cash flow from financing activities				
Proceeds from issue of equity shares (including securities premium)	2,733,795,050		1,681,000	
Expenses for Issue of Debentures	(15,460,329)		-	
Proceeds from long-term borrowings	1,614,000,000		1,779,500,000	
Repayment of long-term borrowings	(1,330,549,971)		(430,894,903)	
Net cash flow from financing activities (C)		**3,001,784,750**		**1,350,286,097**

Particulars	For the year ended March 31, 2017 Amount in Rs.		For the year ended March 31, 2016 Amount in Rs.	
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)		(14,055,047)		78,702,688
Cash and cash equivalents at the beginning of the year		106,687,275		27,984,587
Cash and cash equivalents at the End of the year		92,632,228		106,687,275
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents (Refer Note 15)		166,173,494		178,954,784
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements In other deposit accounts - original maturity more than 12 months		73,541,266		72,267,509
Cash and cash equivalents at the end of the year		**92,632,228**		**106,687,275**

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 17, 2017

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director

K M Mohandass
Director

P Balaji
EVP & Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 17, 2017

Note	Particulars

1 Group Corporate Information

Aptus Value Housing Finance India Limited ('Group' / 'Holding Company') was incorporated on December 11, 2009 with the primary objective of carrying on the business of providing long term housing finance to meet the housing needs of the low and middle income segment in the country. The group is also engaged in providing loans for non-housing finance activities in the form of Loan Against Properties (LAP).

The Holding Company received the certificate of registration from the National Housing Bank (NHB) on May 31, 2010 to commence the business of Housing Finance without accepting public deposits. The certificate of commencement of business was received from the Registrar of Companies on June 25, 2010.

Aptus Finance India Pvt. Limited ('Subsidiary Company') was incorporated on September 18, 2015 as a subsidiary of Aptus Value Housing Finance India Limited with the primary objective of carrying on the business of providing finance to SME segment in the form of Loan Against Properties. The Subsidiary Company received the certificate of registration from the Reserve Bank of India (RBI) on December 16, 2016 to commence the business of Non-Banking Financial Institution without accepting public deposits.

The above two companies will be collectively known as the "group"

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Principles of consolidation

The consolidated financial statements relate to Aptus Value Housing Finance India Limited (the 'Holding Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as that of the Holding company i.e., March 31, 2017.

(ii) The financial statements of the Holding company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions.

(iii) Minority Interest in the net assets of the consolidated subsidiary consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary company were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiary attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Holding company.

(iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(v) Aptus Finance India Private Limited, the subsidiary company has been considered in the preparation of the consolidated financial statements. The % of holding of Aptus Value Housing Finance India Limited as on March 31, 2017 is 99.99%.

2.3 Use of estimates

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

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

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

2.6 Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on the following categories of tangible fixed assets has been provided on the straight-line method, the useful lives of which have been assessed as under, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The other assets have been depreciated on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Office Equipment	- 3 Years
Servers (under office equipments)	- 3 Years
Furniture and Fixtures	- 3 Years
Vehicles	- 3 Years

Intangible assets are amortized over their estimated useful life on straight line method as follows:

Intangibles – Computer Software - 3 years or License Period whichever is lower.

Improvements to Leasehold Premises are amortized over the primary lease period or 3 years, whichever is lower.

Individual fixed assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

2.7 Revenue recognition

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

Repayment of Housing Loans and Loans Against Property (LAP) is generally by way of Equated Monthly Installments (EMIs) comprising principal and interest. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month. Interest on loans is computed on a monthly rest basis.

Interest Income on Non Housing and refinance Loans are recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income on Non-performing Assets is recognized only when realized and any interest accrued until the asset became a Non-performing Asset and remaining overdue is de-recognized in the month in which the loan is classified as Non Performing.

Processing Fees is recognized when the loan is disbursed as per terms of agreements with the customers.

Pre-closure charges are levied in accordance with the NHB guidelines and are accounted at the time of actual pre-closure. Interest spread on securitization of receivables is recognized over the tenor of the underlying assets.

2.8 Other income

Interest income on bank deposits is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9 Fixed assets (tangible / Intangible)

Fixed assets, are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

2.10 Investments

Investments are classified as long-term or current based on their nature and intended holding period. Current investments are valued at lower of cost or fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

2.11 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences .

Defined contribution plans

The group's contributions to the Employees Provident Fund Scheme maintained by the Central Government and employee state insurance are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity which is unfunded, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.12 Segment Reporting

The group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

2.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.14 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.15 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the group will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the group.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

2.16 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

2.17 Provisions and contingencies

A provision is recognized when the group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the financial statements.

2.18 Classification and Provisioning of Loan Portfolio

Loans are classified and provided for as per the classification and provisioning norms prescribed under the Housing Finance Companies (NHB) Directions, 2010

A general provision at the rate of 0.40% of the total outstanding amount of Standard Assets is provided in accordance with the guidelines issued by NHB in this regard.

2.19 Special Reserve

As per Section 29C of the National Housing Bank Act, 1987, the group is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the group under Section 36 (1) (viii) of the Income-tax Act, 1961 is considered to be an eligible transfer.

2.20 Employee share based payments

Employees Stock options granted to the employees are accounted as per the accounting treatment prescribed by Guidance Note on Accounting for Employee Share-based payments, issued by the ICAI. The group measures compensation cost relating to employees stock options using the intrinsic value method. The Compensation cost, if any, is amortized over the vesting period of the options.

2.21 Operating Cycle

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

Notes forming part of the Consolidated Financial Statements

Note 3 Share capital

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Rs.	Number of shares	Rs.
(i) Authorised				
Equity shares of Rs. 10 each with voting rights	82,600,000	826,000,000	70,000,000	700,000,000
(ii) Issued, Subscribed and fully paid up				
Equity shares of Rs. 10 each with voting rights	78,570,137	785,701,370	62,249,872	622,498,720
Total	**78,570,137**	**785,701,370**	**62,249,872**	**622,498,720**

Notes:

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening balance	Fresh issue	ESOP	Closing Balance
Equity shares with voting rights				
Year ended March 31, 2017				
- Number of shares	62,249,872	15,911,765	408,500	78,570,137
- Amount (Rs.)	622,498,720	159,117,650	4,085,000	785,701,370
Year ended March 31, 2016				
- Number of shares	62,131,872	-	118,000	62,249,872
- Amount (Rs.)	621,318,720	-	1,180,000	622,498,720

(b) During the year, the Company has allotted 15,911,765 equity shares of Rs. 10 each at a premium of Rs. 160 per share on preferential basis to Westbridge Cross Over Fund LLC (14,441,176 shares) and India Financial Inclusion Fund (1,470,589 shares) vide Share Subscription Agreement dated August 31, 2016. The said allotment has been approved by the Board of Directors at its meeting held on August 11, 2016 and by the members in the Extraordinary General Meeting held on August 31, 2016.

(c) Pursuant to Aptus Employees Stock Option Scheme 2010 and Aptus Employees Stock Option Scheme 2015, the Board of Directors have allotted fully paid up equity shares of Rs. 10 each to the employees of the Company vide circular resolution dated October 14, 2016 as follows:

- 33,500 shares of Rs. 10 each allotted at a premium of Rs. 10 each, pursuant to Aptus Employees Stock Option Scheme 2010; and
- 375,000 equity shares of Rs. 10 each allotted at a premium of Rs. 65 each, pursuant to Aptus Employees Stock Option Scheme 2015

(d) **Terms/right attached to Equity Shares:**

The Company has only one class of equity shares having a par value of Rs.10 each. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividends proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting except in case of interim dividend. Repayment of capital will be in proportion to the number of equity shares held.

(e) **Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
M.Anandan	18,732,833	23.84%	18,732,833	30.09%
Padma Anandan	5,916,666	7.53%	5,916,666	9.50%
Westbridge Cross Over Fund LLC	32,724,951	41.65%	18,283,775	29.37%
Granite Hill India Opportunities Fund, Mauritius	8,711,571	11.09%	8,711,571	13.99%
India Financial Inclusion Fund	8,046,354	10.24%	6,575,765	10.56%

(f) **Shares reserved for issue under options:**

Refer Note 22 for details of shares reserved for issue under options.

Notes forming part of the Consolidated Financial Statements

Note 4 Reserves and surplus

Particulars	As at March 31, 2017	As at March 31, 2016
	Rs,	Rs,
Securities premium account		
Opening balance	1,160,566,480	1,160,066,480
Add : Premium on shares issued during the year	2,570,592,400	500,000
Less : Debenture Issue Expenses	15,460,329	-
Closing Balance	**3,715,698,551**	**1,160,566,480**
Special Reserve under Section 29C of National Housing Bank (NHB) Act, 1987 Balance at the beginning of the year		
(a) Statutory Reserve u/s 29C of NHB Act, 1987	7,234,702	7,234,702
(b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	100,684,350	47,970,355
Addition / Appropriation / withdrawal during the year		
Add: a) Amount transferred u/s 29C of NHB Act,1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of the NHB Act, 1987	112,581,156	52,713,995
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29 C of NHB Act 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	7,234,702	7,234,702
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	213,265,506	100,684,350
	220,500,208	**107,919,052**
Statutory Reserve under Section 45-IC of the Reserve Bank of India (RBI) Act, 1934		
Balance at the beginning of the year	-	-
Add: Amount transferred from surplus in the Statement of Profit and Loss	577,510	-
Closing balance	**577,510**	**-**
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	229,336,658	106,598,447
Add: Profit for the year	371,941,527	175,452,205
Less: Transfer to Special reserve u/s 29C of NHB Act, 1987 (Refer Note (a) below)	(112,581,156)	(52,713,995)
Less: Transfer to Statutory Reserve u/s 45-IC of RBI Act, 1934 (Refer Note (c) below)	(577,510)	-
Closing balance	**488,119,519**	**229,336,657**
Total	**4,424,895,788**	**1,497,822,190**

Notes:

(a) As per Section 29C(1) of the National Housing Bank Act, 1987, the Holding Company is required to transfer atleast 20% of its net profit after tax every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Holding Company under Section 36(1)(viii) of the Income Tax Act,1961, is considered to be an eligible transfer. During the current year, the Holding Company has transferred Rs. 112,581,157 (Previous year - Rs. 52,713,995) in terms of section 36(1)(viii) to the Special Reserve.

(b) Total amount clearly earmarked for the purposes of Statutory Reserve u/s 29C is Rs. 148,128,591 (Previous Year - Rs. 74,362,132) out of which Rs. 7,234,702 (Previous Year - Rs. 7,234,702) is distinctly identifiable above and the balance of Rs. 140,893,889 (Previous Year - Rs. 67,127,430) is included in the Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961.

(c) As per Section 45-IC of the Reserve Bank of India (RBI) Act, 1934, the Subsidiary Company is required to transfer atleast 20% of its net profit after tax every year to a reserve before any dividend is declared. During the current year, the Subsidiary Company has transferred Rs. 577,510 (Previous year - Rs. Nil) to Statutory Reserve.

Notes forming part of the Consolidated Financial Statements

Note 5 Borrowings

Particulars	Non - Current		Current	
	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Long-Term Borrowings - Secured				
Redeemable Non-Convertible Debentures	664,000,000	-	-	-
Term loans				
From banks				
National Housing Bank	694,801,000	599,723,000	89,532,000	69,012,000
Other Banks	1,322,236,915	1,613,863,363	256,151,638	460,673,217
	2,681,037,915	**2,213,586,363**	**345,683,638**	**529,685,217**
Amount disclosed under Note 8 - Other Current Liabilities	-	-	(345,683,638)	(529,685,217)
Short-Term Borrowings - Secured				
Working Capital Demand Loan				
From banks				
Other Banks	-	-	30,000,000	30,000,000
	-	-	**30,000,000**	**30,000,000**
Total	**2,681,037,915**	**2,213,586,363**	**30,000,000**	**30,000,000**

Note 5(a) Details of Secured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option:

No of Debentures	Rate of interest %	Due date of redemption	Face Value Rs.	Balance Oustanding	
				As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
3,320,000	10%	May 15, 2023	100	332,000,000	-
3,320,000	9.35%	May 15, 2023	100	332,000,000	-

(i) Redeemable Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities and specified immovable property.

Notes forming part of the Consolidated Financial Statements

Note 5(b) Details of Term loans are as follows:

Rate of Interest	Maturity	Non - Current		Current	
		As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
9%-10%	1- 5 years	-	100,000,000	-	-
10%-11%		-	131,250,000	-	-
11% -11.50%		-	34,735,000	30,000,000	30,000,000
>11.50%		-	411,499,335	-	-
7%-7.50%	5- 7 years	11,045,000	18,465,000	-	-
9%-10%		761,923,075	96,250,000	-	-
10%-11%		580,833,290	285,000,000	-	-
11%-11.50%		-	604,350,000	-	-
>11.50%		-	226,452,245		
9%-10%	7-10 years	514,910,000	529,550,000	-	-
10%-11%		-	79,200,000	-	-
11% -11.50%		-	41,520,000	-	-
>11.50%		-	35,000,000	-	-
8%-9%	> 10 years	220,250,000	-	-	-
9%-10%		235,632,188	-	-	-
10%-11%		38,128,000	150,000,000	-	-
Total		**2,362,721,553**	**2,743,271,580**	**30,000,000**	**30,000,000**
Less: Current Maturities of Long Term Borrowings classified under other current liability (Refer Note 8)		345,683,638	529,685,217	-	-
Long Term Borrowings from Banks		2,017,037,915	2,213,586,363	30,000,000	30,000,000

(i) Term loans from Banks are secured by hypothecation of specified Receivables under Financing Activities.
(ii) The Company has not defaulted in the repayment of term loans from Banks.
(iii) Loans aggregating to Rs. 1,165,006,077 (Previous year - Rs. 1,857,286,539) has been guaranteed by the promoter Mr. M Anandan.

Note 6 Deferred tax liabilities (net)

Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Deferred tax (liabilities) / assets **Tax effect of items constituting deferred tax liabilities:**		
On Special Reserve created under section 36(1)(viii) of the Income Tax Act, 1961	(76,310,712)	(37,348,626)
On Provision for doubtful advances allowed under section 36(1)(viia)	(1,693,575)	-
Tax effect of items constituting deferred tax liabilities	**(78,004,287)**	**(37,348,626)**
Tax effect of items constituting deferred tax assets:		
Provision for compensated absences, gratuity and other employee benefits	3,212,373	2,105,345
Provision for doubtful debts / advances	14,429,423	8,004,149
On difference between written down value of Fixed Assets as per books and as per Section 32 of Income Tax Act, 1961	3,191,797	2,987,426
Others	113,497	83,815
Tax effect of items constituting deferred tax assets	**20,947,090**	**13,180,735**
Deferred tax (liabilities) / assets (net)	**(57,057,197)**	**(24,167,891)**
Reconciliation of Deferred Tax:		
Net Deferred Tax Asset as at the beginning of the year	(24,167,891)	(10,422,313)
Add / (Less): Deferred tax asset credited to / expense recognized in Statement of profit and loss.	(32,889,306)	(13,745,578)
Net Deferred Tax Asset / (Liability) as at the end of the year	**(57,057,197)**	**(24,167,891)**

Notes forming part of the Consolidated Financial Statements

Note 7 Provisions

Particulars	Non - Current		Current	
	As at March 31, 2017 Rs.	As at March 31, 2016 Rs..	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Provision for employee benefits:				
Provision for gratuity (net)	3,526,942	2,192,236	1,628,551	1,299,737
Provision for compensated absences	-	-	4,126,672	2,591,432
	3,526,942	**2,192,236**	**5,755,223**	**3,891,169**
Provision for standard receivables under financing activities				
Housing loans	18,476,124	12,581,631	751,751	417,781
Non-Housing loans - Loans against property and Loans subordinated as Credit Enhancements for assets derecognised	12,530,463	5,136,866	836,494	786,284
	31,006,587	**17,718,497**	**1,588,245**	**1,204,065**
Provision for sub-standard asset and doubtful asset				
Housing loans				
- Sub-standard assets	1,972,599	1,832,021	125,398	60,833
- Doubtful assets	3,519,384	1,302,849	434,004	43,262
Non-Housing loans - Loans against property				
- Sub-standard assets	1,489,692	656,751	388,461	100,527
- Doubtful assets	422,320	181,452	747,205	27,774
	7,403,995	**3,973,073**	**1,695,068**	**232,396**
Provision for Income tax (Net of Advance Tax of Rs. 4,28,319 (Previous year Rs. 1,23,551))	-	-	585,650	-
Total	**41,937,524**	**23,883,806**	**9,624,186**	**5,327,630**

Note 8 Other current liabilities

Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Current maturities of long-term borrowings		
- Term loan from NHB-secured	89,532,000	69,012,000
- Term loan from banks-secured	256,151,638	460,673,217
Interest accrued but not due on borrowings	29,184,685	10,288,190
Deferred Rent	327,950	242,183
Share application money pending to be refunded	80	-
Other payables		
Statutory remittances	3,886,614	2,789,285
Payables on purchase of fixed assets	3,001,012	-
Advances from customers	879,695	4,425,502
Remittances Payable - Derecognized Assets	19,539,663	28,904,112
Total	**402,503,337**	**576,334,489**

Notes forming part of the Consolidated Financial Statements

Note 9 Fixed assets

A. Tangible Assets

Particulars	Gross block				Accumulated depreciation and impairment				Net block	
	Balance as at April 1, 2016	Additions	Disposals	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Land - Freehold	-	6,457,145	-	6,457,145	-	-	-	-	6,457,145	-
(Previous year)	-	-	-	-	-	-	-	-	-	-
(b) Leasehold improvements	21,405,208	5,033,748	-	26,438,956	12,248,293	5,224,728	-	17,473,021	8,965,935	9,156,915
(Previous year)	(14,657,068)	(6,748,140)	-	(21,405,208)	(8,220,301)	(4,027,992)	-	(12,248,293)	(9,156,915)	(6,436,767)
(c) Furniture and fixtures - Owned	2,675,275	1,760,121	-	4,435,396	2,423,167	1,609,482	-	4,032,649	402,747	252,108
(Previous year)	(2,131,148)	(544,127)	-	(2,675,275)	(1,720,721)	(702,446)	-	(2,423,167)	(252,108)	(410,427)
(d) Vehicles - Owned	4,844,703	6,185,126	1,361,703	9,668,126	3,088,188	1,249,115	713,733	3,623,570	6,044,556	1,756,515
(Previous year)	(4,844,703)	-	-	(4,844,703)	(1,469,024)	(1,619,164)	-	(3,088,188)	(1,756,515)	(3,375,679)
(e) Office equipment - Owned	20,629,155	10,101,493	-	30,730,648	12,463,424	6,097,711	-	18,561,135	12,169,513	8,165,729
(Previous year)	(13,476,667)	(7,152,488)	-	(20,629,155)	(9,523,421)	(2,940,003)	-	(12,463,424)	(8,165,729)	(3,953,246)
Total	**49,554,341**	**29,537,633**	**1,361,703**	**77,730,271**	**30,223,072**	**14,181,036**	**713,733**	**43,690,375**	**34,039,896**	**19,331,267**
(Previous year)	**(35,109,586)**	**(14,444,755)**	**-**	**(49,554,341)**	**(20,933,467)**	**(9,289,605)**	**-**	**(30,223,072)**	**(19,331,267)**	**(14,176,119)**

B. Intangible Assets

Particulars	Gross block				Accumulated amortisation and impairment				Net block	
	Balance as at April 1, 2016	Additions	Disposals	Balance as at March 31, 2017	Balance as at April 1, 2016	Amortisation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Internally generated	-	-	-	-	-	-	-	-	-	-
(a) Computer software	6,886,216	15,018,809	-	21,905,025	5,411,098	3,821,051	-	9,232,149	12,672,876	1,475,118
(Previous year)	(5,787,650)	(1,098,566)	-	(6,886,216)	(4,889,975)	(521,123)	-	(5,411,098)	(1,475,118)	(897,675)
Total - Intangible assets	**6,886,216**	**15,018,809**	**-**	**21,905,025**	**5,411,098**	**3,821,051**	**-**	**9,232,149**	**12,672,876**	**1,475,118**
(Previous year)	**(5,787,650)**	**(1,098,566)**	**-**	**(6,886,216)**	**(4,889,975)**	**(521,123)**	**-**	**(5,411,098)**	**(1,475,118)**	**(897,675)**

Notes forming part of the Consolidated Financial Statements

Note 10 Deferred tax assets (Net)

Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Deferred tax (liabilities) / Assets		
Tax Effect of items constituting deferred tax asset:		
Disallowances under section 40A(i), 43 B of Income Tax Act, 1961	(7,293)	17,304
Preliminary Expenses	(164,537)	372,286
Tax Effect of items constituting deferred tax assets	(171,830)	389,590
Deferred tax (liabilities) / Assets (net)	**217,760**	**389,590**
Reconciliation of Deferred Tax		
Net deferred tax asset/(liability) at the beginning of the year	389,590	-
Add / (less): Deferred tax assets credited to/expense recognised in statement of profit and loss	171,830	389,590
Net deferred tax asset/(liability) at the end of the year	**217,760**	**389,590**

Note 11 Receivables under Financing Activities

Particulars	Non - Current		Current	
	As at March 31, 2017 Rs.	As at March 31, 2016 Rs..	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Receivables under Financing Activites (Secured)				
Housing loans	4,638,866,651	3,161,388,052	182,836,217	102,884,165
Non-Housing loans - Loans against property	3,081,622,353	1,226,761,450	209,959,274	194,629,962
Loans subordinated as Credit Enhancements for assets derecognised	62,348,233	62,348,233	-	-
	7,782,837,237	**4,450,497,735**	**392,795,491**	**297,514,127**
Installments and Other Dues from Borrowers				
- Housing loans	-	-	6,760,822	3,628,486
- Loans against property	-	-	4,652,381	3,336,326
	-	**-**	**11,413,203**	**6,964,812**
Total	**7,782,837,237**	**4,450,497,735**	**404,208,694**	**304,478,939**
Note: The housing loans and non housing loans are secured by deposit of original title deeds of immovable properties with the Company or registered mortgage of title deeds.				
Of the above:				
Housing loans				
Standard Assets - Considered good	4,619,030,955	3,145,407,716	187,937,707	105,982,014
Substandard assets	13,150,667	12,213,476	835,985	405,556
Doubtful Assets	6,685,029	3,766,860	823,347	125,081
Sub-Total (A)	**4,638,866,651**	**3,161,388,052**	**189,597,039**	**106,512,651**
Loans against property and Loans subordinated as Credit Enhancements for assets de-recognised				
Standard Assets - Considered good	3,132,615,820	1,284,216,407	209,123,553	197,217,290
Substandard assets	9,722,021	4,378,342	2,799,000	670,179
Doubtful Assets	1,632,745	514,934	2,689,102	78,819
Sub-Total (B)	**3,143,970,586**	**1,289,109,683**	**214,611,655**	**197,966,288**
Total (A+B)	**7,782,837,237**	**4,450,497,735**	**404,208,694**	**304,478,939**

Notes forming part of the Consolidated Financial Statements

Note 12 Loans and advances

Particulars	Non - Current		Current	
	As at March 31, 2017 Rs.	As at March 31, 2016 Rs..	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Unsecured - considered good				
Security deposits	13,385,110	10,958,539	-	-
Capital Advances	-	7,343,376	-	-
Advance income tax (Net of provisions Rs. 295,512,000 (Previous year - Rs. 139,663,000))	6,016,006	5,835,685	-	-
Loans and advances to employees	-	-	53,993	99,892
Balances with government authorities:				
- Service Tax credit receivable	-	-	253,825	925,099
Prepaid Expenses	-	-	467,675	-
Other deposits and advance	-	-	3,152,779	1,014,466
Total	**19,401,116**	**24,137,600**	**3,928,272**	**2,039,457**

Note 13 Current Investments

Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Investment in Mutual Funds		
ICICI Prudential Liquid - Reg - Dly Dividend (53,029 Units (Previous Year - Rs. Nil))	5,327,910	-
Total	**5,327,910**	**-**

Note 14 Other Assets

Particulars	Non - Current		Current	
	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Balances held as margin money against securitisation	18,333,499	18,333,499	-	-
Interest Accrued but not due on Deposits with Banks	-	-	1,448,249	2,494,101
Other Receivables (Refer note below)	-	-	3,256,132	4,883,870
Total	**18,333,499**	**18,333,499**	**4,704,381**	**7,377,971**

(i) Includes an amount of Rs. 3,189,734 (Previous year - Rs. 4,883,870) receivable from the investors on remittance of the dues towards derecognized assets referred in Note 8.

Note 15 Cash and cash equivalents

Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Cash on Hand - Refer Note (iii) below	5,104,352	3,837,595
Cheques on hand	1,142,116	819,503
Balances with banks (Refer Note (i) below)		
- In current accounts	86,385,760	102,030,177
- In other deposit accounts (Original maturity more than 3 months)	73,541,266	72,267,509
Total	**166,173,494**	**178,954,784**
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	92,632,228	106,687,275

Notes :

(i) Balances with banks include Rs. 544,586 (Previous year - Rs. Nil) which have remaining maturity of more than twelve months.

(ii) Balances with Banks on Current Accounts and cash, cheques and drafts on hand include amounts collected in respect of assets de-recognised on account of Securitisation of Receivables pending remittance to the investors. Refer Note 8.

(iii) Refer Note 27 for Disclosure pursuant to Ministry of Corporate Affairs Notification No. 17/62/2015-CL-V (Vol. I) dated March 30, 2017

Notes forming part of the Consolidated Financial Statements

Note 16 Revenue from operations

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
Interest income		
- on Housing Loans	602,610,594	442,467,059
- on Non-Housing Loans Loan against property	498,605,383	263,312,932
Other financial services		
Processing fees	84,721,762	46,793,796
Other operating income	26,626,270	13,305,844
Total	**1,212,564,009**	**765,879,631**

Note 17 Other income

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
Interest Income from Deposits with Banks	39,345,812	3,559,757
Dividend income:		
from current investments	10,964,927	12,035,817
Profit on Sale of Fixed Assets	307,030	-
Other Non Operating Income	419,607	382,109
Total	**51,037,376**	**15,977,683**

Note 18 Finance Costs

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
Interest expense on Borrowings		
- Term Loans	312,067,846	255,516,984
- Debentures	26,970,133	-
Other borrowing cost	20,730,975	21,032,599
Total	**359,768,954**	**276,549,583**

Note 19 Employee benefits expense

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
Salaries and wages	203,512,729	141,449,974
Contributions to provident and other funds	8,039,085	8,794,524
Gratuity expense	1,871,790	1,283,811
Staff welfare expenses	9,599,550	6,613,434
Total	**223,023,154**	**158,141,743**

Notes forming part of the Consolidated Financial Statements

Note 20 Other expenses

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
Rent including lease rentals (Refer Note (i) & (ii) below)	17,759,248	13,168,968
Repairs and maintenance		
- Computers	513,355	426,367
- Others	1,132,426	544,390
Insurance	794,482	251,436
Software expenses	769,014	1,891,088
Rates and taxes	2,020,789	17,269
Communication Expenses	8,536,314	4,978,096
Travelling and conveyance	12,564,590	10,528,899
Office expenses	10,230,163	6,096,636
Printing and stationery	2,939,402	1,662,467
Commission to Directors	6,500,000	5,200,000
Sitting fees to non-whole time directors	719,050	700,703
Rating Fee	2,429,002	3,013,600
Electricity Charges	1,707,434	1,120,361
Provision for standard assets (net)	13,672,270	5,566,623
Provision for sub standard assets (net)	1,326,018	1,789,580
Provision for doubtful assets (net)	3,567,576	411,897
Bank charges	967,907	749,850
Business promotion	1,016,222	2,170,562
Legal and professional	4,626,621	7,610,009
Payments to auditors (Refer Note (iii) below)	2,405,000	2,446,159
Corporate Social Responsibility Expenditure	–	177,177
Preliminary Expenses	-	1,344,652
Miscellaneous expenses	4,794,846	3,087,772
Total	**100,991,729**	**74,954,561**

Notes

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.
(i) Lease equalisation charge included in Rent	85,767	159,079
(ii) Cancellable operating lease entered for office space	17,759,248	13,168,968
(iii) Payments to the Statutory Auditors comprise (net of service tax input credit, where applicable):		
For Statutory Audit	1,800,000	1,750,000
For Taxation matters	100,000	100,000
For other services	505,000	568,000
Reimbursement of expenses	–	28,159
Total	**2,405,000**	**2,446,159**

Notes forming part of the Consolidated Financial Statements

Note 21 Additional information to the financial statements

Note	Particulars
21.1(a)	**Contingent Liability** Corporate undertakings for securitisation of receivables aggregated to Rs. 1,694,667 (Previous year Rs. 1,295,514). The outflow would arise in the event of a shortfall, if any, in the cashflows of the pool of the securitised receivables. In respect of these undertakings, management does not believe, based on currently available information, that the maximum outflow that could arise, will have a material adverse effect on the Company's financial condition.

	Particulars	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
21.1(b)	**Commitments**		
	(a) Estimated amount of contracts remaining provided for		
	Computer software and mobile receipting software	-	8,384,313
	(b) Loans sanctioned to Borrowers pending disbursement	369,047,285	249,043,084
		369,047,285	257,427,397

21.2	**Micro, Small and Medium Enterprises** Based on the extent of information available with the Management, there are no transactions with Micro and Small Enterprises. This has been relied upon by the Auditors.
21.3	**Loan Portfolio and Provision for Standard and Non Performing Assets**
21.3.a	**Current year**

Asset Classification	Loan Outstanding as at March 31, 2017 (Gross)	Provision as at March 31, 2017	Loan Outstanding as at March 31, 2017 (Net)
A. Housing Finance Activities			
Standard Assets	4,806,968,662	19,227,875	4,787,740,787
Sub-Standard Assets	13,986,652	2,097,997	11,888,655
Doubtful Assets	7,508,376	3,953,388	3,554,988
Sub total (A)	**4,828,463,690**	**25,279,260**	**4,803,184,430**
B. Non Housing Finance Activities - Loans Against Property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets	3,341,739,373	13,366,957	3,328,372,416
Sub-Standard Assets	12,521,021	1,878,153	10,642,868
Doubtful Assets	4,321,847	1,169,525	3,152,322
Sub total (B)	**3,358,582,241**	**16,414,635**	**3,342,167,606**
Grand total (A+B)	**8,187,045,931**	**41,693,895**	**8,145,352,036**

21.3.b	**Previous year**

Asset Classification	Loan Outstanding as at March 31, 2016 (Gross)	Provision as at March 31, 2016	Loan Outstanding as at March 31, 2016 (Net)
A. Housing Finance Activities			
Standard Assets	3,251,389,730	12,999,412	3,236,853,525
Sub-Standard Assets	12,619,032	1,892,854	10,726,178
Doubtful Assets	3,891,941	1,346,111	2,545,830
Sub total (A)	**3,267,900,703**	**16,238,377**	**3,250,125,533**
B. Non Housing Finance Activities - Loans Against Property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets	1,481,433,697	5,923,150	1,474,864,285
Sub-Standard Assets	5,048,521	757,278	4,291,243
Doubtful Assets	593,753	209,226	384,527
Sub total (B)	**1,487,075,971**	**6,889,654**	**1,479,540,055**
Grand total (A+B)	**4,754,976,674**	**23,128,031**	**4,729,665,588**

Notes forming part of the Consolidated Financial Statements

Note 22 Disclosures on Employee share based payments

Note	Particulars
Employee Stock Option Scheme	
a) In the extraordinary general meeting held on July 29, 2010 and in the Annual General Meeting held on August 7, 2015, the shareholders approved the issue of up to 3,200,000 options and 1,800,000 options respectively under the Scheme titled “APTUS Employees Stock Option Scheme 2010” (hereinafter referred to as Aptus ESOS, 2010) and “Aptus Employees Stock Option Scheme 2015” (hereinafter referred to as Aptus ESOS, 2015). Both the Schemes allow the issue of options to employees of the Company. Each option comprises one underlying equity share. As per the Scheme, the Nomination and Remuneration Committee (“The Committee”) grants the options to the employees deemed eligible and also governs the opearation of the scheme. The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.	
b) Employee stock options details as on the balance sheet date are as follows:	

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7 under Aptus ESOS 2015	Total
Date of Grant	26-Aug-10	03-Dec-10	11-May-11	19-May-12	03-Aug-12	12-Feb-13	07-Aug-15	
Exercise price per option	10.00	10.00	10.00	10.00	20.00	20.00	75.00	
Intrinsic Value per option	7.33	7.32	7.25	10.25	10.34	20.91	56.26	
Total options granted and outstanding as on March 31, 2016	-	-	-	-	-	33,500	1,700,000	1,733,500
Add: Options granted during the year	-	-	-	-	-	-	-	-
Less: Options forfeited / lapsed during the year	-	-	-	-	-	-	200,000	200,000
Less: Options exercised during the year	-	-	-	-	-	33,500	375,000	408,500
Options outstanding as at March 31, 2017								
- Vested	-	-	-	-	-	-	375,000	375,000
- Yet to Vest	-	-	-	-	-	-	750,000	750,000

Notes forming part of the Consolidated Financial Statements

Note 22 Disclosures on Employee share based payments (contd.)

Note	Particulars
c) The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:	

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rs.	Rs.
Profit / (Loss) (as reported)	371,946,841	175,454,711
Add / (Less): stock based employee compensation (intrinsic value)	2,640,000	1,889,210
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (See note (d) below)	-	-
Net Profit / (Loss) (proforma)	**369,306,841**	**173,565,501**
Basic earnings per share (as reported)	5.22	2.82
Basic earnings per share (proforma)	5.18	2.43
Diluted earnings per share (as reported)	5.22	2.82
Diluted earnings per share (proforma)	5.18	2.43

d) During the financial year 2015-16, 1,700,000 shares were granted under the Aptus ESOS 2015 scheme. The fair value of options used to compute Proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an external firm of Chartered Accountants for the financial year 2015-16. The key assumptions used in the model for calculating fair value are as below:

Assumptions	Date of Grant						
	26-Aug-10	03-Dec-10	09-May-11	19-May-12	03-Aug-12	12-Feb-13	07-Aug-15
Risk Free Interest Rate	7.13% to 7.78%	7.07% to 7.58%	7.87% to 7.93%	7.83% to 7.91%	7.83%	7.69% to 7.74%	7.96%
Expected Life	1.58 to 3.58	1.25 to 3.25	1.83 to 3.83	1.83 to 3.83	1.67	2.17 to 4.17	4
Expected Annual Volatility of Shares	38% to 44%	31% to 41%	35% to 42%	34% to 53%	33%	27% to 36%	30%
Expected Dividend Yield	0%	0%	0%	0%	0%	0%	0%
Price of Underlying share at the time of the Option Grant	7.33	7.32	7.25	10.25	10.34	20.91	56.26
Fair Value of the Option (Rs.)							
1st Stage	1.07	0.43	0.88	3.50	0.29	6.22	3.88
2nd Stage	1.62	1.13	1.49	3.50	0.53	6.64	7.04
3rd Stage	1.96	1.93	2.25	3.97	0.00	9.42	10.39
4th Stage	-	-	-	-	-	-	13.78

Notes forming part of the Consolidated Financial Statements

Note 23 Disclosures under Accounting Standards

Note	Particulars
23.1	**Employee benefit plans**
23.1.a	**Defined contribution plans** The Company makes Provident Fund contributions for qualifying employees to the Regional Provident Fund Commissioner. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 8,039,085 (Previous year - Rs. 8,794,524) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to the scheme by the Company are at rates specified in the rules of the scheme.
23.1.b	**Defined benefit plans** The Company does not have a funded gratuity scheme for its employees. Gratuity provision has been made based on the actuarial valuation done as at the year end. The details of actuarial valuation as provided by the Independent Actuary is as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rs.	Rs.
Change in defined benefit obligations during the year		
Present value of obligation as at beginning of the year	**3,491,973**	**2,467,777**
Current service cost	827,627	467,976
Interest cost	291,588	179,348
Benefits paid	(208,270)	(259,615)
Actuarial (gains) / losses	752,575	636,487
Present value of obligation at end of the year	5,155,493	3,491,973
Liability recognized in the Balance Sheet	-	-
Present value of obligation	5,155,493	3,491,973
Fair value of Plan Assets	-	-
Net Liability recognized in the Balance Sheet	**5,155,493**	**3,491,973**
Cost of Defined Benefit Plan for the year		
Current service cost	827,627	467,976
Interest cost	291,588	179,348
Actuarial (gains) / losses	752,575	636,487
Net cost recognized in the statement of Profit and Loss	**1,871,790**	**1,283,811**
Actual return on Plan Assets	-	-

The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Discount Rate	6.60%	7.50%
Future Salary Increase	5.00%	5.00%
Mortality	Indian Assured Lives (2006-08) Ultimate table	Indian Assured Lives (2006-08) Ultimate table

Notes :

1. The estimate of the future salary increase takes into account inflation, seniority, promotion and other relevant factors.
2. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
3. Experience adjustments (Details disclosed to the extent available)

Particulars	For the year ended March 31, 2017 Rs.	For the year ended March 31, 2016 Rs.	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2013 Rs.
Projected Benefit Obligation	5,155,493	3,491,973	2,467,777	1,801,624	792,513
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit) Experience	(5,155,493)	(3,491,973)	(2,467,777)	(1,801,624)	(792,513)
Adjustments on Plan Liabilities	(180,824)	(668,113)	(112,483)	(634,150)	31,967

23.1.c	**Compensated absences**

The key assumptions used in the actuarial valuation as provided by independent actuary are as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Discount Rate	6.60%	7.50%
Future Salary Increase	5.00%	5.00%

Notes forming part of the Consolidated Financial Statements

Note 23 Disclosures under Accounting Standards (contd.)

Note	Particulars
23.2	**Segment Reporting:** The Company is primarily engaged in the business of housing finance. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS 17 "Segment Reporting".
23.3	**Related party transactions**
23.3.a	**Details of related parties:**

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. M Anandan, Chairman & Managing Director
	Mr. P Balaji, EVP & Chief Financial Officer
	Mr. R Ashok Kumar, Company Secretary (till February 10, 2017)
	Ms. C Payal, Company Secretary (from March 27, 2017)
Relatives of Key Management Personnel	Mr. Suman Bollina, Director
Individuals Holding Substantial Interest	Mr. M Anandan, Chairman & Managing Director
Subsidiary	Aptus Finance India Pvt Limited (from September 18, 2015)
Entities in which Key Management Personnel Exercise Significant Influence	None

Note: Related party relationships are as identified by the Management and relied upon by the Auditors.

23.3.b	**Details of related party transactions for the year**

Transactions	Names of related parties	Year ended March 31, 2017	Year ended March 31, 2016
		Rs.	Rs.
Remuneration	Mr. M Anandan		
	- Salary	15,000,000	12,000,000
	- Commission	5,000,000	4,000,000
	Others	162,808	165,216
Remuneration	Mr. P Balaji		
	- Salary	5,638,942	4,854,696
	- Stock Option	12,750,000	10,710,000
Remuneration	Mr. R Ashok Kumar		
	- Salary	476,802	315,388
Director Commisson	Mr. Suman Bollina	250,000	200,000
Personal guarantee given for Borrowings taken by the Company as at year end	Mr. M Anandan	1,165,006,077	1,857,286,539

Notes forming part of the Consolidated Financial Statements

Note 23 Disclosures under Accounting Standards (contd.)

Note	Particulars
23.4	**Earnings per share**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rs.	Rs.
Basic & Diluted		
Profit / (Loss) After Tax (Rs.)	371,946,841	175,454,711
Weighted Average Number of Equity Shares (Face Value Rs. 10 Each) - Basic	71,239,103	62,200,732
Earnings Per Share - Basic (Rs.)	**5.22**	**2.82**
Weighted Average Number of Equity Shares (Face Value Rs. 10 Each) - Diluted	71,284,191	62,220,406
Earnings Per Share - Diluted (Rs.)	**5.22**	**2.82**

23.5	**Corporate Social Responsibility expenditure:** As per Section 135 of Companies Act, 2013, the Company is required to spend Rs. 3,288,239 (Rs. 1,768,964) towards CSR activities. The Company has not made any contributions during the year, since the Management could not identify suitable projects and programme which can be identified and which would complement the businesses of the Company. During the previous year, the Company had spent Rs. 177,177 toward CSR activities.

24	**Assets De-Recognized on Securitization**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rs.	Rs.
Number of Special Purpose Vehicle (SPV) sponsored for Securitisation transactions	4	4
Outstanding securitised Assets in books of SPV	351,839,761	520,708,477
Less: Collections not yet due to be remitted to SPV*	13,429,623	18,945,884
Outstanding securitised Assets as per books	338,410,138	501,762,593
Total amount of exposure to comply with Minimum Retention Ratio (MRR)		
a) Off Balance Sheet Exposure		
• First Loss	-	-
• Others	-	-
b) On Balance Sheet Exposure		
• First Loss – Cash collateral	18,333,499	18,333,499
• Others – Overcollateral	62,348,233	62,348,233
Book value of Assets sold	699,598,612	699,598,612

* excludes interest collected from customers on securitised assets.

25	**Details of Provision**

Particulars	As at April 1, 2016	Additions	Utilisation / Reversals	As at March 31, 2017
Provision for Standard Assets	18,922,562	13,672,270	-	32,594,832
	(13,355,939)	(5,566,623)	-	(18,922,562)
Provision for Sub standard Assets	2,650,132	3,668,939	2,342,921	3,976,150
	(860,553)	(2,136,012)	(346,433)	(2,650,132)
Provision for doubtful assets	1,555,337	3,567,576	-	5,122,913
	(1,143,440)	(411,897)	-	(1,555,337)

Previous year figures are given in brackets.

Notes forming part of the Consolidated Financial Statements

Note	Particulars
26	**Additional information as required by paragraph 2 of the General instruction for preperation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.**

As at March 31, 2017

Name of the entity	Net Assets		Share in Profit or loss	
	As a % of Consolidated Net Assets	Amount (Rs.)	As a % of Consolidated Profit or (Loss)	Amount (Rs.)
Parent Company				
Aptus Value Housing Finance India Limited	99.94%	5,207,718,427	99.22%	369,059,290
Indian Subsidiary				
Aptus Finance India Pvt Limited	0.06%	2,887,551	0.78%	2,887,551
Total		5,210,605,978		371,946,841

As at March 31, 2016:

Name of the entity	Net Assets		Share in Profit or loss	
	As a % of Consolidated Net Assets	Amount (Rs.)	As a % of Consolidated Profit or (Loss)	Amount (Rs.)
Parent Company				
Aptus Value Housing Finance India Limited	99.98%	2,119,921,063	99.77%	175,052,359
Indian Subsidiary				
Aptus Finance India Pvt Limited	0.02%	402,353	0.23%	402,353
Total		2,120,323,416		175,454,712

27	**Disclosure pursuant to Ministry of Corporate Affiars Notification No. 17/62/2015-CL-V (Vol.I) dated March 30, 2017**		
Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	6,848,500	44,672	6,893,172
(+) Permitted receipts	-	38,198,895	38,198,895
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	6,848,500	36,852,318	43,700,818
Closing cash in hand as on December 30, 2016	-	1,391,249	1,391,249

Note	Particulars
28	**Previous Year's Figures** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director

K M Mohandass
Director

P Balaji
EVP & Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 17, 2017

Aptus Value Housing Finance India Limited

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries

S.No	Particulars	Details
1	Name of the subsidiary	Aptus Finance India Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4	Share capital	70,000,000
5	Reserves & surplus	3,289,903
6	Total assets	73,985,879
7	Total Liabilities	695,976
8	Investments	Nil
9	Turnover	Nil
10	Profit before taxation	4,017,865
11	Provision for taxation	1,130,314
12	Profit after taxation	2,887,551
13	Proposed Dividend	Nil
14	% of shareholding	99.99%

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director

K M Mohandass
Director

P Balaji
EVP & Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 17, 2017

Notes

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