

HINDUJA HOUSING FINANCE

NOTICE

NOTICE is hereby given that the First Annual General Meeting of M/s. Hinduja Housing Finance Limited will be held on Monday 6th June, 2016 at 11.00 A.M at the Registered Office of the Company at No.27A, Developed Industrial Estate, Guindy, Chennai - 600032 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2016, Profit and Loss account for the year ended 31st March 2016 together with the Reports of the Auditors and Directors thereon.
2. To appoint a director in place of Mr. S. Nagarajan (DIN# 00009236), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Sachin Pillai (DIN# 06400793), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Gopal Mahadevan (DIN# 01746102), who retires by rotation, and being eligible, offers himself for re-appointment
5. To appoint Statutory Auditors of the Company and fix their remuneration:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139, 141 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder M/s. BSR & Co., LLP, (Registration No. 101248W/W-100022) be appointed as the Statutory Auditor to hold such office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Sixth Annual General Meeting to be held in the year 2021 (subject to ratification of their appointment at every AGM) at such remuneration plus service tax as may be agreed to mutually between the Board of Directors and Auditors.”

SPECIAL BUSINESS:

6. **Borrowing limits of the Company**

To consider and if thought fit, to pass with or without modifications the following resolutions as **Special Resolution:**

HINDUJA HOUSING FINANCE LIMITED

Registered Office : No. 27A, Developed Industrial Estate, Guindy, Chennai - 600 032. Tel : (044) 3925 2525 Fax : 044-3925 2553
CIN : U65922TN2015PLC100093 Email : compliance@hindujahousingfinance.com

"RESOLVED that pursuant to the provisions of Section 180(1) (c) of the Companies Act 2013, the Rules made thereunder and its related and applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as "the Board") of the Company for borrowing any sum or sums of money from time to time whether in Indian rupees or foreign currency (including external commercial borrowings in foreign denominated currencies from any foreign source / countries as prescribed by guidelines, if any in this respect) from any one or more Company's bankers and /or from any one or more persons, firms, bodies corporate, financial institutions, banks or other acceptable source whether by way of advances, deposits, loans, debentures, bonds or other securities whether convertible into equity/preference shares and/or securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe for equity/preference shares to, bank(s), financial or other institution(s), mutual fund(s), non-resident Indians, foreign institutional investors or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not, whether unsecured or secured and on such terms and conditions as the Board may deem fit, any sum or sums of monies which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed the amount of the paid up capital and free reserves by more than Rs.1,000 Crores (Rupees One Thousand Crores only).

RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or any other Officer(s) of the Company to give effect to the above resolution.

RESOLVED FURTHER that for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved ratified and confirmed in all respects".

7. **Creation of Charges**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:


“RESOLVED that pursuant to the provisions of section 180(1)(a) of the Companies Act 2013, the Rules made thereunder and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the Board of Directors of the Company (hereinafter called “the Board”, which term shall be deemed to include any person(s) authorised by the Board for such purpose) be and is hereby authorised to create such charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, or the whole, or substantially the whole, of the undertaking or undertakings of the Company, and with such ranking as to priority and for such time and on such terms and in such manner as the Board may think fit, in favour of lenders, agents, trustees and other agencies to secure the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or Indian rupee) and /or working capital facilities and/or Securities issued/to be issued by the Company, from time to time, up to an aggregate of paid-up capital of the Company, its free reserves and an additional amount of Rs.1,000 Crores (Rupees One Thousand Crores only), together with interest, compound/additional interest, commitment charges, costs expenses and all other monies payable by the Company to the concerned lenders.

RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or any other Officer(s) of the Company to give effect to the above resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to above resolutions.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved ratified and confirmed in all respects.”

By Order of the Board


S. Nagarajan
Managing Director
(DIN# 00009236)

May 09, 2016
Chennai

Notes:

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy. A proxy need not be a member. A proxy form is enclosed.
2. The proxy form duly completed and signed should reach the registered office of the company at least 48 hours before the time stipulated for the meeting.
3. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out all material facts in respect of all the items of the Notice is attached.

Explanatory Statement

Item No: 6 & 7

In view of the forecasted business expansion and in order to meet working capital requirements, the consent of the company is required to be provided to the Board as required under Section 180(1)(c) & 180(1)(a) of the Companies Act, 2013 to borrow up to Rs.1,000 Crores in excess of the paid up share capital and free reserves of the company and to create charges, mortgages and hypothecations on movable and immovable properties up to Rs.1,000 Crores in excess of the paid up share capital and free reserves of the company. Accordingly a special resolution seeking the approval of members as required under Section 180(1)(c) and Section 180(1)(a) is submitted at Item 1 & 2 for approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution.

By Order of the Board



S. Nagarajan
Managing Director
(DIN# 00009236)

May 09, 2016
Chennai

**Form No. MGT-11
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN :	U65922TN2015PLC100093		
Name of the	HINDUJA HOUSING FINANCE LIMITED		
Registered Office :	No. 27A, Developed Industrial Estate, Guindy, Chennai 600032		
Name of the member			
Registered address :			
E-mail Id :			
Folio No/ Client Id		DPID	

I/We, being the holder(s) of..... shares of the above named company, hereby appoint

1.	Name		
	Address		
	E-mail Id		
	or	Signature	
2.	Name		
	Address		
	E-mail Id		
	or	Signature	
3.	Name		
	Address		
	E-mail Id	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra ordinary General Meeting of the Company, to be held on Friday, May 8, 2015 at 5 p.m. at the No.1, Sardar Patel Road, Guindy, Chennai 600032 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No

1.	2.	3.	4.
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Signed this day of 2015.

Signature of shareholder: _____

Signature of Proxy holder(s): _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

HINDUJA HOUSING FINANCE

DIRECTORS' REPORT

Your Directors have pleasure in presenting the First Annual Report of the Company, together with the Audited Financial Statements, for the year ended March 31, 2016. The summarised financial results of the Company are given hereunder:

1. Financial Results

(Amount Rs. Lakhs)

Particulars	Period ended March 31, 2016
Total Income	80.14
Other Expenditure exclusive of Financial Cost & Depreciation	64.43
Depreciation	0.01
Finance Cost	6.24
Total Expenditure	70.68
Profit Before Tax	9.46
Profit After Tax	6.54

2. Operating and Financial Performance

Your Company was Incorporated on 15th April, 2015 and obtained the Certificate of Registration from the National Housing Bank (NHB) under section 29-A of the National Housing Bank Act, 1987 on 30th September, 2015.

Your company has ventured into the business of lending Affordable Housing Loans after 30th September, 2015 and has registered a Turnover of Rs. 80.14 Lakhs and Net Profit After Tax of Rs. 6.54 Lakhs as on 31st March, 2016. The EPS for the year ended 31st March 2016 was Rs. 0.05 per share.

The Management has taken steps to expand the business operations of the Company PAN India by setting up more Branch Offices across various states of India.

The Capital Adequacy Ratio of the Company was at 17.51% as against statutory requirement of 12%.

3. The change in the nature of business, if any

The Company is engaged in the business of lending Affordable Housing Loans. There is no change in the nature of the business of the Company during the year.

HINDUJA HOUSING FINANCE LIMITED

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Registered Office : No. 27A, Developed Industrial Estate, Guindy, Chennai - 600 032. Tel : (044) 3925 2525 Fax : 044-3925 2553
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4. Subsidiary Information

The Company does not have any subsidiaries / associate companies / joint ventures. Therefore the statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 is not applicable to the Company.

However the Company is a Wholly Owned Subsidiary of M/s. Hinduja Leyland Finance Limited.

5. Dividend

In order to augment capital required for supporting growth of the Company, your Board of Directors has not recommended any dividend for the year.

6. Details of significant and material orders passed by regulators

During the year 2015-16, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

7. Internal Control Systems and their adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Board monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company at regular intervals.

8. Related Party Transactions

There were no materially significant transactions with related parties during the financial year 2015-16 which were in conflict with the interest of the Company. The disclosures as required to be made in Form No.AOC-2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

9. Material changes and commitments affecting the financial position of the Company which have occurred between 31st March, 2016 and May 9, 2016 (date of the Report)

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31st March, 2016) and the date of the Report (09th May, 2016).

10. Risk Management

The Board does not perceive any risk which may threaten the existence of the Company. The Board is in the process of evolving, developing and implementing risk management policy. However, your Company being in the business of Housing Finance, is exposed to normal risk associated with lending such as credit risk, liquidity risk, interest rate risk and operational risk.

11. Board of Directors

There is no change in the composition of the Board during the year.

Mr. Sachin Pillai (DIN# 06400793) and Mr. Gopal Mahadevan (DIN# 01746102) continue to be the Directors of the Company. However Mr. S. Nagarajan (DIN# 00009236) shall continue to be the Managing Director of the Company subject to the ratification of his appointment by the Shareholders at the Annual General Meeting.

Being the First year all the Directors on Board are inducted by virtue of law at the time of Incorporation of the Company therefore all the Directors shall retire in the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

12. Auditors

M/s. BSR & Co., LLP, (Registration No. 101248W/W-100022), were appointed as the First Auditors of the Company by the Board of Director on 13th May, 2015 whose tenure ends with the conclusion of the First AGM. M/s. BSR & Co., LLP being eligible shall be reappointed as the Statutory Auditors of the Company until the conclusion of the Annual General Meeting to be held in the calendar year 2021 subject to ratification of their appointment at every AGM at the First Annual General Meeting.

13. Reply to Auditors Qualifications:

The Auditors have not qualified their opinion on any aspects of the Financial Statements of the Company.

14. Compliance under Companies Act, 2013

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company complied with the compliance requirements and the detail of compliances under Companies Act, 2013.

15. Details of deposits covered under Chapter V of the Act:

Your Company is a Housing Finance Company not eligible to accept deposits. Therefore disclosures under Chapter V of the Companies Act, 2013 does not arise.

16. Particulars of loans, guarantees or investment under section 186:

The Company has not given any loan, provided any guarantee or made Investment covered under Section 186 of the Companies Act, 2013.

17. Extract of Annual Return

An extract of Annual Return in Form MGT-9 as on 31st March, 2016 is attached as **Annexure I** to this Report.

18. Board Meetings held during the year

Six (6) Board Meetings were held during the year.

Dates of the Board Meeting for the financial year 2015 - 2016:			
Quarter 1	Quarter 2	Quarter 3	Quarter 4
13-05-2015	13-08-2015	30-10-2015	09-02-2016
01-06-2015			23-03-2016

19. Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) in the preparation of the Annual financial statements for the year ended 31st March, 2016, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b) for the financial year ended 31st March, 2016, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended 31st March, 2016.
- c) that proper and sufficient care has been taken 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.
- d) the annual financial statements have been prepared on a going concern basis.
- e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.

- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

20. Particulars of Employees and Related disclosures

None of the employees are covered under the provisions of Section 197(12) of the Companies Act, 2013.

21. Corporate Social Responsibility initiatives

The Company is not covered under the mandatory Corporate Social Responsibility provisions. Therefore, the provisions relating to Corporate Social Responsibility does not apply to the Company.

22. Conservation of energy, technology absorption, foreign exchange earnings and outgo

Your Company has no activity relating to conservation of energy, technology absorption or foreign exchange earnings and outgo.


23. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti - Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the year 2015-16.

24. Acknowledgement

Your Directors wish to place on record their deep appreciation for the whole-hearted and sincere co-operation your Company has received from all its Bankers, Financial Institutions. Your Directors also wish to extend their sincere thanks to all the customers and shareholders for their continued support. Your Directors also wish to place on record their appreciation for the unstinted co-operation and support extended by all the employees in achieving the performance of your Company.

By Order of the Board


S. Nagarajan
Managing Director
(DIN# 03155208)


Sachin Pillai
Director
(DIN# 06400793)

Date: 09th May 2016

Place: Chennai

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Sl.No	Particulars	Details
1.	CIN	U65922TN2015PLC100093
2.	Registration Date	15 th April, 2015
3.	Name of the Company	Hinduja Housing Finance Limited
4.	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
5.	Address of the Registered office and contact details	No. 27A, Developed Industrial Estate, Guindy, Chennai- 600032
6.	Whether listed company - Yes / No	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Residential mortgage loan services	99711	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Hinduja Leyland Finance Limited No. 1, Sardar Patel Road, Guindy, Chennai – 600032	U65993TN2008PLC 069837	Holding Company	100%	2(46)

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*	Nil	6	6	Negligible	Nil	6	6	Negligible	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Body Corporates	Nil	1,49,99,994	1,49,99,994	100%	Nil	1,49,99,994	1,49,99,994	100%	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1)	Nil	1,50,00,000	1,50,00,000	100%	Nil	1,50,00,000	1,50,00,000	100%	Nil
(2) Foreign									
a) NRIs- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other -individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Body Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A) =	Nil	1,50,00,000	1,50,00,000	100%	Nil	1,50,00,000	1,50,00,000	100%	Nil

(A)(1)+(A)(2)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FII's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Funds Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.Non-Institutions									
a) Body Corporates -									
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individual -									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c)Others(specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	1,50,00,000	1,50,00,000	100%	Nil	1,50,00,000	1,50,00,000	100%	Nil

(ii) Shareholding of Promoters:-

Sl. 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.	Hinduja Leyland Finance Limited	1,49,99,994	100%	Nil	1,49,99,994	100%	Nil	Nil
2.	S. Nagarajan*	1	Negligible	Nil	1	Negligible	Nil	Nil
3.	Sachin Pillai*	1	Negligible	Nil	1	Negligible	Nil	Nil
4.	Gopal Mahadevan*	1	Negligible	Nil	1	Negligible	Nil	Nil
5.	J. Ganesh*	1	Negligible	Nil	1	Negligible	Nil	Nil
6.	G. Vijayakumar*	1	Negligible	Nil	1	Negligible	Nil	Nil
7.	Veenu Kantroo*	1	Negligible	Nil	1	Negligible	Nil	Nil
	Total	1,50,00,000	100%	Nil	1,50,00,000	100%	Nil	Nil

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

(a) *Hinduja Leyland Finance Limited:*

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	1,49,99,994	100%	Nil	Nil
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	No change in the Shareholding during the year			
3.	At the End of the year	Nil	Nil	1,49,99,994	100%

(b) *S. Nagarajan**:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	1	Negligible	Nil	Nil
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
NIL					
3.	At the End of the year	Nil	Nil	1	Negligible

(c) *Sachin Pillai**:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	1	Negligible	Nil	Nil
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
No change in the Shareholding during the year					
3.	At the End of the year	Nil	Nil	1	Negligible

(d) *Gopal Mahadevan**:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	1	Negligible	Nil	Nil
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
No change in the Shareholding during the year					
3.	At the End of the year	Nil	Nil	1	Negligible

(e) *J. Ganesh**:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	1	Negligible	Nil	Nil
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
No change in the Shareholding during the year					
3.	At the End of the year	Nil	Nil	1	Negligible

(f) *G. Vijayakumar**:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	1	Negligible	Nil	Nil
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
No change in the Shareholding during the year					
3.	At the End of the year	Nil	Nil	1	Negligible

(g) *Veenu Kantroo***:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	1	Negligible	Nil	Nil
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
No change in the Shareholding during the year					
3.	At the End of the year	Nil	Nil	1	Negligible

- * The Beneficial Interest of the shares held by Mr. S. Nagarajan, Mr. Sachin Pillai, Mr. Gopal Mahaevan, Mr. J. Ganesh, Mr. G. Vijayakumar and Mr. Veenu Kantroo was transferred to M/s. Hinduja Leyland Finance Limited on 21st March, 2016 thereby making the company a wholly owned subsidiary of M/s. Hinduja Leyland Finance Limited.

iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):- Nil*

(v) *Shareholding of Directors and Key Managerial Personnel:-*

Shareholding of all the Directors are included in Promoters list. Therefore, the details are not separately provided here.

V. Indebtedness:

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

	(Rs. In Lakhs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
1) Addition	7,500	Nil	Nil	Nil
2) Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	6.16	Nil	Nil	Nil
Total (i+ii+iii)	7,506.16	Nil	Nil	Nil

VI. Remuneration of Directors and Key Managerial Personnel:

- A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-Nil*
- B. Remuneration to other directors:-Nil*
- C. Remuneration To Key Managerial Personnel Other Than MD/MANAGER/WTD:- Nil*

VII. Penalties / Punishment/ Compounding of Offences: Nil

By Order of the Board



S. Nagarajan
Managing Director
(DIN# 03155208)



Sachin Pillai
Director
(DIN# 06400793)

Date: 09th May 2016

Place: Chennai

B S R & Co. LLP

Chartered Accountants

No 10, Mahatma Gandhi Road
Nungambakkam
Chennai - 600 034, India

Telephone: +91 44 3914 5000
Fax: +91 44 3914 5999

Independent Auditors' Report to the members of Hinduja Housing Finance Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Hinduja Housing Finance Limited (the "Company"), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss and the cash flow statement for the period from the date of incorporation to March 31, 2016, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone 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.

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 standalone financial statements are free from material misstatement.



Independent Auditors' Report to the members of Hinduja Housing Finance Limited

Page 2 of 8

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the standalone 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 standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the period from the date of incorporation to March 31, 2016.

Report on other legal and regulatory requirements

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

Further to our comments in the annexure referred to above, and as required by Section 143(3) of the Act, we report 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 the books of account;
- (c) The balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

Independent Auditors' Report to the members of Hinduja Housing Finance Limited

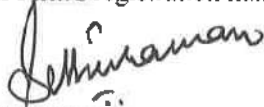
Page 3 of 8

- (e) On the basis of written representations received from the directors as at March 31, 2016, and taken on record by the board of directors, we report that none of the directors is disqualified as at March 31, 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
- (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 B"; and
- (g) With respect to other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has no pending litigations.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - Refer Note 17 to the standalone financial statements
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for B S R & Co. LLP

Chartered Accountants

ICAI Firm's registration number: 101248W/ W-100022



S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date : May 9, 2016

**Annexure A to the Independent Auditors' Report
(Referred to in our report of even date)**

Page 4 of 8

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

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program some of the fixed assets were verified during the period from the date of incorporation to March 31, 2016 and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable.
- ii. The Company is a housing finance company and primarily engaged in lending activities; accordingly it does not hold any physical inventories. Thus paragraph 3(ii) of the 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. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has not given any loan, or made investment, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iv) of the Order are not applicable to the Company.
- v. As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013 for any of the services rendered by the Company. Accordingly paragraph 3(vi) of the order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income-tax and any other statutory dues have been generally regularly deposited during the period from the date of incorporation to March 31, 2016 by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of provident fund, employees' state insurance, sales tax, , service tax, wealth tax, duty of customs, duty of excise, value added tax and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, any other statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

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**Annexure A to the Independent Auditors' Report
(Referred to in our report of even date)**

Page 5 of 8

- (b) According to the information and explanations given to us, there are no dues in respect of income tax that have not been deposited with the appropriate authorities on account of any disputes.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions or debenture holders.
- ix. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). However the Company has raised term loans during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period from the date of incorporation to March 31, 2016.
- xi. According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not paid any managerial remuneration.
- xii. According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable
- xiii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the accounting standards.
- xiv. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period from the date of incorporation to March 31, 2016. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.



**Annexure A to the Independent Auditors' Report
(Referred to in our report of even date)**

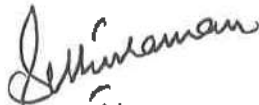
Page 6 of 8

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for B S R & Co. LLP

Chartered Accountants

ICAI Firm's registration number: 101248W/ W-100022



S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date : May 9, 2016

**Annexure B to the Independent Auditors' Report
(Referred to in our report of even date)**

Page 7 of 8

Report on the Internal Financial Controls 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 Hinduja Housing Finance Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the period from the date of incorporation to March 31, 2016 ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('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 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.

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 standalone 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.



**Annexure B to the Independent Auditors' Report
(Referred to in our report of even date)**

Page 8 of 8

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 standalone 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 standalone 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 standalone 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.

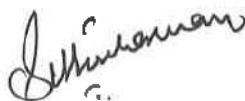
Opinion

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

for B S R & Co. LLP

Chartered Accountants

ICAI Firm's registration number: 101248W/ W-100022



S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date : May 9, 2016



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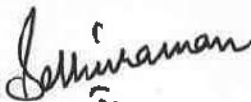
HINDUJA HOUSING FINANCE LIMITED

Balance Sheet as at 31 March 2016

	Note	(INR in lakhs) 31 March 2016
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3	1,500.00
Reserves and surplus	4	6.54
		<u>1,506.54</u>
Non-current liabilities		
Long-term borrowings	5	7,500.00
Long-term provisions	6	33.30
		<u>7,533.30</u>
Current liabilities		
Trade payables	7	4.72
Other current liabilities	8	6.66
		<u>11.38</u>
TOTAL		<u><u>9,051.22</u></u>
ASSETS		
Non-current assets		
Fixed assets		
Tangible fixed assets	9	0.22
Capital work-in-progress		2.08
Deferred tax asset	10	13.12
Long-term loans & advances	11	7,380.80
		<u>7,396.22</u>
Current Assets		
Cash and bank balances	12	590.68
Short term loans and advances	13	1,062.58
Other current assets	14	1.74
		<u>1,655.00</u>
TOTAL		<u><u>9,051.22</u></u>
Significant accounting policies	2	

The notes referred to above form an integral part of these financial statements.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's registration number: 101248W/ W-100022


S Sethuraman
Partner
Membership No: 203491

Place : Chennai
Date : 9 May 2016

For and on behalf of the Board of Directors of
Hinduja Housing Finance Limited


S Nagarajan
Managing Director
DIN No. 00009236

Place : Chennai
Date : 9 May 2016


Sachin Pillai
Director
DIN No. 06400793



HINDUJA
HINDUJA HOUSING FINANCE LIMITED

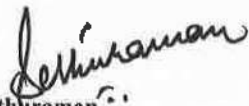
Statement of profit and loss for the period from the date of incorporation to 31 March 2016

(INR in lakhs)

	Note	Period from the date of incorporation to 31 March 2016
Revenue		
Revenue from operations	15	80.14
Total revenue		80.14
Expenses		
Finance costs	16	6.24
Depreciation and amortization expense	8	0.01
Provisions and write off	17	33.30
Other expenses	18	31.13
Total expenses		70.68
Profit before tax		9.46
Tax expense:		
Current tax		16.04
Deferred tax (benefit)		(13.12)
Profit after tax		6.54
Profit for the period		6.54
Earnings per equity share of Rs. 10 each	19	
Basic (in Rs.)		0.05
Diluted (in Rs.)		0.05
Significant accounting policies	2	

The notes referred to above form an integral part of these financial statements.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's registration number: 101248W/ W-100022


S Sethuraman
Partner
Membership No: 203491

Place : Chennai
Date : 9 May 2016

For and on behalf of the Board of Directors of
Hinduja Housing Finance Limited


S Nagarajan
Managing Director
DIN No. 00009236

Place : Chennai
Date : 9 May 2016


Sachin Pillai
Director
DIN No. 06400793



HINDUJA
HINDUJA HOUSING FINANCE LIMITED

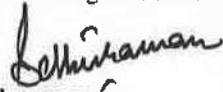
Cash flow statement for the for the period from the date of incorporation to 31 March 2016

(INR in lakhs)

	Note	Period from the date of incorporation to 31 March 2016
A. Cash flow from operating activities		
Net profit before tax		9.46
Adjustments:		
Depreciation and amortization		0.01
Contingency provision on standard assets		33.30
Operating cash flow before working capital changes		42.77
(Increase) / decrease in loans and advances		(8,330.69)
(Increase) / decrease in other assets		(75.77)
Increase / (decrease) in trade payables and other current liabilities		11.38
Cash generated from operations		(8,352.31)
Income taxes (paid) / refunded		(54.70)
Net cash (used) by operating activities (A)		(8,407.01)
B. Cash flow from investing activities		
Purchase of fixed assets including capital work in progress and capital advances		(2.31)
Bank deposits		(442.22)
Net cash from/ (used in) investing activities (B)		(444.53)
C. Cash flow from financing activities		
Proceeds from issue of equity shares		1,500.00
Proceeds from borrowings		7,500.00
Net cash from financing activities (C)		9,000.00
Net increase in cash and cash equivalents (A+B+C)		148.46
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	12	148.46
Components of cash and cash equivalents		As at 31 March 2016
Balances with banks		
- Current accounts		148.46
		148.46


The notes referred to above form an integral part of these financial statements.

As per our report of even date
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's registration number: 101248W/ W-100022


S Sethuraman
Partner
Membership No: 203491

Place : Chennai
Date : 9 May 2016

For and on behalf of the Board of Directors of
Hinduja Housing Finance Limited


S Nagarajan
Managing Director
DIN No. 00009236

Place : Chennai
Date : 9 May 2016


Sachin Pillai
Director
DIN No. 06400793



HINDUJA
HINDUJA HOUSING FINANCE LIMITED

Notes to financial statements for the period from the date of incorporation to 31 March 2016

1 Company overview

Hinduja Housing Finance Limited (the Company), incorporated and headquartered in Chennai, India on 15 April 2015. The Company is registered with National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987 with effect from 30 September 2015. The Company is primarily engaged in to providing loans for the purchase or construction of residential houses.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated, and in accordance with the generally accepted accounting principles in India ("Indian GAAP") and conform to the statutory requirements, circulars, directions and guidelines issued by the National Housing Bank (NHB) from time to time to the extent they have an impact on the financial statements and current practices prevailing in India. The financial statements have been prepared to comply in all material respects with the Accounting Standards ("AS") notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.

The financial statements are presented in Indian rupees rounded off to the nearest lakh up to two decimal places.

All assets and liabilities have been classified into current and non-current as per Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Loans to customers

Loan to customers include assets given on finance / loan and amounts paid for acquiring financial assets from other housing finance institutions.

Loans to customers represents amounts receivable under finance / loan agreements and are valued at net investment amount including installments due and is net of amounts securitized / assigned and includes advances under such agreements.

2.4 Loans and Advances: Classification and Provisioning

Housing loans are classified as per NIIB guidelines, into performing and non-performing assets. Further, non-performing assets are classified into sub-standard, doubtful and loss assets and provision made based on criteria stipulated by NHB guidelines. Additional provisions are made against specific non-performing assets over and above as stated in the NHB guidelines, if in the opinion of the management higher provision is necessary.

The Company maintains general provision for standard assets as stipulated by NHB. Provisions for standard assets are made as per the Housing Finance Companies (NIIB) Directions, 2010. Such provision is disclosed as "contingency provision on standard assets" under the financial statement caption "long term provisions".

2.5 Revenue recognition

(a) Interest on Housing Loans:

(i) Interest income on loans is recognized on accrual basis except in case of non-performing assets where interest is recognized on realization, as per NHB guidelines. Repayment of housing loan is by way of Equated monthly Instalment (EMI) comprising principal and interest. Interest is calculated on monthly reducing balance in terms of financing scheme opted by borrowers. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI interest is charged every month and is accounted on accrual basis.

(b) Fees, other charges and other interest

(i) Upfront / processing fee pertaining to loan origination is amortized over the tenure of the loan.
(ii) Fees and additional interest income on delayed EMI or Pre-EMI are recognized on accrual basis.

(c) Income on securitization / assignment

In respect of transfer of financial assets by way of securitization or bilateral assignments, the said assets are de-recognized upon contractual transfer thereof, and transfer of substantial risks and rewards to purchaser. The gain arising on transfer of financial assets by way of securitization rewards to purchaser. The gain arising on transfer of financial assets by way of securitization or bilateral assignments, if received in cash, is amortized over the tenure of the related financial assets, and if received by way of excess interest spread, is recognized based on the contractual accrual of the same. Loss on sale, if any, is charged to statement of profit and loss immediately at the time the sale is effected.

(d) Other Income

Interest income is recognized on a time proportion basis.

HINDUJA HOUSING FINANCE LIMITED

Notes to financial statements for the period from the date of incorporation to 31 March 2016

2.6 Fixed assets, intangible assets and capital work-in-progress

Fixed assets are carried at cost less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses incurred in relation to the acquisition and installation of the respective assets.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as long term loans and advances. The cost of fixed assets not ready for their intended use at each balance sheet date is disclosed as capital work-in-progress.

Intangible assets are recorded at the consideration paid for acquisition / development and licensing less accumulated amortization.

2.7 Depreciation and amortization

Depreciation on fixed assets is provided using the straight line method over the estimated useful life of each asset as determined by the management. The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are generally adhered to, except in respect of asset classes where, based on technical evaluation, a different estimate of useful life is considered suitable.

Pursuant to this policy, the useful life of the assets is estimated at:

Category of asset	Estimated Useful lives (in periods)
Office equipment	5

The Company has estimated a Nil residual value at the end of the useful life for all block of assets.

Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Intangible assets are amortized over their estimated useful lives, not exceeding five periods, on a straight line basis, commencing from the date the asset is available to the Company for its use.

2.8 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

2.9 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the assets or present value of the minimum lease payments at the inception of the lease, whichever is lower. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the period of the lease or as and when the payments are made over the lease term.

2.10 Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the company in connection with the borrowing of funds. Borrowings costs directly attributable to the acquisition and construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Borrowing costs incurred for arrangement of borrowings are recognised over the tenure of the borrowing as per the agreement.

2.11 Loan origination costs

Sourcing expenses, brokerage, commission, service provider incentives etc. paid for loan origination are charged to expense over the tenure of the loan.

2.12 Provision

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. is recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

2.13 Contingent liabilities and contingent assets

A contingent liability exists when there is probable obligation, or present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

2.14 Foreign currency transactions

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

2.15 Income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognized in the statement of profit or loss.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.16 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, net profit after tax attributable to the equity shareholders for the period and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

In computing diluted earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.

2.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.



HINDUJA
HINDUJA HOUSING FINANCE LIMITED

Notes to financial statements for the period from the date of incorporation to 31 March 2016

(INR in lakhs)

	As at 31 March 2016	
3 Share Capital		
<i>Authorized</i>		
15,000,000 equity shares of Rs. 10/- each	1,500.00	1,500.00
<i>Issued, subscribed and paid up</i>		
15,000,000 equity shares of Rs. 10/- each	1,500.00	1,500.00
	1,500.00	1,500.00
a) Reconciliation of number of shares and amount outstanding at the beginning and as at the end of the period:		
	As at 31 March 2016	
Equity shares	Number	Amount
At the commencement of the period	-	-
Shares issued during the period	15,000,000	1,500.00
At the end of the period	15,000,000	1,500.00
b) Terms / rights, preferences and restrictions attached to equity shares		
<p>The Company has a single class of equity shares having face value of Rs. 10/- each. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.</p> <p>On winding up of the Company, the holder of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.</p>		
c) Shares held by holding / ultimate holding company and / or their subsidiaries/ associates		
	As at 31 March 2016	
Equity shares	Number	% holding
Hinduja Leyland Finance Limited, holding company and its nominee	15,000,000	100.00%
d) Details of shareholders holding more than 5% shares or class of shares		
	As at 31 March 2016	
Equity shares	Number	% holding in class
Hinduja Leyland Finance Limited, holding company and its nominee	15,000,000	100.00%
4 Reserves and surplus	As at 31 March 2016	
I. Statutory Reserve		
<i>(As per Section 29C of National Housing Bank Act, 1987)</i>		
At the commencement of the period		-
Addition during the period		1.31
Appropriation during the period		-
At the end of the period		1.31
II. Surplus in statement of profit and loss		
At the commencement of the period		-
Profit for the period		6.54
Less: Transfer to statutory reserve		(1.31)
Net surplus in the statement of profit and loss		5.23
Total reserves and surplus		6.54



HINDUJA

HINDUJA HOUSING FINANCE LIMITED

Notes to financial statements for the period from the date of incorporation to 31 March 2016

(INR in lakhs)

5 Long-term borrowings	As at 31 March 2016	
	Non-current portion	Current portion
Term loans		
From bank (secured)	7,500.00	-
	<u>7,500.00</u>	<u>-</u>

The term loan is repayable in 24 quarterly installments after a moratorium of four quarters from the date of first disbursement. The aforesaid loan is under floating rate. As at March 31, 2016 the loans carry an interest rate of "base rate plus spread"[#]. As at 31 March 2016, the rate of interest on the term loan is 10.00% p.a.

The term loan is secured by a exclusive first charge on the receivables of the Company with an asset cover of 1.10 times of the facility outstanding.

[#]Base rate represents the base rate of the respective bank.

6 Long-term provisions	As at
	31 March 2016
Contingency provision on standard assets (refer note 25)	33.30
	<u>33.30</u>
7 Trade Payables	
Dues to micro enterprises and small enterprises*	-
Dues to others	4.72
	<u>4.72</u>

* Based on and to the extent of information received by the Company from the suppliers during the period regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no dues to the suppliers registered under the said Act.

8 Other current liabilities	
Interest accrued but not due on borrowings	6.16
Statutory liabilities	0.50
	<u>6.66</u>



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Notes to financial statements for the period from the date of incorporation to 31 March 2016

(INR in lakhs)

9 Tangible fixed assets

Particulars	Office equipment	Total
Gross Block		
Balance as at 15 April 2015	-	-
Additions	0.23	0.23
Disposals	-	-
Balance as at 31 March 2016	0.23	0.23
Depreciation		
Balance as at 15 April 2015	-	-
Depreciation for the period	0.01	0.01
Disposals	-	-
Balance as at 31 March 2016	0.01	0.01
Net Block As at 31 March 2016	0.22	0.22



HINDUJA
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Notes to financial statements for the period from the date of incorporation to 31 March 2016

(INR in lakhs)

	Period from the date of incorporation to 31 March 2016
15 Revenue from operations	
Interest income	23.53
Other operating income	
Interest on fixed deposits with banks	56.61
	80.14
16 Finance cost	
Interest on	
- Term loans	6.16
Other finance charges	
- Processing fees	0.08
	6.24
17 Provisions and write off	
Contingency provision against standard assets (refer note 22)	33.30
	33.30
18 Other expenses	
Service provider fees	0.17
Power and fuel	0.30
Rates and taxes	0.63
Legal and professional charges (see note below)	10.13
Office maintenance	0.05
Bank charges	0.03
Advertisement and sale promotion	4.22
Incorporation expenses	13.09
Management service fees	2.51
	31.13
Note: payment to auditor (excluding service tax)	
As auditor	
Statutory audit	6.00
Certification	2.00
	8.00
19 Earnings per share	
Profit after tax	6.54
Net profit attributable to equity shareholders for calculation of basic/diluted EPS	6.54
Equity shares (nominal value of Rs. 10/- each)	
Weighted average number of equity shares outstanding for calculation of basic and diluted EPS	14,465,753
Weighted average number of equity shares outstanding (Nos.)	14,465,753
Earnings per Share (Rs.)	
- Basic	0.05
- Diluted	0.05



HINDUJA HOUSING FINANCE LIMITED

Notes to financial statements for the period from the date of incorporation to 31 March 2016

(INR in lakhs)

20 Related Party Disclosure

Name of the related parties and nature of relationship

Holding Company / Ultimate Holding Company Hinduja Leyland Finance Limited (holding company of Hinduja Housing Finance Limited)

Ashok Leyland Limited
(holding company of Hinduja Leyland Finance Limited)

Hinduja Automotive Limited
(holding company of Ashok Leyland Limited)

Machen Holdings S.A
(holding company of Hinduja Automotive Limited)

Machaen Development Corporation, Panama
(holding company of Machen Holdings S.A.)

Amas Holdings S.P.F.
(holding company of Machaen Development Corporation)

Key Management Personnel Mr. S. Nagarajan, Managing Director

Related Party Transactions

Nature of Transaction	Holding Company	Key management Personnel
Reimbursement of expenses	15.95	-

21 Segment Reporting

The Company is engaged in the business of financing residential houses and related activities. Further, the Company does not have any separate geographic segments other than India. There are no separate reportable segments as per AS 17 (Segment reporting).



HINDUJA HOUSING FINANCE LIMITED

Notes to financial statements for the period from the date of incorporation to 31 March 2016

(INR in lakhs)

22 Disclosure relating to certain provisions (As per AS 29 - Provisions, Contingent liabilities and Contingent assets)

Particulars	As at the date of incorporation	Additional provision	Utilization / Reversal	As at March 31, 2016
Contingency provision for standard assets	-	33.30	-	33.30

23 Provision in respect of standard, sub-standard, doubtful and loss assets are recorded in accordance with guidelines with prudential norms, as specified by national housing bank and are as follows:

Particulars	As at 31 March 2016
Long-term provision	
Housing loans	-
Provision for standard assets	33.30
Provision for sub standard, doubtful and loss assets	-
Short-term provision	
Housing loans	-
Provision for standard assets	-
Provision for sub standard, doubtful and loss assets	-
Total	33.30

24 Disclosure pursuant to circular no NHB NCD/DRS Pol 61/2013-14 dated 07 April 2014 issued by NHB

Statutory Reserve	As at 31 March 2016
Balance at the beginning	
a) Statutory reserve as per section 29C of the National Housing Bank Act, 1987	-
b) Amount of special reserve u/s 36(1)(viii) of Income tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	-
c) Total	-
Addition/Appropriation/withdrawals during the period	
Add:	
a) Amount Transferred as per section 29C of the National Housing Bank Act, 1987	-
b) Amount of special reserve u/s 36(1)(viii) of Income tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	1.31
Less:	
a) Amount appropriated as per section 29C of the National Housing Bank Act, 1987	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	-
Balance as at end of the year	
a) Statutory reserve as per section 29C of the National Housing Bank Act, 1987	-
b) Amount of special reserve u/s 36(1)(viii) of Income tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	1.31
Total	1.31



**HINDUJA
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Notes to financial statements for the period from the date of incorporation to 31 March 2016

(INR in lakhs)

25 Disclosure pursuant to circular no NHB NCD/DRS Pol 61/2013-14 dated 07 April 2014 issued by NHB

Disclosure pursuant to circular no NHB NCD/DRS Pol 35/2010-11 dated 11 October 2010 issued by NHB

I. Capital to Risk Asset Ratio (CRAR)

Items	As at 31 March 2016
CRAR%	17.51%
CRAR - Tier I Capital (%)	17.11%
CRAR - Tier II Capital (%)	0.40%

II. Exposure to Real Estate Sector

Category	As at 31 March 2016
-----------------	----------------------------

(a) Direct Exposure

(i) Residential Mortgage

Lending fully secured by mortgage on residential property that is or will be occupied by borrower or that is rented

8,325.95

(ii) Commercial real estate

Lending fully secured by mortgage on commercial real estate (Office building or retail space, multi purpose commercial premises, multi family residential building, multi tenanted commercial building, industrial or warehouse space, hotels, land acquisitions, developments and constructions, etc.). Exposure would also include Non Fund Based (NFB) limits.

(iii) Investment in mortgage back securities (MBS) and Other securitized exposures

(a) Residential

-

(a) Commercial Real Estate

-

(b) Indirect Exposure

Fund based and non fund based exposure on National Housing Bank (NHB) and Housing Finance Corporations (HFCs)



HINDUJA
HINDUJA HOUSING FINANCE LIMITED

Notes to financial statements for the period from the date of incorporation to 31 March 2016

(INR in lakhs)

III. Asset Liability Management

Maturity pattern of certain items assets and liabilities.

Particulars	Borrowings	Advances
1 to 14 days	-	-
Over 14 days up to 1 months	-	81.28
Over 1 months up to 2 months	-	81.74
Over 2 months up to 3 months	-	83.23
Over 3 months up to 6 months	-	255.74
Over 6 months up to 1 year	-	541.77
Over 1 year up to 3 years	2,500.00	2,243.12
Over 3 year up to 5 years	2,500.00	2,069.14
Over 5 years	2,500.00	2,969.94
Total	7,500.00	8,325.96

As per our report of even date
for B S R & Co. LLP

Chartered Accountants

ICAI Firm's registration number: 101248W/ W-100022

S Sethuraman

Partner

Membership No: 203491

For and on behalf of the Board of Directors of
Hinduja Housing Finance Limited

S Nagarajan

Managing Director

DIN No. 00009236

Sachin Pillai

Director

DIN No. 06400793

Place : Chennai

Date : 9 May 2016

Place : Chennai

Date : 9 May 2016