

CAPITAL FIRST HOME FINANCE LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

Amounts in Rupees

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	1,377,330,790	663,045,150
Reserves and surplus	4	642,359,050	251,549,782
		2,019,689,840	914,594,932
Non-current Liabilities			
Deferred tax liability (Net)	5	-	3,295,831
Long term borrowings	6	14,056,625,010	3,744,500,000
Other long term liabilities	7	276,179,507	70,971,472
Long term provisions	8	260,585,853	54,545,786
		14,593,390,370	3,873,313,089
Current Liabilities			
Short term borrowings	9	3,426,764,441	933,176,248
Trade payables	10	-	-
(i) Micro and Small Enterprises		-	-
(ii) Other than Micro and Small Enterprises		293,956,676	52,398,022
Other current liabilities	11	3,267,277,191	1,292,357,123
Short term provisions	12	14,132,489	7,249,690
		7,002,130,796	2,285,181,083
TOTAL		23,615,211,006	7,073,089,104
ASSETS			
Non - Current Assets			
Fixed assets			
- Tangible assets	13	1,947,384	-
		1,947,384	-
Deferred tax asset (net)	5	68,374,558	-
Long term loans and advances	14	19,668,610,255	6,005,019,288
Other non current assets	15	210,847,300	92,007,660
		19,949,779,497	6,097,026,948
Current Assets			
Cash and bank balances	16	2,463,515,177	727,598,618
Short term loans and advances	17	947,708,839	175,786,993
Other current assets	18	254,207,493	72,676,545
		3,665,431,509	976,062,156
TOTAL		23,615,211,006	7,073,089,104

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

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

Manoj Kumar Vijai
Partner
Membership No.046882

V. Vaidyanathan
Director
DIN No. 00082596

Apul Nayyar
Director
DIN No. 01738973

Deepak Kundalia
Chief Financial Officer

Bhavik Gala
Company Secretary

Place: Mumbai
Date : May 3, 2018

Place: Mumbai
Date : May 3, 2018

CAPITAL FIRST HOME FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from Operations	19	1,682,794,163	708,309,080
Other income	20	40,845,770	3,836,944
Total Revenue		1,723,639,933	712,146,024
Expenses			
Employee benefits expense	21	167,007,279	46,900,318
Finance costs	22	955,744,959	404,812,898
Other expenses	23	443,761,126	163,325,524
Total Expenses		1,566,513,364	615,038,740
Profit before tax		157,126,569	97,107,284
Tax expense:			
- Current tax		117,814,457	26,132,443
- Deferred tax		(71,670,389)	5,738,130
- Tax for earlier years		169,380	852,245
		46,313,448	32,722,818
Profit after tax		110,813,121	64,384,466
Earnings per equity share:			
- Basic	24	0.97	0.97
- Diluted		0.97	0.97

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the Financial Statements

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CAPITAL FIRST HOME FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from Operating Activities		
Profit before tax	157,126,569	97,107,284
<u>Adjustments for:</u>		
Provision for doubtful loans and advances	152,304,914	29,679,177
Provision for standard assets	55,815,979	8,356,817
Provision for employee benefits	5,246,535	-
Bad loans and trade receivables written off (net of recovery)	24,518,107	82,521,444
Profit on sale of Investments	(40,365,870)	(3,515,891)
Operating profit before Working Capital changes	354,646,234	214,148,831
<u>Adjustment for changes in working capital:</u>		
(Decrease)/ increase in Trade Payables	241,558,654	20,110,029
(Decrease)/ increase in Long term Liabilities	205,208,035	31,571,411
(Decrease)/ increase in Short term Liabilities	138,378,396	48,966,451
(Increase)/ Decrease in Short term Loans & Advances	(771,921,846)	39,653,293
(Increase)/ Decrease in Long term Loans & Advances	(13,683,893,251)	(2,192,549,197)
(Increase)/ Decrease in Short term other assets	(181,530,947)	(21,608,390)
(Increase)/ Decrease in Long term other assets	(118,839,640)	(57,943,392)
Cash used in from Operations	(13,816,394,365)	(1,917,650,964)
Less: Direct taxes paid	(122,644,220)	(35,507,179)
Net Cash used in Operating Activities	(13,939,038,585)	(1,953,158,143)
Cash flow from Investing Activities		
Proceeds from sale of current investments	28,819,865,870	4,399,215,891
Purchase of current investments	(28,779,500,000)	(4,395,700,000)
Purchase of Fixed asset	(1,947,384)	-
Net Cash generated from Investing Activities	38,418,486	3,515,891
Cash flow from Financing Activities		
Proceeds from issue of equity share capital	714,285,640	-
Proceeds from securities premium on issue of equity share capital	285,714,256	-
Payment of securities issue expenses	(5,718,109)	-
Proceeds from Long term borrowings	14,550,000,011	2,315,000,000
Proceeds from Short term borrowings	25,868,659,276	6,965,873,317
Proceeds from ICD	150,000,000	765,000,000
Repayment of Long term borrowings	(2,401,333,333)	(768,750,000)
Repayment of Short term borrowings	(23,375,071,083)	(6,605,684,672)
Repayment of ICD	(150,000,000)	(765,000,000)
Net Cash generated from Financing Activities	15,636,536,658	1,906,438,645
Net increase / (decrease) in Cash and Cash Equivalents during the year	1,735,916,559	(43,203,607)
Cash and Cash Equivalents at the beginning of the year	727,598,618	770,802,225
Cash and Cash Equivalents at the end of the year	2,463,515,177	727,598,618

	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents comprises of :		
Cash on hand	11,374,916	8,499,753
Balance with banks:		
- in current accounts	2,452,140,261	719,098,865
Total	<u>2,463,515,177</u>	<u>727,598,618</u>

Notes:

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

As per our report of even date

For B S R & Co. LLP
ICAI Firm Registration No. 101248 W/W-100022
Chartered Accountants

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CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

During the current year, the Board of Directors of the Company at its meeting held on 13 January 2018, has approved a composite scheme of amalgamation, in terms of Sections 230-232 of Companies Act, 2013, of Capital First Limited, the Company, and Capital First Securities Limited (together the "Amalgamating Companies") with IDFC Bank Limited ("Amalgamated Company"). The Competition Commission of India has, at its meeting held on March 07, 2018, considered the proposed combination and approved the same under sub-section (1) of Section 31 of the Competition Act, 2002. The National Housing Bank, vide its letter dated February 19, 2018, has intimated their no objection to the aforesaid amalgamation subject to compliance with the applicable provisions of relevant Acts, Rules, Regulations, etc. in the matter. BSE Limited ("BSE") has, vide its letter dated March 14, 2018, given its prior approval for the aforesaid amalgamation with respect to the Amalgamated Company's trading membership in the Currency Derivative Segment of BSE. The said scheme remains subject to the receipt of approval from the Reserve Bank of India and other statutory and regulatory approvals, including the approvals of the relevant Stock Exchanges, Securities & Exchange Board of India, the National Company Law Tribunal, and the respective shareholders and creditors of the Amalgamating Companies and the Amalgamated Company.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

(b) Use of estimates

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

(c) Tangible assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(d) Loans

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

(e) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as Long-term investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Current investments are carried in the financial statements at lower of cost or market value determined on an individual investment basis. Unquoted investments in the units of mutual funds are valued at the net asset value as per guidelines issued by the NHB.

(f) Commercial Papers

Commercial paper is recognised at redemption value net of unamortized finance charges. The difference between redemption value and issue value is amortised on a time basis and is disclosed separately under finance charges.

(g) Revenue recognition

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

Interest income

Interest income from retail loans is accounted based on applying Internal Rate of Return ('IRR') and from other loans is accounted based on applying interest rate implicit in the contract.

In case of non-performing assets interest income is recognised on receipt basis and unrealised interest recognised as income in the previous period is reversed in the month in which the asset is classified as Non-performing as per NHB guidelines.

Commission and brokerage income

Commission and brokerage income earned for the services rendered are recognised as and when they are due.

Income from assignment

In case of assignment of loans the loans are derecognized as all the rights, title, future receivable and interest thereof are assigned to the purchaser. Income from assignment of loans and receivables is amortised over the tenure of loans.

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

Fee income

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

Profit/ Loss on sale of investments

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(h) Securities issue expenses

Security issue expenses related to issuance of equity and debt are debited against securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013.

(i) Retirement and other employee benefits

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The Company provides for the gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

Leave encashment

Earned leave during the financial year and remaining unutilized will be encashed at the year end based on basic salary. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(j) Borrowing costs

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

(k) Loan origination cost

Loan origination costs such as credit verification, agreement stamping, direct selling agents commission and valuation charges are recognised as expense over the contractual tenor of the loan agreements on internal rate of return ("IRR") basis. Full month's amortization is done in the month in which loans are disbursed. For the agreements foreclosed or transferred through assignment, the unamortised portion of the loan acquisition costs is recognised as charge to the Statement of Profit and Loss at the time of such foreclosure/ transfer through assignment.

(l) Income Taxes

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

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

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

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

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

(m) Provisioning / Write-off on assets

Provisioning / Write-off on Overdue assets:

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

Provisioning for standard assets:

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

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(n) Earnings per share

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

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

(o) Provisions

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

(p) Contingent liabilities

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

(q) Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.

Particulars	Amounts in Rupees	
	As at March 31, 2018	As at March 31, 2017
3 Share Capital:		
Authorised:		
150,000,000 (Previous Year: 90,000,000) Equity shares of Rs. 10/- each	1,500,000,000	900,000,000
	1,500,000,000	900,000,000
Issued, subscribed and fully paid up:		
137,733,079 (Previous Year: 66,304,515) Equity shares of Rs. 10/- each	1,377,330,790	663,045,150
	1,377,330,790	663,045,150
a Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the reporting year:		
	As at March 31, 2018	As at March 31, 2017
	Number	Rs.
At the beginning of the reporting year	66,304,515	663,045,150
Issued during the year	71,428,564	714,285,640
Bought back during the reporting year	-	-
At the close of the reporting year	137,733,079	1,377,330,790
	66,304,515	663,045,150
b Terms / Rights attached to Equity Shares: The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
c Shares held by the holding company (including nominees):		
	As at March 31, 2018	As at March 31, 2017
	Number	Rs.
Equity shares of Rs. 10/- each Capital First Limited (including nominees)	137,733,079	1,377,330,790
	66,304,515	663,045,150
d Particulars of equity share holders holding more than 5% of the total number of equity share capital:		
	As at March 31, 2018	As at March 31, 2017
	Number	Rs.
Capital First Limited (including nominees)	137,733,079	1,377,330,790
	66,304,515	663,045,150
e Aggregate number of shares issued for a consideration other than cash during the period of five years immediately preceding the reporting date	30,029,515	30,029,515
4 Reserves and Surplus:		
a Capital Reserve		
Balance as per last Balance Sheet	63,774,782	63,774,782
b Statutory Reserve <i>As per Section 29C of The National Housing Bank Act, 1987</i>		
Balance as per last Balance Sheet	32,833,492	19,956,599
Addition during the year	22,162,624	12,876,893
	54,996,116	32,833,492
c Securities Premium		
Balance as per last Balance Sheet	-	-
Received during the year	285,714,256	-
Less: Securities issue expenses (net of tax)	(5,718,109)	-
	279,996,147	-
d Surplus in the Statement of Profit and Loss		
Balance as per last Balance Sheet	154,941,508	103,433,935
Add: Net profit for the year	110,813,121	64,384,466
	265,754,629	167,818,401
Less: Appropriations:		
Transfer to Statutory Reserve (20% of current year) (Refer note no. (i))	(22,162,624)	(12,876,893)
	243,592,005	154,941,508
	642,359,050	251,549,782

Note

- (i) As per Section 29C of The National Housing Bank Act, 1987 every housing finance institution shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of profit and loss and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the housing finance institution except for the purpose as may be specified by National Housing Bank from time to time and every such appropriation shall be reported to the National Housing Bank within twenty-one days from the date of such withdrawal. The said amount has been transferred at the end of the Financial Year.

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

Particulars	Non Current Portion		Current Maturities*	
	As at	As at	As at	As at
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
6 Long term Borrowings				
Secured				
Redeemable Non-Convertible debentures	1,000,000,000	-	-	-
Term Loans - from Banks	12,556,625,010	3,744,500,000	3,067,041,668	1,230,500,000
Unsecured				
Redeemable Non Convertible Debentures (Subordinated debt)	500,000,000	-	-	-
	14,056,625,010	3,744,500,000	3,067,041,668	1,230,500,000

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

a. Security details for Secured Redeemable Non Convertible Debentures

- 1 Debentures of Rs. 1,000,000,000 (Previous Year: NIL) are secured by first pari-passu charge on the fixed asset owned by the Company and first pari-passu charge by way of hypothecation, over standard present and future receivables.
- 2 The total asset cover required thereof has been maintained as per the terms and conditions stated in the respective Debenture Trust Deeds.

b. Particulars of Secured Redeemable Non Convertible Debentures

Date of Redemption	Quantity (Face value of Rs. 10 Lakh)	Non Current Portion		Current Maturities*	
		As at	As at	As at	As at
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
September 29, 2022	1000	1,000,000,000	-	-	-
		1,000,000,000	-	-	-

c. Security details for Secured Term loans

- 1 Term loan of Rs. 1315,00,00,011 (Previous Year Rs. 4,275,000,000) is secured by way of first pari passu charge on loan receivables and other current assets of the Company.
- 2 Term loan of Rs. 247,36,66,667 (Previous Year Rs. 700,000,000) is secured by way of first exclusive charge on loan receivables of the Company.

d. Particulars of Unsecured Redeemable Non Convertible Debentures

Date of Redemption	Quantity (Face value of Rs. 10 Lakh)	Non Current Portion		Current Maturities*	
		As at	As at	As at	As at
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
March 28, 2025	500	500,000,000	-	-	-
		500,000,000	-	-	-

e. Terms of repayment of secured term loan from bank

As at March 31, 2018

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	8.05% to 8.65%	Quarterly Instalments	9,586,458,338	1,405,208,335
36-48 months	8.60%	Quarterly Instalments	787,500,000	262,500,000
24-36 months	8.40% to 8.60%	Quarterly Instalments	1,716,666,667	764,583,333
12-24 months	8.20% to 8.75%	Quarterly Instalments	466,000,005	578,500,000
Upto 12 months	8.75%	Quarterly Instalments	-	56,250,000
Grand Total			12,556,625,010	3,067,041,668

As at March 31, 2017

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

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

Particulars	As at March 31, 2018	As at March 31, 2017
5 Deferred tax liability (Net)		
Deferred tax liability		
- Statutory Reserve	15,860,880	9,469,179
- Unamortised loan origination costs	74,367,154	29,346,571
- Unamortised borrowing costs	8,947,404	4,112,692
	99,175,438	42,928,442
Deferred tax asset		
- Merger expense	152,925	304,119
- Unamortised preliminary expenses	-	46,623
- Retirement Benefit	1,297,026	-
- Unamortised processing fees	89,600,086	22,803,976
- Provision for standard assets	23,132,196	7,034,868
- Provision for doubtful loans and advances	53,367,762	9,443,025
	167,549,995	39,632,611
Net Deferred tax liability/(Asset)	(68,374,558)	3,295,831

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

Particulars	As at March 31, 2018	As at March 31, 2017
7 Other Long term liabilities		
Unamortised processing fees	276,179,507	70,971,472
	276,179,507	70,971,472
8 Long term provisions:		
Provision for standard assets (Refer note no. 30)		
Housing Loans	43,808,006	16,641,375
Loan Against Property	33,352,351	7,187,214
Provision for doubtful loans (Refer note no. 30)		
Housing Loans	120,042,318	7,392,564
Loan Against Property	59,214,811	23,324,633
Provision for employee benefits		
- Gratuity (Refer note no. 27)	4,168,367	-
	260,585,853	54,545,786
9 Short term borrowings		
<i>Secured</i>		
Loans repayable on demand from banks *	2,441,798,929	933,176,248
<i>Unsecured</i>		
Commercial Paper		
Face Value	1,000,000,000	-
Less: Unmatured discounting charges	(15,034,488)	-
	3,426,764,441	933,176,248
Additional Information *		
1. Cash Credit of Rs. 2,441,798,929 (Previous Year: Rs. 933,176,248) is secured by way of first pari passu charge on loan receivables and other current assets of the Company.		
2. Terms of repayment of commercial papers:		
Date of Maturity	As at March 31, 2018	As at March 31, 2017
Jun-18	1,000,000,000	-
Total	1,000,000,000	-
10 Trade Payables:		
To Micro, Small and Medium Enterprises *	-	-
Others	293,956,676	52,398,022
	293,956,676	52,398,022

*** Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2018. The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 (Act) has been determined to the extent such parties have been identified by the Company.

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

Particulars	As at March 31, 2018	As at March 31, 2017
11 Other current liabilities:		
Current maturities of long term debt (Refer note no. 6)	3,067,041,668	1,230,500,000
Unamortised processing fees	34,500,405	8,099,180
Interest accrued but not due	54,016,337	2,394,445
Overdrawn book balance	44	-
Income received in advance	907,942	1,348,710
Advance received from customers	-	6,559,159
Other liabilities*	110,810,795	43,455,629
	3,267,277,191	1,292,357,123
* Includes statutory payments		
12 Short term provisions:		
Provision for standard assets (Refer note no. 30)		
Housing Loans	1,296,852	440,628
Loan Against Property	1,751,513	123,529
Provision for doubtful loans (Refer note no. 30)		
Housing Loans	2,901,163	329,955
Loan Against Property	2,889,427	1,695,652
Provision for employee benefits		
- Gratuity (Refer note no. 27)	328,949	-
- Leave Encashment	749,219	-
Provision for doubtful advances	575,022	575,022
Provision for tax (net of advance tax)	3,640,344	4,084,904
	14,132,489	7,249,690

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

13 Fixed Assets:

Amounts in Rupees

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2017	Additions during the period	Deductions during the period	As at MARCH 31, 2018	As at April 1, 2017	For the period	Deductions during the period	As at MARCH 31, 2018	As at MARCH 31, 2018	As at March 31, 2017
Tangible Assets										
Own assets										
Freehold Land *	-	1,947,384	-	1,947,384	-	-	-	-	1,947,384	-
	-	1,947,384	-	1,947,384	-	-	-	-	1,947,384	-
Total	-	1,947,384	-	1,947,384	-	-	-	-	1,947,384	-

*Mortgaged as security against Secured Non Convertible Debentures

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amounts in Rupees

Particulars	As at March 31, 2018	As at March 31, 2017
14 Long term loans and advances		
<i>Secured, considered good</i>		
Loans and advances relating to financing activity		
Housing Loans	10,952,001,637	4,111,676,391
Loan Against Property	8,338,087,869	1,800,308,027
<i>Secured, considered doubtful</i>		
Loans and advances relating to financing activity		
Housing Loans	235,164,164	28,976,275
Loan Against Property	114,407,203	39,325,036
<i>Unsecured, considered good</i>		
Advance taxes (net of provision for tax)	28,949,382	24,733,559
	19,668,610,255	6,005,019,288
15 Other non current assets		
Unamortised loan origination cost	190,308,628	83,408,490
Unamortised borrowing costs	20,538,672	8,599,170
	210,847,300	92,007,660
16 Cash and Bank Balances:		
Cash and Cash Equivalents		
Cash on hand *	11,374,916	8,499,753
Balance with Banks		
- in current accounts	2,452,140,261	719,098,865
	2,463,515,177	727,598,618
*Includes Cash in transit amounting to Rs.11,292,354 (Previous year Rs. 8,499,753)		
17 Short term loans and advances		
<i>Secured, considered good</i>		
Loans and advances relating to financing activity		
Housing Loans	241,759,020	110,157,092
Loan Against Property	344,162,888	30,882,178
<i>Secured, considered doubtful</i>		
Loans and advances relating to financing activity		
Housing Loans	8,541,279	1,293,307
Loan Against Property	8,458,000	2,858,847
<i>Unsecured, considered good</i>		
Advances recoverable in cash or in kind or for value to be received *	344,212,630	30,020,547
<i>Unsecured, considered doubtful</i>		
Advances recoverable in cash or in kind or for value to be received	575,022	575,022
	947,708,839	175,786,993
* Includes Rs. 2,58,442,302 receivable from Related Party (Previous year Rs. 88,195,129)		
18 Other Current Assets:		
Interest accrued but not due	176,169,368	48,667,345
Unamortised loan origination cost	67,552,512	18,347,993
Unamortised borrowing costs	10,485,613	5,661,207
	254,207,493	72,676,545

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
19 Revenue from operations:		
Interest income	1,561,258,192	659,859,929
Other financial services:		
Proceesing fees and other charges	83,779,311	48,449,151
Income from assignment of loans	37,566,580	-
Commission and brokerage income	190,080	-
	<u>1,682,794,163</u>	<u>708,309,080</u>
20 Other Income		
Profit on sale of Investments	40,365,870	3,515,891
Interest on Income Tax Refund	479,900	321,053
	<u>40,845,770</u>	<u>3,836,944</u>
21 Employee benefits expense		
Salaries and wages	159,479,280	46,900,318
Contribution to provident and other funds	6,729,376	-
Staff welfare expenses	798,623	-
	<u>167,007,279</u>	<u>46,900,318</u>
22 Finance Costs:		
Interest expense	871,110,817	376,543,109
Other borrowing costs	80,188,325	27,743,825
Bank charges	4,445,817	525,964
	<u>955,744,959</u>	<u>404,812,898</u>

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
23 Other expenses:		
Rent	6,504,168	177,159
Repairs others	30,812,993	395,204
Insurance	379,003	-
Rates and taxes	12,909,696	449,267
Auditors' remuneration		
- as auditor	1,250,000	1,250,000
- tax audit	150,000	150,000
- for Certification and others	474,500	269,425
- for reimbursement of expenses	62,351	35,450
Travelling expenses	9,087,071	9,463
Communication expenses	3,683,413	111,771
Printing and stationery	2,290,023	369,108
Recruitment expenses	40,387	-
Advertisement, publicity and sales promotion expenses	8,680,078	955,512
Electricity charges	1,237,773	40,315
Membership and subscription	153,298	3,567
Amortised loan origination cost	49,932,935	20,622,761
Provision & Write offs:		
Provision for doubtful loans and advances	152,304,914	29,679,177
Provision for standard assets	55,815,979	8,356,817
Bad debts written off (net of recovery)	24,518,107	82,521,444
	232,639,000	120,557,438
Donations (Refer note below)	1,600,000	744,000
Legal and professional charges	76,239,266	16,720,355
Directors sitting fees	370,000	210,000
Collection expenses	2,758,136	-
Miscellaneous expenses	2,507,035	254,729
	443,761,126	163,325,524

Note

During the year, the Company has contributed Rs.16,00,000 (Previous Year: Rs. 744,000) towards Corporate Social Responsibility ('CSR') expenditure being revenue in nature under Section 135 of the Companies Act, 2013 read with Schedule VII to the said Act.

Details of CSR spent during the financial year:

a) Gross amount required to be spent by the company during the year is Rs. 1,543,411 (Previous Year: Rs.743,958)

b) Amount spent during the year on:

Particulars	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	1,600,000	-	1,600,000

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

24 Earning per equity share ('EPS')

Basic & Diluted EPS

Net Profit for the year	110,813,121	64,384,466
Weighted average number of equity shares	114,054,021	66,304,515
Nominal value per share	10	10
Earnings per equity share (Rs.)	0.97	0.97

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

25 Contingent liabilities

Contingent Liabilities not provided for in respect of:

Amount in Rupees

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Income-tax	8,968,392	9,776,517

26 Capital Commitments

Amount in Rupees

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Commitments relating to loans sanctioned but undrawn	162,929,984	22,235,176

27 Post-employment benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service. Gratuity expense has been included in 'Contribution to provident fund and other funds' under Personnel expenses.

The following table summaries the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

A. Change in Present Value of Obligation

Amounts in Rupees

Particulars	Gratuity (Unfunded)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Present Value of the Obligation as at the beginning of the year	-	-
Interest Cost	136,346	-
Current and Past Service Cost	4,570,643	-
Benefit Paid	-	-
Actuarial (gain)/ loss on obligations	(209,674)	-
Present Value of the Obligation as at the end of the year	4,497,315	-

B. Amount recognised in the Statement of Profit and Loss

Amounts in Rupees

Particulars	Gratuity (Unfunded)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Cost	136,346	-
Current and past Service Cost	4,570,643	-
Actuarial (gain)/ loss on obligations	(209,674)	-
Total expense/ (income) recognised in the Statement of Profit and Loss	4,497,315	-

C. Reconciliation of Balance Sheet

Amounts in Rupees

Particulars	Gratuity (Unfunded)	
	Year ended 31-Mar-18	Year ended 31-Mar-17
Present Value of the Obligation as at the beginning of the year	-	-
Total expense recognised in the Statement of Profit and Loss	4,497,315	-
Benefits paid	-	-
Present Value of the Obligation as at the end of the year	4,497,315	-

The principal assumptions used in determining obligations for the Company's plans are shown below:

Assumptions	Gratuity (Unfunded)	
	31-Mar-18	31-Mar-17
Discount rate	7.87%	NA
Increase in compensation cost	9.69% -11.36%	NA
Employee turnover	0.00%	NA

Experience adjustments	As at March 31				
	2018	2017	2016	2015	2014
Experience adjustments on plan liabilities (gain/loss)	824,192	-	-	-	-
Experience adjustments on plan assets (gain/loss)	-	-	-	-	-

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

Since the Company has not funded its gratuity liability there are no returns on the planned assets and hence the details related to changes in fair value of assets have not been given.

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

28 Related Party Disclosures

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

Relationship	Name of the Party
Ultimate Holding Company	Cloverdell Investment Ltd. (Upto May 17, 2017)
Holding Company	Capital First Limited
Fellow subsidiaries	Capital First Securities Limited Capital First Commodities Limited

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

29 Segment Reporting

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

Geographical Segments:

The Company operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.

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

Particulars	For the year ended March 31, 2018			
	Standard	Sub-Standard	Doubtful	Total
Loans				
Housing loans	11,193,760,656	243,705,443	-	11,437,466,099
Mortgage Loans	8,682,250,757	122,865,203	-	8,805,115,961
Total Loans	19,876,011,414	366,570,646	-	20,242,582,060

Provisions	For the year ended March 31, 2018			
	Standard	Sub-Standard	Doubtful	Total
Housing loans *	45,104,858	122,943,481	-	168,048,339
Mortgage Loans *	35,103,864	62,104,238	-	97,208,102
Total Provisions	80,208,722	185,047,719	-	265,256,441

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

Provisions	For the year ended March 31, 2017			
	Standard	Sub-Standard	Doubtful	Total
Housing loans *	17,082,003	7,722,519	-	24,804,522
Mortgage Loans *	7,310,743	25,020,285	-	32,331,028
Total Provisions	24,392,746	32,742,804	-	57,135,550

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

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

- Neither been imposed any penalty by National Housing Bank
- Nor received any adverse comments in writing from National Housing Bank on regulatory compliances.

32 The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2018. Refer note 25 for details on contingent liabilities.

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

34 Additional information as per notification issued by the National Housing Bank is given in Annexure 3.

CAPITAL FIRST HOME FINANCE LIMITED**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

- 35 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed.

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

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

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

- 36 Previous year's amounts have been audited by predecessor auditors.
- 37 Figures for previous year have been regrouped and/or reclassified wherever considered necessary, to conform to current year classifications.

CAPITAL FIRST HOME FINANCE LIMITED

Annexure 3 of the Note No. 36 to the Financial Statements for the year ended March 31, 2018

1.1 Capital to Risk Assets Ratio (CRAR)

Amounts in Rupees

Particulars	Current Year	Previous Year
i) CRAR (%)	15.14%	20.33%
ii) CRAR - Tier I capital (%)	11.06%	19.73%
iii) CRAR - Tier II Capital (%)	4.08%	0.60%
iv) Amount of subordinated debt raised as Tier-II capital	500,000,000	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

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

Amounts in Rupees

Particulars	Current Year	Previous Year
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes	32,833,492	19,956,599
c) Total	32,833,492	19,956,599
Addition / Appropriation / Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the	22,162,624	12,876,893
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 which has been	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes	54,996,116	32,833,492
c) Total	54,996,116	32,833,492

1.3 Investments

Amounts in Rupees

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

1.4 Derivatives

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

Amounts in Rupees

Particulars	Current Year	Previous Year
(i) The notional principal of swap agreements	NIL	NIL
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	NIL	NIL
(iii) Collateral required by the HFC upon entering into swaps	NIL	NIL
(iv) Concentration of credit risk arising from the swaps \$	NIL	NIL
(v) The fair value of the swap book @	NIL	NIL
Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.		
\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.		
@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the balance sheet date.		

1.4.2 Exchange Traded Interest Rate (IR) Derivative

Amounts in Rupees

Particulars	Current Year	Previous Year
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	NIL	NIL
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2018	NIL	NIL
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	NIL	NIL
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-	NIL	NIL

1.4.3. Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company doesn't deal in Derivatives.

B. Quantitative Disclosure

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

1.5.1 Securitisation

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

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

1.5.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

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

1.5.3 Details of Assignment transactions undertaken by HFCs

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

1.5.4 Details of non-performing financial assets purchased / sold

A. Details of non-performing financial assets purchased:

Particulars	<i>Amounts in Rupees</i>	
	Current Year	Previous Year
1. (a) No. of accounts purchased during the year	NIL	NIL
2. (a) Of these, number of accounts restructured during the year	NIL	NIL

B. Details of Non-performing Financial Assets sold:

Particulars	<i>Amounts in Rupees</i>	
	Current Year	Previous Year
1 No. of accounts sold	52	NIL
2 Aggregate outstanding	99,794,766	NIL
3 Aggregate consideration received	99,794,766	NIL

1.7 Exposure

1.7.1 Exposures to real estate sector

Amounts in Rupees

Particulars	Current Year	Previous Year
a) Direct exposure		
(i) Residential Mortgages –		
Housing loans up to Rs. 15 lakhs	3,111,176,318	982,816,015
Housing loans more than Rs. 15 lakhs	8,310,266,324	3,269,287,051
Non Housing Loans	8,805,115,961	1,869,869,508
(ii) Commercial Real Estate –	16,023,458	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance	-	-

1.7.2 Exposure to Capital Market

Amounts in Rupees

Particulars	Current Year	Previous Year
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	NIL	NIL
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	NIL	NIL
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares	NIL	NIL
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(vii) bridge loans to companies against expected equity flows / issues;	NIL	NIL
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL
Total Exposure to Capital Market		

1.7.3 Details of financing of parent company products

There are no such instances.

1.7.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

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

1.7.5 Unsecured Advances

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

2 Miscellaneous

Particulars	
2.1. Registration obtained from other financial sector regulators	
NHB registration no.	01.0131.16
Company Identification no. (CIN) :	U65192MH2010PLC211307
2.2. Disclosure of Penalties imposed by NHB and other regulators	
No penalties were imposed by NHB and other regulators during the financial year 2017-18. (financial year 2016-17: Nil).	
2.3 Related Party Transactions	
Refer note no.26 for transactions with related party transactions	
2.4 Ratings assigned by credit rating agencies and migration of ratings during the year	
(a) Long Term Bank facility	CARE : AA+
(b) Commercial paper	CARE : A1+
(c) Non-Convertible Debentures (Secured)	CARE : AA+, Brickworks : AA+
(d) Subordinate Non-Convertible Debentures debt (Unsecured)	CARE : AA+, Brickworks : AA+
2.5 Remuneration of Directors (Non-executive)	
- Sitting fees	370,000

Amounts in Rupees

3.1 Break up of Provisions and Contingencies shown under the head Expenditure in Profit and Loss	Current Year	Previous Year
1. Provision for depreciation on investments	NIL	NIL
2. Provision made towards Income tax	46,313,448	32,722,818
3. Provision towards NPA	152,304,914	29,679,177
4. Provision for Standard Assets	55,815,979	8,356,817
5. Other Provision and Contingencies		
i) Provision for Gratuity	4,497,316	-
ii) Provision for Leave encashment and availment	749,219	-
iii) Provision for Standard Assets	80,208,723	24,392,746
iv) Provision for doubtful advances	575,022	575,022
v) Provision for tax (net of advance tax)	3,640,344	4,084,904

Amounts in Rupees

3.2 Break up of Loan & Advances and Provisions thereon	Housing loans		Non Housing loans	
	Current Year	Previous Year	Current Year	Previous Year
Standard Assets				
a) Total Outstanding Amount	11,193,760,656	4,221,833,484	8,682,250,757	1,827,685,625
b) Provisions made	45,104,858	17,082,003	35,103,864	7,310,743
Sub-Standard Assets				
a) Total Outstanding Amount	243,705,443	30,269,582	122,865,203	42,183,883
b) Provisions made	122,943,481	7,722,519	62,104,238	25,020,285
Doubtful Assets – Category-I				
a) Total Outstanding Amount	NIL	NIL	NIL	NIL
b) Provisions made	NIL	NIL	NIL	NIL
Doubtful Assets – Category-II				
a) Total Outstanding Amount	NIL	NIL	NIL	NIL
b) Provisions made	NIL	NIL	NIL	NIL
Doubtful Assets – Category-III				
a) Total Outstanding Amount	NIL	NIL	NIL	NIL
b) Provisions made	NIL	NIL	NIL	NIL
Loss Assets				
a) Total Outstanding Amount	NIL	NIL	NIL	NIL
b) Provisions made	NIL	NIL	NIL	NIL
Total				
a) Total Outstanding Amount	11,437,466,099	4,252,103,066	8,805,115,961	1,869,869,508
b) Provisions made	168,048,339	24,804,522	97,208,102	32,331,028

3.3. Concentration of Public Deposits, Advances, Exposures and NPAs

3.3.1 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

Amounts in Rupees

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

3.3.2 Concentration of Loans & Advances

Amounts in Rupees

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	700,634,226	701,617,635
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	3.5%	11.46%

3.3.3 Concentration of all Exposure (including off-balance sheet exposure)

Amounts in Rupees

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers /Customers	707,054,226	701,617,635
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	3.5%	11.46%

3.3.4 Concentration of NPAs

Amounts in Rupees

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	96,771,371	51,261,098

3.3.5 Sector-wise NPAs

Amounts in Rupees

Sr No.	Sector	Principal Outstanding	Provision	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:			
1	Individuals	239,842,669	120,394,050	2.10%
2	Builders/Project Loans			
3	Corporates			
4	Others (specify)	3,862,774	2,549,431	15.59%
B.	Non-Housing Loans:			
1	Individuals	122,865,203	62,104,240	1.40%
2	Builders/Project Loans			
3	Corporates			
4	Others (specify)			

3.4 Movement of NPAs

Particulars	Amounts in Rupees	
	Current Year	Previous Year
(I) Net NPAs to Net Advances (%)	0.91%	0.65%
(II) Movement of NPAs (Gross)		
a) Opening balance	72,453,466	16,301,377
b) Additions during the year	365,295,715	72,453,466
c) Reductions during the year	(71,178,534)	(16,301,377)
d) Closing balance	366,570,646	72,453,466
(III) Movement of Net NPAs		
a) Opening balance	39,710,661	69,389,839
b) Additions during the year	180,676,735	39,710,661
c) Reductions during the year	(38,864,470)	(13,237,751)
d) Closing balance	181,522,926	39,710,661
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	32,742,805	3,063,626
b) Provisions made during the year	184,618,980	32,742,805
c) Write-off/write-back of excess provisions	(32,314,065)	(3,063,626)
d) Closing balance	185,047,721	32,742,805

3.5 Overseas Assets

Particulars	Amounts in Rupees	
	Current Year	Previous Year
	NIL	NIL

3.6 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
NA	NA

4 Disclosure of Complaints

4.1 Customers Complaints (As certified by the management and relied upon by auditors)

Particulars	Current Year	Previous Year
a) No. of complaints pending at the beginning of the year	2	-
b) No. of complaints received during the year	188	23
c) No. of complaints redressed during the year	164	21
d) No. of complaints pending at the end of the year	26	2

CAPITAL FIRST HOME FINANCE LIMITED

Annexure 3 of the Note No. 36 to the Financial Statements for the year ended March 31, 2018

1.6 Asset Liability Management

Amounts in Rupees

	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 year to 7 years	Over 7 year to 10 years	Over 10 year	Total
Liabilities											
Deposits											
Borrowings from Banks	25,000,000	58,333,333	287,333,333	686,291,667	4,451,882,262	8,174,333,333	4,382,291,678	-	-	-	18,065,465,607
	(40,625,000)	(68,750,000)	(193,750,000)	(288,125,000)	(1,572,426,239)	(2,875,750,000)	(868,750,000)	-	-	-	(5,908,176,239)
Market Borrowings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Foreign Currency liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Assets											
Advances	43,015,126	47,980,146	48,538,197	149,047,025	314,340,692	1,575,319,457	2,071,195,739	2,489,568,293	4,105,413,075	9,398,164,309	20,242,582,061
	(11,962,879)	(11,493,433)	(11,613,032)	(35,569,958)	(74,552,122)	(423,663,684)	(570,022,064)	(703,120,196)	(1,136,284,137)	(3,147,195,650)	(6,125,477,154)
Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
Foreign Currency Assets	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)

Note: Figures in bracket relate to previous year.

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Annexure 1

Transactions with Related parties for the Year ended Mar 18

Amount in Rupees

Relationship Period	Holding Company		Fellow Subsidiaries	
	April 1, 2017 to March 31, 2018	April 1, 2016 to March 31, 2017	April 1, 2017 to March 31, 2018	April 1, 2016 to March 31, 2017
Reimbursement of expenses to	84,635,154	44,208,635	15,850,000	4,565,000
Interest expenses paid	6,141,094	25,170,910	-	-
Loans/ Advances taken	1,652,885,472	2,017,390,600	-	-
Loans/ Advances repaid	1,922,512,412	1,951,061,003	-	-
Sell of loans	99,794,767	-	-	-
Subordinated debt taken	500,000,000	-	-	-
Inter corporate deposits taken	150,000,000	765,000,000	-	-
Inter corporate deposits repaid	150,000,000	765,000,000	-	-
Closing Balances : Receivable / (Payable)	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Inter corporate deposits Receivable / (Payable)	-	-	-	-
Subordinated debt taken	(500,000,000)	-	-	-
Advances Recoverable / (Payable)	238,602,931	7,390,383	(4,104,000)	(4,530,750)

CAPITAL FIRST HOME FINANCE LIMITED

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Annexure 1A

Transactions with Related parties for the Year ended Mar 18

Amount in Rupees

Particulars	Holding Company		Fellow Subsidiary Company	
	April 1, 2017 to March 31, 2018	April 1, 2016 to March 31, 2017	April 1, 2017 to March 31, 2018	April 1, 2016 to March 31, 2017
Reimbursement of expenses to				
Capital First Limited	84,635,154	44,208,635		
Capital First Securities Limited	-	-	15,850,000	4,565,000
Total	84,635,154	44,208,635	15,850,000	4,565,000
Interest expenses paid				
Capital First Limited	6,141,094	25,170,910	-	-
Total	6,141,094	25,170,910	-	-
Loans/ Advances taken				
Capital First Limited	1,652,885,472	2,017,390,600	-	-
Total	1,652,885,472	2,017,390,600	-	-
Loans/ Advances repaid				
Capital First Limited	1,922,512,412	1,951,061,003	-	-
Total	1,922,512,412	1,951,061,003	-	-
Sell of loans				
Capital First Limited	99,794,767	-	-	-
Total	99,794,767	-	-	-
Subordinated debt taken				
Capital First Limited	500,000,000	-	-	-
Total	500,000,000	-	-	-
Inter corporate deposits taken				
Capital First Limited	150,000,000	765,000,000	-	-
Total	150,000,000	765,000,000	-	-
Inter corporate deposits repaid				
Capital First Limited	150,000,000	765,000,000	-	-
Total	150,000,000	765,000,000	-	-
Closing Balance	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Inter corporate deposits Payable				
Capital First Limited	-	-	-	-
Total	-	-	-	-
Subordinated debt				
Capital First Limited	(500,000,000)	-	-	-
Total	(500,000,000)	-	-	-
Advances Recoverable / (Payable)				
Capital First Limited	238,602,931	7,390,383	-	-
Capital First Securities Limited	-	-	(4,104,000)	(4,530,750)
Total	238,602,931	7,390,383	(4,104,000)	(4,530,750)