APTUS™

SPREADING SUCCESS

ANNUAL REPORT
2017 - 18

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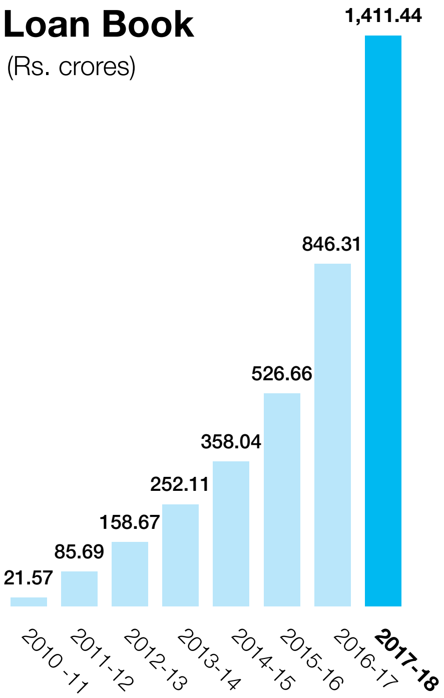
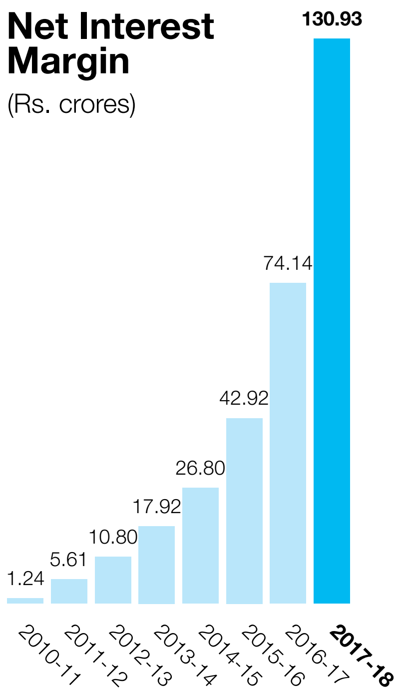
Financial Highlights

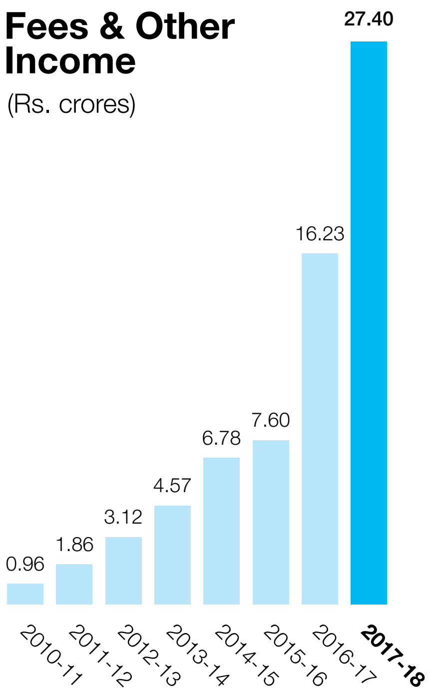
Loan Book
(Rs. crores)



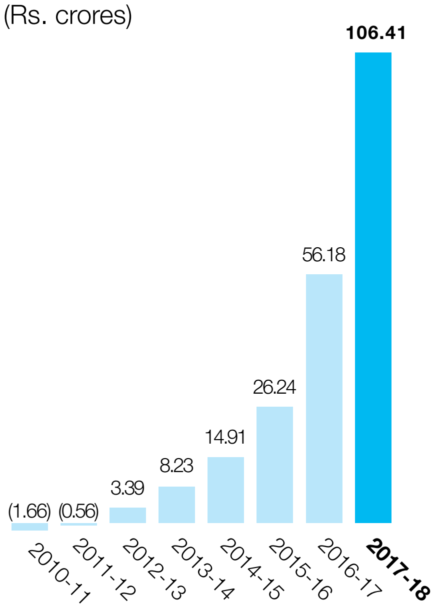
Net Interest Margin
(Rs. crores)



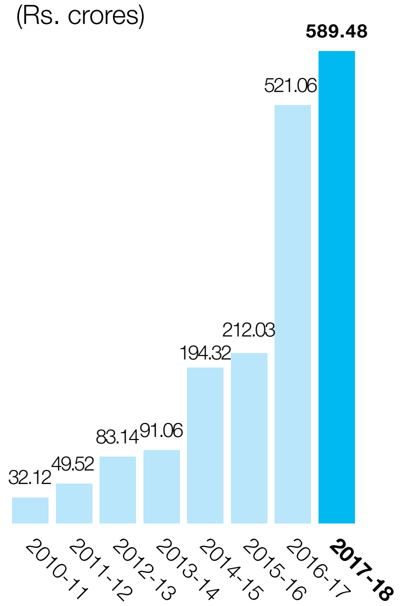
Fees & Other Income
(Rs. crores)



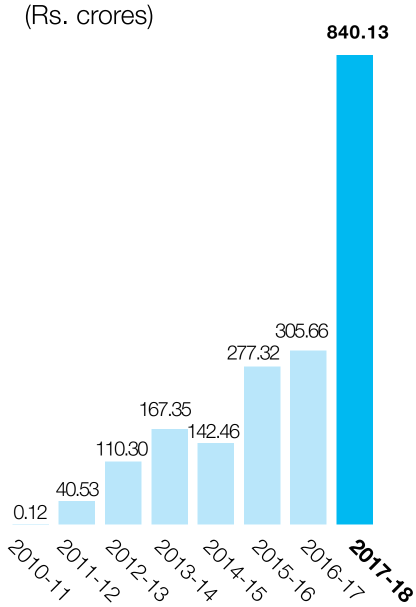
Profit Before Tax
(Rs. crores)



Net Worth
(Rs. crores)



Borrowed Funds
(Rs. crores)



Key Financial Ratios - 2017-18

Capital Adequacy ratio	Debt Equity ratio	Gross NPA to Loan Assets	Return on Average Assets	Return on Average Networth
63.90%	**1.43**	**0.48%**	**6.22%**	**12.60%**

CORPORATE INFORMATION

Board of Directors	Mr. M Anandan, Chairman & Managing Director Mr. K M Mohandass Mr. S Krishnamurthy Mr. Krishnamurthy Vijayan Mr. K P Balaraj Ms. Mona Kachhwaha Mr. Shailesh J Mehta Mr. Suman Bollina Mr. Deepak Ramineedi
Registered Office	8B, Doshi Towers, 205, Poonamallee High Road Kilpauk, Chennai 600 010 Ph: 044-45650000 www.aptusindia.com
Management Team	Mr. P Balaji – EVP & Chief Financial Officer Mr. G Subramaniam – EVP – Risk & Operations Mr. C T Manoharan – Vice President – Sales & Marketing Mr. Sarath Chandran - Vice President – Technical & Infra
Auditors	Deloitte Haskins & Sells 8th Floor, ASV'N Ramana Towers 52, Venkatnarayna Road, T Nagar, Chennai 600017 Tel: +91 44 6688 5000
Company Secretary	Ms. C Payal
Bankers / Financial Institution	National Housing Bank International Finance Corporation Templeton Mutual Fund HDFC Bank Axis Bank Federal Bank DCB Bank ICICI Bank Yes Bank
Debenture Trustees	Axis Trustee Services Ltd Axis House, Wadia International Centre Pandurang Budhkar Marg Worli, Mumbai – 400 025.

CIN: U65922TN2009PLC073881
Email: corporateaffairs@aptusindia.com
Website: www.aptusindia.com

CHAIRMAN'S NOTE

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

Dear Shareholders,

Aptus, over the years, has kept the focus on affordable housing finance to fulfill the aspirations of informal, self employed, Lower and Middle Income (LMI) families largely in Tier II and Tier III towns by providing them finance to buy or construct a home of their own. As on date, more than 80% of the customers of Aptus belong to LMI/self-employed category. Demand for home ownership by lower and middle income segments across tier II to tier IV towns as well as new suburbs of metros are on a strong growth path. A huge market is waiting to be tapped for players who develop innovative business models in extending credit to different segments with in the LMI segment with varied needs and capabilities. Hence Aptus has been pursuing a socially relevant business model which helps to make an impact in the lives of these informal, bottom of the pyramid customers, which in turn help to build financial inclusion.

Aptus has now completed 8 full years of operation and this eventful journey has established a solid platform for substantial growth, high productivity, best opex, low credit loss leading to robust ROA and ROE. Some of the key business highlights including achievements in the current year FY 2018 are given below:

- Cumulative loan disbursements of over Rs. 1,900 crores till March 2018. Disbursements during FY 2018 was at Rs. 750 crores as opposed to Rs. 420 crores in FY 2017, a growth of 79%.
- Loan Book size has gone up to Rs. 1,420 crores from Rs. 850 crores, growth of 67%.
- Built strategic / strong presence in South India and expanded the franchise and distribution network to 115 branches (80 branches in previous year) in four states.
- Has built an excellent team of over 1,000 well trained, professionals having good experience in home finance (650 in previous year).
- Robust software and hardware implemented to help make faster decisions, enhanced customer service and better risk management.
- Quality of loan book remains one of the best in the industry for 8th consecutive year and the GNPA as on March 2018 is only 0.48% of the loan book.
- Well capitalized company with a net worth around Rs. 600 crores.
- Raised long term debt from diversified lenders, Mutual Funds, International Finance Corporation (IFC), NHB banks and Financial Institutions.
- The Company crossed landmark PBT of Rs. 106 crores in FY 2018, 89% growth over the previous year.
- In addition to affordable housing finance, the Company is also addressing the huge potential to service financial requirements of underserved, last mile, Micro, Small and Medium Enterprises (MSME) for which existing customer base, branch network and systems /processes is leveraged efficiently.

Aptus firmly believes in value creation and will stay focused in creating long lasting, significant value for all its key stakeholders and enhance customer experience through people, processes and technology. The Company will, at all times protect its loan book quality through stronger underwriting and collection competencies. Aptus would cement its position in its chosen business segments with more robust growth and with excellent intangible assets including brand value, customer loyalty and vendor relationship. Towards this the Company will further scale up its operations, expand product range,harness people strength and expand its geographical presence and new markets.

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

M Anandan
Chairman and Managing Director

Directors Report to members

Your directors have pleasure in presenting the Ninth Annual report together with the audited accounts of the company for the financial year ended March 31, 2018.

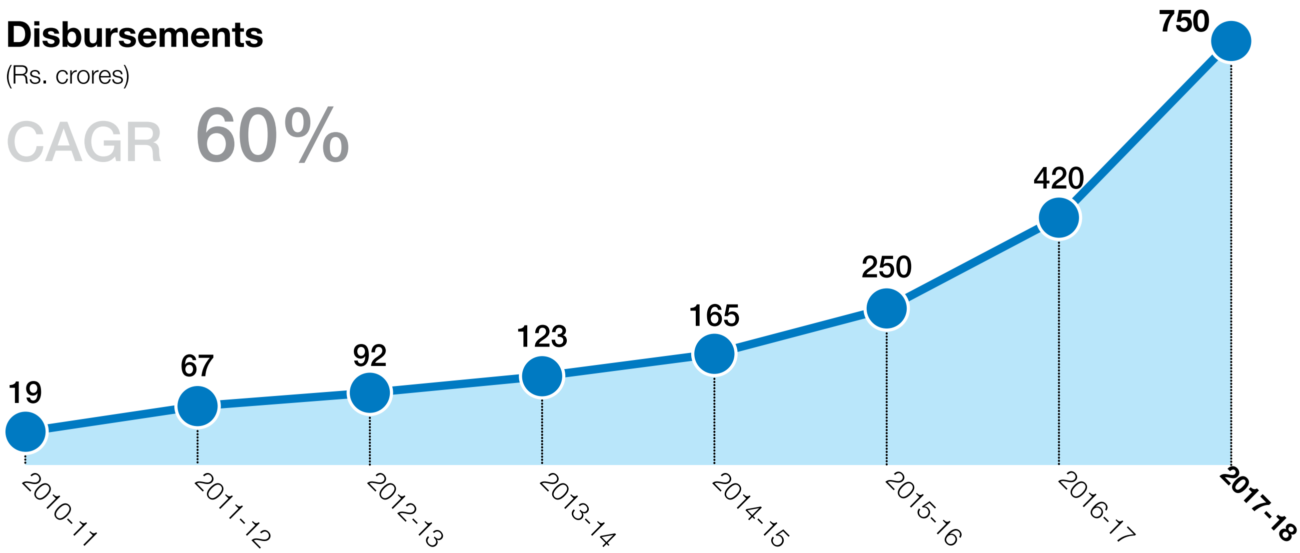
1. Financial Highlights (Consolidated)

(Rs. lakhs)

Particulars	For the Financial Year ended March 31, 2018	For the Financial Year ended March 31, 2017
Operating income	20,761.89	12,125.64
Other Income	532.06	510.38
Less: Expenditure including depreciation	10,653.34	7,017.86
Profit before taxation	10,640.61	5,618.16
Profit after taxation	7,015.41	3,719.48
Assets under Management	141,143.77	84,631.07

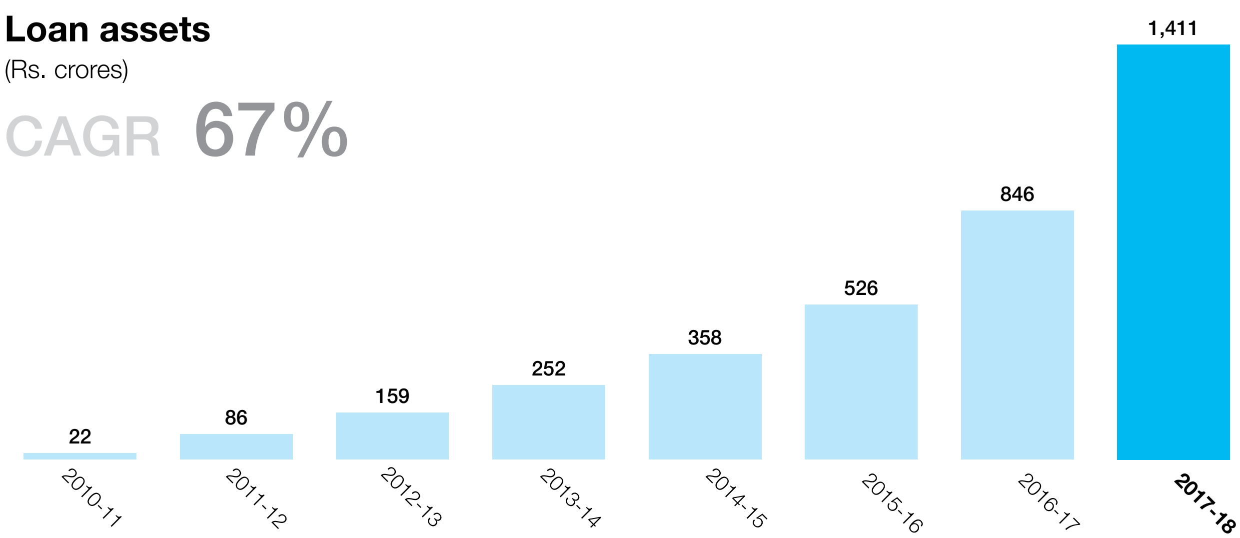
2. Sanctions and Disbursements:

Sanctions during the year were Rs. 835 crores as compared with the sanctions of Rs. 505 crores during the previous year. Loan disbursements during the year were Rs. 750 crores as compared with the disbursements of Rs. 420 crores during the previous year representing a growth of 79%. Aptus continued its focus on Low and Middle Income families in Tier II and III cities and the disbursement of Rs. 750 crores benefited more than 12,000 families.



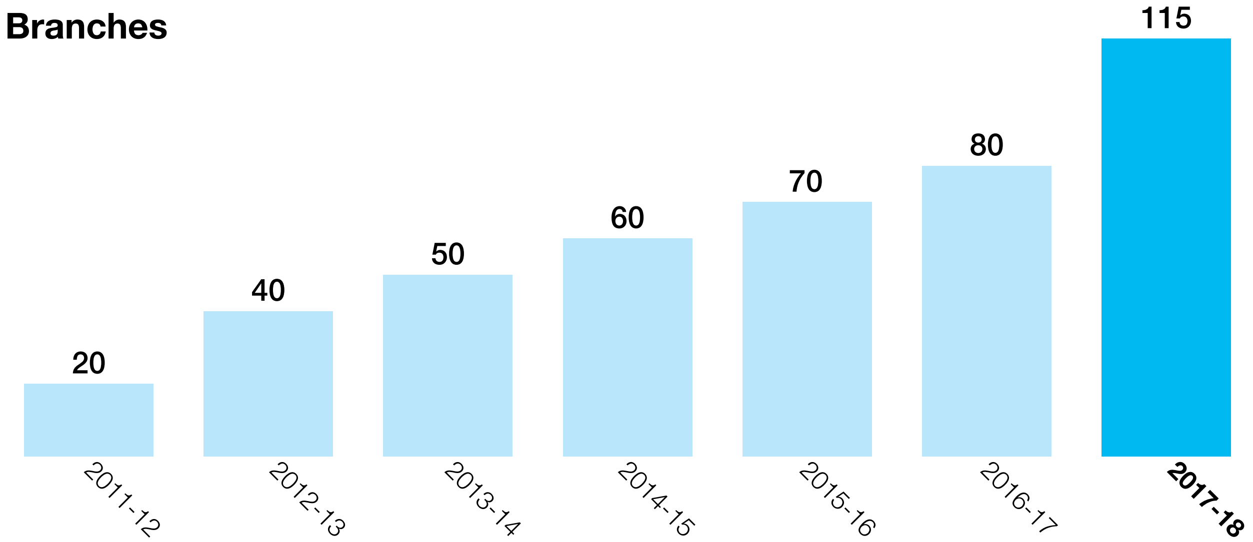
3. Loan Assets:

As at March 31, 2018, the total assets under management increased to Rs. 1,411 crores as against Rs. 846 crores previous year thereby registering a growth of 67%.



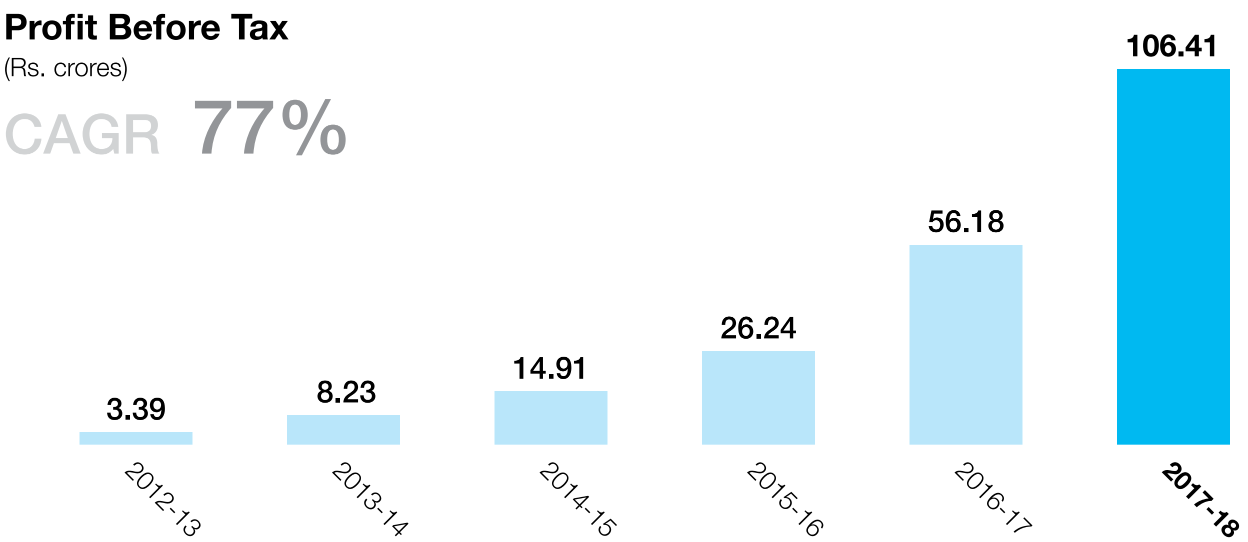
4. Distribution:

During the year the distribution network, in addition to Tamil Nadu, and got expanded in the states of Andhra Pradesh, Telangana and Karnataka. As of March 31, 2018, Aptus had presence in 115 locations as against 80 in the previous year.



5. Income, Profits and Networth:

Gross Income of the Company during the year ended March 31, 2018 amounted to Rs. 212.94 crores, higher by 69% over Rs. 126.36 crores in the previous year. Profit before tax was at Rs. 106.41 crores up by 89% over the previous year's Rs. 56.18 crores. At Rs. 70.15 crores, Profit After Tax was higher by 89% over previous year's Rs. 37.19 crores. The Company's networth stood at Rs. 589.48 crores as on March 31, 2018 (Rs. 521.06 crores previous year).

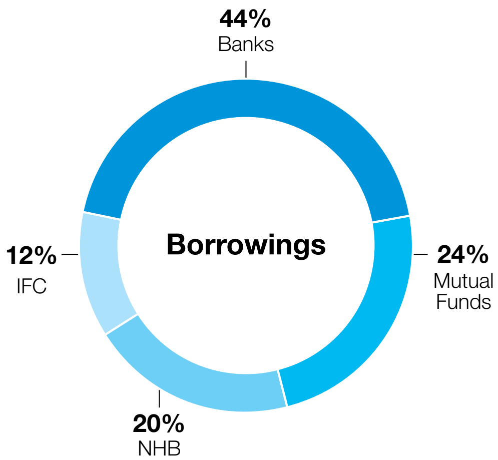


6. Asset Quality

Your Company, closed the financial year 2017-18 with a Gross NPA of 0.48%. These levels, one of the best in the industry, have been maintained by Aptus since inception. This would not have been possible but for the excellent systems and processes in originating loan proposals from customers and strong adherence to laid down policies in terms of credit, legal, technical and collections. The above organization strengths coupled with very good quality of portfolio gives us confidence to aspire for more aggressive growth in the years to come.

7. Resource Mobilisation

The Year 2017-18 saw Aptus further diversify its debt funding by issuing Debentures (Rs. 200 crores) to Mutual Funds in addition to funding from various private sector banks and IFC. Apart from this, National Housing Bank also increased their refinance exposure to the Company to around Rs. 164 crores. As on March 31, 2018, 44% of borrowings were from leading private sector banks, 24% of borrowings were from Mutual Funds, 20% of borrowings were from NHB and 12% of borrowings were from IFC (World Bank Group).



8. Credit Rating

During the year 2017-18, rating of your company for bank borrowings and debentures were upgraded to A from A(-) by both ICRA and CARE.

9. Outlook

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

10. Dividend

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

11. Transfer to Reserves

As per Section 29C(i) of National Housing Bank Act, 1987, the Company is required to transfer atleast 20% of its net profit every year to a reserve before any dividend is declared. Accordingly, your Company has transferred Rs. 2,142.87 lakhs to special reserve in accordance with Section 29C(i) of National Housing Bank Act, 1987 read along with Section 36(1)(viii) of the Income Tax Act, 1961.

12. Regulatory Guidelines

Aptus continues to comply with the guidelines issued by NHB regarding accounting guidelines, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, KYC guidelines and AML standards and fair practices code.

Aptus Capital Adequacy ratio stood at 63.90% as against the minimum statutory requirement of 12%. Tier 2 Capital includes Rs. 3.72 crores of provision made towards standard assets.

13. Employee Stock Options Scheme

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

14. Extract of Annual Return

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

15. Internal Financial Controls

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

16. Auditor's Report

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

17. Risk Management Policy

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

As per this, various risks identified are as follows:

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

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

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

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

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

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

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

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

18. Human Resources

In Aptus, Human Resource Development is considered vital for effective implementation of business plans. In order to attract and retain talent, the Company has been making constant endeavours to offer professional growth opportunities and recognitions, apart from imparting training to employees both on and off the job. Apart from this, with a view to encourage ownership of the Company's equity shares, an attractive ESOP scheme has been implemented covering senior employees. During the current year, in-house training programs were provided to employees inter alia in lending, operations, recoveries, KYC, IT system & security and accounts. Employees were also nominated to training programmes conducted by NHB and other institutions. Your company has built its workforce to achieve the goals in the most effective and efficient manner.

Aptus staff strength as at March 31, 2018 was 1000.

19. Directors and Key Managerial Personnel

19.1 Mr Suman Bollina, Non-Executive Director, retired by rotation at the 8th Annual General Meeting held on August 8, 2017 and was re-appointed as Non-Executive Director not liable to retire by rotation.

Ms Mona Kachhwaha , Nominee Director, retires by rotation at the ensuing 9th Annual General Meeting and being eligible has offered herself for re-appointment.

19.2 There were no changes in the composition of "Key Managerial Personnel" during the year.

20. Board Meetings held during the year

During the financial year ended March 31, 2018, five (5) Board Meetings were held on May 17, 2017, August 8, 2017, November 8, 2017, February 15, 2018 and March 21, 2018 respectively. The gap between two meetings was not more than 120 days.

21. Auditors

Statutory Auditors

Pursuant to the provisions of Section 139 and 141 of the Companies Act, 2013, M/s Deloitte Haskins & Sells, Chartered Accountants were appointed as the statutory auditors of the Company at the 6th Annual General Meeting (AGM) of the shareholders held on August 7, 2015, to hold office up to the conclusion of the 10th AGM to be held during calendar year 2019, subject to the ratification of such appointment at every subsequent AGM.

They have expressed their willingness for their appointment to be re-ratified at the ensuing 9th AGM.

The Audit Committee and the Board at their meetings held on May 10, 2018 have recommended the ratification of appointment of Statutory Auditors.

Secretarial Auditor

Mr S Sandeep from M/s S Sandeep & Associates, practicing Company Secretaries was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and rules made thereunder.

The secretarial audit report for the financial year ended March 31, 2018 forms part of Annual report as an **Annexure C** to Board's Report.

22. Particulars of Contracts or Arrangements with Related parties

During the financial year, the Company has entered into Contract or Arrangement with Related Parties as per Section 188 of the Companies Act, 2013 and the Rules framed thereunder. The Company has framed a Related Party Transaction (RPT) policy as per the HFC Corporate Governance (NHB) Directions, 2016. The same is enclosed as **Annexure D** to this report.

23. Material Changes and Commitments

There are no material changes and commitments between March 31, 2018 and the date of this report having an adverse bearing on the financial position of the Company.

24. Conservation of Energy, Technological Absorption

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

25. Foreign Exchange Earnings/Outgo

Your Company does not have any foreign currency earnings or expenditure during the financial year ended March 31, 2018.

26. Particulars of Employees

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

27. Dematerialisation of Shares & Non-Convertible Debentures

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

The Non-Convertible Debentures of the Company have been admitted for dematerialization by National Securities Depository Limited (NSDL) with ISIN Nos. INE852O07014, INE852O07022, INE852O07030, INE852O07048, INE852O07055, INE852O07063.

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

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

During the financial year ended March 31, 2018, your Company has infused further equity capital into its wholly owned subsidiary "Aptus Finance India Private Limited" the details of which are as under. With this capital infusion, the paid up capital of the subsidiary company is at Rs. 25 crores which was earlier at Rs. 7 crores.

S. No	Date of Investment	Details of Investee	Amount (in Rs)	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of Board Resolution	Date of Special Resolution	Expected rate of return
1	February 26, 2018	Aptus Finance India Private Limited	18,00,00,000 Comprising of 1,80,00,000 equity shares of Rs 10 each.	General corporate purposes	February 15, 2018	NA	NA

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

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

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

30. Deposits

Your Company is registered as a non deposit taking Housing Finance Company with National Housing Bank and hence does not accept any deposits. No deposits were accepted from the public in the financial year ended March 31, 2018.

31. Declaration from Independent Directors

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

32. Corporate Social Responsibility Policy (CSR)

The Company has duly constituted a Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act, 2013 and devised a Policy for the implementation of the CSR framework, broadly defining the areas of spending for its promotion / development, of at least two percent of the average net profits made during the last three immediately preceding Financial Years on the activities mentioned under Schedule VII to the Companies Act, 2013.

The CSR Committee monitors the Policy of the Company from time to time and endeavours to ensure that the requisite amount is spent on CSR activities as per the framework.

The CSR Committee consists of three Members, viz. Mr Krishnamurthy Vijayan, Mr K M Mohandass and Mr M Anandan, CMD. A report on CSR is attached as **Annexure E** to this Report.

33. Formal Annual Evaluation

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

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

34. Vigil Mechanism, Whistle Blower Policy

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

35. Management Discussion and Analysis

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

36. Corporate Governance Report

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

The Company is committed to achieving the highest standards of Corporate Governance and it aspires to benchmark itself with the best practices in this regard. The Board regularly reviews the Management's reports on statutory and regulatory compliances.

37. Committees

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

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

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

39. Directors' Responsibility Statement

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

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

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

(ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at March 31, 2018 and the of the profit of the company for the year ended on that date;

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

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

(v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively during the year ended March 31, 2018; and

(vi) proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended March 31, 2018.

(vii) they have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

40. Listing with Stock Exchanges

The Company is up-to-date in the payment of annual listing fees to Bombay Stock Exchange (BSE) on which its debentures are listed.

Acknowledgement

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

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director
DIN: 00033633

Chennai

May 10, 2018

Annexure – A

EMPLOYEES STOCK OPTION SCHEME

APTUS EMPLOYEES STOCK OPTION SCHEME, 2010

The decision to introduce APTUS Employees Stock Option Scheme, 2010 (hereinafter called "APTUS ESOS, 2010" or "The Scheme") was taken by the Board of Directors at the meeting held on July 21, 2010 and was approved by the shareholders of the Company at the Extraordinary General Meeting held on July 29, 2010. During the financial year 2017-18, no options were granted under the APTUS ESOS, 2010 further options are proposed to be granted under the said scheme and the scheme stands closed.

APTUS EMPLOYEES STOCK OPTION SCHEME, 2015

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

Pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014, the details of the Aptus Employees Stock Option Scheme, 2015 as on 31st March 2018 are :-

Nature of Disclosures	Particulars
a. Options approved to be issued as ESOPs	1,800,000
b. Options Granted	1,700,000
c. Options Vested	750,000
d. Options Exercised	375,000
e. The total no. of shares arising as a result of exercise of option	375,000
f. Options Lapsed / Surrendered	50,000
g. Variation of Terms of Option	Nil
h. Total number of options in force	1,275,000
i. Money realized by exercise of options during the year 2017-18	Nil
j. Details of options granted to	
i. key managerial personnel	Mr P Balaji – EVP & Chief Financial Officer
ii. any other employee who received a grant of options in any one year of option amounting to 5 per cent or more of options granted during that year.	Mr V Krishnaswami – Sr. AVP & GM – IT
iii. Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

ANNEXURE B

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2018

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	U65922TN2009PLC073881
2	Registration Date	December 11, 2009
3	Name of the Company	APTUS VALUE HOUSING FINANCE INDIA LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares
5	Address of the Registered office & contact details	No.8B, Doshi Towers, 205, Poonamallee High Road, Kilpauk, Chennai, Tamilnadu – 600010
6	Whether listed company	Debt Listed
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Karvy Computershare Private Limited., Address: KARVY CENTRE 8-2-609/K, Avenue 4, Street No. 1,Banjara Hills, Hyderabad – 500034, Telephone No. 040-67406120 / 67406121

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	M/s. Aptus Finance India Private Limited	U74900TN2015PTC102252	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	24,919,498	24,919,498	31.72%	233,333	23,686,165	23,919,498	30.44%	-1.27%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	**-**	**24,919,498**	**24,919,498**	**31.72%**	**233,333**	**23,686,165**	**23,919,498**	**30.44%**	**-1.27%**
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%

(i) Category-wise Share Holding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	24,919,498	24,919,498	31.72%	233,333	23,686,165	23,919,498	30.44%	-1.27%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	875,000	1,079,092	1,954,092	2.49%	875,000	1,079,092	1,954,092	2.49%	0.00%
ii) Overseas	49,482,876	-	49,482,876	62.98%	50,891,376	-	50,891,376	64.77%	1.79%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	400	400	0.00%	-	400	400	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,491,766	421,505	1,913,271	2.44%	1,491,766	13,005	1,504,771	1.92%	-0.53%
c) Others (specify)									
Non Resident Indians	300,000	-	300,000	0.38%	300,000	-	300,000	0.38%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	52,149,642	1,500,997	53,650,639	68.28%	53,149,642	1,500,997	54,650,639	69.56%	1.28%
Total Public (B)	52,149,642	1,500,997	53,650,639	68.28%	53,149,642	1,500,997	54,650,639	69.56%	1.28%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	**52,149,642**	**26,420,495**	**78,570,137**	**100.00%**	**53,149,642**	**25,420,495**	**78,570,137**	**100.00%**	**0.00%**

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M Anandan	18,732,833	23.84%	-	17,732,833	22.57%	-	1.28%
2	Padma Anandan	5,916,666	7.53%	-	5,916,666	7.53%	-	0.00%
3	Immediate relatives of M.Anandan	269,999	0.35%	-	269,999	0.35%	-	0.00%
	Total	24,919,498	31.72%	-	23,919,498	30.44%	-	1.28%

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	24,919,498	31.72%	24,919,498	31.72%
	Changes during the year	-1,000,000	1.28%	-1,000,000	1.28%
	At the end of the year	23,919,498	30.44%	23,919,498	30.44%

(iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ARRs)

SN	For each of the Top Ten shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	West Bridge Crossover Fund, LLC	32,724,951	41.65	34,133,451	43.44
2	India Financial Inclusion Fund	8,046,354	10.24	8,046,354	10.24
3	GHIOF Mauritius	8,711,571	11.09	3,999,571	5.09
4	Aravali Investment Holdings	--	--	2,356,000	2.99
5	Madison India Opportunities IV	--	--	2,356,000	2.99
6	AR Chadha & Co India Pvt Ltd	1,366,592	1.74	1,366,592	1.74
7	M A Alagappan	1,175,000	1.50	1,175,000	1.50
8	M A Alagappan Holdings Pvt Ltd	587,500	0.75	587,500	0.75
9	Kalpa Mehta	300,000	0.38	300,000	0.38
10	Saurabh Vijay Bhat	66,666	0.08	66,666	0.08

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. **(Amt. Rs lakhs)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	30,567.22	-	-	30,567.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	291.85	-	-	291.85
Total (i+ii+iii)	30,859.07	-	-	30,859.07
Change in Indebtedness during the financial year				
* Addition	52,445.33	-	-	52,445.33
* Reduction		-	-	-
Net Change	52,445.33	-	-	52,445.33
Indebtedness at the end of the financial year				
i) Principal Amount	82,563.91	-	-	82,563.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	740.49	-	-	740.49
Total (i+ii+iii)	83,304.40	-	-	83,304.40

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S No.	Particulars of Remuneration	Total Amount (Rs Lakhs)
	Name	**M Anandan**
	Designation	**Chairman and Managing Director**
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	195.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.72
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	- -
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	- as % of profit	-
	- others, specify	65.00
5	Others, please specify	-
	Total (A)	261.72
	Ceiling as per the Act	551.55

B. Remuneration to other Directors

SN	Particulars of Remuneration (Names of Directors)						Total Amount (Rs Lakhs)
1	Independent Directors	Mr K M Mohandass	Mr S Krishnamurthy	Mr Krishnamurthy Vijayan			
	Fee for attending board / committee	1.70	1.65	0.50			3.85
	Commission	3.00	3.00	3.00			9.00
	Others, please specify						
	Total (1)	4.70	4.65	3.50			12.85
2	**Other Non-Executive Directors**	**Mr Shailesh J Mehta**	**India Financial Inclusion Fund (Ms Mona Kachhwaha)**	**Mr K P Balaraj**	**Mr Suman Bollina**	**Mr Deepak Ramineedi**	
	Fee for attending board / committee	1.05	-	-	1.00	-	2.05
	Commission	3.00	3.00	-	3.00	-	9.00
	Others, please specify						
	Total (2)	4.05	3.00	-	4.00		11.05
	Total (B) = (1 +2)	-	-	-	-	-	23.90
	Total Managerial Remuneration						285.62
	Overall Ceiling as per Act						551.55

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	P Balaji	Payal Jain	
	Designation	EVP & CFO	CS	**(Rs Lakhs)**
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	66.25	1.63	67.88
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	
4	Commission			
	- as % of profit	-	-	
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	66.25	1.63	67.88

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure C

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2018

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

To,

The Members,

APTUS VALUE HOUSING FINANCE INDIA LIMITED

No 8B, Doshi Towers 8th Floor, No.205, Poonamallee High Road,

Kilpauk, Chennai -600 010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of M/s. APTUS VALUE HOUSING FINANCE INDIA LIMITED (CIN: U65922TN2009PLC073881) (hereinafter called "the Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

(c) The Prevention of Money Laundering Act, 2002

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a. 33,30,000 secure rated listed Non-Convertible Debentures amounting to Rs. 33,00,00,000/- (Rupees Thirty three crores only) on May 18, 2017 by way of private placement and subsequently the same were listed in the Bombay Stock Exchange.

b. 8,000 secure rated listed Non-Convertible Debentures amounting to Rs. 80,00,00,000/- (Rupees Eighty crores only) on December 26, 2017 by way of private placement and subsequently the same were listed in the Bombay Stock Exchange.

c. 8,000 secure rated listed Non-Convertible Debentures amounting to Rs. 80,00,00,000/- (Rupees Eighty crores only) on January 25, 2018 by way of private placement and subsequently the same were listed in the Bombay Stock Exchange.

d. 4,000 secure rated listed Non-Convertible Debentures amounting to Rs. 40,00,00,000/- (Rupees Forty crores only) on February 26, 2018 by way of private placement and subsequently the same were listed in the Bombay Stock Exchange.

We further report that, during the audit period the Company has amended its Articles of Association at the 8th Annual General Meeting held on August 8, 2017.

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

For S Sandeep & Associates

Place: Chennai
Date: May 10, 2018

S Sandeep
Managing Partner
FCS No.5853

Annexure D

APTUS VALUE HOUSING FINANCE INDIA LIMITED

RELATED PARTY TRANSACTION POLICY

Aptus Value Housing Finance India Limited (Holding Company) is a public limited debt listed company incorporated under the Companies Act, 1956 (CIN: U65922TN2009PLC073881) having its registered office at No. 8B, Doshi Towers, 8th Floor, No: 205, Poonamallee High Road, Kilpauk Chennai – 600010. It has promoted a wholly owned subsidiary in the name and style of M/s Aptus Finance India Private Limited (Subsidiary Company) which has been incorporated under the Companies Act, 2013 (CIN: U74900TN2015PTC102252) having its registered office at No. 8B, Doshi Towers, 8th Floor, No:205, Poonamallee High Road, Kilpauk Chennai – 600010.

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

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

This policy seeks to address 2 points.

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

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

WHO IS A RELATED PARTY?

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

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

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

RELATED PARTY TRANSACTIONS

The following transactions would be disclosed as Related party Transactions:

1. Investment by the Holding company into the subsidiary company

2. Other transactions between the holding company and subsidiary company

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

OTHER TRANSACTIONS BETWEEN THE HOLDING COMPANY AND SUBSIDIARY COMPANY

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

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

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

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

METHODOLOGY FOR ALLOCATION OF SHARED COSTS

The shared costs / expenses enumerated above would be shared / apportioned between the holding company and subsidiary company in the proportion to the average AUM (Assets under Management) for the relevant period.

The sharing / apportionment ratio may be modified during the course of the financial year with the approval of the Audit Committee / Board.

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

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)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of material contracts or arrangement or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis

Name of the related party and nature of relationship	Mr. M. Anandan, Promoter, Chairman and Managing Director	Aptus Finance India Private Limited, Wholly owned Subsidiary
Nature of contracts/ arrangements/ transactions	Rent payable towards usage of premises owned by Mr. M. Anandan	Shared support charges
Duration of the contracts/ arrangements/ transactions	3 years	Ongoing
Salient terms of the contracts or arrangements or transactions including the value, if any	1. Lease rent per month: Rs 55,000 2. Security Deposit: Nil 3. Revision in lease rent: Escalation of 5% every year	The holding company would be providing / sharing its infrastructure and resources to / with the subsidiary company. It becomes necessary for the holding company to transfer / allocate costs / expenses appropriately and proportionately to the subsidiary company to ensure that such transactions are done on an arm's length basis.
Justification for entering into such contracts/ arrangements/ transactions	The Company is utilizing the aforesaid premises for storage of records.	All the costs / expenses that are incurred by the subsidiary company directly would be booked in the books of the subsidiary. However, the costs / expenses incurred by the holding where a portion of the benefits / services are utilized / accrue by / to the subsidiary company, such costs / expenses would need to be shared between the 2 entities.
Date of approval by the Board	May 17, 2017	February 13, 2017
Amount paid as advance, if any	- -	- -
Date on which the special resolution was passed in general meeting as required under the first proviso to section 188	Not Applicable	Not Applicable

Annexure E

Corporate Social Responsibility Policy

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

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

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

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

Composition of the CSR Committee

1. Mr Krishnamurthy Vijayan,
2. Mr K M Mohandass,
3. Mr M Anandan, CMD

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

Average net profit: Rs. 3,229.17 lakhs

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

The Company during the financial year 2017-18 is required to spend Rs. 64.58 lakhs towards CSR.

Details of CSR spent during the financial year:

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

b) Amount unspent, if any; Rs. 64.58 lakhs.

The Company did not spend any amount towards CSR expenditure during the year 2017-18. It was proposed to look at various options and as an approach the objective was to have the right impact and the right linkage between the Company and the beneficiaries of the CSR initiatives. It was further felt that this can be started by taking up the field of education and health. It was also suggested to adopt a school in a rural area or village where Aptus had a branch which may be adopted for its development and going forward, as a philosophy, wherever it is appropriate, to try to adopt a school in the vicinity of Aptus branches and to bring it to a size, shape and status to make into a good school in terms of infrastructure, learning, skill development, health screening for the children, etc.

It was however felt that the Company is not geared up to spend this amount in the current financial year 2017-18, taking into account the nature of such projects having a long gestation period. The management is in the process of identifying suitable projects and programmes which would complement the businesses of the Company.

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

Annexure F

APTUS – DIRECTORS APPOINTMENT, REMUNERATION & EVALUATION POLICY

1. Purpose of this Policy:

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

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

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

b) To ensure remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

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

The Company should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

2. Definitions:

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

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

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

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

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

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

3. Composition of the Nomination & Remuneration Committee:

The composition of the Committee to be in compliance with the Act, Rules made thereunder, as amended from time to time.

4. Role of the Committee:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. Remuneration to Non-executive / Independent Director:

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

Annexure G

Management Discussion and Analysis

1. Industry Overview

As per Population Projections for India and Census of India 2011, India's urban population increased to 377 million, reflecting the rise in urbanization from 27.8% to 31.2% between 2001 and 2011. This is projected to increase further to around 40% by 2030. This rate of urbanization has led to many issues including housing shortfall and the overall housing shortage is estimated to be 86 million units, 46 mn in urban area and 40 mn in rural areas by 2022.

This rapid urbanization has led to the mortgage industry which was at Rs.10 trillion in March 2015 growing to Rs.15 trillion in 2017 and estimated to grow to Rs.24 trillion by 2020, translating into an annual growth rate of 18-19%. Though the industry has been growing at this robust 18-19%, the size of this marked continues to be a miniscule portion of India's GDP. Mortgage penetration is currently at 9.7% of India's GDP. Given low mortgage/GDP, Indian mortgage industry is at an inflection point and expected to grow fivefold in the next 10 years. The interesting part about this growth is that the share of HFCs and NBFCs to the total Housing Credit outstanding has been constantly increasing and most of the growth seem to be coming from Affordable Housing. This means that the housing credit has started flow to the low cost housing segment where the average size of the loan is around Rs.10 lakhs. Affordable housing alone is estimated to be Rs.6.25 trillion opportunity. The key drivers for strong growth in mortgage finance includes, increasing affordability, average age of home owners coming down to 35 years from 43 years in year 2000 and increasing urbanization.

There have been quite a few government schemes that have been launched in order to meet the housing shortage across cities. The schemes include the redevelopment of slums, creation of affordable housing through public-private partnerships, subsidy for economically weaker sections of the society, credit-linked subsidy schemes, grant of infrastructure status to affordable housing projects and creation of Affordable Housing Fund with National Housing Bank (NHB)

The promotion of affordable housing for weaker sections through credit-linked subsidy is a vertical under the Pradhan Mantri Awas Yojana and probably the most promising one. Under the credit-linked subsidy scheme, a person buying first house, costing between Rs. 3 lakhs and Rs. 6 lakhs, gets 6.5% interest subsidy. This scheme has been expanded to include houses costing Rs. 6-9 lakhs and Rs. 9 – 12 lakhs. This initiative of the Government is likely to improve the affordability for a wider set of borrowers which will consequently lead to increased growth potential in the affordable housing segment.

Given the benefits offered by the government in terms of the above initiatives and tax benefits for both the borrowers and the HFCs, it is clearly evident that India is moving towards reducing its share of homeless people.

2. Industry trends

2.1 Operating Environment:

Housing Finance Companies (HFCs) operating in the affordable housing space had a total outstanding portfolio of Rs. 1.5 trillion as of March 2018. This segment continued to grow at much faster pace of 26%-27% Y-o-Y as compared with normal HFCs wherein the growth was around 17%. This faster pace of growth would not have been possible but for the increase in supply of affordable housing projects following the infrastructure status accorded to the sector and the improved borrower affordability supported by lower interest rates and capital subsidy through credit linked subsidy scheme.

2.2 Intense Competition:

There has been an increase in the number of new entrants in the housing finance market, including HFCs promoted by NBFCs. During Mar 2015 to Dec 2017 alone 27 new HFCs were granted licenses by NHB. The number of licensed HFCs increased from 64 (March 2015) to 92 (March 2018). This 92 include 12 Large listed HFCs , 41 HFCs promoted by Financial/ Business Groups and around 39 standalone HFCs promoted by first generation entrepreneurs including PEs.Over the past two years many have received HFC license from NHB showcasing increased conviction in the future growth of this sector. While the potential for growth in mortgage finance is good, given large number of players the competition is very intense. This coupled with the regulatory move of nil prepayment penalties encourage balance transfers between players at a level much higher than in the past. Though there has been a steep growth in number of HFCs licensed by NHB, most of the companies are having challenges of building up a good credit underwriting practice and EMI collection issues. Availability of long term debt refinance at a lower cost is also a challenge.

2.3 Asset Quality:

Asset Quality of HFCs, by and large, have been stable with gross NPAs at 1.0 % as on date, despite Demonetization, RERA and GST. However the asset quality of some of the affordable housing companies have deteriorated in the recent past owing to aggressive growth, bad underwriting and to an extent seasoning of portfolio. Having said that, strong monitoring/control processes of HFCs, borrower's own equity in the properties, large % of properties financed for self-occupation, availability of SARFAESI process for recovery and comfort of lending to a secured asset class mitigates the above concerns to a large extent.

Further in recent years, HFCs share of Non Housing Loan portfolio has increased from 22% in March 2015 to 34% in March 2018. The quality of this portfolio have been deteriorating a bit with gross NPAs going up to about 2.2% in March 2018. This trend is seen more in higher ticket non housing loans of more than Rs.25 lakhs and also in funding to builders and corporates.

2.4 Funding Mix:

Funding mix for large HFCs continued to be well diversified and they rely more on debt market, while smaller HFCs rely more on bank borrowings. In FY 2018, there have been quite a few instances of even smaller HFCs accessing the debt market and multilateral financing agencies. Share of NHB refinance to HFCs has also being going up. Generally there has been an increase in the share of NCDs and CPs in the overall borrowing mix of HFCs.

As regards cost of borrowings, there was a considerable decline in the cost of borrowings of HFCs till Q2 FY 2018. With interest rates hardening from Q3 FY 2018, the cost of borrowing is edging upwards more particularly in the case of HFCs with a higher share of short term borrowings in their overall borrowing mix.

2.5 Earnings:

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

2.6 Capitalization:

Capitalization of HFCs are comfortable for current scale of business due to the benefit from lower risk weights for home loans in the affordable housing segment i.e loans upto Rs. 30 lakhs. Capital requirement for HFCs over the medium term will be around Rs. 90-160 billion to grow at 20-22% over the next 3 years. With good market, governmental support and Investor sentiment for the sector, HFCs are better positioned to raise the required amount of equity capital in the medium term.

3. Key Regulatory changes for HFCs:

3.1 Reduction in Standard Assets Provisioning for Individual Housing Loans:

NHB, in August 2017 notified a reduction in provisioning on standard assets from 0.40% earlier to 0.25% for incremental home loan disbursements made after August 1, 2017. This move by NHB reaffirms the regulatory impetus to a segment that has forward and backward linkages to the economy and also to a segment which has stood resilient to asset quality pressures.

3.2 Valuation of Property – Empanelment of Valuers:

NHB vide its circular dated August 31, 2017 has asked the HFCs to put in place a system /procedure for realistic valuation of properties. HFCs to have a Board approved policy in place for valuation of properties.

3.3 Affordable Housing Fund with NHB:

In the recent budget, a provision was made to create a fund under NHB to refinance Affordable Housing Companies. The corpus for this fund is to come from priority sector lending shortfall of banks and from bonds authorized by the Government of India(GOI). This move is expected to boost the demand and supply of affordable housing.

3.4. Housing for All 2022:

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

On the demand side GOI has implemented credit linked subsidy scheme for EWS/LIG/MIG customers which provides interest subsidy to the customers belonging to this segment. These initiatives are likely to create a new set of borrowers who would get access to the formal credit channels leading to increased market potential for HFCs operating in affordable housing space.

4. APTUS: Business Overview

4.1 Primary focus – Self Employed, LMI families:

Aptus, right from the inception in August 2010, has kept the focus in providing individual home loans to the underserved Low and Middle Income (LMI) families largely in Tier II and III Cities to buy or construct a home of their own. More than 80% of the sanctioned customers belong to the LMI /self-employed category. The profiles of the customers belong to varied categories like, retailers, agents, professionals, traders, shop owners, contractors, service centers etc. These customers aspire to own a home but are under served by banks / HFCs due to challenges faced in income assessment, repayment capacity. Hence Aptus focus is in niche segment of underserved LMI families, by existing financial institutions. Almost all these customers are first time home buyers and mainly reside in the home purchased through funding from HFCs.

4.2 Focus: Semi Urban/ Rural

Keeping in line with Aptus’ focus on Tier II and Tier III towns, today over 75% of Aptus loans disbursed fall under the Rural Areas as classified by NHB. Aptus’ focus will continue to be in extended suburbs of Metro and mini towns, underserved Tier II and III locations, potential semi urban and rural housing locations.

4.3 Distribution reach:

Aptus is operating in four southern States and one Union Territory. The company established 30 new branch offices during the year. Aptus now has 115 branches. This distribution reach is one of the best and largest in southern part of India.

4.4 Average Ticket Size

Most of Aptus customers are either constructing a house on their own land or buying their small first home. With more branches opened in Telangana, AP and Karnataka in 2017-18, the average ticket size of our loans which was at Rs. 7.50 lakhs in 2016-17 has gone up Rs. 8.25 lakhs in 2017-18. With Loan to value at around 45%, the average value of the properties funded is around Rs. 18-20 lacs.

4.5 Loan Products:

Home Loans:

Aptus product portfolio is exhaustive including, Home loans for purchase, construction/ plot loans/Home improvement/ extension loans. Home loans account for about 65% of the portfolio.

Loan against Property – Construction & Purchase:

The loans given to customers under this category are actually home loans for all practical purposes, but cannot be classified as housing loans because of certain industry norms. These loans constitute around 10% of the portfolio.

SME Loans:

Significant part of Aptus customers are self-employed and are in need of funding working capital, small capex and business expansion loans. This is a large, growing, underserved market and APTUS provides business loans based on cash flows and security of property, largely residential. Top up loans for existing customers also comes under this category. Average size of these loans are around Rs.7 lakhs. These loans account for about 25% of the portfolio. As the business potential for this product is large, a wholly owned subsidiary of Aptus has been formed to meet the needs of this product.

4.6 Disbursements:

Aptus disbursed Rs. 750 crores during the year as against Rs. 420 crores in the previous years, a growth of 79%. This resulted in more than 12000 families, who do not have access formal finance, being benefited for owning a house of their own. Cumulative disbursements as at March 31, 2018 stood at Rs. 1,900 crores with a Compounded Annual Growth rate (CAGR) of 45% over the last 3 years.

4.7 Insurance Products:

Aptus has an arrangement with leading insurance companies for providing property insurance of the property mortgaged and for providing credit shield cover for the customers of Aptus.

4.8 Portfolio performance:

During the year, Aptus' total outstanding loans increased to Rs. 1,411 crores from Rs. 847 crores and registered a growth of 67%. CAGR over the last 5 years period has been at 55%.

As per prudential norms of NHB, Aptus has identified Non Performing Assets (NPAs) and made required provisions on such NPAs besides not recognizing income in respect of such NPAs. An asset is considered NPA if the interest or principal instalment is overdue for 90 days. Aptus' NPA as at March 31, 2018 was at Rs. 6.84 crores (0.48% of AUM) and provision in respect of these NPAs have been made as per the prudential norms of NHB.

4.9 Funding

During the year 2017-18, Aptus focused on building a strong and diversified funding profile coupled with focus on reducing the cost of funds. While the bigger HFCs have always had options of more diversified funding profiles, including deposits and NCDs etc., the new HFCs like Aptus had to depend on banks and NHB for its funding needs. In this context, Aptus was able to secure support from both NHB and banks to cater to the funding requirement in the past. In the year 2017-18, Aptus was able to diversify its source of borrowing by way of debentures to Mutual funds for Rs. 200 crores. Currently funding mix of Aptus comprised of loans from Banks, NHB, Multilateral agencies like IFC and Mutual Funds.

With a strong net worth of around Rs. 600 crores, diversified funding sources and good quality loan book, Aptus was able to secure an upgrade in its Credit rating to A from ICRA and CARE. This rating upgrade has helped to get longer tenure funds at lower cost.

The focus for the year 2018-19 will be to reduce the cost of borrowing further in addition to diversifying funding from new sources like CP, Insurance Companies, etc

4.10 Asset Liability Management:

Aptus has a conservative and prudent policy for matching funding to assets which translates to a robust Asset Liability stability. As a key strategy to manage healthy cash flows, the company maintains reasonable levels of disbursement requirements in the form of un-drawn limits or in cash equivalents. Further housing being a long term lending business, loans from funding agencies are taken for a tenor not less than 7 years. This sound strategy coupled with strong networth are the key pillars of strength of Aptus on a structural basis.

4.11 Internal Control System:

Internal Control System at Aptus is adequate and commensurate with its size and the nature of its operations. The Company's system of internal controls is designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations. The integrated loan origination, loan management and accounting systems in the software that has been implemented has adequate checks and balances in place to ensure that the transactions are recorded, authorized and reported correctly.

The company also has internal audit system wherein the internal audit covering all the functions of the Company are conducted in a periodic manner and the findings of the same are reported to the Board on a quarterly basis.

4.12 Information Technology:

Aptus has made significant strides in the area of technology over the last two years by continuously investing into systems taking into account the future growth envisaged. The Company recognizes the need for a robust information security in a connected world and has invested significantly in globally accepted platforms and solutions for enterprise security.

4.13 Human Resources

At Aptus, lot of importance is placed on the human capital, be it recruitment, induction, training and growth. Most of the managers in charge of business have grown from within and infact many of them have been associated with the organization since inception. These initiatives coupled with adequate compensation levels including unique incentive schemes matched with the market and good employee welfare schemes like health and life insurance covers have helped us retain the manpower at all levels. Employee attrition at the top level is almost nil and at the middle management level is one of the best in the market. Importance is also given to imbibe the organizational values and performance driven work culture from the early days.

4.14 Financials

Key elements of Financial Results:

- Income for the year 2017-18 grew by 68% as compared to the previous year.
- Profit before tax grew by 89% as compared to the previous year.
- Profit after tax grew by 89% as compared to the previous year.
- Return on average assets for the year was at 6.22% as against 5.42% in the previous year.
- Return on average networth for the year was at 12.60% as against 10.10% in the previous year.

Annexure H

REPORT ON CORPORATE GOVERNANCE

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

1. Company Philosophy

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

2. Board of Directors

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

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

During the financial year ended March 31, 2018, five (5) Board Meetings were held on May 17, 2017, August 8, 2017, November 8, 2017, February 15, 2018 and March 21, 2018 respectively. And the gap between two meetings was not more than 120 days.

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

Name	Nature of Directorship	Attendance		Other
		Board	Committees	Directorships
M Anandan	Chairman & Managing Director	5	10	--
K M Mohandass	Independent Director	5	14	2
S Krishnamurthy	Independent Director	5	13	2
Krishnamurthy Vijayan	Independent Director	2	2	3
Shailesh J Mehta	Non Executive Director	5	1	8
Suman Bollina	Non Executive Director	5	NA	1
Mona Kachhwaha	Nominee Director, Non Executive	5	5	4
K P Balaraj	Nominee Director, Non Executive	5	5	4
Deepak Ramineedi	Nominee Non Executive	5	NA	--

2.1 Changes in Board of Directors

Mr Suman Bollina, Non-Executive Director, retired by rotation at the 8th Annual General Meeting held on August 8, 2017 and was re-appointed as Non-Executive Director not liable to retire by rotation.

Ms Mona Kachhwaha , Nominee Director, retires by rotation at the ensuing 9th Annual General Meeting and being eligible has offered herself for re-appointment.

2.2 Independent Directors

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

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

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

2.3 Code of Conduct for Directors and Senior Management

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

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

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

3. Committees

A. Committees of the Board

3.1 Audit Committee

Composition and Meetings

The Audit Committee currently consists of the following members:

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

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

The Audit Committee of the Board met four (4) times during the year on May 17, 2017, August 8, 2017, November 8, 2017 and February 15, 2018 respectively.

Terms of reference

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

The Committee shall mandatorily review the following information:

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

3.2 Nomination & Remuneration Committee

Composition and Meetings

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

1 Mr K M Mohandass

2 Mr S Krishnamurthy

3 Mr M Anandan, CMD

4 Mr Shailesh J Mehta

5 Ms Mona Kachhwaha

6 Mr K P Balaraj

The Nomination & Remuneration Committee of the Board met once during the year on May 17, 2017.

Terms of Reference

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

3.3 Resourcing & Business Committee

Composition and Meetings

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

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

Terms of Reference

1. Borrowing such sum or sums of moneys, availing all kinds and types of loans and credit facilities including debentures and other debt instruments, commercial paper, temporary loans from the company's bankers, from time to time, upto such sum / limit as may be fixed by the Board of Directors / Shareholders, for and on behalf of the Company, from its directors, shareholders, banks, NBFCs, financial institutions, companies, firms, bodies corporate, Co-operative Banks, investment institutions and their subsidiaries, or from any other person as may be permitted under applicable laws, whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and/or properties, whether movable including stocks, fixed assets, book debts and to create security over the assets and / or properties of the Company in relation to such borrowings and loan/ credit facilities, modification or satisfaction of the charge/ security created on the assets and/or properties of the Company from time to time.
2. To mortgage / charge/ hypothecate all or any of the movable properties and assets of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to with the Lender(s), Debenture holders and providers of credit and debt facilities to secure the loans / borrowings / credit / debt facilities obtained or as may be obtained, or Debentures/Bonds and other instruments issued or to issued by the Company to or in favour of the financial institutions, Non Banking Financial Companies, Co-operative Banks, investment institutions and their subsidiaries, banks, mutual funds, trusts and other bodies corporate or trustees for the holders of debentures/bonds and/or other instruments.
3. To establish current and other banking accounts with various banks upon such terms and conditions as may be agreed upon with the said bank and various other entities; to specify and change the authorized signatories and their transaction limits to the said banking accounts; to close current and other banking accounts.

4. Any unsecured loans to be given by the Company other than staff loan advances to be approved by the Resourcing & Business Committee.
5. Any secured loan to be given by the Company including Housing loans, loans against property, SME loans and other loans exceeding Rs. 1 crore to be approved by Resourcing & Business Committee.
6. To consider and approve securitization arrangements and to authorize carrying out of all actions connected therewith
7. Issuance of Share/Debenture and other security certificates
    a. Issuance of fresh Share/Debenture and other security certificates
    b. Issuance of duplicate Share/Debenture and other security certificates
    c. Issuance of certificates upon request of the Company on split/consolidation/replacement of old and duplicate certificates, transfer or transmission requests.
8. To review, modify and approve investment policy of the Company from time to time.
9. To authorize affixing the common seal of the Company in accordance with the manner laid down in the Articles of Association and to authorize taking the Common Seal out of the registered office of the Company.

The Resourcing & Business Committee of the Board met nine (9) times during the year on April 18, 2017, May 18, 2017, July 22, 2017, September 12, 2017, November 28, 2017, December 26, 2017, January 20, 2018, January 25, 2018 and February 26, 2018 respectively.

3.4 Corporate Social Responsibility Committee

Composition and Meetings

The Committee currently consists of following members:

1. Mr Krishnamurthy Vijayan
2. Mr K M Mohandass
3. Mr M Anandan, CMD

Terms of Reference

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

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

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

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

B. Internal Committees:

3.5 Asset Liability Committee (ALCO)

Composition and Meetings

The Asset Liability Committee currently consists of the following members:

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

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

Terms of Reference

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

3.6 Risk Management Committee

Composition and Meetings

The Risk Management Committee currently consists of the following members:

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

Terms of Reference

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

4. Remuneration of Directors

4.1 Remuneration to Non-Executive Directors

Sitting Fees

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

Commission

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

The details of sitting fees and commission paid to Directors during the financial year and the shares held by them in the Company as at March 31, 2018 are as follows:

Name	Sitting Fees(Rs Lakhs)(#)		Commission (Rs. lakhs)	No. of equity shares held in the Company
	Board	Committees		
Mr K M Mohandass	1.00	0.70	3.00	2,50,100
Mr S Krishnamurthy	1.00	0.65	3.00	Nil
Mr Krishnamurthy Vijayan	0.40	0.10	3.00	Nil
Mr Shailesh J Mehta	1.00	0.05	3.00	Nil
Ms Mona Kachhwaha	NA	NA	3.00	Nil
Mr K P Balaraj	NA	NA	Nil	Nil
Mr Suman Bollina	1.00	NA	3.00	83,333
Mr Deepak Ramineedi	NA	NA	Nil	NA

(#) excluding reimbursement of travel and other expenses incurred for the Company's business/meetings

4.2 Remuneration to Managing Director

The details of remuneration paid to Mr M Anandan, CMD for the financial year ended March 31, 2018 are as follows:

Particulars	Amount (Rs. lakhs)
Salary	195.00
Commission	65.00
Other allowances and Perquisites	1.72
Total	261.72

5. **CMD/EVP &CFO Certification**

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

6. **General Body Meetings**

During the financial year ended March 31, 2018, one (1) Annual General Meeting was held on August 8, 2017 and one (1) Extra Ordinary General Meetings was held on December 6, 2017.

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

General Shareholder Information

Financial year	**April 1, 2017 to March 31, 2018**
9th Annual General Meeting	
Day, Date and Time	
Venue	Regd. Office: No. 8B, Doshi Towers, 8th Floor, No.205, Poonamallee High Road, Kilpauk, Chennai – 600 010
Registrar and Transfer Agents	M/s Karvy Computershare Private Limited., Address: KARVY CENTRE 8-2-609/K, Avenue 4, Street No. 1,Banjara Hills, Hyderabad – 500034 Telephone No. 040-67406120 / 67406121
Demat ISIN Number in NSDL (Equity Shares)	INE852O01017 (Shares of the Company can be held in electronic form)

7. **Shareholding pattern as on March 31, 2018**

Sl. No	**Name of the shareholder**	**Category**	**Current**	
			No. of shares	**Shareholding %**
1	M Anandan & immediate relatives	Promoter	**23,919,498**	**30.44**
2	West Bridge Crossover Fund LLC	Foreign Body Corporate	**34,133,451**	**43.44**
3	India Financial Inclusion fund	Foreign Body Corporate	**8,046,354**	**10.24**
4	GHIOF Mauritius	Foreign Body Corporate	**3,999,571**	**5.09**
5	Aravali Investment Holdings	Foreign Body Corporate	**2,356,000**	**2.99**
6	Madison India Opportunities IV	Foreign Body Corporate	**2,356,000**	**2.99**
7	Others		**3,759,263**	**4.81**
	Total		**78,570,137**	**100.00**

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director
DIN: 00033633

Chennai
May 10, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF APTUS VALUE HOUSING FINANCE INDIA LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of APTUS VALUE HOUSING FINANCE INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

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.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's 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 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 the 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1 As required by Section 143 (3) of the Act, based on our audit 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 purposes of our audit.

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

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

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

e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

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

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

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 10, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of APTUS VALUE HOUSING FINANCE INDIA LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 10, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

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

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

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There were no unclaimed deposits outstanding at any time during the year and hence reporting under clause (v) of the Order is not applicable.

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

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Service Tax, Goods and Services Tax and Cess as on March 31, 2018 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks or dues to debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, in respect of term loans, the Company has applied the money for the purposes for which it was raised, other than temporary deployment pending application of proceeds.

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

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

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

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

(xiv) During the year the Company has not made any preferential allotment or private placement of shares fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the company.

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

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

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 10, 2018

Balance Sheet as at March 31, 2018

Rs. in lakhs

	Particular	Note No.	As at March 31, 2018	As at March 31, 2017
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	7,857.01	7,857.01
	(b) Reserves and surplus	4	50,998.54	44,216.14
			58,855.55	52,073.15
2	**Non-current liabilities**			
	(a) Long-term borrowings	5	75,010.64	26,810.38
	(b) Deferred tax liabilities (net)	6	1,209.47	570.59
	(c) Long-term provisions	7	610.47	419.37
			76,830.58	27,800.34
3	**Current liabilities**			
	(a) Short-term borrowings	5	-	300.00
	(b) Trade payables			
	i) Total outstanding dues of micro enterprises and small enterprises		-	-
	ii)Total outstanding dues of creditors other than microenterprises and small enterprises		262.06	190.78
	(c) Other current liabilities	8		
	i) Borrowings		7,553.27	3,456.84
	ii) Others		988.65	567.10
	(d) Short-term provisions	7	173.24	90.38
			8,977.22	4,605.10
	TOTAL		144,663.35	84,478.59
B	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment			
	(i) Tangible assets	9	316.70	340.41
	(ii) Intangible assets	9	117.55	126.73
	Total		434.25	467.14
	(b) Non-current investments	10	2,500.00	700.00
	(c) Long term receivables under financing activities	11	129,501.66	77,828.37
	(d) Long-term loans and advances	12	176.49	194.01
	(e) Other non current assets	14	131.51	183.33
			132,743.91	79,372.85
2	**Current assets**			
	(a) Current investments	13	3,452.02	53.28
	(b) Short term receivables under financing activities	11	7,186.59	4,042.08
	(c) Cash and bank balances	15	1,111.86	925.11
	(d) Short-term loans and advances	12	144.10	39.29
	(e) Other current assets	14	24.87	45.98
			11,919.44	5,105.74
	TOTAL		144,663.35	84,478.59
	See accompanying notes forming part of the financial statements			

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

Geetha Suryanarayanan
Partner

Place : Chennai
Date : May 10, 2018

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President &
Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 10, 2018

Statement of Profit and Loss for the year ended March 31, 2018

Rs. in lakhs

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
1	Revenue from operations	16	20,596.60	12,125.64
2	Other income	17	469.92	466.50
3	**Total revenue (1+2)**		**21,066.52**	**12,592.14**
4	**Expenses**			
	(a) Finance costs	18	5,399.11	3,582.42
	(b) Employee benefits expense	19	3,590.50	2,285.98
	(c) Depreciation and amortisation expense	9	237.00	180.02
	(d) Other expenses	20	1,073.07	780.08
	(e) Provision for advances	21	205.97	185.66
	Total expenses		**10,505.65**	**7,014.16**
5	**Profit before tax (3-4)**		**10,560.87**	**5,577.98**
6	**Tax expense**			
	- Current tax expense		2,966.42	1,558.49
	- Deferred tax	6	638.88	328.89
	Net tax expense		**3,605.30**	**1,887.38**
7	**Profit for the year (5-6)**		**6,955.57**	**3,690.60**
	Earnings per share (of Rs. 10/- each):			
	(a) Basic (in Rs.)	24.4	8.85	5.18
	(b) Diluted (in Rs.)	24.4	8.84	5.18

See accompanying notes forming part of the financial statements

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

Geetha Suryanarayanan
Partner

Place : Chennai
Date : May 10, 2018

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President &
Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 10, 2018

Cash Flow Statement for the year ended March 31, 2018

Rs. in lakhs

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
Cash flow from operating activities				
Profit before tax		10,560.87		5,577.98
Adjustments for :				
Depreciation and amortisation expense	237.00		180.02	
Profit on sale of Property, plant and equipment	-		(3.07)	
Finance costs	5,399.11		3,582.42	
Interest income from bank deposits	(13.90)		(349.60)	
Dividend income	(178.83)		(109.65)	
Provision for standard assets (net)	169.31		136.72	
Provision for sub standard assets	39.53		13.26	
Provision for doubtful assets	(2.87)		35.68	
		5,649.35		3,485.78
Operating profit before working capital changes		16,210.22		9,063.76
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Long term receivables under financing activities	(51,673.29)	(33,323.40)		
Long-term loans and advances	(32.49)	(24.27)		
Other non current assets	51.82	-		
Short term receivables under financing activities	(3,144.51)	(997.30)		
Short-term loans and advances	(104.81)	(19.01)		
Other current assets	11.81	16.27		
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	71.28		44.63	
Other current liabilities	2.95		(118.37)	
Short-term provisions	35.76		13.35	
Long-term provisions	11.16	(54,770.32)	18.64	(34,389.46)
Cash used in operations		(38,560.10)		(25,325.70)
Financing charges		(4,950.47)		(3,393.45)
Direct Taxes paid		(2,885.22)		(1,555.33)
Net cash used in operating activities (A)		**(46,395.79)**		**(30,274.48)**
Cash flow from investing activities				
Capital expenditure on Property, plant and equipment, including capital advances	(244.27)		(329.36)	
Proceeds from sale of Property, plant and equipment	-		9.55	
Bank balances not considered as cash and cash equivalents	(13.00)		18.34	
Investments in subsidiary	(1,800.00)		-	
Interest received	23.20		351.02	
Dividend received	178.83		109.65	
Net cash flow (used in) / from investing activities (B)	**-**	**(1,855.24)**	**-**	**159.20**

Cash Flow Statement for the year ended March 31, 2018

Rs. in lakhs

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
Cash flow from financing activities				
Proceeds from issue of equity shares (including securities premium)	-		27,337.95	
Expenses for issue of debentures	(173.17)		(154.60)	
Proceeds from long-term borrowings	58,330.00		16,140.00	
Repayment of long-term borrowings	(6,033.31)		(13,305.50)	
Repayment of short-term borrowings	(300.00)		-	
Net cash flow from financing activities (C)		51,823.52		30,017.85
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		3,572.49		(97.43)
Cash and cash equivalents at the beginning of the year		966.39		1,063.82
Cash and cash equivalents at the end of the year (Refer Note 13 & 15(a))		4,538.88		966.39

See accompanying notes forming part of the financial statements

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

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President &
Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 10, 2018

Place : Chennai
Date : May 10, 2018

Notes forming part of the financial statements

Note	Particulars

1 Corporate information

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

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

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

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

2.2 Use of estimates

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

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

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

2.4 Cash flow statement

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

2.5 Depreciation and amortization

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

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

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

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

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

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

Notes forming part of the financial statements

Note **Particulars**

2.6 Revenue recognition

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

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

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

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

Pre-closure charges are levied in accordance with the NHB guidelines and are accounted at the time of actual pre-closure.

Penal interest, cheque bounce charges, field visit charges and other penal / servicing charges are recognised as income on realisation due to uncertainty in their collection.

Interest spread on securitization of receivables is recognized over the tenor of the underlying assets.

2.7 Other income

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

2.8 Property, plant and equipment (Tangible / Intangible)

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

2.9 Investments

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

2.10 Employee benefits

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

<u>Defined contribution plans:</u>

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

<u>Defined benefit plans:</u>

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

<u>Short-term employee benefits:</u>

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

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

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

<u>Long-term employee benefits:</u>

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

Notes forming part of the financial statements

Note	Particulars

2.11 Segment Reporting

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

2.12 Leases

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

2.13 Earnings per share

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

2.14 Taxes on income

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

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

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

2.15 Impairment of assets

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

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

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

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

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

Notes forming part of the financial statements

Note	Particulars

2.16 Provisions and contingencies

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

2.17 Classification and Provisioning of Loan Portfolio

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

2.18 Special Reserve

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

2.19 Employee share based payments

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

2.20 Securitised Assets

Securitised Assets are derecognised in the books of the Company based on the principle of transfer of ownership interest over the assets.

2.21 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents,the Company has determined its operating cycle as12 months for the purpose of classification of its assets and liabilities as current and non- current.

Notes forming part of the financial statements

Note 3 Share capital Rs. in lakhs

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
(i) Authorised				
Equity shares of Rs. 10 each with voting rights	82,600,000	8,260.00	82,600,000	8,260.00
(ii) Issued, Subscribed and fully paid up				
Equity shares of Rs. 10 each with voting rights	78,570,137	7,857.01	78,570,137	7,857.01
Total	**78,570,137**	**7,857.01**	**78,570,137**	**7,857.01**

Notes:

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

Particulars	Opening Balance	Fresh issue	ESOP	Closing Balance
Equity shares with voting rights				
Year ended March 31, 2018				
- Number of shares	78,570,137	-	-	78,570,137
- Amount (Rs. in lakhs)	7,857.01	-	-	7,857.01
Year ended March 31, 2017				
- Number of shares	62,249,872	15,911,765	408,500	78,570,137
- Amount (Rs.)	6,224.99	1,591.18	40.84	7,857.01

(b) During the previous year 2016-17, the Company had allotted 15,911,765 equity shares of Rs. 10 each at a premium of Rs. 160 per share on preferential basis to Westbridge Cross Over Fund LLC (14,441,176 shares) and India Financial Inclusion Fund (1,470,589 shares) vide Share Subscription Agreement dated August 31, 2016. The said allotment was approved by the Board of Directors at its meeting held on August 11, 2016 and by the members in the Extraordinary General Meeting held on August 31, 2016.

(c) During the previous year 2016-17, pursuant to Aptus Employees Stock Option Scheme 2010 and Aptus Employees Stock Option Scheme 2015,the Board of Directors allotted fully paid up equity shares of Rs. 10 each to the employees of the Company vide circular resolution dated October 14, 2016 asfollows:

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

(d) Terms/right attached to Equity Shares:

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

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

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
M Anandan	17,732,833	22.57%	18,732,833	23.84%
Padma Anandan	5,916,666	7.53%	5,916,666	7.53%
Westbridge Cross Over Fund LLC	34,133,451	43.44%	32,724,951	41.65%
India Financial Inclusion Fund	8,046,354	10.24%	8,046,354	10.24%
Granite Hill India Opportunities Fund, Mauritius	3,999,571	5.09%	8,711,571	11.09%

(f) Shares reserved for issue under options:

Refer Note 23 for details of shares reserved for issue under options.

Notes forming part of the financial statements

Note 4 Reserves and surplus

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Securities premium account		
Opening balance	37,156.98	11,605.66
Add : Premium on shares issued during the year	-	25,705.92
Less : Debenture Issue Expenses	173.17	154.60
Closing Balance	**36,983.81**	**37,156.98**
Special Reserve under Section 29C of National Housing Bank (NHB) Act, 1987		
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	72.35	72.35
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act,1987	2,132.65	1,006.84
Addition/Appropriation/withdrawal during the year		
Add: a) Amount transferred u/s 29C of NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of the NHB Act, 1987 (Refer Note (a) below	2,142.87	1,125.81
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act,Refer note (a) below 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29 C of NHB Act 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	72.35	72.35
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	4,275.52	2,132.65
	4,347.87	2,205.00
Surplus in Statement of Profit and Loss		
Opening balance	4,854.16	2,289.37
Add: Profit for the year	6,955.57	3,690.60
Less: Transfer to Special reserve (Refer Note (b) below)	(2,142.87)	(1,125.81)
Closing Balance	**9,666.86**	**4,854.16**
Total	**50,998.54**	**44,216.14**

Notes:

(a) As per Section 29C(1) of the National Housing Bank Act, 1987, the Company is required to transfer atleast 20% of its net profit after tax every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961, is considered to be an eligible transfer. During the current year, the company has transferred Rs. 2,142.87 lakhs (Previous year - Rs. 1,125.81 lakhs) in terms of section 36(1)(viii) to the Special Reserve.

(b) Total amount clearly earmarked for the purposes of Statutory Reserve u/s 29C is Rs. 2,872.85 lakhs (Previous Year - Rs. 1,481.74 lakhs) out of which Rs. 72.35 lakhs (Previous Year - Rs. 72.35 lakhs) is distinctly identifiable above and the balance of Rs. 2,800.50 lakhs (Previous Year - Rs. 1,409.39 lakhs) is included in the Special Reserve created u/s 36(1)(viii) of the Income Tax Act,1961.

Notes forming part of the financial statements

Note 5 Borrowings

Rs. in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Long-Term Borrowings - Secured				
Redeemable Non-Convertible Debentures	29,970.00	6,640.00	-	-
Term loans				
From banks				
National Housing Bank	14,546.14	6,948.01	1,886.57	895.32
Other Banks	30,494.50	13,222.37	5,666.70	2,561.52
	75,010.64	26,810.38	7,553.27	3,456.84
Amount disclosed under Note 8 - Other Current Liabilities	-	-	(7,553.27)	(3,456.84)
Short-Term Borrowings - Secured				
Working Capital Demand Loan				
From banks				
Other Banks	-	-	-	300.00
	-	-	-	300.00
Total	75,010.64	26,810.38	-	300.00

Note 5(a) Details of Secured Redeemable Non-Convertible Debentures - Redeemable at par:

No of Debentures	Rate of interest %	Due date of redemption	Face Value	Balance Oustanding	
				As at March 31, 2018	As at March 31, 2017
			Rs.	Rs. in lakhs	Rs. in lakhs
3,320,000	10.00%	May 15, 2023	100	3,320.00	3,320.00
3,320,000	9.35%	May 15, 2023	100	3,320.00	3,320.00
3,330,000	9.80%	May 15, 2023	100	3,330.00	-
8,000	10.00%	December 26, 2024	100,000	8,000.00	-
8,000	10.00%	January 24, 2025	100,000	8,000.00	-
4,000	10.00%	Feburary 26, 2025	100,000	4,000.00	-

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

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

Rs. in lakhs

Rate of Interest	Maturity	Balance Oustanding	
		As at March 31, 2018	As at March 31, 2017
		Rs.	Rs.
7%-7.50%	5- 7 years	36.25	110.45
8%-9%		12,997.50	-
9%-10%		17,321.46	7,619.24
10%-11%		3,658.33	5,808.33
7.50%-8%	7-10 years	4,871.70	-
8%-9%		6,253.90	-
9%-10%		2,891.00	5,149.10

Notes forming part of the financial statements

Rs. in lakhs

Rate of Interest	Maturity	Balance Oustanding As at March 31, 2018 Rs.	Balance Oustanding As at March 31, 2017 Rs
8%-9%	> 10 years	2,032.50	2,202.50
9%-10%		2,183.91	2,356.32
10%-11%		347.36	381.28
Total		52,593.91	23,627.22
Less: Current Maturities of Long Term Borrowings classified under other current liability (Refer Note 8)		7,553.27	3,456.84
Long Term Borrowings from Banks		45,040.64	20,170.38

(i) Term loans from Banks are secured by hypothecation of specified Receivables under Financing Activities.

(ii) The Company has not defaulted in the repayment of term loans from Banks.

(iii) Loans aggregating to Rs. 16,432.71 lakhs (Previous year - Rs. 11,650.06 lakhs) has been guaranteed by the promoter Mr. M Anandan.

Note 5(c) - Details of Short Term Borrowings are as follows:

Working Capital Demand Loan amounting to Rs. Nil (Previous Year - Rs. 300 lakhs) is repayable in 180 days with an interest rate of 11% p.a.

Note 6 Deferred tax liabilities (net)

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax (liabilities) / assets		
Tax effect of items constituting deferred tax liabilities:		
On Special Reserve created under section 36(1)(viii) of the Income Tax Act, 1961	(1,519.32)	(763.11)
On Provision for doubtful advances allowed under section 36(1)(viia)	(29.91)	(16.94)
Tax effect of items constituting deferred tax liabilities	(1,549.23)	(780.05)
Tax effect of items constituting deferred tax assets:		
Provision for compensated absences, gratuity and other employee benefits	48.83	32.12
Provision for doubtful debts / advances	217.67	144.29
On difference between written down value of Property, plant and equipment as per books and as per Section 32 of Income Tax Act, 1961	70.86	31.92
Others	2.40	1.13
Tax effect of items constituting deferred tax assets	339.76	209.46
Deferred tax (liabilities) / assets (net)	(1,209.47)	(570.59)
Reconciliation of Deferred Tax:		
Net Deferred Tax Asset / (Liability) as at the beginning of the year	(570.59)	(241.70)
Add / (Less): Deferred tax asset /(liability) credited to / expense recognized in Statement of profit and loss.	(638.88)	(328.89)
Net Deferred Tax Asset / (Liability) as at the end of the year	(1,209.47)	(570.59)

Notes forming part of the financial statements

Note 7 Provisions

Rs. in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits:				
Provision for gratuity	46.43	35.27	30.80	16.29
Provision for compensated absences	-	-	62.52	41.27
	46.43	35.27	93.32	57.56
Provision for Income Tax (Net of Advance Tax Rs. 5,900.50 lakhs)	-	-	21.04	-
Provision for standard receivables under financing activities				
Housing loans	251.68	184.76	19.96	7.52
Non-Housing loans - Loans against property and Loans subordinated as Credit Enhancements for assets de-recognised	208.18	125.30	15.44	8.36
	459.86	310.06	35.40	15.88
Provision for sub-standard asset and doubtful asset				
Housing loans				
-Sub-standard assets	39.10	19.73	4.82	1.25
-Doubtful assets	21.49	35.19	2.85	4.34
Non-Housing loans - Loans against property				
-Sub-standard assets	30.68	14.90	4.71	3.88
-Doubtful assets	12.91	4.22	11.10	7.47
	104.18	74.04	23.48	16.94
Total	**610.47**	**419.37**	**173.24**	**90.38**

Note 8 Other current liabilities

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of long-term borrowings		
- Term loan from NHB-secured	1,886.57	895.32
- Term loan from banks-secured	5,666.70	2,561.52
Interest accrued but not due on borrowings	740.49	291.85
Deferred Rent	6.87	3.28
Other payables		
Statutory remittances	128.79	37.76
Payables on purchase of Property, plant and equipment	-	30.01
Advances from customers	5.85	8.80
Remittances Payable - Derecognized Assets	106.65	195.40
Total	**8,541.92**	**4,023.94**

Notes forming part of the financial statements

Note 9 Property, plant and equipment

A. Tangible Assets

Rs. in lakhs

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at April 1, 2017	Additions	Disposals	Balance as at March 31, 2018	Balance as at April 1, 2017	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2018	Balance as at March 31, 2018	Balance as at March 31, 2017
(a) Land - Freehold	64.57	-	-	64.57	-	-	-	-	64.57	64.57
(Previous year)	-	(64.57)	-	(64.57)	-	-	-	-	(64.57)	-
(b) Leasehold improvements	264.39	51.80	-	316.19	174.73	58.91	-	233.64	82.55	89.66
(Previous year)	(214.05)	(50.34)	-	(264.39)	(122.48)	(52.25)	-	(174.73)	(89.66)	(91.57)
(c) Furniture and fixtures - Owned	44.35	26.22	-	70.57	40.32	19.11	-	59.43	11.14	4.03
(Previous year)	(26.75)	(17.60)	-	(44.35)	(24.23)	(16.09)	-	(40.32)	(4.03)	(2.52)
(d) Vehicles - Owned	96.68	-	-	96.68	36.23	20.62	-	56.85	39.83	60.45
(Previous year)	(48.45)	(61.85)	(13.62)	(96.68)	(30.88)	(12.49)	(7.14)	(36.23)	(60.45)	(17.57)
(e) Office equipment - Owned	307.30	68.19	-	375.49	185.60	71.28	-	256.88	118.61	121.70
(Previous year)	(206.29)	(101.01)	-	(307.30)	(124.62)	(60.98)	-	(185.60)	(121.70)	(81.67)
Total	777.29	146.21	-	923.50	436.88	169.92	-	606.80	316.70	340.41
(Previous year)	(495.54)	(295.37)	(13.62)	(777.29)	(302.21)	(141.81)	(7.14)	(436.88)	(340.41)	(193.33)

B. Intangible Assets

Rs. in lakhs

Particulars	Gross block				Accumulated amortisation				Net block	
	Balance as at April 1, 2017	Additions	Disposals	Balance as at March 31, 2018	Balance as at April 1, 2017	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2018	Balance as at March 31, 2018	Balance as at March 31, 2017
(a) Computer software	219.05	57.90	-	276.95	92.32	67.08	-	159.40	117.55	126.73
(Previous year)	(68.86)	(150.19)	-	(219.05)	(54.11)	(38.21)	-	(92.32)	(126.73)	(14.75)
Total - Intangible assets	219.05	57.90	-	276.95	92.32	67.08	-	159.40	117.55	126.73
(Previous year)	(68.86)	(150.19)	-	(219.05)	(54.11)	(38.21)	-	(92.32)	(126.73)	(14.75)

Notes forming part of the financial statements

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

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Investments - Unquoted		
Investment in Equity shares of subsidiaries		
Aptus Finance India Private Limited		
25,000,000 Equity shares (Previous year - 7,000,000 Equity shares) of Face Value Rs. 10 each fully paid up	2,500.00	700.00
Total	2,500.00	700.00

Note 11 Receivables under Financing Activities

Rs. in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Receivables under Financing Activites (Secured)				
Housing loans	77,206.13	46,388.67	3,171.68	1,828.36
Non-Housing loans				
- Loans against property	51,772.90	30,816.22	3,814.31	2,099.59
Loans subordinated as Credit Enhancements for assets de-recognised	522.63	623.48	-	-
	129,501.66	77,828.37	6,985.99	3,927.95
Instalments and Other Dues from Borrowers				
- Housing loan	-	-	98.99	67.61
- Loans against property	-	-	101.61	46.52
	-	-	200.60	114.13
Total	129,501.66	77,828.37	7,186.59	4,042.08
Notes:				
(i) Of the above:				
Housing Loan				
Standard Assets - Considered good	76,870.44	46,190.31	3,229.00	1,879.38
Substandard assets	260.60	131.51	32.11	8.36
Doubtful Assets	75.09	66.85	9.56	8.23
Sub-Total (A)	77,206.13	46,388.67	3,270.67	1,895.97
Loans against property and Loans subordinated as Credit Enhancements for assets de-recognised				
Standard Assets - Considered good	52,044.82	31,326.15	3,859.73	2,091.23
Substandard assets	204.53	97.22	31.43	27.99
Doubtful Assets	46.18	16.33	24.76	26.89
Sub-Total (B)	52,295.53	31,439.70	3,915.92	2,146.11
Total (A+B)	129,501.66	77,828.37	7,186.59	4,042.08

(ii) The housing loans and non housing loans are secured by deposit of original title deeds of immovable properties with the Company and registered mortgage of title deeds.

(iii) Credit Shield Insurance on Housing Loans to the extent of Rs. 774.88 lakhs (Previous Year - Nil) are regrouped under Non-Housing Loans.

Notes forming part of the financial statements

Note 12 Loans and advances

Rs. in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Unsecured - considered good				
Security deposits	166.34	133.85	-	-
Capital Advances	10.15	-	-	-
Advance income tax (Net of provisions (Previous year - Rs. 2,955.12 lakhs))	-	60.16	-	-
Loans and advances to employees	-	-	0.82	0.54
Balances with government authorities:				
- Service Tax credit receivable	-	-	-	2.54
Prepaid Expenses	-	-	19.88	4.68
Other Advances	-	-	123.40	31.53
Total	176.49	194.01	144.10	39.29

Note 13 Current Investments

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Investment in Mutual Funds		
Unquoted		
ICICI Prudential Liquid - Reg - Daily Dividend	1,738.62	53.28
Aditya Birla Sunlife - Cash Plus - Daily Dividend	1,713.40	-
Total	3,452.02	53.28

Note:

Particulars	NAV per Unit (in Rs.) As at March 31, 2018	NAV per Unit (in Rs.) As at March 31, 2017
ICICI Prudential Liquid - Reg - Daily Dividend (1,736,038 Units (Previous Year - 53,226 Units))	100.2066	100.0989
Aditya Birla Sunlife - Cash Plus - Daily Dividend (1,710,069 Units (Previous Year - Nil Units))	100.2721	-

Note 14 Other Assets

Rs. in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Balances held as margin money against securitisation	131.51	183.33	-	-
Interest Accrued but not due on Deposits with Banks	-	-	4.12	13.42
Other Receivables (Refer note below)	-	-	20.75	32.56
Total	131.51	183.33	24.87	45.98

(i) Includes an amount of Rs. 20.07 lakhs (Previous year - Rs. 31.90 lakhs) receivable from the investors on remittance of the dues towards derecognized assets referred in Note 8.

Notes forming part of the financial statements

Note 15 Cash and bank balances

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
15(a) Cash and cash equivalents		
Cash on Hand	159.21	51.04
Cheques on hand	9.84	11.42
Balances with banks - In current accounts	917.81	850.65
	1,086.86	913.11
15(b) Other Bank balances		
In deposit accounts - Original maturity more than 3 months - (Refer Note (i) below)	25.00	12.00
	25.00	12.00
Total	1,111.86	925.11

Notes:

(i) Balances with banks include Rs. 17.46 lakhs (Previous year - Rs. 5.45 lakhs) which have remaining maturity of more than twelve months.
(ii) Balances with Banks on Current Accounts and cash, cheques and drafts on hand include amounts collected in respect of assets de-recognised on account of Securitisation of Receivables pending remittance to the investors. Refer Note 8.

Note 16 Revenue from operations

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income		
- on Housing Loans	9,326.67	6,026.11
- on Non-Housing Loans		
Loan against property	9,136.91	4,986.05
Other financial Services		
Processing fees	1,447.12	847.22
Other operating income	685.90	266.26
Total	20,596.60	12,125.64

Note 17 Other income

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income from Deposits with Banks	13.90	349.60
Dividend income:		
from current investments	178.83	109.65
Profit on Sale of Property, plant and equipment	-	3.07
Other Non Operating Income	277.19	4.18
Total	469.92	466.50

Note 18 Finance costs

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense on Borrowings		
- Term Loans	3,783.68	3,120.68
- Debentures	1,319.28	269.70
Other borrowing costs	296.15	192.04
Total	5,399.11	3,582.42

Notes forming part of the financial statements

Note 19 Employee benefits expense

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Bonus and Commission	3,265.46	2,083.33
Contributions to provident and other funds	120.33	80.39
Gratuity expense	30.03	18.72
Staff welfare expenses	214.92	103.54
	3,630.74	2,285.98
Less: Expenses recovered	(40.24)	-
Total	**3,590.50**	**2,285.98**

Note 20 Other expenses

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent including lease rentals (Refer Note (i) & (ii) below)	227.89	174.18
Repairs and maintenance		
- Computers	5.52	5.13
- Others	8.45	11.31
Insurance	4.41	7.94
Software expenses	36.01	7.47
Rates and taxes	78.46	53.88
Communication Expenses	103.02	80.99
Travelling and conveyance	173.32	125.64
Office expenses	164.64	102.11
Printing and stationery	42.29	29.25
Commision to Directors	18.00	15.00
Sitting fees to non-whole time directors	5.90	6.59
Rating Fee	27.73	23.23
Electricity Charges	20.64	17.07
Bank charges	7.29	9.17
Business promotion	15.43	9.97
Legal and professional	49.50	40.09
Payments to auditors (Refer Note (iii) below)	23.80	23.05
Miscellaneous expenses	72.55	38.01
	1,084.85	780.08
Less: Expenses recovered	(11.78)	-
Total	**1,073.07**	**780.08**
Donation to Political parties	-	-

Notes:

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Lease equalisation charge included in Rent	3.59	0.86
(ii) Cancellable operating lease entered for office space	224.30	173.32
(iii) Payments to the Statutory Auditors comprise (net of service tax input credit,where applicable):		
For Statutory Audit	17.00	17.00
For Taxation matters	1.00	1.00
For other services	5.80	5.05
	23.80	23.05

Notes forming part of the financial statements

Note 21 Provision for Advances

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for standard assets (net)	169.31	136.72
Provision for sub standard assets (net)	39.53	13.26
Provision for doubtful assets (net)	(2.87)	35.68
Total	205.97	185.66

Note 22 Additional information to the financial statements

Note	Particulars

22.1(a) Contingent Liabilities

Corporate under takings for securitisation of receivables aggregated to Rs. 17.52 lakhs (Previous year Rs.16.95 lakhs).The outflow would arise in the event of a shortfall, if any, in the cashflows of the pool of the securitised receivables.

Inrespect of these undertakings, management does not believe, based on currently available information, that the maximum outflow that could arise, will have a material adverse effect on the Company's financial condition.

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
22.1(b) Commitments		
(a) Corporate Guarantees given to Banks on behalf of the subsidiary - Aptus Finance India Private Limited	1,450.00	-
(b) Loans sanctioned to Borrowers pending disbursement	5,484.26	3,690.47
	6,934.26	3,690.47

22.2 Micro, Small and Medium Enterprises

Based on the extent of information available with the Management, there are no transactions with Micro and Small Enterprises. This has been relied upon by the Auditors.

22.3 Loan Portfolio and Provision for Standard and Non Performing Assets

22.3.(a) Current year

Rs. in lakhs

Asset Classification	Loan Outstanding as at March 31, 2018 (Gross)	Provision as at March 31, 2018	Loan Outstanding as at March 31, 2018 (Net)
A. Housing Finance Activities			
Standard Assets	80,099.44	271.64	79,827.80
Sub-Standard Assets	292.71	43.92	248.79
Doubtful Assets	84.65	24.34	60.31
Sub total (A)	80,476.80	339.90	80,136.90
B. Non Housing Finance Activities - Loans Against Property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets	55,904.55	223.62	55,680.93
Sub-Standard Assets	235.96	35.39	200.57
Doubtful Assets	70.94	24.01	46.93
Sub total (B)	56,211.45	283.02	55,928.43
Grand total (A+B)	136,688.25	622.92	136,065.33

Notes forming part of the financial statements

22.3 Loan Portfolio and Provision for Standard and Non Performing Assets (Contd.)

22.3.(b) Previous year

Rs. in lakhs

Asset Classification	Loan Outstanding as at March 31, 2017 (Gross)	Provision as at March 31, 2017	Loan Outstanding as at March 31, 2017 (Net)
A. Housing Finance Activities			
Standard Assets	48,069.69	192.28	47,877.41
Sub-Standard Assets	139.87	20.98	118.89
Doubtful Assets	75.08	39.53	35.55
Sub total (A)	**48,284.64**	**252.79**	**48,031.85**
B. Non Housing Finance Activities			
- Loans Against Property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets	33,417.38	133.66	33,283.72
Sub-Standard Assets	125.21	18.78	106.43
Doubtful Assets	43.22	11.69	31.53
Sub total (B)	**33,585.81**	**164.13**	**33,421.68**
Grand total (A+B)	**81,870.45**	**416.92**	**81,453.53**

Notes forming part of the financial statements

Note 23 Disclosures on Employee share based payments

Note	Particulars

Employee Stock Option Scheme

(a) In the extraordinary general meeting held on July29, 2010 and in the Annual General Meeting held on August7, 2015, the share holders approved the issue of upto 3,200,000 options and 1,800,000 options respectively under the Scheme titled "APTUS Employees Stock Option Scheme 2010" (here in after referred to as Aptus ESOS, 2010) and "Aptus Employees Stock Option Scheme 2015" (here in after referred to as Aptus ESOS, 2015).

Both the Schemes allow the issue of options to employees of the Company. Each option comprises one underlying equity share.

As per the Scheme, the Nomination and Remuneration Committee ("The Committee") grants the options to the employees deemed eligible and also governs the operation of the scheme.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

(b) Employee stock options details as on the balance sheet date are as follows:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7 under Aptus ESOS 2015	Grant 8 under Aptus ESOS 2015	Total
Date of Grant	26-Aug-10	03-Dec-10	11-May-11	19-May-12	03-Aug-12	12-Feb-13	07-Aug-15	17-May-17	
Exercise price per option	10.00	10.00	10.00	10.00	20.00	20.00	75.00	130.00	
Intrinsic Value per option	7.33	7.32	7.25	10.25	10.34	20.91	56.26	111.02	
Total options granted and outstanding as on March 31, 2017	-	-	-	-	-	-	1,125,000	-	1,125,000
Add: Options granted during the year	-	-	-	-	-	-	-	150,000	150,000
Less: Options forfeited/lapsed during the year	-	-	-	-	-	-	-	-	-
Less: Options exercised during the year	-	-	-	-	-	-	-	-	-
Options outstanding as at March 31, 2018									
- Vested	-	-	-	-	-	-	375,000	-	375,000
- Yet to Vest	-	-	-	-	-	-	750,000	150,000	900,000

Notes forming part of the financial statements

Note 23 Disclosures on Employee share based payments (contd.)

Note	Particulars

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Rs. in lakhs	Rs. in lakhs
Profit / (Loss) (as reported)	6,955.57	3,690.60
Add / (Less): stock based employee compensation (intrinsic value)	26.40	14.55
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (See note (d) below)	-	-
Net Profit / (Loss) (proforma)	6,929.17	3,676.05
Basic earnings per share (as reported)	8.85	5.18
Basic earnings per share (proforma)	8.82	5.16
Diluted earnings per share (as reported)	8.84	5.18
Diluted earnings per share (proforma)	8.81	5.16

(d) During the financial year 2017-18, 150,000 shares were granted under the Aptus ESOS 2015 scheme. The fair value of options used to compute Proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an external firm of Chartered Accountants. The key assumptions used in the model for calculating fair value are as below:

Assumptions	Date of Grant							
	26-Aug-10	03-Dec-10	09-May-11	19-May-12	03-Aug-12	12-Feb-13	07-Aug-15	17-May-17
Risk Free Interest Rate	7.13% to 7.78%	7.07% to 7.58%	7.87% to 7.93%	7.83% to 7.91%	7.83%	7.69% to 7.74%	7.96%	7.21% to 7.73%
Expected Life	1.58 to 3.58	1.25 to 3.25	1.83 to 3.83	1.83 to 3.83	1.67	2.17 to 4.17	4	4
Expected Annual Volatility of Shares	38% to 44%	31% to 41%	35% to 42%	34% to 53%	33%	27% to 36%	30%	36%
Expected Dividend Yield	0%	0%	0%	0%	0%	0%	0%	0%
Price of Underlying share at the time of the Option Grant	7.33	7.32	7.25	10.25	10.34	20.91	56.26	111.02
Fair Value of the Option (Rs.)								
1st Stage	1.07	0.43	0.88	3.50	0.29	6.22	3.88	29.67
2nd Stage	1.62	1.13	1.49	3.50	0.53	6.64	7.04	36.87
3rd Stage	1.96	1.93	2.25	3.97	0.00	9.42	10.39	43.37
4th Stage							13.78	49.29

Notes forming part of the financial statements

Note 24 Disclosures under Accounting Standards

Note	Particulars

24.1 Employee benefit plans

24.1.a Defined contribution plans

The Company makes Provident Fund contributions for qualifying employees to the Regional Provident Fund Commissioner Under the Scheme, the Company is required to contribute as pecified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 120.33 lakhs (Previous year - Rs. 80.39 lakhs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to the scheme by the Company are at rates specified in the rules of the scheme.

24.1.b Defined benefit plans

The Company does not have a funded gratuity scheme for its employees. Gratuity provision has been made based on the actuarial valuation done as at the year end.The details of actuarial valuation as provided by the Independent Actuary is as follows:

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Change in defined benefit obligations during the year		
Present value of obligation as at beginning of the year	51.56	34.92
Current service cost	10.86	8.28
Past service cost - vested benefits	9.40	-
Interest cost	3.26	2.92
Benefits paid	(4.35)	(2.08)
Actuarial (gains) / losses	6.50	7.52
Present value of obligation at end of the year	**77.23**	**51.56**
Liability recognized in the Balance Sheet		
Present value of obligation	77.23	51.56
Fair value of Plan Assets	-	-
Net Liability recognized in the Balance Sheet	**77.23**	**51.56**
Cost of Defined Benefit Plan for the year		
Current service cost	10.86	8.28
Past service cost - vested benefits	9.40	-
Interest cost	3.26	2.92
Actuarial (gains) / losses	6.50	7.52
Net cost recognized in the statement of Profit and Loss	**30.02**	**18.71**
Actual return on Plan Assets	-	-

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Discount Rate	6.82%	6.60%
Future Salary Increase	5.00%	5.00%
Attrition Rate	10.00%	15.00%
Mortality	Indian Assured Lives(2006-08) Ultimate table	Indian Assured Lives(2006-08) Ultimate table

Notes:

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

Notes forming part of the financial statements

Note 24 Disclosures under Accounting Standards (contd.)

Note	Particulars

3. Experience adjustments

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Projected Benefit Obligation	77.23	51.56	34.92	24.68	18.02
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(77.23)	(51.56)	(34.92)	(24.68)	(18.02)
Experience Adjustments on Plan Liabilities	(8.33)	(1.81)	(6.68)	(1.12)	(6.34)

24.1.c Compensated absences

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Discount Rate	6.82%	6.60%
Future Salary Increase	5.00%	5.00%

24.2 Segment Reporting:

The Company is primarily engaged in the business of housing finance. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS 17"Segment Reporting".

24.3 Related party transactions

24.3.a Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. M Anandan, Chairman & Managing Director
Relatives of Key Management Personnel	Mr. Suman Bollina, Director
Individuals Holding Substantial Interest	Mr. M Anandan, Chairman & Managing Director
Subsidiary	Aptus Finance India Pvt Limited
Entities in which Key Management Personnel exercise Significant Influence	None

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

Notes forming part of the financial statements

Note 24 Disclosures under Accounting Standards (contd.)

Note	Particulars

24.3.b Details of related party transactions for the year

Rs. in lakhs

Transactions	Names of related parties	Year ended March 31, 2018	Year ended March 31, 2017
Remuneration	Mr. M Anandan		
	- Salary	195.00	150.00
	- Commission	65.00	50.00
	- Others	1.72	1.63
Director Commission	Mr. Suman Bollina	3.00	2.50
Rent	Mr. M Anandan	6.60	-
Personal guarantee given for Borrowings taken by the Company as at year end	Mr. M Anandan	16,432.71	11,650.06
Investment in subsidiary during the year	Aptus Finance India Pvt Limited	1,800.00	-
Investment in subsidiary as at year end	Aptus Finance India Pvt Limited	2,500.00	700.00
Advances given	Aptus Finance India Pvt Limited	-	3.41
Support cost recovered	Aptus Finance India Pvt Limited	52.02	-
Corporate guarantee given for Borrowings taken by the Subsidiary and outstanding as at year end	Aptus Finance India Pvt Limited	1,450.00	-

24.4 Earnings per share

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic & Diluted		
Profit After Tax	6,955.57	3,690.60
Weighted Average Number of Equity Shares (Face Value Rs. 10 Each) - Basic	78,570,137	71,239,103
Earnings Per Share - Basic (Rs.)	8.85	5.18
Weighted Average Number of Equity Shares (Face Value Rs. 10 Each) - Diluted	78,691,804	71,284,191
Earnings Per Share - Diluted (Rs.)	8.84	5.18

24.5 Corporate Social Responsibility expenditure:

As per Section 135 of Companies Act 2013, the Company is required to spend Rs. 64.58 lakhs (Previous Year - Rs. 32.88 lakhs) towards CSR activities. The Company has not made any contributions during the year, since the Management could not identify suitable projects and programme which can be identified and which would complement the businesses of the Company.

24.6 Details of Provision

Rs. in lakhs

Particulars	As at April 1, 2017	Additions	Utilisation/ Reversals	As at March 31, 2018
Provision for Standard Assets	325.95	169.31	-	495.26
	(189.23)	(136.72)	-	(325.95)
Provision for Sub standard Assets	39.76	72.70	33.15	79.31
	(26.50)	(36.69)	(23.43)	(39.76)
Provision for doubtful assets	51.23	32.68	35.56	48.35
	(15.55)	(35.68)	-	(51.23)

Previous year figures are given in brackets.

Notes forming part of the financial statements

Note	Particulars

25 Sharing of Costs

The Company and its subsidiary share certain costs / service charges. These costs have been recovered by the Company from its subsidiary on a basis mutually agreed to between them, which has been relied upon by the Auditors.

Note 26 Disclosures pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing Bank

26.1 Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as Note 2 to the Financial Statements.

26.2 Capital to Risk Assets Ratio (CRAR)

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Tier I Capital	58,614.61	51,743.37
Tier II Capital	371.87	122.90
Total Capital	**58,986.48**	**51,866.27**
Total Risk Assets	**92,312.80**	**52,885.08**
Capital Ratios		
CRAR - Tier I Capital (%)	63.50%	97.84%
CRAR - Tier II Capital (%)	0.40%	0.23%
CRAR (%)	**63.90%**	**98.07%**
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

26.3 Reserve Fund u/s 29C, of NHB Act 1987

The movement in the Reserve Fund created under Section 29C of NHB Act, 1987 is disclosed under Note 4 to the Financial Statements.

26.4 Investments

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Value of Investments		
i) Gross Value of Investments		
(a) In India	5,952.02	753.28
(b) Outside India	-	-
ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
iii) Net Value of Investments		
(a) In India	5,952.02	753.28
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
i) Opening Balance	-	-
ii) Add:Provisions made during the year	-	-
iii) Less: Write-off / Written-bank of excess provisions during the year	-	-
iv) Closing balance	-	-

Notes forming part of the financial statements

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

Note	Particulars

26.5 Derivatives

The Company has not entered into any Derivative transactions Forward Rate Agreement (FRA) Interest Rate Swap (IRS) : Nil Exchange Traded Interest Rate (IR) Derivative: Nil Disclosures on Risk Exposure in Derivatives: Not applicable

26.6 i) Assets De-Recognized on Securitization

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Number of Special Purpose Vehicle (SPV) sponsored for Securitisation transactions*	3	4
Outstanding securitised Assets in books of SPV	2,126.46	3,518.40
Less: Collections not yet due to be remitted to SPV**	70.04	134.30
Outstanding securitised Assets as per books	2,056.42	3,384.10
Total amount of exposures retained by the HFC to comply with Minimum Retention Ratio (MRR) as on the date of balance sheet		
a) Off-balance sheet exposures towards Credit Enhancements		
First Loss	-	-
Others	-	-
b) On-balance sheet exposures towards Credit Enhancements		
First Loss – Cash collateral	131.51	183.33
Others – Over collateral	522.63	623.48
Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures towards Credit Enhancements		
Exposure to own securitizations	-	-
Exposure to third party securitisation	-	-
b) On-balance sheet exposures towards Credit Enhancements		
Exposure to own securitizations	-	-
Exposure to third party securitisation	-	-
Book value of Assets sold	5,735.37	6,995.99

* Represents the SPVs relating to outstanding securitisation transactions

** excludes interest collected from customers on securitised assets.

ii) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction: Nil

iii) Details of Assignment transactions undertaken by HFCs: Nil

iv) Details of non-performing financial assets purchased / sold: Nil

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

Note	Particulars

26.7 Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2018: Rs. in lakhs

Particulars	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Borrowings from Bank* (incl. from NHB)	708.75	167.91	890.07	1,903.03	3,883.51	17,284.03	14,891.15	8,300.24	3,764.80	800.42	52,593.91
Market Borrowings	-	-	-	-	-	-	20,000.00	9,970.00	-	-	29,970.00
Assets											
Advances	731.40	549.16	556.89	1,716.62	3,632.52	18,000.64	23,608.31	25,275.76	32,449.20	30,167.75	136,688.25
Investments	3,452.02	-	-	-	-	-	-	-	-	2,500.00	5,952.02

* The above borrowings excludes Interest payable on borrowings from banks

Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2017: Rs. in lakhs

Particulars	1 day to 30/31 days (One Month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Borrowings from Bank* (incl. from NHB)	326.87	14.37	704.22	1,095.46	1,728.42	7,651.52	6,152.77	3,079.12	1,997.71	1,176.76	23,927.22
Market Borrowings	-	-	-	-	-	-	-	6,640.00	-	-	6,640.00
Assets											
Advances	412.94	307.94	312.52	965.64	2,043.04	10,139.15	13,449.91	14,413.55	20,076.77	19,748.99	81,870.45
Investments	53.28	-	-	-	-	-	-	-	-	700.00	753.28

* The above borrowings excludes Interest payable on borrowings from banks

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

Notes forming part of the financial statements

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

Note	Particulars

26.8 A. Exposure to Real Estate Sector

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Direct Exposure		
(i) Residential Mortgages *		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
Upto Rs. 15 Lakhs	123,220.54	72,822.67
More than Rs. 15 Lakhs	13,467.71	9,047.79
Total	**136,688.25**	**81,870.46**
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi- family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) Limits	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and Other securitised exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-
Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

* Includes exposures to Non-Housing loans secured by residential mortgages amounting to Rs. 56,347.84 lakhs (Previous year - Rs 33,585.82 lakhs)

B. Exposure to Capital Market: Nil

C. Details of financing of Parent Company products:

These details are not applicable since the Company is not a subsidiary of any company.

D. Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL) exceeded by HFC:

The Company has not exceeded Single Borrower Limit (SBL) / Group Borrower Limit (GBL) during the financial year.

E. Unsecured Advances: Nil

26.9 Other Regulator Registrations

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

Notes forming part of the financial statements

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

Note	Particulars
26.10	**Disclosure of Penalties imposed by NHB and other regulators**

During the year ended March 31, 2018 and March 31, 2017,
(i) there are no penalties imposed on the Company by NHB or other Regulators.
(ii) the Company has not received any adverse comments in writing by NHB or other Regulators on regulatory compliances,with a specific communication to disclose the same to the public.

26.11 Related party Transactions

Details of all material transactions with related parties are disclosed in Note 24.3 to Financial Statements.

26.12 Ratings assigned by Credit Rating Agencies

Particulars	As at March 31, 2018	As at March 31, 2017
Non-Convertible Debentures	CARE A [Single A]	CARE A(-) [Single A Minus]
Bank Term Loans	CARE A [Single A] ICRA A [Single A]	CARE A(-) [Single A Minus] ICRA A(-) [Single A Minus]

26.13 Remuneration of Directors
Details of Remuneration of Directors are disclosed as part of the Directors Report.

26.14 Management
Refer to the Management Discussion and Analysis report for the relevant disclosures.

26.15 Net Profit or Loss for the period, prior period items and changes in accounting policies
There are no prior period items that have impact on the current year's profit and loss. There are no changes in accounting policies during the current year.

26.16 Revenue Recognition
There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

26.17 Accounting Standard 21 – Consolidated Financial Statements (CFS)
Refer the Consolidated Financial Statements for the relevant disclosures.

Notes forming part of the financial statements

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

Note	Particulars
26.18	**Provisions and Contingencies**

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income Tax	3,605.30	1,887.38
3. Provision towards NPA	36.66	48.94
4. Provision for Standard Assets * (with details like teaser loan, CRE, CRE-RH etc.)		
- Housing Loans (Non-CRE)	79.36	62.28
- Non-Housing Loans (Non-CRE)	89.95	74.44
5. Other Provision and Contingencies	-	-

Break up of Loan & Advances and Provisions thereon

Particulars	Housing		Non-Housing	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Standard Assets				
a) Total Outstanding Amount	80,099.44	48,069.69	55,904.55	33,417.38
b) Provisions made	271.64	192.28	223.62	133.66
Sub-Standard Assets				
a) Total Outstanding Amount	292.71	139.87	235.96	125.21
b) Provisions made	43.92	20.98	35.39	18.78
Doubtful Assets – Category-I				
a) Total Outstanding Amount	63.44	36.16	45.30	37.28
b) Provisions made	15.86	9.03	11.32	9.32
Doubtful Assets – Category-II				
a) Total Outstanding Amount	21.21	14.04	21.59	5.94
b) Provisions made	8.48	5.62	8.64	2.37
Doubtful Assets – Category-III				
a) Total Outstanding Amount	-	24.88	4.05	-
b) Provisions made	-	24.88	4.05	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
TOTAL				
a) Total Outstanding Amount	80,476.80	48,284.64	56,211.45	33,585.81
b) Provisions made	339.90	252.79	283.02	164.13

Notes:

1) The total outstanding amount mean principal + accrued interest* + other charges** pertaining to loans without netting off.

* Accrued interest on non-performing assets are de-recognised, hence not included in the outstanding amount.

**Other charges are recognised only on realisation basis, hence not considered as part of out sanding amount.

2) The Category of Doubtful Assets is as under

Period for which the assets has been considered as doubtful	Category
Up to one year	Category-I
One to three years	Category-II
More than three years	Category-III

Notes forming part of the financial statements

Note	Particulars
26.19	**Draw Down from Reserves**
	During the financial year 2017-18, there were no draw down from Reserves.

26.20 Concentration of Loans & Advances

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Total Loans & Advances to twenty largest borrowers	743.79	707.55
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	0.54%	0.86%

26.21 Concentration of Exposures (including off- balance sheet exposure)

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Total Exposure to twenty largest borrowers/customers	743.79	707.55
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	0.54%	0.86%

26.22 Concentration of NPAs

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Total Exposure to top ten NPA accounts	190.47	169.06
Percentage of Exposure to top ten NPA accounts to Total Advances of the HFC	0.14%	0.21%

26.23 Sector-wise NPAs

	Percentage of NPAs to Total Advances in that Sector	
Sector	As at March 31, 2018	As at March 31, 2017
A. Housing Loans:		
1. Individuals	0.47%	0.45%
2. Builders/Project Loans	0.00%	0.00%
3. Corporates	0.00%	0.00%
4. Others (specify)	0.00%	0.00%
B. Non-Housing Loans:		
1. Individuals	0.55%	0.50%
2. Builders/Project Loans	0.00%	0.00%
3. Corporates	0.00%	0.00%
4. Others (specify)	0.00%	0.00%

26.24 Movement of NPAs

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
(I) Net NPAs to Net Advances(%)	0.41%	0.36%
(II) Movement of Gross NPAs		
a) Opening balance	383.38	221.53
b) Additions during the year	477.92	245.29
c) Reductions during the year	(177.04)	(83.44)
d) Closing balance	684.26	383.38
(III) Movement of Net NPA		
a) Opening balance	292.39	179.48
b) Additions during the year	372.54	172.92
c) Reductions during the year	(108.33)	(60.01)
d) Closing balance	556.60	292.39
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	90.99	42.05
b) Provisions made during the year	105.38	72.37
c) Write-off / write-back of excess provisions	(68.71)	(23.43)
d) Closing balance	127.66	90.99

Notes forming part of the financial statements

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

Note	Particulars
26.25	**Overseas Assets - Nil**
26.26	**Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) - Nil**
26.27	**Customer Complaints**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	39	22
c) No. of complaints redressed during the year	39	22
d) No. of complaints pending at the end of the year	-	-

27 Previous Year's Figures

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

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President &
Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 10, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF APTUS VALUE HOUSING FINANCE INDIA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **APTUS VALUE HOUSING FINANCE INDIA LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the subsidiary referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 4,068.90 lakhs as at March 31, 2018, total revenues of Rs. 227.43 lakhs and net cash outflows amounting to Rs. 623.31 lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary, none of the directors of the Group companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

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

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 10, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Aptus Value Housing Finance India Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the Other Matters paragraph below, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

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

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: May 10, 2018

Consolidated Balance Sheet as at March 31, 2018

Rs. in lakhs

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	7,857.01	7,857.01
	(b) Reserves and surplus	4	51,091.26	44,249.02
			58,948.27	52,106.03
2	**Non-current liabilities**			
	(a) Long-term borrowings	5	76,160.64	26,810.38
	(b) Deferred tax liabilities (net)	6	1,209.47	570.59
	(c) Long-term provisions	7	617.32	419.37
			77,987.43	27,800.34
3	**Current liabilities**			
	(a) Short-term borrowings	5	-	300.00
	(b) Trade payables			
	i) Total outstanding dues of micro enterprises and small enterprises		-	-
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		265.39	191.79
	(c) Other current liabilities	8		
	i) Borrowings		7,853.27	3,456.84
	ii) Others		1,004.20	567.21
	(d) Short-term provisions	7	173.69	96.24
			9,296.55	4,612.08
	TOTAL		**146,232.25**	**84,518.45**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment			
	(i) Tangible assets	9	316.70	340.41
	(ii) Intangible assets	9	117.55	126.73
	Total		434.25	467.14
	(b) Deferred tax assets (net)	10	3.37	2.18
	(c) Long term receivables under financing activities	11	132,244.03	77,828.37
	(d) Long-term loans and advances	12	182.45	194.01
	(e) Other non current assets	14	131.51	183.33
			132,995.61	78,675.03
2	**Current assets**			
	(a) Current investments	13	4,463.55	53.28
	(b) Short term receivables under financing activities	11	7,365.95	4,042.08
	(c) Cash and bank balances	15	1,225.17	1,661.73
	(d) Short-term loans and advances	12	157.10	39.29
	(e) Other current assets	14	24.87	47.04
			13,236.64	5,843.42
	TOTAL		**146,232.25**	**84,518.45**

See accompanying notes forming part of the financial statements

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

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President &
Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 10, 2018

Place : Chennai
Date : May 10, 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

Rs. in lakhs

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
1	Revenue from operations	16	20,761.89	12,125.64
2	Other income	17	532.06	510.38
3	**Total revenue (1+2)**		21,293.95	12,636.02
4	**Expenses**			
	(a) Finance costs	18	5,460.20	3,582.42
	(b) Employee benefits expense	19	3,632.54	2,287.78
	(c) Depreciation and amortisation expense	9	237.00	180.02
	(d) Other expenses	20	1,110.33	781.98
	(e) Provision for advances	21	213.27	185.66
	Total expenses		10,653.34	7,017.86
5	**Profit before tax (3-4)**		10,640.61	5,618.16
6	**Tax expense**			
	- Current tax expense		2,987.51	1,568.07
	- Deferred tax	6,10	637.69	330.61
	Net tax expense		3,625.20	1,898.68
7	**Profit after tax**		7,015.41	3,719.48
	Earnings per share (of Rs.10/- each):			
	(a) Basic	24.4	8.93	5.22
	(b) Diluted	24.4	8.92	5.22

See accompanying notes forming part of the consolidated financial statements

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

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President &
Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 10, 2018

Place : Chennai
Date : May 10, 2018

Consolidated Cash Flow Statement for the year ended March 31, 2018

Rs. in lakhs

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
Cash flow from operating activities				
Profit before tax		10,640.61		5,618.16
Adjustments for :				
Depreciation and amortisation expense	237.00		180.02	
Profit on sale of Property, plant and equipment	-		(3.07)	
Finance costs	5,460.20		3,582.42	
Interest income from bank deposits	(32.31)		(393.46)	
Dividend income	(200.36)		(109.65)	
Provision for standard assets (net)	176.61		136.72	
Provision for sub standard assets	39.53		13.26	
Provision for doubtful assets	(2.87)		35.68	
		5,677.80		3,441.92
Operating profit before working capital changes		16,318.41		9,060.08
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Long term receivables under financing activities	(54,415.66)		(33,323.40)	
Long-term loans and advances	(32.49)		(24.27)	
Other non current assets	51.82		-	
Short term receivables under financing activities	(3,323.87)		(997.30)	
Short-term loans and advances	(117.81)		(18.89)	
Other current assets	11.81		16.28	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	73.60		44.11	
Other current liabilities	5.95		(117.29)	
Short-term provisions	35.76		13.35	
Long-term provisions	11.16	(57,699.73)	18.64	(34,388.77)
Cash used in operations		(41,381.32)		(25,328.69)
Financing charges		(4,999.12)		(3,393.45)
Direct Taxes paid		(2,918.12)		(1,564.02)
Net cash used in operating activities (A)		(49,298.56)		(30,286.16)
Cash flow from investing activities				
Capital expenditure on Property, plant and equipment, including capital advances	(244.28)		(329.36)	
Proceeds from sale of Property, plant and equipment	-		9.55	
Bank balances not considered as cash and cash equivalents	(13.00)		19.56	
Interest received	42.67		403.92	
Dividend received	200.36		109.65	
Net cash flow (used in) / from investing activities (B)		(14.25)		213.32
Cash flow from financing activities				
Proceeds from issue of equity shares (including securities premium)	-		27,337.95	
Expenses for issue of debentures	(173.17)		(154.60)	
Proceeds from long-term borrowings	59,830.00		16,140.00	
Repayment of long-term borrowings	(6,083.31)		(13,305.50)	
Repayment of short-term borrowings	(300.00)		-	
Net cash flow from financing activities (C)		53,273.52		30,017.85
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)		3,960.71		(54.99)
Cash and cash equivalents at the beginning of the year		1,703.01		1,758.00
Cash and cash equivalents at the end of the year (Refer Note 13 & 15(a))		5,663.72		1,703.01
See accompanying notes forming part of the financial statements				

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

Geetha Suryanarayanan
Partner

Place : Chennai
Date : May 10, 2018

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President &
Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 10, 2018

Notes forming part of the Consolidated financial statements

Note **Particulars**

1 Group Corporate Information

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

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

Aptus Finance India Pvt. Limited ('Subsidiary Company') was incorporated on September 18,2015 as a subsidiary of Aptus Value Housing Finance India Limited with the primary objective of carrying on the business of providing finance in the form of loan against immovable properties.

The Subsidiary Company received the certificate of registration from the Reserve Bank of India (RBI) on December 16,2016 to commence the business of Non-Banking Financial Institution with out accepting public deposits. It is a non-deposit taking non systemically important Non-Banking Financial Company ('NBFC-ND-Non SI').

The above two companies will be collectively known as the "Group".

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

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

2.2 Principles of consolidation

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

(i) The financial statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as that of the Holding company i.e., March 31, 2018.

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

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

(iv) Aptus Finance India Private Limited, the subsidiary company has been considered in the preparation of the consolidated financial statements. The % of holding of Aptus Value Housing Finance India Limited as on March 31, 2018 is 100%.

2.3 Use of estimates

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

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

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

2.5 Cash flow statement

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

Notes forming part of the Consolidated financial statements

Note	Particulars
2.6	**Depreciation and amortization**

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

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

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

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

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

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

2.7 Revenue recognition

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

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

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

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

Pre-closure charges are levied in accordance with the NHB guidelines and are accounted at the time of actual pre-closure.

Penal interest, cheque bounce charges, field visit charges and other penal / servicing charges are recognised as income on realisation due to uncertainty in their collection.

Interest spread on securitization of receivables is recognized over the tenor of the underlying assets.

2.8 Other income

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

2.9 Property, plant and equipment (tangible / Intangible)

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

2.10 Investments

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

Notes forming part of the Consolidated financial statements

Note **Particulars**

2.11 Employee benefits

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

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

Defined benefit plans

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

Short-term employee benefits:

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

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

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

Long-term employee benefits:

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

2.12 Segment Reporting

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

2.13 Leases

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

2.14 Earnings per share

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

Notes forming part of the Consolidated financial statements

Note	Particulars
2.15	**Taxes on income**

2.15 Taxes on income

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

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

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

2.16 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

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

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

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

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

2.17 Provisions and contingencies

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

2.18 Classification and Provisioning of Loan Portfolio

Loans are classified and provided for as per the classification and provisioning norms prescribed under:

i) the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time by the Holding Company;

ii) the Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time by the Subsidiary Company.

Notes forming part of the Consolidated financial statements

Note	Particulars
2.19	**Special Reserve**
	As per Section 29C of the National Housing Bank Act, 1987, the Holding Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the group under Section 36 (1) (viii) of the Income-tax Act, 1961 is considered to be an eligible transfer.
2.20	**Statutory Reserve**
	As per Section 45-IC of the Reserve Bank of India Act, 1934, the Subsidiary Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared.
2.21	**Employee share based payments**
	Employees Stock options granted to the employees are accounted as per the accounting treatment prescribed by Guidance Note on Accounting for Employee Share-based payments, issued by the Institute of Chartered Accountants of India. The group measures compensation cost relating to employees stock options using the intrinsic value method. The Compensation cost, if any, is amortized over the vesting period of the options.
2.22	**Securitised Assets**
	Securitised Assets are derecognised in the books of the Company based on the principle of transfer of ownership interest over the assets.
2.23	**Operating Cycle**
	Based on the nature of products / activities of the group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non- current.

Notes forming part of the Consolidated Financial Statements

Note 3 Share capital Rs. in lakhs

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
i) Authorised Equity shares of Rs. 10 each with voting rights	82,600,000	8,260.00	82,600,000	8,260.00
(ii) Issued, Subscribed and fully paid up Equity shares of Rs. 10 each with voting rights	78,570,137	7,857.01	78,570,137	7,857.01
Total	**78,570,137**	**7,857.01**	**78,570,137**	**7,857.01**

Notes:

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

Particulars	Opening Balance	Fresh issue	ESOP	Closing Balance
Equity shares with voting rights				
Year ended March 31, 2018				
- Number of shares	78,570,137	-	-	78,570,137
- Amount (Rs. in lakhs)	7,857.01	-	-	7,857.01
Year ended March 31, 2017				
- Number of shares	62,249,872	15,911,765	408,500	78,570,137
- Amount (Rs.)	6,224.99	1,591.18	40.84	7,857.01

(b) During the previous year 2016-17, the Company had allotted 15,911,765 equity shares of Rs. 10 each at a premium of Rs. 160 per share on preferential basis to Westbridge Cross Over Fund LLC (14,441,176 shares) and India Financial Inclusion Fund (1,470,589 shares) vide Share Subscription Agreement dated August 31, 2016. The said allotment was approved by the Board of Directors at its meeting held on August 11, 2016 and by the members in the Extraordinary General Meeting held on August 31, 2016.

(c) During the previous year 2016-17, pursuant to Aptus Employees Stock Option Scheme 2010 and Aptus Employees Stock Option Scheme 2015, the Board of Directors allotted fully paid up equity shares of Rs. 10 each to the employees of the Company vide circular resolution dated October 14, 2016 as follows:

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

(d) Terms/right attached to Equity Shares:

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

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

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
M Anandan	17,732,833	22.57%	18,732,833	23.84%
Padma Anandan	5,916,666	7.53%	5,916,666	7.53%
Westbridge Cross Over Fund LLC	34,133,451	43.44%	32,724,951	41.65%
India Financial Inclusion Fund	8,046,354	10.24%	8,046,354	10.24%
Granite Hill India Opportunities Fund, Mauritius	3,999,571	5.09%	8,711,571	11.09%

(f) Shares reserved for issue under options:

Refer Note 23 for details of shares reserved for issue under options.

Notes forming part of the Consolidated Financial Statements

Note 4 Reserves and surplus Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Securities premium account		
Opening balance	37,156.98	11,605.66
Add : Premium on shares issued during the year	-	25,705.92
Less : Debenture Issue Expenses	173.17	154.60
Closing Balance	**36,983.81**	**37,156.98**
Special Reserve under Section 29C of National Housing Bank (NHB) Act, 1987		
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	72.35	72.35
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	2,132.65	1,006.84
Addition/Appropriation/withdrawal during the year		
Add: a) Amount transferred u/s 29C of NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of the NHB Act, 1987 (Refer Note (a) below)	2,142.87	1,125.81
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of provision u/s 29 C of NHB Act 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	72.35	72.35
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	4,275.52	2,132.65
Sub Total	**4,347.87**	**2,205.00**
Statutory Reserve under Section 45-IC of the Reserve Bank of India (RBI) Act, 1934		
Balance at the beginning of the year	5.78	-
Add: Amount transferred from surplus in the Statement of Profit and Loss	11.97	5.78
Closing balance	17.75	5.78
Surplus in Statement of Profit and Loss		
Opening balance	4,881.26	2,293.37
Add: Profit for the year	7,015.41	3,719.48
Less: Transfer to Special reserve u/s 29C of NHB Act, 1987 (Refer Note (a) below)	(2,142.87)	(1,125.81)
Less: Transfer to Statutory Reserve u/s 45-IC of RBI Act, 1934 (Refer Note (c) below)	(11.97)	(5.78)
Closing Balance	**9,741.83**	**4,881.26**
Total	**51,091.26**	**44,249.02**

Notes:

(a) As per Section 29C(1) of the National Housing Bank Act, 1987, the Holding Company is required to transfer atleast 20% of its net profit after tax every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Holding Company under Section 36(1)(viii) of the Income Tax Act,1961, is considered to be an eligible transfer. During the current year, the Holding Company has transferred Rs. 2,142.87 lakhs (Previous year - Rs. 1,125.81 lakhs) in terms of section 36(1)(viii) to the Special Reserve.

(b) Total amount clearly earmarked for the purposes of Statutory Reserve u/s 29C is Rs. 2,872.85 lakhs (Previous Year - Rs. 1,481.74 lakhs) out of which Rs. 72.35 lakhs (Previous Year - Rs. 72.35 lakhs) is distinctly identifiable above and the balance of Rs. 2,800.50 lakhs (Previous Year - Rs. 1,409.39 lakhs) is included in the Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961.

(c) As per Section 45-IC of the Reserve Bank of India (RBI) Act, 1934, the Subsidiary Company is required to transfer atleast 20% of its net profit after tax every year to a reserve before any dividend is declared. During the current year, the Subsidiary Company has transferred Rs. 11.97 lakhs (Previous year - Rs. 5.78 lakhs) to Statutory Reserve.

Notes forming part of the Consolidated Financial Statements

Note 5 Borrowings — Rs. in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Long-Term Borrowings - Secured				
Redeemable Non-Convertible Debentures	29,970.00	6,640.00	-	-
Term loans				
From banks				
National Housing Bank	14,546.14	6,948.01	1,886.57	895.32
Other Banks	31,644.50	13,222.37	5,966.70	2,561.52
	76,160.64	26,810.38	7,853.27	3,456.84
Amount disclosed under Note 8 - Other Current Liabilities	-	-	(7,853.27)	(3,456.84)
Short-Term Borrowings - Secured				
Working Capital Demand Loan				
From banks				
Other Banks	-	-	-	300.00
	-	-	-	300.00
Total	76,160.64	26,810.38	-	300.00

Note 5(a) Details of Secured Redeemable Non-Convertible Debentures - Redeemable at par:

No of Debentures	Rate of interest %	Due date of redemption	Face Value	Balance Oustanding	
				As at March 31, 2018	As at March 31, 2017
			Rs.	Rs. in lakhs	Rs. in lakhs
3,320,000	10.00%	May 15, 2023	100	3,320.00	3,320.00
3,320,000	9.35%	May 15, 2023	100	3,320.00	3,320.00
3,330,000	9.80%	May 15, 2023	100	3,330.00	-
8,000	10.00%	December 26, 2024	100,000	8,000.00	-
8,000	10.00%	January 24, 2025	100,000	8,000.00	-
4,000	10.00%	Feburary 26, 2025	100,000	4,000.00	-

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

Note 5(b) Details of Term loans are as follows: — Rs. in lakhs

Rate of Interest	Maturity	Non - Current	
		As at March 31, 2018	As at March 31, 2017
10%	1- 5 years	1,450.00	-
11%-11.50%		-	-
7%-7.50%	5- 7 years	36.25	110.45
8%-9%		12,997.50	-
9%-10%		17,321.46	7,619.24
10%-11%		3,658.33	5,808.33
7.50%-8%	7-10 years	4,871.70	-
8%-9%		6,253.90	-
9%-10%		2,891.00	5,149.10
8%-9%	> 10 years	2,032.50	2,202.50
9%-10%		2,183.91	2,356.32
10%-11%		347.36	381.28
Total		54,043.91	23,627.22
Less: Current Maturities of Long Term Borrowings classified under other current liability (Refer Note 8)		7,853.27	3,456.84
Long Term Borrowings from Banks		46,190.64	20,170.38

(i) Term loans from Banks are secured by hypothecation of specified Receivables under Financing Activities.
(ii) The Company has not defaulted in the repayment of term loans from Banks.
(iii) Loans aggregating to Rs. 16,432.71 lakhs (Previous year - Rs. 11,650.06 lakhs) has been guaranteed by the promoter of the Holding Company Mr. M Anandan.

Notes forming part of the Consolidated Financial Statements

Note 5(c) - Details of Short Term Borrowings are as follows:

Working Capital Demand Loan amounting to Rs. Nil (Previous Year - Rs. 300 lakhs) is repayable in 180 days with an interest rate of 11% p.a.

Note 6 Deferred tax liabilities (net)

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax (liabilities) / assets		
Tax effect of items constituting deferred tax liabilities:		
On Special Reserve created under section 36(1)(viii) of the Income Tax Act, 1961	(1,519.32)	(763.11)
On Provision for doubtful advances allowed under section 36(1)(viia)	(29.91)	(16.94)
Tax effect of items constituting deferred tax liabilities	(1,549.23)	(780.05)
Tax effect of items constituting deferred tax assets:		
Provision for compensated absences, gratuity and other employee benefits	48.83	32.12
Provision for doubtful debts / advances	217.67	144.29
On difference between written down value of Property, plant and equipment as per books and as per Section 32 of Income Tax Act, 1961	70.86	31.92
Others	2.40	1.13
Tax effect of items constituting deferred tax assets	339.76	209.46
Deferred tax (liabilities) / assets (net)	(1,209.47)	(570.59)
Reconciliation of Deferred Tax:		
Net Deferred Tax Asset / (Liability) as at the beginning of the year	(570.59)	(241.68)
Add / (Less): Deferred tax asset /(liability) credited to / expense recognized in Statement of profit and loss.	(638.88)	(328.91)
Net Deferred Tax Asset / (Liability) as at the end of the year	(1,209.47)	(570.59)

Notes forming part of the Consolidated Financial Statements

Note 7 Provisions

Rs. in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits:				
Provision for gratuity	46.43	35.27	30.80	16.29
Provision for compensated absences	-	-	62.52	41.27
	46.43	35.27	93.32	57.56
Provision for Income tax (Net of Advance Tax of Rs. 5,900.50 lakhs (Previous year Rs. 9.93 lakhs))	-	-	21.04	5.86
Provision for standard receivables under financing activities				
Housing loans	251.68	184.76	19.96	7.52
Non-Housing loans - Loans against property and Loans subordinated as Credit Enhancements for assets de-recognised	215.03	125.30	15.89	8.36
	466.71	310.06	35.85	15.88
Provision for sub-standard asset and doubtful asset				
Housing loans				
-Sub-standard assets	39.10	19.73	4.82	1.25
-Doubtful assets	21.49	35.19	2.85	4.34
Non-Housing loans - Loans against property				
-Sub-standard assets	30.68	14.90	4.71	3.88
-Doubtful assets	12.91	4.22	11.10	7.47
	104.18	74.04	23.48	16.94
Total	617.32	419.37	173.69	96.24

Note 8 Other current liabilities

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of long-term borrowings		
- Term loan from NHB-secured	1,886.57	895.32
- Term loan from banks-secured	5,966.70	2,561.52
Interest accrued but not due on borrowings	752.93	291.85
Deferred Rent	6.87	3.28
Other payables		
Statutory remittances	131.76	37.87
Payables on purchase of Property, plant and equipment	-	30.01
Advances from customers	5.85	8.80
Remittances Payable - Derecognized Assets	106.65	195.40
Others	0.14	-
Total	8,857.47	4,024.05

Notes forming part of the Consolidated Financial Statements

Note 9 Property, plant and equipment

A. Tangible Assets

Rs. in lakhs

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at April 1, 2017	Additions	Disposals	Balance as at March 31, 2018	Balance as at April 1, 2017	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2018	Balance as at March 31, 2018	Balance as at March 31, 2017
a) Land - Freehold	64.57	-	-	64.57	-	-	-	-	64.57	64.57
(Previous year)	-	(64.57)	-	(64.57)	-	-	-	-	(64.57)	-
(b) Leasehold improvements	264.39	51.80	-	316.19	174.73	58.91	-	233.64	82.55	89.66
(Previous year)	(214.05)	(50.34)	-	(264.39)	(122.48)	(52.25)	-	(174.73)	(89.66)	(91.57)
(c) Furniture and fixtures - Owned	44.35	26.22	-	70.57	40.32	19.11	-	59.43	11.14	4.03
(Previous year)	(26.75)	(17.60)	-	(44.35)	(24.23)	(16.09)	-	(40.32)	(4.03)	(2.52)
(d) Vehicles - Owned	96.68	-	-	96.68	36.23	20.62	-	56.85	39.83	60.45
(Previous year)	(48.45)	(61.85)	(13.62)	(96.68)	(30.88)	(12.49)	(7.14)	(36.23)	(60.45)	(17.57)
(e) Office equipment - Owned	307.30	68.19	-	375.49	185.60	71.28	-	256.88	118.61	121.70
(Previous year)	(206.29)	(101.01)	-	(307.30)	(124.62)	(60.98)	-	(185.60)	(121.70)	(81.67)
Total	777.29	146.21	-	923.50	436.88	169.92	-	606.80	316.70	340.41
(Previous year)	(495.54)	(295.37)	(13.62)	(777.29)	(302.21)	(141.81)	(7.14)	(436.88)	(340.41)	(193.33)

B. Intangible Assets

Rs. in lakhs

Particulars	Gross block				Accumulated Amortization				Net block	
	Balance as at April 1, 2017	Additions	Disposals	Balance as at March 31, 2018	Balance as at April 1, 2017	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2018	Balance as at March 31, 2018	Balance as at March 31, 2017
(a) Computer software	219.05	57.90	-	276.95	92.32	67.08	-	159.40	117.55	126.73
(Previous year)	(68.86)	(150.19)	-	(219.05)	(54.11)	(38.21)	-	(92.32)	(126.73)	(14.75)
Total - Intangible assets	219.05	57.90	-	276.95	92.32	67.08	-	159.40	117.55	126.73
(Previous year)	(68.86)	(150.19)	-	(219.05)	(54.11)	(38.21)	-	(92.32)	(126.73)	(14.75)

Notes forming part of the Consolidated Financial Statements

Note 10 Deferred tax assets (Net) **Rs. in lakhs**

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax (liabilities)/Assets		
Tax Effect of items constituting deferred tax asset:		
Disallowances under section 40A(i), 43 B of Income Tax Act, 1961	1.89	0.10
Preliminary Expenses	1.48	2.08
Tax effect of items constituting deferred tax assets	3.37	2.18
Deferred tax assets (net)	3.37	2.18
Reconciliation of Deferred Tax		
Net deferred tax asset/(liability) at the beginning of the year	2.18	3.88
Add/(less): Deferred tax assets credited to/expense recognised in statement of profit and loss	1.19	(1.70)
Net deferred tax asset/(liability) at the end of the year	3.37	2.18

Note 11 Receivables under Financing Activities **Rs. in lakhs**

Particulars	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Receivables under Financing Activites (Secured)				
Housing loans	77,206.13	46,388.67	3,171.68	1,828.36
Non-Housing loans				
- Loans against property	54,515.27	30,816.22	3,993.35	2,099.59
Loans subordinated as Credit Enhancements for assets de-recognised	522.63	623.48	-	-
	132,244.03	77,828.37	7,165.03	3,927.95
Instalments and Other Dues from Borrowers				
- Housing loan	-	-	98.99	67.61
- Loans against property	-	-	101.93	46.52
	-	-	200.92	114.13
Total	132,244.03	77,828.37	7,365.95	4,042.08
Notes:				
(i) Of the above:				
Housing Loan				
Standard Assets - Considered good	76,870.44	46,190.31	3,229.00	1,879.38
Substandard assets	260.60	131.51	32.11	8.36
Doubtful Assets	75.09	66.85	9.56	8.23
Sub-Total (A)	77,206.13	46,388.67	3,270.67	1,895.97
Loans against property and Loans subordinated as Credit Enhancements for assets de-recognised				
Standard Assets - Considered good	54,787.19	31,326.15	4,039.09	2,091.23
Substandard assets	204.53	97.22	31.43	27.99
Doubtful Assets	46.18	16.33	24.76	26.89
Sub-Total (B)	55,037.90	31,439.70	4,095.28	2,146.11
Total (A+B)	132,244.03	77,828.37	7,365.95	4,042.08

(ii) The housing loans and non housing loans are secured by deposit of original title deeds of immovable properties with the Company and registered mortgage of title deeds.
(iii) Credit Shield Insurance on Housing Loans to the extent of Rs. 774.88 lakhs (Previous Year - Nil) are regrouped under Non-Housing Loans.

Notes forming part of the Consolidated Financial Statements

Note 12 Loans and advances Rs. in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Unsecured - considered good				
Security deposits	166.34	133.85	-	-
Capital Advances	10.15	-	-	-
Advance income tax (Net of provisions Rs. 36.88 lakhs (Previous year - Rs. 2,955.12 lakhs))	5.96	60.16	-	-
Loans and advances to employees	-	-	0.82	0.54
Balances with government authorities:				
- Service Tax credit receivable	-	-	-	2.54
Prepaid Expenses	-	-	19.88	4.68
Other deposits and advance	-	-	136.40	31.53
Total	182.45	194.01	157.10	39.29

Note 13 Current Investments Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Investment in Mutual Funds		
Unquoted		
ICICI Prudential Liquid - Reg - Daily Dividend	2,244.45	53.28
Aditya Birla Sunlife - Cash Plus - Daily Dividend	2,219.10	-
Total	4,463.55	53.28

Note: NAV per Unit (in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
ICICI Prudential Liquid - Reg - Daily Dividend (2,241,124 Units (Previous Year - 53,029 Units))	100.2066	100.0989
Aditya Birla Sunlife - Cash Plus - Daily Dividend (2,214,783 Units (Previous Year - Nil Units))	100.2721	-

Note 14 Other Assets Rs. in lakhs

Particulars	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Balances held as margin money against securitisation	131.51	183.33		
Interest Accrued but not due on Deposits with Banks	-	-	4.12	14.48
Other Receivables (Refer note below)	-	-	20.75	32.56
Total	131.51	183.33	24.87	47.04

(i) Includes an amount of Rs. 20.07 lakhs (Previous year - Rs. 31.90 lakhs) receivable from the investors on remittance of the dues towards derecognized assets referred in Note 8.

Note 15 Cash and bank balances Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
15(a) Cash and cash equivalents		
Cash on Hand	160.01	51.04
Cheques on hand	9.84	11.42
Balances with banks - In current accounts	1,030.32	863.86
Balances with banks - In deposit accounts (Original maturity less than 3 months)	-	723.41
	1,200.17	1,649.73
15(b) Other Bank balances		
In deposit accounts		
- Original maturity more than 3 months (Refer Note (i) below	25.00	12.00
	25.00	12.00
Total	1,225.17	1,661.73

Notes:

(i) Balances with banks include Rs. 17.46 lakhs (Previous year - Rs. 5.45 lakhs) which have remaining maturity of more than twelve months.

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

Notes forming part of the Consolidated Financial Statements

Note 16 Revenue from operations Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income		
- on Housing Loans	9,326.67	6,026.11
- on Non-Housing Loans		
Loan against property	9,226.99	4,986.05
Other financial services		
Processing fees	1,511.55	847.22
Other operating income	696.68	266.26
Total	**20,761.89**	**12,125.64**

Note 17 Other income Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income from Deposits with Banks	32.31	393.46
Dividend income:		
from current investments	200.36	109.65
Profit on Sale of Property, plant and equipment	-	3.07
Other Non Operating Income	299.39	4.20
Total	**532.06**	**510.38**

Note 18 Finance costs Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense on Borrowings		
- Term Loans	3,834.67	3,120.68
- Debentures	1,319.28	269.70
Other borrowing costs	306.25	192.04
Total	**5,460.20**	**3,582.42**

Note 19 Employee benefits expense Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Bonus and Commission	3,267.26	2,085.13
Contributions to provident and other funds	120.33	80.39
Gratuity expense	30.03	18.72
Staff welfare expenses	214.92	103.54
Total	**3,632.54**	**2,287.78**

Notes forming part of the Consolidated Financial Statements

Note 20 Other expenses **Rs. in lakhs**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent including lease rentals (Refer Note (i) & (ii) below)	227.89	174.18
Repairs and maintenance		
- Computers	5.52	5.13
- Others	8.45	11.32
Insurance	4.41	7.94
Software expenses	36.01	7.47
Rates and taxes	97.52	54.17
Communication Expenses	103.02	80.99
Travelling and conveyance	173.32	125.64
Office expenses	164.64	102.11
Printing and stationery	43.63	29.25
Commision to Directors	18.00	15.00
Sitting fees to non-whole time directors	7.30	7.19
Rating Fee	27.73	23.23
Electricity Charges	20.64	17.07
Bank charges	7.73	9.17
Business promotion	15.43	9.97
Legal and professional	49.86	40.09
Payments to auditors (Refer Note (iii) below)	25.30	24.05
Miscellaneous expenses	73.93	38.01
Total	**1,110.33**	**781.98**
Donation to Political Parties	-	-

Notes: **Rs. in lakhs**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Lease equalisation charge included in Rent	3.59	0.86
(ii) Cancellable operating lease entered for office space	224.30	173.32
(iii) Payments to the Statutory Auditors comprise (net of service tax input credit, where applicable):		
For Statutory Audit	18.50	18.00
For Taxation matters	1.00	1.00
For other services	5.80	5.05
	25.30	24.05

Note 21 Provision for Advances **Rs. in lakhs**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for standard assets (net)	176.61	136.72
Provision for sub standard assets (net)	39.53	13.26
Provision for doubtful assets (net)	(2.87)	35.68
Total	**213.27**	**185.66**

Notes forming part of the Consolidated Financial Statements

Note 22 Additional information to the financial statements

Note	Particulars
22.1(a)	**Contingent Liabilities** Corporate undertakings for securitisation of receivables aggregated to Rs. 17.52 lakhs (Previous year Rs. 16.95 lakhs). The outflow would arise in the event of a shortfall, if any, in the cashflows of the pool of the securitised receivables. In respect of these undertakings, management does not believe, based on currently available information, that the maximum outflow that could arise, will have a material adverse effect on the Company's financial condition.

Rs. in lakhs

	Particulars	As at March 31, 2018	As at March 31, 2017
22.1(b)	**Commitments** (a) Loans sanctioned to Borrowers pending disbursement	5,826.62	3,690.47
		5,826.62	3,690.47

22.2 Micro, Small and Medium Enterprises

Based on the extent of information available with the Management,there are no transactions with Micro and Small Enterprises.This has been relied upon by the Auditors.

22.3 Loan Portfolio and Provision for Standard and Non Performing assets

22.3.a Current year

Rs. in lakhs

Asset Classification	Loan Outstanding as at March 31, 2018 (Gross)	Provision as at March 31, 2018	Loan Outstanding as at March 31, 2018 (Net)
A. Housing Finance Activities			
Standard Assets	80,099.44	271.64	79,827.80
Sub-Standard Assets	292.71	43.92	248.79
Doubtful Assets	84.65	24.34	60.31
Sub total (A)	80,476.80	339.90	80,136.90
B. Non Housing Finance Activities			
-Loans Against Property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets	58,826.28	230.92	58,595.36
Sub-Standard Assets	235.96	35.39	200.57
Doubtful Assets	70.94	24.01	46.93
Sub total (B)	59,133.18	290.32	58,842.86
Grand total (A+B)	139,609.98	630.22	138,979.76

22.3.b Previous year

Rs. in lakhs

Asset Classification	Loan Outstanding as at March 31, 2017 (Gross)	Provision as at March 31, 2017	Loan Outstanding as at March 31, 2017 (Net)
A. Housing Finance Activities			
Standard Assets	48,069.69	192.28	47,877.41
Sub-Standard Assets	139.87	20.98	118.89
Doubtful Assets	75.08	39.53	35.55
Sub total (A)	48,284.64	252.79	48,031.85
B. Non Housing Finance Activities			
-Loans Against Property and Loans subordinated as Credit Enhancements for assets de-recognised			
Standard Assets	33,417.38	133.66	33,283.72
Sub-Standard Assets	125.21	18.78	106.43
Doubtful Assets	43.22	11.69	31.53
Sub total (B)	33,585.81	164.13	33,421.68
Grand total (A+B)	81,870.45	416.92	81,453.53

Notes forming part of the Consolidated Financial Statements

Note 23 Disclosures on Employee share based payments

Note	Particulars

Employee Stock Option Scheme

a) In the extraordinary general meeting held on July 29, 2010 and in the Annual General Meeting held on August 7, 2015, the shareholders approved the issue of up to 3,200,000 options and 1,800,000 options respectively under the Scheme titled "APTUS Employees Stock Option Scheme 2010" (hereinafter referred to as Aptus ESOS, 2010) and "Aptus Employees Stock Option Scheme 2015" (hereinafter referred to as Aptus ESOS, 2015).

Both the Schemes allow the issue of options to employees of the Company. Each option comprises one underlying equity share.

As per the Scheme, the Nomination and Remuneration Committee ("The Committee") grants the options to the employees deemed eligible and also governs the operation of the scheme.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

b) Employee stock options details as on the balance sheet date are as follows:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7 under Aptus ESOS 2015	Grant 8 under Aptus ESOS 2015	Total
Date of Grant	26-Aug-10	03-Dec-10	11-May-11	19-May-12	03-Aug-12	12-Feb-13	07-Aug-15	17-May-17	
Exercise price per option	10.00	10.00	10.00	10.00	20.00	20.00	75.00	130.00	
Intrinsic Value per option	7.33	7.32	7.25	10.25	10.34	20.91	56.26	111.02	
Total options granted and outstanding as on March 31, 2017	-	-	-	-	-	-	1,125,000	-	1,125,000
Add: Options granted during the year	-	-	-	-	-	-	-	150,000	150,000
Less: Options forfeited/lapsed during the year	-	-	-	-	-	-	-	-	-
Less: Options exercised during the year	-	-	-	-	-	-	-	-	-
Options outstanding as at March 31, 2018									
- Vested	-	-	-	-	-	-	375,000	-	375,000
- Yet to Vest	-	-	-	-	-	-	750,000	150,000	900,000

Notes forming part of the Consolidated Financial Statements

Note 23 Disclosures on Employee share based payments (contd.)

Note	Particulars

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

Particulars	For the year ended March 31, 2018 Rs. in lakhs	For the year ended March 31, 2017 Rs. in lakhs
Profit / (Loss) (as reported)	7,015.41	3,719.48
Add / (Less): stock based employee compensation (intrinsic value)	26.40	14.55
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (See note (d) below)	-	-
Net Profit / (Loss) (proforma)	**6,989.01**	**3,704.93**
Basic earnings per share (as reported)	8.93	5.22
Basic earnings per share (proforma)	8.90	5.20
Diluted earnings per share (as reported)	8.92	5.22
Diluted earnings per share (proforma)	8.88	5.20

d) During the financial year 2017-18, 150,000 shares were granted under the Aptus ESOS 2015 scheme. The fair value of options used to compute Proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an external firm of Chartered Accountants. The key assumptions used in the model for calculating fair value are as below:

Assumptions	Date of Grant							
	26-Aug-10	03-Dec-10	09-May-11	19-May-12	03-Aug-12	12-Feb-13	07-Aug-15	17-May-17
Risk Free Interest Rate	7.13% to 7.78%	7.07% to 7.58%	7.87% to 7.93%	7.83% to 7.91%	7.83%	7.69% to 7.74%	7.96%	7.21% to 7.73%
Expected Life	1.58 to 3.58	1.25 to 3.25	1.83 to 3.83	1.83 to 3.83	1.67	2.17 to 4.17	4	4
Expected Annual Volatility of Shares	38% to 44%	31% to 41%	35% to 42%	34% to 53%	33%	27% to 36%	30%	36%
Expected Dividend Yield	0%	0%	0%	0%	0%	0%	0%	0%
Price of Underlying share at the time of the Option Grant	7.33	7.32	7.25	10.25	10.34	20.91	56.26	111.02
Fair Value of the Option (Rs.)								
1st Stage	1.07	0.43	0.88	3.50	0.29	6.22	3.88	29.67
2nd Stage	1.62	1.13	1.49	3.50	0.53	6.64	7.04	36.87
3rd Stage	1.96	1.93	2.25	3.97	0.00	9.42	10.39	43.37
4th Stage							13.78	49.29

Notes forming part of the Consolidated Financial Statements

Note 24 Disclosures under Accounting Standards

Note	Particulars
24.1	**Employee benefit plans**
24.1.a	**Defined contribution plans**

The Company makes Provident Fund contributions for qualifying employees to the Regional Provident Fund Commissioner. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 120.33 lakhs (Previous year - Rs. 80.39 lakhs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to the scheme by the Company are at rates specified in the rules of the scheme.

24.1.b Defined benefit plans

The Company does not have a funded gratuity scheme for its employees. Gratuity provision has been made based on the actuarial valuation done as at the year end. The details of actuarial valuation as provided by the Independent Actuary is as follows:

Rs. in lakhs

Particulars	For the year ended March 31,2018	For the year ended March 31, 2017
Change in defined benefit obligations during the year		
Present value of obligation as at beginning of the year	51.56	34.92
Current service cost	10.86	8.28
Past service cost - vested benefits	9.40	-
Interest cost	3.26	2.92
Benefits paid	(4.35)	(2.08)
Actuarial (gains) / losses	6.50	7.52
Present value of obligation at end of the year	77.23	51.56
Liability recognized in the Balance Sheet		
Present value of obligation	77.23	51.56
Fair value of Plan Assets	-	-
Net Liability recognized in the Balance Sheet	77.23	51.56
Cost of Defined Benefit Plan for the year		
Current service cost	10.86	8.28
Past service cost - vested benefits	9.40	-
Interest cost	3.26	2.92
Actuarial (gains) / losses	6.50	7.52
Net cost recognized in the statement of Profit and Loss	30.02	18.71
Actual return on Plan Assets	-	-

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Discount Rate	6.82%	6.60%
Future Salary Increase	6.82%	5.00%
Attrition Rate	10.00%	15.00%
Mortality	Indian Assured Lives (2006-08) Ultimate table	Indian Assured Lives (2006-08) Ultimate table

Notes:

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

Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Projected Benefit Obligation	77.23	51.55	34.92	24.68	18.02
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(77.23)	(51.55)	(34.92)	(24.68)	(18.02)
Experience Adjustments on Plan Liabilities	(8.33)	(1.81)	(6.68)	(1.12)	(6.34)

24.1.c Compensated absences

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Discount Rate	6.82%	6.60%
Future Salary Increase	5.00%	5.00%

Notes forming part of the Consolidated Financial Statements

Note 24 Disclosures under Accounting Standards (contd.)

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

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. M Anandan, Chairman & Managing Director
Relatives of Key Management Personnel	Mr. Suman Bollina, Director
Individuals Holding Substantial Interest	Mr. M Anandan, Chairman & Managing Director
Subsidiary	Aptus Finance India Pvt Limited
Entities in which Key Management Personnel exercise Significant Influence	None

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

24.3.b Details of related party transactions for the year Rs. in lakhs

Transactions	Names of related parties	Year ended March 31, 2018	Year ended March 31, 2017
Remuneration	Mr. M Anandan		
	-Salary	195.00	150.00
	-Commission	65.00	50.00
	-Others	1.72	1.63
Director Commission	Mr. Suman Bollina	3.00	2.50
Rent	Mr. M Anandan	6.60	-
Personal guarantee given for Borrowings taken by the Company as at year end	Mr. M Anandan	16,432.71	11,650.06

24.4 Earnings per share Rs. in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic & Diluted		
Profit After Tax	7,015.41	3,719.48
Weighted Average Number of Equity Shares (Face Value Rs. 10 Each) - Basic	78,570,137	71,239,103
Earnings Per Share - Basic (Rs.)	8.93	5.22
Weighted Average Number of Equity Shares (Face Value Rs. 10 Each) - Diluted	78,691,804	71,284,191
Earnings Per Share - Diluted (Rs.)	8.92	5.22

Notes forming part of the Consolidated Financial Statements

Note	Particulars
24.5	**Corporate Social Responsibility expenditure:** As per Section 135 of Companies Act 2013, the Company is required to spend Rs. 64.58 lakhs (Previous Year - Rs. 32.88 lakhs) towards CSR activities. The Company has not made any contributions during the year, since the Management could not identify suitable projects and programme which can be identified and which would complement the businesses of the Company.
25	**Assets De-Recognized on Securitization**

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Number of Special Purpose Vehicle (SPV) sponsored for Securitisation transactions*	3	4
Outstanding securitised Assets in books of SPV	2,126.46	3,518.40
Less: Collections not yet due to be remitted to SPV**	70.04	134.30
Outstanding securitised Assets as per books	2,056.42	3,384.10
Total amount of exposures retained by the HFC to comply with Minimum Retention Ratio (MRR) as on the date of balance sheet		
a) Off-balance sheet exposures towards Credit Enhancements		
First Loss	-	-
Others	-	-
b) On-balance sheet exposures towards Credit Enhancements		
First Loss – Cash collateral	131.51	183.33
Others – Overcollateral	522.63	623.48
Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures towards Credit Enhancements		
Exposure to own securitizations	-	-
Exposure to third party securitisations	-	-
b) On-balance sheet exposures towards Credit Enhancements		-
Exposure to own securitizations	-	-
Exposure to third party securitisations	-	-
Book value of Assets sold	5,735.37	6,995.99

* Represents the SPVs relating to outstanding securitisation transactions

** excludes interest collected from customers on securitised assets.

26 Details of Provision Rs. in lakhs

Particulars	As at April 1, 2017	Additions	Utilisation/ Reversals	As at March 31, 2018
Provision for Standard Assets	325.95	176.61	-	502.56
	(189.23)	(136.72)	-	(325.95)
Provision for Sub standard Assets	39.76	72.70	33.15	79.31
	(26.50)	(36.69)	(23.43)	(39.76)
Provision for doubtful assets	51.23	32.68	35.56	48.35
	(15.55)	(35.68)	-	(51.23)

Previous year figures are given in brackets.

Notes forming part of the Consolidated Financial Statements

Note	Particulars
27	Additional Information as required by paragraph 2 of the General Instruction for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

As at March 31, 2018:

Name of the entity	Net Assets		Share in Profit or loss	
	As a % of Consolidated Net Assets	Amount (Rs. in lakhs)	As a % of Consolidated Profit or (Loss)	Amount (Rs. in lakhs)
Parent Company				
Aptus Value Housing Finance India Limited	99.84%	58,855.55	99.15%	6,955.57
Indian Subsidiary				
Aptus Finance India Pvt Limited	0.16%	92.73	0.85%	59.84
Total		58,948.28		7,015.41

As at March 31, 2017:

Name of the entity	Net Assets		Share in Profit or loss	
	As a % of Consolidated Net Assets	Amount (Rs. in lakhs)	As a % of Consolidated Profit or (Loss)	Amount (Rs. in lakhs)
Parent Company				
Aptus Value Housing Finance India Limited	99.94%	52,073.15	99.22%	3,690.59
Indian Subsidiary				
Aptus Finance India Pvt Limited	0.06%	32.89	0.78%	28.88
Total		52,106.04		3,719.47

28 Previous Year's Figures

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

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President &
Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 10, 2018

FORM AOC-1

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

Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries

Rs. in lakhs

Sl. No.	Particulars	Details
1	Name of the subsidiary	Aptus Finance India Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4	Share capital	2,500.00
5	Reserves & surplus	92.74
6	Total assets	4,068.90
7	Total Liabilities	1,476.16
8	Investments	1,011.53
9	Turnover	227.43
10	Profit before taxation	79.74
11	Provision for taxation	19.90
12	Profit after taxation	59.84
13	Proposed Dividend	Nil
14	% of shareholding	100%

For and on behalf of the Board of Directors

M Anandan
Chairman & Managing Director
(DIN: 00033633)

K M Mohandass
Director
(DIN: 00707839)

P Balaji
Executive Vice President &
Chief Financial Officer

C Payal
Company Secretary

Place : Chennai
Date : May 10, 2018

Concept and design by Tulica

APTUS™

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