

# Credila Financial Services Private Limited

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A Subsidiary of  
Housing Development Finance Corporation Limited

TENTH ANNUAL REPORT 2014-15

## Board of Directors

Mr. V. S. Rangan  
(DIN 00030248)  
Mr. B. Mahapatra  
(DIN 06990345)  
Mr. Amitabh Chaudhry  
(DIN 00531120)  
Mr. Sudhin Choksey  
(DIN 00036085)  
Mrs. Madhumita Ganguli  
(DIN 00676830)  
Mr. Subodh Salunke  
(DIN 03053815)  
Mr. Anil R. Bohora  
(DIN 00694396)  
Mr. Ajay R. Bohora  
(DIN 00694444)

### Key Managerial Personnel

Mr. Anil Bohora  
Mr. Ajay Bohora  
Mr. Sebastian Fernandez  
Ms. Shivangi Dave

### Auditors

Deloitte Haskins & Sells  
Chartered Accountants

### Bankers

Syndicate Bank  
Corporation Bank  
Kotak Mahindra Bank  
IndusInd Bank  
Andhra Bank  
Allahabad Bank  
Bank of India  
Indian Bank  
HDFC Bank Ltd.  
Punjab National Bank

### Registered Office

B-301, Citi Point,  
Andheri Kurla Road,  
Andheri East,  
Mumbai 400 059.  
Tel. No. : 022-2471 2448  
Fax No. : 022-2471 2447  
CIN:U67190MH2006PTC159411

## Directors' Report

TO THE MEMBERS,

Your Directors have great pleasure in presenting herewith the Tenth Annual Report of the Company with the audited accounts for the year ended March 31, 2015.

### Financial Results

	For the year ended March 31, 2015 (₹ in Crore)	For the year ended March 31, 2014 (₹ in Crore)
Total Income	215.19	146.57
Total Operating Expenses	35.29	27.91
Gross Profit before interest and depreciation	179.90	118.66
Less : Interest and Finance Charges	138.62	94.72
Less : Depreciation	0.78	0.43
Profit before tax	40.50	23.51
Less : Provision for taxation	14.50	5.20
Add : MAT credit entitlement	—	0.87
Add : Provision for deferred tax	1.80	—
Profit after tax	27.80	19.18
Less : Transfer to reserve as per Section 45IA(1) of RBI Act	5.56	3.84
Less : Dividend on Compulsorily Convertible Preference Share	0.01	—
Less : Dividend Distribution Tax	0.001	—
Balance carried to Balance Sheet	<u>22.23</u>	<u>15.34</u>

During the financial year ended March 31, 2015 the Company earned a profit before tax of ₹ 40.50 crore compared to the profit of ₹ 23.51 crore in the last financial year. Company's loan book has grown over 43% in this financial year and its total income is increased over 47% with a small increase in its operating costs. The Company was also able to maintain its Net Interest Margins in line with previous year in spite of increase in the cost of funds. While achieving robust growth, the Company also maintained its quality of the portfolio with NPA of 0.05%.

### Dividend

The Board has recommended dividend on the Compulsorily Convertible Preference Shares of ₹ 67,000/- at 0.01%. In order to

conserve resources for future, the Board does not recommend any equity dividend for the year ended March 31, 2015.

### Business Scenario

In India, higher education is seen as a key contributor towards social mobility, reducing economic disparities, and achieving sustainable economic growth. There are over 25 million students in the Indian higher education system. Over 2,00,000 students from India go abroad every year. There are currently over 33,000 institutes imparting higher education in India. They have been expanding at a rapid pace offering a variety of courses. With the increase in the cost of higher education, the ability of students to finance their education through their own funds or with funds

from their families is likely to be difficult. It is, therefore, becoming increasingly important for students to get access to education loans. The Company is India's First Dedicated Education Loan Company. The Company provides education loans to students pursuing higher education for studies in India and studies abroad. During the financial year, the Company has shown robust growth in business. As on March 31, 2015 the Company's education loan portfolio stood at ₹ 1,690.35 crore, registering an increase to 43% over the previous financial year. The Company has also worked on establishing a multi-channel strategy to distribute its products. The strategy includes reaching customers through the Internet, channel partners which includes select education institutes as well as other entities of the higher education sector.

Credila Financial Services Pvt. Ltd., a subsidiary of HDFC Ltd, is India's First Dedicated Education Loan Company. Credila Financial Services Pvt. Ltd. pioneered the concept of specialist Education Loan lender and became India's First Dedicated Education Loan Company. Company's brand purpose is to contribute towards Transforming Lives and Building the Nation!

With specialized focus, in-depth understanding of the requirements of students who wish to pursue higher education, Company offers Customized Education Loans Home Delivered. With growing costs of education, the expenditure on children's education is one of the highest components of expenditure by an average Indian household.

Company funds students for higher education in both India and overseas.

Students can get their education loan pre-approved even before they start applying to Universities. The institute from where student completes the education remains with his/her name for life time. With education loan approval even before the admission process, Company enables numerous students to pursue higher education in their dream institute! Thus, Students Don't Have to Downsize Their Dreams!

Company has funded tens of thousands of students from India to over 2100+ unique educational institutes across 35+ countries.

## Funding

### (A) Term Loans

During the year, the Company has received sanctions from banks and financial institutes amounting to ₹ 550 crore of which the Company has availed loans aggregating to ₹ 305 crore. The outstanding bank term loans as at March 31, 2015 were ₹ 1,185.64 crore.

### (B) Commercial Paper

The Company has issued commercial paper of ₹ 1,400 crore during the year. Commercial paper is rated "ICRA A1+". The outstanding balance of commercial papers as at March 31, 2015 was ₹ 200 crore.

### (C) Non-Convertible Debentures (NCDs)

During the year, Company has raised NCDs of ₹ 5 crore on private placement basis. The NCDs outstanding as on March 31, 2015 are ₹ 79 crore. The Company is actively taking steps to diversify its sources of funding.

### (D) Perpetual Debt Instruments (PDI)

During the year, Company has issued PDI of ₹ 100 crore. The outstanding

PDI as on March 31, 2015 is ₹ 100 crore. The Company is actively taking steps to diversify its sources of funding. The Company's PDIs are listed on the Bombay Stock Exchange (BSE)

### (E) Share Capital

As on March 31, 2015, the paid-up share capital of the Company was ₹ 120.74 crore. During the year your Company has not issued or converted any Preference Shares into equity shares.

### Loans, Guarantees or Investments

The provisions of Section 186 of the Act pertaining to investment and lending activities is not applicable to the Company since the Company is a non-banking financial company.

During the year, your Company has not given any guarantee or provided any security in connection with a loan to any other body corporate or person.

### Particulars of Contracts or Arrangements with Related Parties

Your Company has not entered into any contract or arrangement with related parties referred to Section 188(1) of the Companies Act, 2013 requiring disclosure in Form AOC-2, as prescribed under Rule 8(2) of the Companies (Accounts) Rules, 2014.

Details of related party transactions as required to be disclosed by Accounting Standard - 18 on "Related Party Disclosures" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, are given in the Notes to the Financial Statements.

### Deposits

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding as at March 31, 2015.

**Subsidiary / Associate Companies**

Your Company does not have any subsidiary or associate companies. The financial statements of your Company forms part of the consolidated financial statements of Housing Development Finance Corporation Limited (HDFC Ltd.).

**Particulars of Employees' Remuneration**

During the year, 1 employee received remuneration of more than five lakh rupees per month. In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in the annexure to the Directors' Report. In terms of the provisions of Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent to the shareholders without this annexure. Shareholders interested in obtaining a copy of the annexure may write to the Company Secretary at the Company's registered office.

**Particulars Regarding Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

During the year, your Company received an amount of ₹ 1.08 crore (previous year ₹ 0.78 crore) in foreign currency towards repayment of education loans.

During the year, your Company expended ₹ 1.30 crore resulting in an outgo in foreign currency (previous year: ₹ 0.52).

Since your Company does not carry out any manufacturing activity, the particulars regarding Conservation of Energy, Technology Absorption

stipulated in the Companies (Accounts) Rules, 2014 are consequently not applicable.

**Directors and Key Managerial Personnel**

During the year, the Board met eleven times. The meetings were held on April 16, 2014, June 23, 2014, June 25, 2014, June 30, 2014, July 9, 2014, July 15, 2014, October 18, 2014, January 15, 2015, January 20, 2015, January 27, 2015 and March 30, 2015.

During the year, Mr. Chakradhar Bharat Chhaya was appointed as an Independent Director in the Ninth AGM held on April 16, 2014. Due to certain fit and proper criteria as per the revised regulatory framework of NBFC issued by RBI on November 10, 2014, he had to resign from the directorship of the Company on March 30, 2015.

During the year due to the maximum limit on number of directorships prescribed under Section 165 of the Companies Act, 2013 and other applicable laws, Ms. Renu Sud Karnad, Chairperson of the Company had to resign from the directorship of the Company with effect from March 30, 2015.

With effect from March 30, 2015, the Board appointed Mr. Biswamohan Mahapatra, Mr. Amitabh Chaudhry, Mr. Sudhin Choksey and Ms. Madhumita Ganguli as additional directors of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013. They shall hold office upto the date of the ensuing Annual General Meeting.

Mr. Biswamohan Mahapatra, Mr. Amitabh Chaudhry and Mr. Sudhin Choksey were categorised as independent directors with effect from the said date. The said

independent directors also participated in a separate meeting.

The Company has received notices from its Member under the provisions of Section 160 of the Companies Act, 2013, signifying their intention to propose the candidature of Mr. Biswamohan Mahapatra, Mr. Amitabh Chaudhry, Mr. Sudhin Choksey and Mrs. Madhumita Ganguli as directors of the Company, along with a deposit of ₹ 1 lac each as required under the said Act.

In accordance with the provisions of Section 149 of the Companies Act, 2013, and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. Biswamohan Mahapatra, Mr. Amitabh Chaudhry, and Mr. Sudhin Choksey have furnished declarations confirming that they meet the criteria prescribed for independent directors and as such shall be appointed as independent directors of the Company not liable to retire by rotation for a period of 5 years with effect from March 30, 2015, subject to receipt of the approval of the shareholders at the ensuing Annual General Meeting (AGM).

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. V. Srinivasa Rangan and Mr. Subodh Salunke retire by rotation at the ensuing AGM. Being eligible, they have offered themselves for re-appointment.

Necessary resolutions for the appointment/re-appointment of the aforesaid directors have been included in the notice convening the ensuing AGM.

All the directors of the Company have confirmed that they are not

disqualified from being appointed as directors, in terms of Section 164(2) of the Companies Act, 2013.

In terms of the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, at its meeting held on January 20, 2015 designated Mr. Anil Bohora as the Managing Director, Mr. Ajay Bohora as the Managing Director and Chief Executive Officer, Mr. Sebastian Fernandez as the Chief Financial Officer and Ms. Shivangi Dave as the Company Secretary of your Company. All of them are designated as the key managerial personnel (KMP) of the Company.

#### **Audit Committee**

During the year, the Committee was re-constituted in terms of the requirements of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and Powers) Rules, 2014, comprising Mr. Sudhin Choksey (Chairman), Mr. Amitabh Chaudhry, Mr. Biswamohan Mahapatra, Ms. Madhumita Ganguli and Mr. Subodh Salunke. The Audit Committee comprises a majority of independent directors. The members of the Audit Committee are qualified in the fields of finance, accounts and management. The quorum for the Audit Committee is two members.

The terms of reference of the Audit Committee *inter alia* include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, financial statements, internal control systems and procedures, records relating to related party transactions, analysis of risks and compliance of regulatory guidelines. The financial results are

made available to the committee in advance. This enables a review and discussions with the auditors before recommending it to the Board of Directors for its approval.

During the year, the committee met five times.

#### **Nomination & Remuneration Committee**

During the year, the committee was re-constituted in terms of the requirements of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and Powers) Rules, 2014, comprising Mr. Amitabh Chaudhry (Chairman), Mr. V. Srinivasa Rangan, Mr. Sudhin Choksey and Mr. Subodh Salunke. The quorum for the committee is two members.

The terms of reference of the committee *inter alia* include identifying persons who are qualified to become directors of the Company, ensuring that such persons meet the relevant criteria prescribed under applicable laws and reviewing and approving the remuneration payable to the directors within the overall limits as approved by the shareholders, ensuring the fit and proper criteria at the time of appointment of Directors of the Company and on a continuing basis, to scrutinise the declarations received from the proposed directors/existing directors, carry out evaluation of every director's performance based on the criteria formulated by it and duly approved by the Board.

The committee met three times during the year.

In light of the recent induction of independent directors, the Board was of the view that the performance evaluation of the directors and the formulation of the applicable policies

will be complied with in the financial year 2015-16.

#### **Corporate Social Responsibility Committee**

In accordance with the provisions of Section 135 of the Companies Act, 2013 and rules framed there under, your Company constituted a Corporate Social Responsibility (CSR) Committee of Directors comprising Mr. B. Mahapatra (Chairman), Mr. V. Srinivasa Rangan, Ms. Madhumita Ganguli and Mr. Ajay Bohora. The quorum for the CSR Committee is two members.

The role of the committee is to review the CSR policy, indicate activities to be undertaken by the Company towards CSR activities and formulate a transparent monitoring mechanism to ensure implementation of projects and activities undertaken by the Company towards CSR activities.

The Annual Report on CSR activities is annexed to this report. The committee met two times during the year.

#### **Risk Management Committee**

The Risk Management Committee comprises of Mr. Anil Bohora (Chairman), Mr. C. B. Chhaya, Mr. Shridhar Hebbar, and Mr. Sebastian Fernandez. The quorum for the RMC is two members.

The terms of reference of the committee *inter alia* include formulation and implementation of the Risk Management Framework & Policy and reviewing the risk profile of the Company.

With the objective of ensuring that the risks impacting the business of the Company are identified and appropriate measures are taken to mitigate the same, the Company has formulated and adopted a Risk

Management Framework & Policy. The Risk Management Framework & Policy lays the procedures for identification of risks, assessment of its impact on the business of the Company and the efficacy of the measures taken to mitigate the same. The risks are evaluated at an inherent and residual level, based on the impact of such risks and the likelihood of its occurrence.

Your directors are of the opinion that the Company is managing its risks through well defined internal financial controls and risk mitigation measures and that there are no risks that may threaten the existence of the Company.

The committee met two times during the year.

#### **Asset Liability Committee**

The Asset Liability Committee comprises of Mr. Anil Bohora (Chairman), Mr. C. B. Chhaya, Mr. Shridhar Hebbar, Mr. Sebastian Fernandez, and Mr. Laxmikant Tople. The quorum for the Committee is two members.

The terms of reference of the committee *inter alia* include asset liability management of the Company.

The committee met five times during the year.

#### **Auditors**

At the Ninth AGM held on April 16, 2014 the members had appointed Messrs. Deloitte Haskins & Sells, Chartered Accountants, having registration number 117365W as the statutory auditors of the Company, for a period of 3 years, to hold office as such until the conclusion of the Twelfth AGM, subject to them ratifying the said appointment at every AGM.

The Company has received a confirmation from Messrs Deloitte

Haskins & Sells, to the effect that their appointment, if ratified, at the ensuing AGM would be in terms with Sections 139 and 141 of the Companies Act, 2013 and rules made thereunder. The Board proposes to the members to ratify the said appointment of Messrs Deloitte Haskins & Sells as the auditors of the Company.

#### **Litigations**

During the year, no order was passed by any regulatory/statutory authority or court / tribunal against the Company.

#### **Directors' Responsibility Statement**

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013 and based on the information provided by the management, your directors state that:

a) In the preparation of annual accounts, the applicable accounting standards have been followed;

b) Accounting policies selected have been applied consistently. Reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at the end of March 31, 2015 and the profit of the Company for the year ended on that date;

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts of the Company have been prepared on a going concern basis;

e) Internal financial controls have been laid down to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and

f) Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **Extract of Annual Return - Form MGT-9**

In accordance with Section 92 of the Companies Act, 2013 and Rules made thereunder, the Extract of the Annual Return in the prescribed Form MGT-9 is attached herewith as an annex to this report.

#### **Profit to be carried forward to Reserves**

The Directors propose to transfer ₹ 5,56,00,000/- as per Section 45-IC of Reserve Bank of India Act, 1934 to the Special Reserve of the Company for the year ended on March 31, 2015.

#### **Subsequent Events**

There are no material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2015 and the date of the report.

#### **Vigil Mechanism / Whistle Blower Policy**

The Company has formulated a Vigil Mechanism / Whistle Blower Policy in accordance with Section 177 of the Companies Act, 2013. During the year there were no complaints received under the policy.

#### **Debenture Trustees**

During the year the Company has issued Perpetual Debt Instruments in the nature of Debenture of ₹ 100 crore. The Company has appointed IDBI Trusteeship Services Limited as

the Debenture Trustees for the issues. The Trustee can be contacted at IDBI Trusteeship Services Limited. Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai, Maharashtra - 400001. Phone: +91 022 40807000 Email: itsl@idbitrustee.com

**Secretarial Auditor**

The Board has appointed Bhandari & Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed to this Report. The

Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**Management Discussion and Analysis Report**

The Management Discussion and Analysis Report forms part of the Directors' Report.

**Acknowledgements**

Your directors would like to acknowledge the role of all its stakeholders – shareholders, customers, bank partners, lenders and employees for their continuing support to the Company.

Your directors appreciate the guidance received from various regulatory authorities including the Reserve Bank of India, Ministry of Corporate Affairs, Registrar of Companies, Maharashtra and the Financial Intelligence Unit (India).

Your directors recognize and appreciate the sincere hard work, loyalty and efforts of the employees whose professionalism has ensured excellent all-round performance.

On behalf of the Board of Directors

Sd/-

MUMBAI  
April 16, 2015

V. SRINIVASA RANGAN  
Chairman

## Management Discussion and Analysis

### Overview

Educated, trained and skilled human resources lay the foundation for the growth and prosperity for any country. India has been the hub of global learning right from the days of The Nalanda and Takshashila Universities. Education has been identified as one of the key areas of priority by Indian policy makers across the centre and the state. The vision of "Skilled India" has motivated the nation towards this cause.

Higher Education sector has seen substantial increase in the number of Universities/Universities level Institutions and Colleges since Independence. Higher Education is the shared responsibility of both the Centre and the States. At present, the main categories of University/University-level Institutions are: - Central Universities, State Universities, Deemed-to-be Universities and University-level institutions.

### Market Scenario

The number of Universities has increased 34 times from 20 in 1950 to 677 in 2014. Number of students in higher education in India has grown from about 11 million in 2002 to about 30 million now. Numbers of students in higher education in India are projected to grow to over 40 million in 2020. For various reasons, more and more number of students are also going abroad for their higher education.

There are around 677 Universities with over 36,000 higher educational institutes in India today as per Ministry of Human Resource Development linked agency report. The number of B-schools in India has grown to 4,500 with around 3,60,000 seats collectively as per an

ASSOCHAM study. There are about 26 million students in regular higher education system in India (excluding students enrolled in distance learning programs) as per AISHE report.

Credila Financial Services Pvt. Ltd. has recently started this journey. Credila Financial Services Pvt. Ltd. has disbursed a cumulative of over ₹ 2,200 crore of Education Loans, funding tens of thousands of students from India to over 2100+ unique educational institutes across 35+ countries!

### Opportunities and Threats

Higher Education sector provides numerous opportunities. Cost of education in general and higher education in specific has been increasing globally. Massification of higher education has opened doors of opportunities for millions of youth in India. However, it has become increasingly difficult for Indian families to pay for the higher education for their children from family savings.

With over 26 million students in higher education in India, total education loan outstanding in India is over ₹ 62,000 crore, which is around \$10 Billion. In the USA, whose population is about one fourth of that of India, has a total education loan outstanding of over \$1 Trillion. Education Loan is the second biggest asset class in the USA after Mortgages.

On that context, education loan segment in India, is just getting started. There are thousands of students who are unable to get education loans due to various reasons, many of which are market, system driven and driven by various other constraints which are unrelated to them. Education Loan sector is, therefore, more about how can

lenders continue to find solutions to mitigate their risks and still continue to help more and more students and parents fulfill their dreams of higher education.

However, NPAs (Non-Performing Assets) in Education Loan segment has been quite high in the sector. On that backdrop, Credila Financial Services Pvt. Ltd. has been treading a careful path of funding students for their higher education with utmost care and diligence possible. Among other threats, uncertainties in the employment scenarios across various sectors in India and many other countries abroad continue to keep the sector on its toes.

### Internal Audit and Control

The Company has undertaken comprehensive exercise for documentation of Standard Operating Procedures, including that of current internal financial controls. The Company has also prepared Risk Registers as per the Risk Management Policy. Physical verification of fixed assets was conducted by Independent Chartered Accountants Firm at all the branch offices of the Company. Also, the Company has put together internal control systems commensurate with the nature and size of the business. Independent Internal Audit has been carried out during the year by independent firm of chartered accountants. The Audit Committee has been constituted under Section 177 of the Companies Act, 2013 with specified terms of reference.

The Standard Operating Procedures got activated for Operations, Customer Complaints & Service, Recovery, Accounts & Finance, etc. Also, Risk Register were prepared for various departments identifying risks



such as Credit Risk, Operations Risk, Strategic Risk, Finance Risk, Compliance Risk, Human Resources Risk, Information Technology Risk, etc.

Independent Secretarial Audit was conducted by a Practising Company Secretaries Firm. During the financial year, an Independent Chartered Accountant Firm had carried out Compliance Audit of filing of returns with Reserve Bank of India.

**Discussion on Financial Performance with respect to Operational Performance.**

The Company disbursed ₹ 761.94 crore during the year as against ₹ 566.18 crore in the previous year and registered a growth of 35%. The Company disbursed education loans to 5,562 students (previous year 4,772 students) and the average education loan was ₹ 13.70 lakhs during the year as against ₹ 11.86 lakhs during the previous year. The financial and operational performance of the Company for the year ended on March 31, 2015 has been good with an increase in loan book by 43% and the Net Non-Performing Asset staying at 0.05%.

The Company has also seen an increase in Net Profit after tax by 45% to ₹ 27.80 Crore.

**Material developments in Human Resources / Industrial Relations front, including number of People employed.**

The number of employees in the Company as of March 31, 2015 is 210. During the financial year, various training programs were held at various locations on different topics on Knowledge, Skill and Attitude. There has been no Industrial Dispute during the year.

## Annexure to Directors' Report - I

### THE ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014]

- A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

The Company believes in conducting its business responsibly, fairly and in a most transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives.

The main objective of the CSR Policy of the Company is to lay down guidelines to make CSR a key business process for sustainable development of the society and the environment in which it operates. It aims in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of the Company's activities in India.

- The Composition of the CSR Committee:** Mr. B. Mahapatra (Chairman), Mr. V. Srinivasa Rangan, Mrs. Madhumita Ganguli and Mr. Ajay Bohora.
- Average net profit of the Company for last three financial years:** ₹ 8,28,25,523/-
- Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹ 16,56,510/-
- Details of CSR spent during the financial year:**
  - Total amount to be spent for the financial year:** ₹ 16,56,510/-
  - Amount unspent, if any:** Nil.
  - Manner in which the amount spent during the financial year is detailed below:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or Activity undertaken	Sector in which the Project is Covered	Projects or programs (1) Local Area or other (Specify the State or District where the Projects or programs were undertaken)	Amount outlay (Budget) Project or Programs-wise	Amount spent on the Project or Programs Sub heads (1) Direct expenditure on the projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
1	Contribution to 'Swachh Bharat Kosh' to achieve a cleaner India	Promotion of Health & Sanitation	Contribution to Swachh Bharat Kosh set up by the Central Government pursuant to Item no. (i) of Schedule VII to the Companies Act, 2013	Entire amount of ₹ 16,57,000/- would be contributed to the "Swachh Bharat Kosh"	₹ 16,57,000/-	₹ 16,57,000/-	Direct
	<b>Total</b>				₹ 16,57,000/-	₹ 16,57,000/-	

## Annexure to Directors' Report - I (Continued)

6. **In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:** Not Applicable, since the entire amount of 2% of the average net profits of the Company for the last three financial years has been spent.
7. **The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and Policy of the Company.**

On behalf of the Board of Directors

Sd/-

**MR. AJAY BOHORA**

Managing Director &  
Chief Executive Officer

On behalf of the Board of Directors

Sd/-

**MR. B. MAHAPATRA**

Chairman  
(Corporate Social Responsibility Committee)

MUMBAI  
April 16, 2015

## Annexure to Directors' Report - II

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

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

#### I. REGISTRATION AND OTHER DETAILS:

CIN	U67190MH2006PTC159411
Registration Date	February 1, 2006
Name of the Company	<b>CREDILA FINANCIAL SERVICES PRIVATE LIMITED</b>
Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
Address of the Registered Office and Contact Details	B - 301, Citi Point, Next to Kohinoor Continental, Andheri - Kurla Road, Andheri (East), Mumbai-400059.
Whether listed company Yes / No	Yes (The Debt securities of the Company are listed on the Bombay Stock Exchange)
Name, Address and Contact Details of Registrar and Transfer Agent, if any	Adroit Corporate Services Private Limited 19 / 20 Jaferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol, Andheri (E), Mumbai - 400 059. Tel. No. +91-22- 4227 0400 / 2859 6060 / 2859 4060, Email ID: info@adroitcorporate.com

#### 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:

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1.	Providing Education Loans for higher education and related activities	64920	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	<b>Housing Development Finance Corporation Limited</b> Ramon House, 169 Backbay Reclamation, H.T. Parekh Marg, Churchgate, Mumbai - 400 020.	L70100MH1977PLC019916	Holding Company	78.66	2(46)

## Annexure to Directors' Report - II (Continued)

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Category-wise Shareholding

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	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual/HUF	57,35,000	–	57,35,000	10.67	57,35,000	–	57,35,000	10.67	–
(b) Central Govt./	–	–	–	–	–	–	–	–	–
(c) State Govt.(s)	–	–	–	–	–	–	–	–	–
(d) Bodies Corp.	4,22,72,003	–	4,22,72,003	78.66	4,22,72,003	–	4,22,72,003	78.66	–
(e) Banks/FIs	–	–	–	–	–	–	–	–	–
(f) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A) (1)</b>	<b>4,80,07,003</b>	<b>–</b>	<b>4,80,07,003</b>	<b>89.33</b>	<b>4,80,07,003</b>	<b>–</b>	<b>4,80,07,003</b>	<b>89.33</b>	<b>–</b>
(2) Foreign									
(a) Non-Resident Indian Individuals	57,35,000	–	57,35,000	10.67	57,35,000	–	57,35,000	10.67	–
(b) Other Individuals	–	–	–	–	–	–	–	–	–
(c) Bodies Corp.	–	–	–	–	–	–	–	–	–
(d) Banks/FIs	–	–	–	–	–	–	–	–	–
(e) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A) (2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>5,37,42,003</b>	<b>–</b>	<b>5,37,42,003</b>	<b>100</b>	<b>5,37,42,003</b>	<b>–</b>	<b>5,37,42,003</b>	<b>100</b>	<b>–</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	–	–	–	–	–	–	–	–	–
(b) Banks/FIs	–	–	–	–	–	–	–	–	–
(c) Central Govt.	–	–	–	–	–	–	–	–	–
(d) State Govt.(s)	–	–	–	–	–	–	–	–	–
(e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
(f) Insurance Companies	–	–	–	–	–	–	–	–	–
(g) FIs	–	–	–	–	–	–	–	–	–
(h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
(i) Others (specify)	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(1)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Annexure to Directors' Report - II (Continued)

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Continued)

#### (i) Category-wise Shareholding

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	
<b>2. Non-Institutions</b>									
(a) Bodies Corp.									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
(c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares Held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	5,37,42,003	-	5,37,42,003	100	5,37,42,003	-	5,37,42,003	100	-

## Annexure to Directors' Report - II (Continued)

### (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1	Housing Development Finance Corporation Limited (HDFC Ltd.)	4,22,72,003	78.66	—	4,22,72,003	78.66	—	—
2	Anil Bohora	57,35,000	10.67	—	57,35,000	10.67	—	—
3	Ajay Bohora	57,35,000	10.67	—	57,35,000	10.67	—	—
	<b>Total</b>	<b>5,37,42,003</b>	<b>100</b>	<b>—</b>	<b>5,37,42,003</b>	<b>100</b>	<b>—</b>	<b>—</b>

(iii) **Change in Promoters' Shareholding:** During the year there has been no change in promoters' shareholding.

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

(v) **Shareholding of Directors and Key Managerial Personnel:** The shareholding of Mr. Anil Bohora, Managing Director and Mr. Ajay Bohora, Managing Director & CEO are as per point (ii) above.

### V. INDEBTEDNESS:

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	7,075,000,000	3,688,754,712	—	10,763,754,712
ii) Interest due but not paid	61,299,521	—	—	61,299,521
iii) Interest accrued but not due	—	73,691,347	—	73,691,347
<b>Total (i+ii+iii)</b>	<b>7,136,299,521</b>	<b>3,762,446,059</b>	<b>—</b>	<b>10,898,745,580</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	4,781,440,668	78,665,838	—	4,860,106,506
• Reduction	34,636,306	20,531,077	—	55,167,383
<b>Net Change</b>	<b>4,816,076,974</b>	<b>99,196,915</b>	<b>—</b>	<b>4,915,273,889</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	11,856,440,668	3,767,420,550	—	15,623,861,218
ii) Interest due but not paid	26,663,216	—	—	26,663,216
iii) Interest accrued but not due	—	53,160,270	—	53,160,270
<b>Total (i+ii+iii)</b>	<b>11,883,103,884</b>	<b>3,820,580,820</b>	<b>—</b>	<b>15,703,684,704</b>

## Annexure to Directors' Report - II (Continued)

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Anil Bohora	Mr. Ajay Bohora	
<b>1</b>	Gross salary	4,005,000	4,005,000	8,010,000
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	4,005,000	4,005,000	8,010,000
	(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	—	—	—
<b>2</b>	Stock Option	—	—	—
<b>3</b>	Sweat Equity	—	—	—
<b>4</b>	Commission	—	—	—
	- as % of profit	—	—	—
	- others, specify...	—	—	—
<b>5</b>	Others, please specify	—	—	—
	<b>Total (A)</b>	<b>4,005,000</b>	<b>4,005,000</b>	<b>8,010,000</b>
	Ceiling as per the Act	10% of the net profits of the Company		

#### B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
		Mr. C. B. Chhaya	
	<b>Independent Directors</b>		
	• Fee for attending board committee meetings	700,000	700,000
	• Commission	—	—
	• Others, please specify	—	—
	<b>Total (1)</b>	<b>700,000</b>	<b>700,000</b>
	<b>Other Non-Executive Directors</b>	—	—
	• Fee for attending Board committee meetings	—	—
	• Commission	—	—
	• Others, please specify	—	—
	<b>Total (2)</b>	<b>—</b>	<b>—</b>
	<b>Total (B) = (1 + 2)</b>	<b>700,000</b>	<b>700,000</b>
	Overall Ceiling as per the Act	1% of the Net profits of the Company	



## Annexure to Directors' Report - II (Continued)

### C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
<b>1</b>	Gross salary	426,300	1,903,440	2,329,740
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	426,300	1,903,440	2,329,740
	(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	—	—	—
<b>2</b>	Stock Option	—	—	—
<b>3</b>	Sweat Equity	—	—	—
<b>4</b>	Commission	—	—	—
	- as % of profit	—	—	—
	- others, specify...	—	—	—
<b>5</b>	Others, please specify	—	—	—
	<b>Total</b>	<b>426,300</b>	<b>1,903,440</b>	<b>2,329,740</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year, neither any penalty was levied against the Company, its directors or any of its officers under the Companies Act, 2013 nor there was any punishment or compounding of offences against the Company, its directors or any of its officers.

## Independent Auditors' Report

TO THE MEMBERS OF CREDILA FINANCIAL SERVICES PRIVATE LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **CREDILA FINANCIAL SERVICES PRIVATE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2015, 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 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the

financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and

the operating effectiveness of such controls. 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 financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, 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 the Companies (Auditor's Report) Order, 2015 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the

directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) 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, 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 material pending litigations which would impact its financial position.

ii) The Company has made provision, as required under the

applicable law or accounting standards, for material foreseeable losses on long-term contracts - Refer Note 27.3 to the financial statements. The Company did 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.

For DELOITTE HASKINS & SELLS

Chartered Accountants  
(Firm's Registration No. 117365W)

Pallavi A. Gorakshakar

MUMBAI, (Partner)  
16th April, 2015 (Membership No. 105035)

## Annexure to the Independent Auditors' Report

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

i) In respect of its fixed assets:

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

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

ii) According to the information and explanations given to us, the nature of the Company's business is such that it is not required to hold any inventories.

iii) The Company has not granted any loans, secured or unsecured, to companies, firms 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, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services and during the course of our audit we have not observed any major weaknesses in such internal control system.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.

vi) The provisions of clause (3)(vi) of the Order are not applicable to the Company as the services rendered by the Company are not covered by the Companies (Cost Records and Audit) Rules, 2014.

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Service Tax, and Cess which have not been deposited as on March 31, 2015 on account of disputes.

(d) There are no amounts that were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the

financial year covered by our audit and in the immediately preceding financial year.

ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.

xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained other than temporary deployment pending application.

xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year, although there have been few instances of fraudulent misrepresentation by applicants, the amounts whereof are not material in the context of the size of the Company and nature of its business.

For DELOITTE HASKINS & SELLS

Chartered Accountants

(Firm's Registration No. 117365W)

Pallavi A. Gorakshakar

MUMBAI,

(Partner)

16<sup>th</sup> April, 2015 (Membership No. 105035)

## Secretarial Auditors' Report

To  
The Members,  
CREDILA FINANCIAL SERVICES  
PRIVATE LIMITED  
CIN: U67190MH2006PTC159411

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CREDILA FINANCIAL SERVICES PRIVATE LIMITED** having (CIN: **U67190MH2006PTC159411**) (hereinafter called "the Company"). 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 **31st March, 2015** 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 31<sup>st</sup> March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder#;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings#;

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 (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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999#;

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

f. 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;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998#;

# *The Regulations or Guidelines, as the case may be was not applicable for the period under review.*

We have relied on the representations made by the Company and its Officers for systems and mechanisms developed by the Company in order to ensure compliances under other applicable Acts, Laws and Regulations to the Company. The list of Acts, Laws and Regulations specifically applicable to the Company are given below:

vi. Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

vii. The Prevention of Money Laundering Act, 2002.

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India. #

ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; - Listing Agreement for Debt Securities entered with BSE Limited.

#*Not applicable for the period under review.*

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

### We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive 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.

Though not less than seven days' prior notice along with agenda were given to all the directors to schedule board meetings, detailed notes on agenda were circulated less than seven days' in advance. Therefore, the Company has a reasonable system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

**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 undertaken following events / actions;

i. Issue of 50 Unsecured, Redeemable, Non-convertible Debentures of face value of ₹ 10,00,000/- and 1,000 Unsecured, Subordinated, Rated, Listed, Redeemable, Non-Convertible Perpetual Debt Instruments (PDI) in the nature of Debentures of face value of ₹ 10,00,000/-.

ii. Members approval in the extraordinary general meeting held on 15<sup>th</sup> July, 2014 to increase the borrowing limits pursuant to Section 180(1)(c) upto Rs. 3,000 Crore and authority to Board of Directors pursuant to section 180(1)(a) for creation of charges on the movable and immovable properties of the Company both present and future, in respect of borrowings.

**For Bhandari & Associates**  
Company Secretaries

Sd/-

Mumbai  
April 16, 2015      **S. N. Bhandari**  
FCS No: 761; C P No. : 366

## Balance Sheet as at March 31, 2015

Particulars	Note No.	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	3	1,207,419,590	1,207,419,590
(b) Reserves and surplus	4	338,826,735	60,934,003
		<b>1,546,246,325</b>	<b>1,268,353,593</b>
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	5	12,364,280,668	6,547,120,000
(b) Long-term provisions	6	48,791,891	35,060,666
(c) Other long term liabilities	7	1,878,093	2,375,115
		<b>12,414,950,652</b>	<b>6,584,555,781</b>
<b>3. Current liabilities</b>			
(a) Short-term borrowings	8	1,978,081,955	2,398,754,714
(b) Trade payables	9	25,469,603	18,480,733
(c) Other current liabilities	10	1,411,625,951	1,999,850,371
(d) Short-term provisions	11	2,301,883	1,407,678
		<b>3,417,479,392</b>	<b>4,418,493,496</b>
<b>Total</b>		<b>17,378,676,369</b>	<b>12,271,402,870</b>
<b>II. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets (net)	12		
i) Tangible assets		8,522,584	10,886,219
ii) Intangible assets		485,309	1,044,940
		9,007,893	11,931,159
(b) Deferred tax assets (net)	13	18,000,000	—
(c) Long-term loans and advances	14	15,988,731,914	11,148,824,490
		<b>16,015,739,807</b>	<b>11,160,755,649</b>
<b>2. Current assets</b>			
(a) Trade Receivables	15	889,046	508,977
(b) Cash and Bank Balances	16	81,568,095	187,152,436
(c) Short-term loans and advances	17	1,202,704,232	869,227,983
(d) Other current assets	18	77,775,189	53,757,825
		<b>1,362,936,562</b>	<b>1,110,647,221</b>
<b>Total</b>		<b>17,378,676,369</b>	<b>12,271,402,870</b>

See accompanying notes forming part of the financial statements 1 to 29

In terms of our report attached.

For Deloitte Haskins & Sells  
Chartered Accountants

Pallavi A. Gorakshakar  
Partner

MUMBAI  
April 16, 2015

For and on behalf of the Board

V.S. Rangan  
(DIN:00030248)  
Chairman

Directors

Madhumita Ganguli  
(DIN:00676830)

Subodh Salunke  
(DIN:03053815)

Biswamohan Mahapatra  
(DIN:06990345)

Anil Bohora  
(DIN:00694396)  
Managing Director

Amitabh Chaudhry  
(DIN:00531120)

Sudhin Choksey  
(DIN:00036085)

Ajay Bohora  
(DIN:00694444)  
Managing Director & CEO

Sebastian Fernandez  
(FCA:112793)  
Chief Financial Officer

Shivangi Dave  
Company Secretary  
(ACS:26498)

## Statement of Profit and Loss for the Year Ended March 31, 2015

Particulars	Note No.	For the Year Ended March 31, 2015 ₹	For the Year Ended March 31, 2014 ₹
I. Revenue from operations	19	2,151,928,083	1,465,730,923
<b>Total Revenue</b>		<b>2,151,928,083</b>	<b>1,465,730,923</b>
II. Expenses:			
(a) Employee benefits expense	20	140,791,405	114,030,028
(b) Finance costs	21	1,386,217,140	947,189,921
(c) Depreciation and amortisation expenses	12	7,848,267	4,330,703
(d) Other expenses	22	198,831,357	152,975,205
(e) Provisions for non-performing assets	27.2	267,240	1,523,819
(f) Contingent provisions against standard assets	6.1	12,999,546	10,581,136
<b>Total expenses</b>		<b>1,746,954,955</b>	<b>1,230,630,812</b>
III. Profit before tax (I-II)		<b>404,973,128</b>	<b>235,100,111</b>
IV. Tax expense:			
(a) Current tax		145,000,000	52,000,000
(b) MAT credit entitlement		—	(8,700,000)
(c) Deferred tax	13	(18,000,000)	—
		<b>127,000,000</b>	<b>43,300,000</b>
V. Profit for the year (III- IV)		<b>277,973,128</b>	<b>191,800,111</b>
VI. Earnings per share (of ₹ 10 each):	25		
(a) Basic		5.17	3.85
(b) Diluted		2.56	1.80
See accompanying notes to the financial statements	1 to 29		

In terms of our report attached.

For Deloitte Haskins & Sells  
Chartered Accountants

Pallavi A. Gorakshakar  
Partner

MUMBAI  
April 16, 2015

For and on behalf of the Board

V.S. Rangan  
(DIN:00030248)  
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Managing Director & CEO

Sebastian Fernandez  
(FCA:112793)  
Chief Financial Officer

Shivangi Dave  
Company Secretary  
(ACS:26498)



## Cash Flow Statement for the Year Ended March 31, 2015

Particulars	For the Year Ended March 31, 2015 ₹	For the Year Ended March 31, 2014 ₹
<b>A. Cash flow from operating activities</b>		
Profit Before Taxation	404,973,128	235,100,111
<i>Adjustments for :</i>		
Depreciation/Amortisation	7,848,267	4,330,703
Loss on Fixed Assets discarded	18,107	20,809
Education Loans written off	854,432	—
Provisions for Non-Performing Assets	267,240	1,523,819
Contingent Provisions against Standard Assets	12,999,546	10,581,136
Dividend Income from Current Non-Trade Investments	(973,821)	(1,611,910)
Provision for employee benefits	2,496,101	1,120,878
Rent Deposit Written Off	—	206,813
Bad Debts Written Off	32,692	—
Share issue expenses	—	320,000
	23,542,564	16,492,248
<b>Operating profit before working capital changes</b>	<b>428,515,692</b>	<b>251,592,359</b>
<i>Adjustments for :</i>		
Current and Non-Current Assets	(5,224,702,602)	(4,170,411,737)
Current and Non-Current Liabilities	(46,012,572)	104,408,077
Cash Used in Operations	(4,842,199,482)	(3,814,411,301)
Income-tax paid	(120,183,480)	(50,819,268)
<b>Net Cash Used in Operating Activities (A)</b>	<b>(4,962,382,962)</b>	<b>(3,865,230,569)</b>
<b>B. Cash flow from investing activities</b>		
Acquisition of Fixed Assets	(4,943,110)	(1,930,501)
Purchase of current investments	(710,000,000)	(2,240,000,000)
Sale of current investments	710,973,821	2,241,611,910
Bank balances not considered as Cash and cash equivalents [Deposit with original maturity of more than 3 months]		
— Placed	(13,000,000)	12,000,000
— Matured	12,800,000	(12,000,000)
<b>Net Cash Used in Investing Activities (B)</b>	<b>(4,169,289)</b>	<b>(318,591)</b>

**Cash Flow Statement for the Year Ended March 31, 2015** (Continued)

Particulars	For the Year Ended March 31, 2015 ₹	For the Year Ended March 31, 2014 ₹
<b>C. Cash flow from financing activities</b>		
Short Term Borrowings [Net]	<b>(420,672,758)</b>	1,679,733,697
Long Term Borrowings		
— Taken during the year	<b>7,100,000,000</b>	3,540,000,000
— Repaid during the year	<b>(1,818,559,332)</b>	(1,300,000,000)
Proceeds from Issue of Compulsorily Convertible Preference Shares and Optionally Convertible Preference Shares	—	70,000,000
Share issue expenses	—	(320,000)
<b>Net Cash From Financing Activities (C)</b>	<b>4,860,767,910</b>	3,989,413,697
<b>Net Increase/(Decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(105,784,341)</b>	123,864,537
Cash and cash equivalents at the beginning of the year	<b>174,352,436</b>	50,487,899
<b>Cash and cash equivalents at the end of the year</b>	<b>68,568,095</b>	174,352,436
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and Bank balance as per Balance Sheet [Refer Note 16]	<b>81,568,095</b>	187,152,436
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements [Deposits with original maturity of more than 3 months]	<b>13,000,000</b>	12,800,000
Cash and cash equivalents at the end of the year [as defined in AS 3 Cash Flow Statements] included in Note 16	<b>68,568,095</b>	174,352,436

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

For Deloitte Haskins & Sells  
Chartered AccountantsPallavi A. Gorakshakar  
PartnerMUMBAI  
April 16, 2015

For and on behalf of the Board

V.S. Rangan  
(DIN:00030248)  
Chairman

Directors

Madhumita Ganguli  
(DIN:00676830)Subodh Salunke  
(DIN:03053815)Biswamohan Mahapatra  
(DIN:06990345)Anil Bohora  
(DIN:00694396)  
Managing DirectorAmitabh Chaudhry  
(DIN:00531120)Sudhin Choksey  
(DIN:00036085)Ajay Bohora  
(DIN:00694444)  
Managing Director & CEOSebastian Fernandez  
(FCA:112793)  
Chief Financial OfficerShivangi Dave  
Company Secretary  
(ACS:26498)

## Notes forming part of the financial statements

### 1. CORPORATE INFORMATION

Credila Financial Services Private Limited (the “Company”) is engaged in the business of originating, funding and servicing loans for the education of Indian students in India and Overseas and in providing ancillary services related to the said business activities. With effect from July 09, 2010, the Company became subsidiary of Housing Development Finance Corporation Limited (“HDFC”/ the “Holding Company”). The Company is Systematically Important Non-deposit taking Non-Banking Financial Company.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### i) 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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (the “2013 Act”) / Companies Act, 1956 (the “1956 Act”), as applicable, so far as these are not inconsistent with Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (prudential norms) issued by the Reserve Bank of India (RBI). 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.

#### (ii) 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 recognised in the periods in which the results are known / materialise.

#### (iii) Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation / amortisation and impairment loss, if any. Cost comprises of purchase / acquisition price, import duties, non-refundable taxes, duties, freight and directly attributed cost of bringing the assets to its working condition for its intended use.

The cost of internally generated software comprises all expenditure that can be directly attributed or allocated on a reasonable and consistent basis to create the software for its intended use.

Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, is recognised.

#### (iv) Depreciation/Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

##### (a) Tangible Assets

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets:

Computers and data processing equipment - 4 years

##### (b) Intangible Assets

Intangible assets are amortised over their estimated useful life as follows:

## Notes forming part of the financial statements (Continued)

Education Loan Software (Internally generated) & Other software is amortised over the period of five years on straight line method.

- (c) Fixed Assets would exclude minor items that are generally regarded as expendable, repair part or supply even though their useful lives may extend beyond one year. Any items which have cost less than one thousand per unit and even though it has an extended useful life beyond one year would not be treated as Fixed Asset.

### (v) Revenue Recognition

- (a) Interest on Education Loans:  
Interest income is recognised in the Statement of Profit and Loss as it accrues except in case of non-performing assets (NPAs) it is recognised, upon realisation, as per the prudential norms of RBI.
- (b) Interest on Deposits:  
Interest on Deposits is recognised on accrual basis.
- (c) Front End Origination Fees:  
Front end origination fees on loans is collected towards processing of loan and documentation charges. This is recognised as income when the amount become due and there is no uncertainty in realisation.
- (d) Commission Income:  
Income from Commission represents sharing of margin with the Authorised Dealers on the foreign exchange business, income on sourcing of home loan to customers to Holding Company from the Company's references and facilitator income for review of education loan application of students referred by other agencies and is recognised in accordance with the terms of the relevant agreement.
- (e) Dividend Income is accounted as and when right to receive dividend is established.
- (f) Other fees represents Pre-payment charges for foreclosure of loan taken by borrowers, documentation charges, Cheque bouncing charges, penal interest charges and other fees is recognised as income when the amount become due and there is no uncertainty in realisation.

### (vi) Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Current investments are carried individually, at the lower of cost and fair value.

Cost of investments include acquisition charges such as brokerage, fees and duties.

### (vii) Foreign Currency Transactions and Translations

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Foreign currency monetary items as at the Balance Sheet date are restated at the year end rates. Exchange differences arising on realisation and year end restatements are recognised as income or expense in the Statement of Profit and Loss.

### (viii) Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss.

### (ix) Employee Benefits

- (a) Provident Fund  
The company's contribution paid/payable during the year towards Provident Fund are charged to Statement of Profit and Loss every year.

## Notes forming part of the financial statements (Continued)

(b) **Gratuity & Compensated Absences.**

The Company's liability towards gratuity and compensated absences is determined on the basis of actuarial valuation done by an independent actuary. The actuarial gains and losses determined by the actuary are recognised immediately in the Statement of Profit and Loss as an income or expense.

(x) **Leases**

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

(xi) **Taxes on Income**

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

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

Deferred tax is recognised 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 recognised for all timing differences. Deferred tax assets are recognised 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 realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date for their realisability.

(xii) **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.

(xiii) **Cash Flow Statement**

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

(xiv) **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

## Notes forming part of the financial statements (Continued)

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. Dilutive potential equity shares are determined independently for each period presented.

### (xv) Provisions

Provisions include provisions for Non-Performing Assets (“NPAs”) and contingencies. Provisions for Non-Performing Assets comprising of Education Loans are made based on the prudential norms issued by the Reserve Bank of India.

Provision for contingencies is made in respect of Standard Assets comprising of Education Loans based on the guidelines issued by the Reserve Bank of India.

In others, provision, if required, is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) and compensated absences are not discounted to its present value and are determined based on best estimate of the expenditure 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 estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefit is remote.

### (xvi) Service Tax Input Credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilising the credits.

### (xvii) Operating Cycle

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

## 3. SHARE CAPITAL

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	₹	Number of Shares	₹
<b>Authorised</b>				
Equity Shares of ₹ 10 each with voting rights	65,000,000	650,000,000	65,000,000	650,000,000
Compulsorily Convertible Preference Shares (“CCPS”) of ₹ 10 each	85,000,000	850,000,000	85,000,000	850,000,000
<b>Total</b>	<b>150,000,000</b>	<b>1,500,000,000</b>	<b>150,000,000</b>	<b>1,500,000,000</b>
<b>Issued, Subscribed and Fully Paid up</b>				
Equity Shares of ₹ 10 each with voting rights	53,742,003	537,420,030	53,742,003	537,420,030
Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up	66,999,956	669,999,560	66,999,956	669,999,560
<b>Total</b>	<b>120,741,959</b>	<b>1,207,419,590</b>	<b>120,741,959</b>	<b>1,207,419,590</b>

## Notes forming part of the financial statements (Continued)

### 3.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	Equity Shares			
	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	₹	Number of Shares	₹
Shares outstanding at the beginning of the year	53,742,003	537,420,030	30,408,670	304,086,700
Compulsorily Convertible Preference Shares converted into Equity Shares during the year	—	—	23,333,333	233,333,330
Shares outstanding at the end of the year	53,742,003	537,420,030	53,742,003	537,420,030

Particulars	Compulsorily Convertible Preference Shares			
	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	₹	Number of Shares	₹
Shares outstanding at the beginning of the year	66,999,956	669,999,560	49,999,972	499,999,720
Shares issued during the year	—	—	7,000,000	70,000,000
Optionally Convertible Preference Shares (“OCPS”) converted in to Compulsorily Convertible Preference Shares	—	—	34,999,984	349,999,840
Shares converted in to Equity Shares during the year	—	—	(25,000,000)	(250,000,000)
Shares outstanding at the end of the year	66,999,956	669,999,560	66,999,956	669,999,560

Particulars	Optionally Convertible Preference Shares			
	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	₹	Number of Shares	₹
Shares outstanding at the beginning of the year	—	—	34,999,984	349,999,840
Shares converted in to CCPS during the year	—	—	(34,999,984)	(349,999,840)
Shares outstanding at the end of the year	—	—	—	—

## Notes forming part of the financial statements (Continued)

### 3.2 (a) The rights, preferences and restrictions attached to Preference Shares including restrictions on distribution of dividends and the repayment of capital and terms of conversion into Equity Shares

#### Dividend terms:

Dividend per annum on Compulsorily Convertible Preference Shares shall be equivalent to 0.01 % on the subscription amount on a preferential basis, subject to the availability of distributable profits.

#### Terms of Conversion of Compulsorily Convertible Preference Shares :

- **20,00,000 Compulsorily Convertible Preference Shares-Round IX (CCPS-IX) of ₹ 10 each**  
CCPS-IX of ₹ 10 each shall be converted into Equity Shares of face value of ₹ 10 each at a premium of ₹ 10 each with a final conversion price of ₹ 20 each at any time at the option of the subscriber i.e. HDFC or at maturity which is 7 years from the date of issue i.e. March 28, 2014.
- **99,99,984 Compulsorily Convertible Preference Shares-Round IV (CCPS-IV) of ₹ 10 each**  
49,99,992 CCPS-IV of ₹ 10 each shall be converted into Equity Shares of face value of ₹ 10 each at a premium of ₹ 2 each with a final conversion price of ₹ 12 each at any time at the option of the subscriber i.e. HDFC or at maturity which is 7 years from the date of issue i.e. February 27, 2012 and balance 49,99,992 CCPS-IV of ₹ 10 each shall be converted into Equity Shares of face value of ₹ 10 each at a premium of ₹ 2 each with a final conversion price of ₹ 12 each at any time at the option of the subscriber i.e. HDFC or at maturity which is 7 years from the date of conversion of OCPS into CCPS i.e. September 2, 2013.
- **1,49,99,992 Compulsorily Convertible Preference Shares-Round III (CCPS-III) of ₹ 10 each**  
CCPS-III of ₹ 10 each shall be converted into Equity Shares of face value of ₹ 10 each at a premium of ₹ 2 each with a final conversion price of ₹ 12 each at any time at the option of the subscriber i.e. HDFC or at maturity which is 7 years from the date of conversion of OCPS in to CCPS i.e. September 2, 2013.
- **90,00,000 Compulsorily Convertible Preference Shares-Round II (CCPS-II) of ₹ 10 each**  
CCPS-II of ₹ 10 each shall be converted into Equity Shares at price of ₹ 10 each at any time at the option of the subscriber i.e. HDFC or at maturity which is 7 years from the date of conversion of OCPS in to CCPS i.e. September 2, 2013.
- **60,00,000 Compulsorily Convertible Preference Shares-Round I (CCPS-I) of ₹ 10 each**  
CCPS-I of ₹ 10 each shall be converted into Equity Shares at a price of ₹ 10 each at any time at the option of the subscriber i.e. HDFC or at maturity which is 7 years from the date of conversion of OCPS in to CCPS i.e. September 2, 2013.
- **50,00,000 Compulsorily Convertible Preference Shares-Round VIII (CCPS-VIII) of ₹ 10 each**  
CCPS-VIII of ₹ 10 each shall be converted into Equity Shares of face value of ₹ 10 each at a premium of ₹ 8 each with a final conversion price of ₹ 18 each at any time at the option of the subscriber i.e. HDFC or at maturity which is 7 years from the date of issue i.e. August 30, 2013.
- **49,99,995 Compulsorily Convertible Preference Shares-Round VII (CCPS-VII) of ₹ 10 each**  
CCPS-VII of ₹ 10 each shall be converted into Equity Shares of face value of ₹ 10 each at a premium of ₹ 3 each with a final conversion price of ₹ 13 each at any time at the option of the subscriber i.e. HDFC or at maturity which is 7 years from the date of issue i.e. August 13, 2012.
- **99,99,990 Compulsorily Convertible Preference Shares-Round VI (CCPS-VI) of ₹ 10 each**  
CCPS-VI of ₹ 10 each shall be converted into Equity Shares of face value of ₹ 10 each at a premium of ₹ 3 each with a final conversion price of ₹ 13 each at any time at the option of the subscriber i.e. HDFC or at maturity which is 7 years from the date of issue i.e. July 6, 2012.



## Notes forming part of the financial statements (Continued)

— **49,99,995 Compulsorily Convertible Preference Shares-Round V (CCPS-V) of ₹ 10 each**

CCPS-V of ₹ 10 each shall be converted into Equity Shares of face value of ₹ 10 each at a premium of ₹ 3 each with a final conversion price of ₹ 13 each at any time at the option of the subscriber i.e. HDFC or at maturity which is 7 years from the date of issue i.e. April 30, 2012.

**(b) The rights, preferences and restrictions attached to equity shares including restrictions of distribution of dividends and the repayment of capital**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Also each shareholder has right to receive dividend as and when declared by the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

### 3.3 Details of the shares held by each shareholder holding more than 5% shares/the holding company:

(a) Particulars	Equity Shares			
	As at March 31, 2015		As at March 31, 2014	
	Number of Shares Held	% Holding	Number of Shares Held	% Holding
Housing Development Finance Corporation Limited - Holding Company	42,272,003	78.66%	42,272,003	78.66%
Mr. Anil Bohora	5,735,000	10.67%	5,735,000	10.67%
Mr. Ajay Bohora	5,735,000	10.67%	5,735,000	10.67%
<b>Total</b>	<b>53,742,003</b>	<b>100%</b>	<b>53,742,003</b>	<b>100%</b>

(b) Particulars	Compulsorily Convertible Preference Shares			
	As at March 31, 2015		As at March 31, 2014	
	Number of Shares Held	% Holding	Number of Shares Held	% Holding
Housing Development Finance Corporation Limited - Holding Company	66,999,956	100%	66,999,956	100%

## Notes forming part of the financial statements (Continued)

### 4. RESERVES AND SURPLUS

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>(a) Securities Premium</b>		
Opening Balance	96,959,966	80,293,300
Add : Premium received on shares issued during the year	—	16,666,666
	<u>96,959,966</u>	<u>96,959,966</u>
<b>(b) Special Reserve [under Section 45-IC (1) of the Reserve Bank of India Act, 1934]</b>		
Opening Balance	56,480,000	18,110,000
Add: Transfer from the Statement of Profit and Loss	55,600,000	38,370,000
	<u>112,080,000</u>	<u>56,480,000</u>
<b>(c) Surplus/(Deficit) in Statement of Profit and Loss</b>		
Opening Balance	(92,505,963)	(245,936,074)
Add: Profit for the year	277,973,128	191,800,111
	<u>185,467,165</u>	<u>(54,135,963)</u>
Less: Appropriations during the year		
Transfer to Special Reserve [under Section 45-IC (1) of the Reserve Bank of India Act, 1934]	55,600,000	38,370,000
Dividend on Compulsorily Convertible Preference Shares	67,000	—
Dividend Distribution Tax	13,396	—
	<u>129,786,769</u>	<u>(92,505,963)</u>
<b>Total</b>	<u><u>338,826,735</u></u>	<u><u>60,934,003</u></u>

### 5. LONG-TERM BORROWINGS

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>Debentures</b>		
— Unsecured [Refer Note 5.1]		
Non-Convertible Subordinated Debentures from Holding Company [Refer Note 24.3]	790,000,000	740,000,000
Non-Convertible Perpetual Debt Instruments	1,000,000,000	—
	<u>1,790,000,000</u>	<u>740,000,000</u>
<b>Term loans from banks</b>		
— Secured [Refer Note 5.2]	10,574,280,668	5,807,120,000
<b>Total</b>	<u><u>12,364,280,668</u></u>	<u><u>6,547,120,000</u></u>

## Notes forming part of the financial statements (Continued)

### 5.1 Terms of redemption of debentures :

#### (a) Debentures - Unsecured

Maturities	1-3 years	3-5 years	> 5 years	TOTAL
Rates of Interest				
10.01% – 12.00%	—	—	1,000,000,000	1,000,000,000
	—	—	—	—
12.00% – 12.75%	200,000,000	590,000,000	—	790,000,000
	—	(690,000,000)	(50,000,000)	(740,000,000)
<b>TOTAL</b>	<b>200,000,000</b>	<b>590,000,000</b>	<b>1,000,000,000</b>	<b>1,790,000,000</b>
	—	(690,000,000)	(50,000,000)	(740,000,000)

- (b) During the year, the Company raised ₹ 5,00,00,000 (Previous Year ₹ 44,00,00,000) through issue of Long Term Unsecured Non Convertible Debentures (Subordinated Debt).
- (c) During the year, the Company raised ₹ 100,00,00,000 (Previous Year ₹ Nil) through issue of Perpetual Debt Instruments. ₹ 19,00,96,298 (Previous Year ₹ Nil) of Perpetual Debt Instrument qualifies as Tier I Capital under RBI guidelines.
- (d) As on March 31, 2015 the Company's outstanding subordinated debt is ₹ 79,00,00,000 (Previous Year ₹ 74,00,00,000). These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under Reserve Bank of India guidelines for assessing capital adequacy. Based on balance term to maturity as on March 31, 2015, 57.47% (Previous Year 75.95%) of the book value of the Subordinated Debt is considered as Tier II Capital for the purpose of the Capital Adequacy Computation.

### 5.2 Repayment Terms of Term Loans:

#### (a) Term Loans - Secured

Maturities	1-3 years	3-5 years	> 5 years	TOTAL
From Scheduled Banks				
Rates of Interest				
10%-10.75%	4,648,448,571	3,737,005,714	2,188,826,383	10,574,280,668
	(2,635,720,000)	(1,957,120,000)	(1,214,280,000)	(5,807,120,000)
<b>TOTAL</b>	<b>4,648,448,571</b>	<b>3,737,005,714</b>	<b>2,188,826,383</b>	<b>10,574,280,668</b>
	(2,635,720,000)	(1,957,120,000)	(1,214,280,000)	(5,807,120,000)

- (b) All term loans from banks are secured by *pari passu* charge by way of hypothecation of education loan receivables of the Company's underlying portfolio of education loans and related collaterals.

## Notes forming part of the financial statements (Continued)

### 6. LONG-TERM PROVISIONS

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Provision for employee benefits		
— Compensated absences [Refer Note 20.1]	1,689,367	1,258,590
— Gratuity [Refer Note 20.2 (ii)]	4,180,048	3,879,146
	<u>5,869,415</u>	<u>5,137,736</u>
Others		
— Contingent provisions against standard assets [Refer Note 6.1]	42,922,476	29,922,930
	<u>42,922,476</u>	<u>29,922,930</u>
<b>Total</b>	<u><b>48,791,891</b></u>	<u><b>35,060,666</b></u>

#### 6.1 Contingent Provisions against Standard Assets

	FY 2014-15	FY 2013-14
Opening Provision	29,922,930	19,341,794
Additional Provision	12,999,546	10,581,136
Utilisation/Reversal	—	—
Closing Provision	<u>42,922,476</u>	<u>29,922,930</u>

### 7. OTHER LONG TERM LIABILITIES

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Instalments on education loans received in advance [Including interest received in advance]	1,824,618	2,362,851
Lease Equalisation [Refer Note 22.3]	53,475	12,264
<b>Total</b>	<u><b>1,878,093</b></u>	<u><b>2,375,115</b></u>

### 8. SHORT-TERM BORROWINGS

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Loans repayable on demand from banks		
— Secured [Refer Note 8.1]	—	450,000,000
— Book overdraft - Unsecured	661,405	—
Other Loans and Advances		
— Commercial papers - Unsecured [Refer Note 8.2]	1,977,420,550	1,948,754,714
<b>Total</b>	<u><b>1,978,081,955</b></u>	<u><b>2,398,754,714</b></u>

8.1 All secured loans are secured by *pari passu* charge by way of hypothecation of education loan receivables of the Company's underlying portfolio of education loans and related collaterals.

## Notes forming part of the financial statements (Continued)

### 8.2 COMMERCIAL PAPERS — Unsecured

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Face Value	2,000,000,000	2,000,000,000
Less: Unexpired Discount on Commercial Paper [Refer Note 8.3]	<u>22,579,450</u>	<u>51,245,286</u>
<b>Total</b>	<b><u>1,977,420,550</u></b>	<b><u>1,948,754,714</u></b>

8.3 Unexpired Discount on Commercial Paper is net of ₹ **1,18,54,550** (Previous year ₹ 5,73,77,712) towards interest accrued but not due.

### 9. TRADE PAYABLES

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Trade payables other than Acceptances		
— Payable to vendors [Refer Notes 9.1 & 9.2]	7,211,279	11,434,084
— Provisions for expenses	<u>18,258,324</u>	<u>7,046,649</u>
<b>Total</b>	<b><u>25,469,603</u></b>	<b><u>18,480,733</u></b>

9.1 Payable to vendors includes ₹ 83,476 payable to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED”).

9.2 There are no interest paid/payable during the year by the Company to suppliers covered under the MSMED. This information takes into account those suppliers who have responded to the enquiries made by the Company for this purpose.

9.3 The year end foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Payables		
— USD	3,054	10,211
— Equivalent Indian Rupees	191,152	626,683

## Notes forming part of the financial statements (Continued)

### 10. OTHER CURRENT LIABILITIES

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Current maturities of long-term borrowings		
— Term loans from Banks - Secured [Refer Note 10.1]	<b>1,282,160,000</b>	817,880,000
— Term loan from Financial Institution - Unsecured	—	1,000,000,000
Interest accrued and due on borrowings	<b>26,663,216</b>	61,299,521
Interest accrued but not due on borrowings	<b>53,160,270</b>	73,691,512
Instalment on education loans received in advance (including interest received in advance)	<b>47,940,228</b>	42,083,125
Statutory dues	<b>1,564,319</b>	4,888,050
Lease Equalisation [Refer Note 22.3]	<b>16,965</b>	8,163
Stale Cheques	<b>120,953</b>	—
<b>Total</b>	<b>1,411,625,951</b>	<b>1,999,850,371</b>

10.1 All term loans from banks are secured by *pari passu* charge by way of hypothecation of education loan receivables of the Company's underlying portfolio of education loans and related collaterals.

### 11. SHORT-TERM PROVISIONS

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Provision for employee benefits		
— Compensated absences [Refer Note 20.1]	<b>74,721</b>	95,027
— Gratuity [Refer Note 20.2 (ii)]	<b>1,916,647</b>	131,919
Provision for Income Tax [Net of Advance Tax ₹ 5,17,69,881 (Previous year ₹ 5,17,69,881)]	<b>230,119</b>	1,180,732
Proposed Dividend on Compulsorily Convertible Preference Shares	<b>67,000</b>	—
Dividend Distribution Tax	<b>13,396</b>	—
<b>Total</b>	<b>2,301,883</b>	<b>1,407,678</b>

## Notes forming part of the financial statements (Continued)

	Gross Block			Accumulated Depreciation/Amortisation			Net Block	
	As at April 1, 2014	Additions During the Year	Deletions/ Write Off During the Year	As at April 1, 2014	For the Year	Deletions/ Write Off During the Year	As at March 31, 2015	As at March 31, 2014
<b>A Tangible Assets:</b>								
Office equipment	2,406,042	759,965	10,600	1,204,893	667,403	8,953	1,292,064	1,201,149
Previous Year	(2,208,918)	(197,124)	—	(879,334)	(325,559)	—	(1,201,149)	(1,329,584)
Computers	15,542,870	2,925,540	261,553	8,819,247	5,472,135	253,405	4,168,878	6,723,623
Previous Year	(13,887,026)	(1,655,844)	—	(6,616,392)	(2,202,855)	—	(6,723,623)	(7,270,634)
Furniture & Fixtures	5,035,641	739,314	107,184	2,074,194	630,806	98,872	3,061,642	2,961,447
Previous Year	(5,000,294)	(77,533)	(42,186)	(1,680,202)	(415,369)	(21,377)	(2,961,447)	(3,320,092)
<b>(A) Sub-total (A)</b>	<b>22,984,553</b>	<b>4,424,819</b>	<b>379,337</b>	<b>12,098,334</b>	<b>6,770,344</b>	<b>361,230</b>	<b>8,522,584</b>	<b>10,886,219</b>
Previous Year	(21,096,238)	(1,930,501)	(42,186)	(22,984,553)	(2,943,783)	(21,377)	(10,886,219)	(11,920,310)
<b>B Intangible Assets:</b>								
Education Loan Software (Internally Generated)	6,934,600	—	—	5,889,660	1,044,940	—	6,934,600	—
Previous Year	(6,934,600)	—	—	(4,502,740)	(1,386,920)	—	(1,044,940)	(2,431,860)
Other Software	—	518,291	—	—	32,983	—	32,983	—
Previous Year	—	—	—	—	—	—	—	—
<b>Sub-total (B)</b>	<b>6,934,600</b>	<b>518,291</b>	<b>—</b>	<b>5,889,660</b>	<b>1,077,923</b>	<b>—</b>	<b>6,967,583</b>	<b>1,044,940</b>
Previous Year	(6,934,600)	—	—	(4,502,740)	(1,386,920)	—	(1,044,940)	(2,431,860)
<b>Total (A+B)</b>	<b>29,919,153</b>	<b>4,943,110</b>	<b>379,337</b>	<b>17,987,994</b>	<b>7,848,267</b>	<b>361,230</b>	<b>25,475,033</b>	<b>11,931,159</b>
Previous Year	(28,030,838)	(1,930,501)	(42,186)	(29,919,153)	(13,678,668)	(21,377)	(11,931,159)	(14,352,170)

12.1 During the year ended March 31, 2015, the Company has reviewed and reassessed useful lives of its tangible fixed assets on and from April 1, 2014. The revised useful lives of the assets as assessed by Management, match those specified in Part C of Schedule II to the Companies Act, 2013, for most classes of assets. Management believes that the revised useful lives of the assets reflects the periods over which these assets are expected to be used. As a result of these changes, the charge on account of depreciation for the year ended March 31, 2015 is higher by ₹ 36,22,896 compared to the method used and useful lives estimated in earlier periods.

## Notes forming part of the financial statements (Continued)

13. In compliance with Accounting Standard relating to “Accounting for Taxes on Income” (AS-22), the Company has taken credit of ₹ 1,80,00,000 (Previous Year ₹ Nil) in the Statement of Profit and Loss for the year ended March 31, 2015 towards deferred tax assets (net) for the year, arising on the account of timing differences.

The major components of deferred tax assets and liabilities are:

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
<b>Deferred Tax Liability</b>		
Depreciation	175,984	1,776,846
<b>Deferred Tax Assets</b>		
Compensated Absences	610,516	460,094
Gratuity	1,879,987	1,363,361
Provisions for non-performing assets	830,871	725,199
Contingent Provisions against Standard Assets	14,854,610	10,032,850
	<u>18,175,984</u>	<u>12,581,504</u>
<b>Total</b>	<u>18,000,000</u>	<u>—</u>

- 13.1 Deferred tax assets are recognised only to the extent that there are timing differences and there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### 14. LONG-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Receivable under Financing Activity - Education Loans [Refer Note 14.1]		
— Secured [Refer Notes 14.2, 14.4 & 14.5]	9,151,394,966	6,285,406,889
— Unsecured [Refer Notes 14.4 & 14.6]	6,828,300,031	4,828,760,278
	<u>15,979,694,997</u>	<u>11,114,167,167</u>
Less: Provision for Non-Performing Loans [Refer Note 27.2]	2,400,807	2,133,567
	<u>15,977,294,190</u>	<u>11,112,033,600</u>
Others [Unsecured, considered good]		
— Security Deposits	8,921,485	7,807,519
— Loan & Advances	165,000	165,000
— Loan & Advances to employees	—	700,000
— Advance payments of Income tax [Net of provision of ₹ 16,24,00,000 (Previous Year ₹ 1,74,00,000)]	2,351,239	2,018,371
— MAT credit entitlement	—	26,100,000
	<u>11,437,724</u>	<u>36,790,890</u>
<b>Total</b>	<u>15,988,731,914</u>	<u>11,148,824,490</u>

- 14.1 Of the above
- |                                     |                |                |
|-------------------------------------|----------------|----------------|
| — Considered good - Standard assets | 15,970,434,006 | 11,103,477,842 |
| — Others - Sub-standard assets      | 7,622,427      | 9,506,398      |
| — Others - Doubtful assets          | 1,638,564      | 1,182,927      |



## Notes forming part of the financial statements (Continued)

14.2 Secured Loans granted by the Company are secured or partly secured by:

- (a) Immovable Property and/or
- (b) Fixed Deposits and/or
- (c) Life Insurance Policies.

14.3 Undisbursed Commitments in respect of the education loan agreements amount to ₹ 468,31,05,655 (Previous Year ₹ 363,86,07,652). However the Company has unconditional right under the loan agreements to cancel these commitments at any time.

14.4 Includes current portion of interest accrued but not due on Education Loans which is not readily ascertainable.

14.5 Includes interest accrued but not due on Education Loans amounting to ₹ 18,51,98,778 (Previous Year ₹ 7,58,59,832) to be converted into Education Loans (secured) at future date.

14.6 Includes interest accrued but not due on Education Loans amounting to ₹ 8,95,43,730 (Previous Year ₹ 8,64,86,094) to be converted into Education Loans (unsecured) at future date.

### 15. TRADE RECEIVABLES

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Commission receivable [Unsecured, considered good] [less than six months from the date they become due]	889,046	508,977
<b>Total</b>	<b>889,046</b>	<b>508,977</b>

### 16. CASH AND BANK BALANCES

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Cash and cash equivalents		
Balances with Bank		
— In current accounts	66,068,095	168,352,436
— In deposits accounts	2,500,000	6,000,000
	<b>68,568,095</b>	<b>174,352,436</b>
Other bank balances		
— In deposits accounts [Refer Note 16.1]	13,000,000	12,800,000
	<b>13,000,000</b>	<b>12,800,000</b>
<b>Total</b>	<b>81,568,095</b>	<b>187,152,436</b>

16.1 Deposits of ₹ 1,20,00,000 (Previous Year ₹ 1,20,00,000) are marked as lien for overdraft facility from Punjab National Bank.

## Notes forming part of the financial statements (Continued)

### 17. SHORT-TERM LOANS AND ADVANCES

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Current maturities of Long Term Receivable under Financing Activity - Education Loans [Considered Good]		
— Secured [Refer Notes 14.2 & 14.4]	541,247,859	394,012,629
— Unsecured [Refer Note 14.4]	654,099,005	468,643,079
	<u>1,195,346,864</u>	<u>862,655,708</u>
Amounts due from borrowers [Considered Good]		
— Secured [Refer Note 14.2]	1,307,586	904,221
— Unsecured	1,901,628	2,134,083
Others - [Unsecured, considered good]		
— Security deposits	1,250,000	1,896,000
— Loan and advances to employees	828,244	486,129
Other Loans and advances [Unsecured, considered good]		
— Service Tax input credit receivable	97,217	367,843
— Prepaid expenses		
Related party [Refer Note 24.3]	149,814	154,042
Others	1,232,603	196,949
— Others		
Related party [Refer Note 24.3]	17,864	24,458
Others	572,412	408,550
	<u>7,357,368</u>	<u>6,572,275</u>
<b>Total</b>	<u><u>1,202,704,232</u></u>	<u><u>869,227,983</u></u>

### 18. OTHER CURRENT ASSETS

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
Interest accrued but not due on Education Loans	75,950,475	51,981,604
Interest accrued and due on Education Loans	975,230	959,703
Interest accrued but not due on bank deposits	849,484	816,518
<b>Total</b>	<u><u>77,775,189</u></u>	<u><u>53,757,825</u></u>

## Notes forming part of the financial statements (Continued)

### 19. REVENUE FROM OPERATIONS

	For the Year Ended March 31, 2015 ₹	For the Year Ended March 31, 2014 ₹
Interest		
— Interest on Education Loans	1,999,637,324	1,342,829,756
— Interest on Fixed Deposits with Banks	1,402,383	1,339,195
	<u>2,001,039,707</u>	<u>1,344,168,951</u>
Dividend Income from Current Non-Trade Investments	973,821	1,611,910
Other financial services		
— Front End Origination Fees [Refer Note 19.1]	100,803,704	75,778,830
— Commission [Refer Note 24.2]	36,094,298	23,856,184
— Other Fees	13,016,553	20,315,048
	<u>149,914,555</u>	<u>119,950,062</u>
<b>Total</b>	<u><u>2,151,928,083</u></u>	<u><u>1,465,730,923</u></u>

19.1 Front End Origination Fees is net of the amounts paid to Direct Selling Agents ₹ 2,25,91,475 (Previous Year ₹ 1,40,02,743).

### 20. EMPLOYEE BENEFITS EXPENSE

	For the Year Ended March 31, 2015 ₹	For the Year Ended March 31, 2014 ₹
Salaries and Bonus [Refer Note 20.1]	127,839,716	104,784,115
Contribution to provident fund [Refer Note 20.2 (i)]	5,027,905	4,288,611
Gratuity [Refer Note 20.2 (ii)]	3,501,620	1,109,637
Staff welfare expenses [Refer Note 24.2]	4,422,164	3,847,665
<b>Total</b>	<u><u>140,791,405</u></u>	<u><u>114,030,028</u></u>

20.1 Salaries and Bonus include ₹ 4,34,702/- (Previous Year ₹ 2,64,280) towards provision made in respect of accumulated compensated absences which is in the nature of Long Term Employee Benefits and has been actuarially determined as per Accounting Standard 15 -"Employee Benefits".

#### 20.2 Employee Benefits

As required by Accounting Standard 15 -"Employee Benefits", the following disclosures have been made:

##### i) Defined Contribution Plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 50,27,905 (Previous Year ₹ 42,88,611) for Provident Fund contributions, and ₹ Nil (Previous Year ₹ 15,809) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

##### ii) Defined Benefit Plan

(a) The Company has an obligation towards gratuity, a funded defined benefit plan covering certain eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five year of service.

## Notes forming part of the financial statements (Continued)

(b) Details of Company's funded post-retirement benefit plans for its employees are given below which is as certified by the actuary and relied upon by the auditors :

	2014-15 ₹	2013-14 ₹
<b>I. Components of employer expense</b>		
1. Current Service cost	1,088,446	997,659
2. Interest Cost	359,005	246,645
3. Expected Return on Plan Assets	5,277	—
4. Actuarial Loss/ (Gain)	1,985,061	(134,667)
5. Losses/(Gains) on Curtailments & Settlement	63,831	—
6. Total expense recognised in the Statement of Profit and Loss	<u>3,501,620</u>	<u>1,109,637</u>
	2014-15 ₹	2013-14 ₹
<b>II. Net liability recognised in the Balance Sheet</b>		
1. Present Value of Defined Benefit Obligation	6,704,416	4,011,065
2. Fair Value of Plan Assets	607,721	—
3. Net liability recognised in the Balance Sheet	<u>6,096,695</u>	<u>4,011,065</u>
— Short-term provisions	1,916,647	131,919
— Long-term provisions	4,180,048	3,879,146
	2014-15 ₹	2013-14 ₹
<b>III. Changes in Defined Benefit Obligation</b>		
1. Present value of Defined Benefit Obligation as at the beginning of the year	4,011,065	3,114,313
2. Current Service Cost	1,088,446	997,659
3. Interest Cost	359,005	246,645
4. Actuarial Gain	1,990,338	(134,667)
5. Prior Year Charges	63,831	—
6. Benefits paid	(808,269)	(212,885)
7. Present value of Defined Benefit Obligation as at the end of the year	<u>6,704,416</u>	<u>4,011,065</u>
	2014-15 ₹	2013-14 ₹
<b>IV. Reconciliation of Liability</b>		
1. Opening Net Liability	4,011,065	3,114,313
2. Expenses Recognised	3,501,620	1,109,637
3. Benefits Paid	(808,269)	(212,885)
4. Contribution to Plan Assets	(607,721)	—
5. Amount recognised in the Balance Sheet under Provision for Employee Benefits	<u>6,096,695</u>	<u>4,011,065</u>
— Short-term provisions	1,916,647	131,919
— Long-term provisions	4,180,048	3,879,146

## Notes forming part of the financial statements (Continued)

		2014-15 ₹		2013-14 ₹		
<b>V. Reconciliation of Plan Assets</b>						
1. Opening Value of Plan Assets		—		—		
2. Expenses incurred in the Fund		—		—		
3. Expected return		(5,277)		—		
4. Actuarial gains and (losses)		5,277		—		
5. Contribution by employer		607,721		—		
6. Benefits paid		—		—		
Closing Value of Plan Assets		<u>607,721</u>		<u>—</u>		
		2014-15 ₹		2013-14 ₹		
<b>VI. Actual Return on Plan Assets</b>						
1. Expected Return on Plan Assets		(5,277)		—		
2. Actuarial Gain on Plan Assets		5,277		—		
3. Actual Return on Plan Assets		<u>—</u>		<u>—</u>		
		2014-15		2013-14		
<b>VII. Actuarial Assumptions</b>						
1. Discount Rate		7.80%		9.10%		
2. Return on Plan Assets		8.00%		—		
3. Attrition Rate		1% - 5%		1% - 5%		
4. Salary escalation Rate		7.00%		6.00%		
5. Mortality Rate		Indian Assured Lives Mortality (2006-08) Ult.				
<b>VIII.</b>	The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.					
<b>IX. Experience Adjustments</b>		2014-15 ₹	2013-14 ₹	2012-13 ₹	2011-12 ₹	2010-11 ₹
1. Present value of Defined Benefit Obligation		6,704,416	4,011,065	3,114,313	2,254,020	1,324,212
2. Present value of Defined Benefit Assets		607,721	—	—	—	—
3. Experience adjustment on Plan Liabilities		284,744	345,929	(306,613)	(13,032)	(147,900)
<b>X. Investment Pattern</b>						
Policy of Insurance		2014-15 100%		2013-14 —		
<b>Total</b>		<u>100%</u>		<u>0%</u>		

## Notes forming part of the financial statements (Continued)

### 21. FINANCE COSTS

	For the Year Ended March 31, 2015 ₹	For the Year Ended March 31, 2014 ₹
Interest expenses		
— Loans	991,749,235	695,910,675
— Debentures [Refer Note 24.2]	151,173,634	66,429,251
— Commercial Papers	233,600,838	135,479,763
— Inter Corporate Deposits from Holding Company [Refer Note 24.2]	—	42,732,467
	<u>1,376,523,707</u>	<u>940,552,156</u>
Other borrowing costs	9,514,805	6,479,429
Interest on delayed payment of Statutory Dues	178,628	158,336
<b>Total</b>	<u><u>1,386,217,140</u></u>	<u><u>947,189,921</u></u>

### 22. OTHER EXPENSES

	For the Year Ended March 31, 2015 ₹	For the Year Ended March 31, 2014 ₹
Electricity expenses	2,829,179	2,538,712
Rent [Refer Note 22.3]	17,321,201	15,658,084
Repairs and maintenance - Others	3,892,302	4,027,229
Computer expenses [Refer Note 22.2]	5,177,767	3,813,187
Corporate Social Responsibility Expenses	1,657,000	—
Insurance	39,268	28,737
Rates and taxes	3,110,286	2,723,223
Share issue expenses	—	320,000
Travelling and Conveyance	12,344,241	9,076,410
Postage, Telephone and Bandwidth charges	8,107,797	6,560,336
Advertisement and Sales Promotion expenses [Refer Note 22.2 & 24.2]	31,195,782	28,643,803
Outsourcing Charges	69,635,525	51,719,539
Professional Fees [Refer Note 22.2]	23,761,991	17,657,563
Loss on Fixed Assets discarded	18,107	20,809
Rent Deposit written off	—	206,813
Education Loans Written off	854,432	—
Auditors' Remuneration [Refer Note 22.1]	1,734,995	1,600,000
Net loss on foreign currency transaction and translation	51,515	11,573
Directors' Insurance [Refer Note 24.2]	171,725	150,696
Directors' Fees	780,000	540,000
Miscellaneous expenses [Refer Note 22.2]	16,148,244	7,678,491
<b>Total</b>	<u><u>198,831,357</u></u>	<u><u>152,975,205</u></u>

## Notes forming part of the financial statements (Continued)

### 22.1 Auditors' Remuneration comprises of:

Particulars	For the Year Ended March 31, 2015 ₹	For the Year Ended March 31, 2014 ₹
— Audit Fees	1,000,000	1,000,000
— For other services	734,995	600,000
— Service Tax	76,014	197,760
— Less: Service Tax Input Credit Availed	(38,007)	(98,880)
— Less: Service Tax Input Credit Expensed	(38,007)	(98,880)
<b>Total</b>	<b>1,734,995</b>	<b>1,600,000</b>

### 22.2 Expenditure in foreign currency

Particulars	For the Year Ended March 31, 2015 ₹	For the Year Ended March 31, 2014 ₹
Professional Fees	284,580	235,351
Advertisement and Sales Promotion expenses	8,393,884	3,193,050
Computer Expenses	3,697,988	1,791,176
Miscellaneous Expenses	644,981	—

### 22.3 Lease Obligations

In accordance with the Accounting Standard 19 - "Leases" the Company has entered into operating lease arrangements for office premises. The certain leases are cancellable after completion of the notice period of 1 month to 2 months and are for a period of 2 to 3 years and may be renewed for a further period of 0 to 3 years based on mutual agreement of both the parties. The lease agreements provide for an increase in the lease payments by 7% to 10% every year.

Particulars	For the Year Ended March 31, 2015 ₹	For the Year Ended March 31, 2014 ₹
Lease payments recognised in the Statement of Profit and Loss	16,280,525	15,494,447
The total of future minimum lease payments under non cancellable operating leases for each of the following periods:		
i) not later than one year	6,951,114	4,464,896
ii) later than one year and not later than five years	10,304,592	4,456,206

## 23. SEGMENT REPORTING

The Company is primarily engaged in providing Education Loans in India. As such, there are no separate reportable segments, as per Accounting Standard on "Segment Reporting" (AS-17).

## Notes forming part of the financial statements (Continued)

### 24. RELATED PARTY DISCLOSURES

As per the Accounting Standard on “Related Party Disclosure” (AS-18), following disclosure are made:

#### 24.1 Details of Related Parties

- 1 Holding Company  
Housing Development Finance Corporation Limited
- 2 Fellow subsidiaries with whom transactions have taken place  
HDFC ERGO General Insurance Company Limited  
HDFC Standard Life Insurance Company Limited
- 3 Key Management Personnel  
Mr. Anil Bohora, Managing Director (Brother of Mr. Ajay Bohora)  
Mr. Ajay Bohora, Managing Director & CEO (Brother of Mr. Anil Bohora)

#### 24.2 The nature and volume of transactions of the Company with the above Related Parties were as follows:

Particulars	Holding Company		Fellow Subsidiaries		Key Management Personnel		Total	
	2014-15 ₹	2013-14 ₹	2014-15 ₹	2013-14 ₹	2014-15 ₹	2013-14 ₹	2014-15 ₹	2013-14 ₹
1 Issue of Non Convertible Debentures [NCD]	50,000,000	440,000,000	–	–	–	–	50,000,000	440,000,000
2 Interest on Non Convertible Debentures [NCD]	99,153,087	66,429,251	–	–	–	–	99,153,087	66,429,251
3 Issue of Compulsorily Convertible Preference Shares	–	70,000,000	–	–	–	–	–	70,000,000
4 Conversion of Compulsorily Convertible Preference Shares in to Equity Shares	–	250,000,000	–	–	–	–	–	250,000,000
5 Conversion of Optionally Convertible Preference Shares in to Compulsorily Convertible Preference Shares	–	349,999,840	–	–	–	–	–	349,999,840
6 Inter Corporate Deposits Taken	–	3,920,000,000	–	–	–	–	–	3,920,000,000
7 Inter Corporate Deposits Repaid	–	3,920,000,000	–	–	–	–	–	3,920,000,000
8 Interest paid on Inter Corporate Deposits	–	42,732,467	–	–	–	–	–	42,732,467
9 Commission received for sourcing Home Loans	210,869	399,106	–	–	–	–	210,869	399,106
10 Directors' Insurance	–	–	171,725	201,434	–	–	171,725	201,434
11 Staff Welfare Expenses	–	38,225	848,108	700,038	–	–	848,108	738,263
12 Advertisement and Sales Promotion expenses	59,529	–	–	–	–	–	59,529	–
13 Remuneration Paid								
– Ajay Bohora	–	–	–	–	4,005,000	3,327,420	4,005,000	3,327,420
– Anil Bohora	–	–	–	–	4,005,000	3,327,420	4,005,000	3,327,420



## Notes forming part of the financial statements (Continued)

### 24.3 Balance outstanding at the end of the year

Particulars	Holding Company		Fellow Subsidiaries		Key Management Personnel		Total	
	2014-15 ₹	2013-14 ₹	2014-15 ₹	2013-14 ₹	2014-15 ₹	2013-14 ₹	2014-15 ₹	2013-14 ₹
1 Non Convertible Debentures [NCD]	790,000,000	740,000,000	—	—	—	—	790,000,000	740,000,000
2 Advance Employee Insurance Premium	—	—	15,643	24,458	—	—	15,643	24,458
3 Prepaid Employee Health Insurance Premium	—	—	—	12,279	—	—	—	12,279
4 Advance for Employee Training	—	—	2,221	—	—	—	2,221	—
5 Prepaid Director Insurance Premium	—	—	149,814	141,763	—	—	149,814	141,763

### 25. EARNINGS PER SHARE

In accordance with the Accounting Standard 20 - "Earnings Per Share", following disclosures are made:

Particulars	Units	2014-15	2013-14
Profit After Tax	₹	<b>277,892,732</b>	191,800,111
Weighted Average Number of Equity Shares for calculating Basic Earnings Per Share	Numbers	<b>53,742,003</b>	49,842,460
Weighted Average Number of Equity Shares for calculating Diluted Earnings Per Share	Numbers	<b>108,737,694</b>	106,599,490
Earnings Per Share			
— Basic	₹	<b>5.17</b>	3.85
— Diluted	₹	<b>2.56</b>	1.80

- i In calculating the Basic Earnings Per Share, the Profit After Tax of ₹ **27,79,73,128** (Previous Year ₹ 19,18,00,111) has been adjusted for amounts utilised for Preference Shares Dividend & Dividend Distribution Tax on Preference Shares Dividend of ₹ **80,396** (Previous Year ₹ Nil).

Accordingly the Basic Earnings Per Share has been calculated based on the adjusted Profit After Tax of ₹ **27,78,92,732** (Previous Year ₹ 19,18,00,111) and the weighted average number of shares during the year of **5,37,42,003** (Previous Year 4,98,42,460).

- ii Weighted average number of shares outstanding during the year for Diluted Earnings Per Share:

Particulars	2014-15 Numbers	2013-14 Numbers
Weighted average number of shares of ₹ 10 each outstanding during the year – for calculating Basic Earnings Per Share	53,742,003	49,842,460
Add: Diluted effect of potential equity shares of ₹ 10 each that could arise on conversion of <b>6,69,99,956</b> (Previous Year 6,69,99,956) Compulsorily Convertible Preference Shares	54,995,691	56,757,030
Weighted average number of shares of ₹ 10 each outstanding during the year – for calculating Diluted Earnings Per Share	<b>108,737,694</b>	106,599,490

## Notes forming part of the financial statements (Continued)

iii The reconciliation between Basic and Diluted Earnings per share is as follows:

Particulars	2014-15	2013-14
Basic Earnings Per Share	5.17	3.85
Effect of Dilution of Compulsorily Convertible Preference Shares	2.61	2.05
Diluted Earnings Per Share	2.56	1.80

26. Disclosures pursuant to Reserve Bank of India Notification: DNBR(PD) CC.No.002/03.10.011/2014-15 dated 10th November 2014, to the extent applicable to the Company.

### 26.1 Capital to Risk Assets Ratio (CRAR)

Items	2014-15	2013-14
CRAR (%)	18	15
CRAR - Tier I capital (%)	10	10
CRAR - Tier II capital (%)	8	5
Amount of subordinated debt raised as Tier-II capital (₹)	790,000,000	740,000,000
Amount raised by issue of Perpetual Debt (₹)	1,000,000,000	—

26.2 During the financial year under review, no penalty has been levied by any regulator.

### 26.3 Asset Liability Management

Maturity pattern of certain items of assets and liabilities As on March 31, 2015:

(Amount in ₹)

Particulars	1 day to 30 days (1 month)	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings*	10,000,000	410,484,110	35,538,000	60,538,000	156,496,000	3,535,165,623	7,367,247,712	4,048,391,773	15,623,861,218
Foreign Currency liabilities	191,152	—	—	—	—	—	—	—	191,152
<b>Assets</b>									
Advances	262,017,735	260,346,487	257,538,213	758,996,446	1,473,895,008	5,612,658,954	4,101,452,500	4,451,345,732	17,178,251,075
Investments	—	—	—	—	—	—	—	—	—
Deposits	—	—	—	—	—	—	—	—	—
Foreign Currency assets	—	—	—	—	—	—	—	—	—

\*Excludes interest accrued and due on borrowings ₹ 2,66,63,216 and interest accrued but not due ₹ 5,31,60,270. Excludes loans repayable on demand from banks of ₹ 6,61,405 being book overdraft

Maturity pattern of certain items of assets and liabilities As on March 31, 2014:

(Amount in ₹)

Particulars	1 day to 30 days (1 month)	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings*	18,750,000	—	537,500,000	537,500,000	673,220,000	3,639,082,500	4,144,667,500	1,264,280,000	10,815,000,000
Foreign Currency liabilities	626,683	—	—	—	—	—	—	—	626,683
<b>Assets</b>									
Advances	172,614,121	171,409,602	170,173,045	500,894,833	998,100,733	3,860,621,954	2,865,499,007	3,240,547,884	11,979,861,179
Investments	—	—	—	—	—	—	—	—	—
Deposits	—	—	—	—	—	—	—	—	—
Foreign Currency assets	—	—	—	—	—	—	—	—	—

\*Excludes interest accrued and due on borrowings ₹ 6,12,99,521 and interest accrued but not due ₹ 7,36,91,512.

In computing the above information, certain estimates, assumptions and adjustments have been made by the management.

## Notes forming part of the financial statements (Continued)

### 26.4 Exposure to Real Estate Sector

Category	Current Year (2014-15) ₹	Previous Year (2014-13) ₹
<b>a) Direct Exposure</b>		
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	<b>8,247,132,557</b>	5,594,269,687
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose 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 limits	<b>912,896,367</b>	709,065,411
(iii) Investments in Mortgage Backed Securities ( MBS) and other securitised exposures -		
a. Residential Mortgages —	—	—
b. Commercial Real Estate —	—	—
<b>Total Exposure to Real Estate Sector</b>	<b><u>9,160,028,924</u></b>	<b><u>6,303,335,098</u></b>

### 26.5 Rating assigned by Credit rating agencies and migration of Rating During the year:

Sr. No.	Rating Agency	Type	Current Year (2014-15)	Previous Year (2013-14)
1	CARE	Issuer Rating	<b>CARE AA+ (Is)</b>	CARE AA+ (Is)
		Perpetual Debt Instrument	<b>CARE AA</b>	—
		Non Convertible Debenture	<b>CARE AA+</b>	—
2	ICRA	Commercial Paper	<b>ICRA A1+</b>	ICRA A1+
		Perpetual Debt Instrument	<b>ICRA AA</b>	—
		Line of Credit	<b>ICRA AA+</b>	—
		Non Convertible Debenture	—	ICRA AA+

26.6 The Company does not have any Capital Market Exposure.

26.7 The Company does not have any exposure to Derivatives including Forward Rates Agreements, Interest Rate Swaps and Exchange Traded Derivatives.

26.8 The Company has not securitised any of its exposures during the year.

26.9 The Company has not purchased or sold any non-performing financial assets during the year.

26.10 The Company has not exceeded Single Borrower Limit (SGL) and nor has exceeded the Group Borrower Limit (GBL).

## Notes forming part of the financial statements (Continued)

### 27 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenses in Statement of Profit and Loss	Current Year	Previous Year
	(2014-15)	(2013-14)
	₹	₹
Provisions for depreciation on Investment	—	—
Provision towards NPA	267,240	1,523,819
Provision made towards Income tax (net)	127,000,000	43,300,000
<b>Other Provision and Contingencies (with details)</b>		
Provision for Employee benefits		
— Compensated absences	434,702	264,280
— Gratuity	3,501,620	1,109,637
Provision for Standard Assets	12,999,546	10,581,136

#### 27.1 Concentration of Advances, Exposures and NPAs :

##### 27.1.1 Concentration of Advances

	Current Year	Previous Year
	(2014-15)	(2013-14)
Total Advances to twenty largest borrowers ₹	139,519,610	135,927,553
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.81%	1.13%

##### 27.1.2 Concentration of Exposures

	Current Year	Previous Year
	(2014-15)	(2013-14)
Total Exposure to twenty largest borrowers / customers ₹	226,100,000	179,195,000
Percentage of Exposures to twenty largest borrowers/ customers to Total Exposure of the NBFC on borrowers / customers	0.94%	1.08%

##### 27.1.3 Concentration of NPAs

	Current Year	Previous Year
	(2014-15)	(2013-14)
Total Exposure to top four NPA accounts ₹	4,712,610	6,775,155

##### 27.1.4 Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
		Current Year (2014-15)	Previous Year (2013-14)
1	Agriculture & allied activities	—	—
2	MSME	—	—
3	Corporate borrowers	—	—
4	Services	—	—
5	Unsecured personal loans	—	—
6	Auto loans	—	—
7	Other personal loans	—	—
8	Education Loans	0.05%	0.09%

## Notes forming part of the financial statements (Continued)

### 27.2 Movement of NPAs

Sr. No.	Particulars	Current Year (2014-15)	Previous Year (2013-14)
(i)	Net NPAs to Net Advances	0.04%	0.07%
(ii)	Movement of NPAs (Gross)	₹	₹
	(a) Opening balance	10,689,325	6,097,482
	(b) Additions during the year	4,141,490	5,272,923
	(c) Reductions during the year	5,569,824	681,080
	(d) Closing balance	9,260,991	10,689,325
(iii)	Movement of Net NPAs	₹	₹
	(a) Opening balance	8,555,758	5,487,734
	(b) Additions during the year	3,727,341	4,040,996
	(c) Reductions during the year	5,422,915	972,972
	(d) Closing balance	6,860,184	8,555,758
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)	₹	₹
	(a) Opening balance	2,133,567	609,748
	(b) Provisions made during the year	1,519,906	1,591,927
	(c) Write-off / write-back of excess provisions	1,252,666	68,108
	(d) Closing balance	2,400,807	2,133,567

27.3 The Company does not have any overseas assets.

27.4 The Company has not sponsored any Off-Balance Sheet SPVs.

27.5 The Company is a non deposit accepting NBFC and as such does not have any depositors.

### 27.6 Customer Complaints

Sr. No.	Particulars	Current Year (2014-15)	Previous Year (2013-14)
a	No. of complaints pending at the beginning of the year	3	0
b	No. of complaints received during the year	140	53
c	No. of complaints redressed during the year	140	50
d	No. of complaints pending at the end of the year	3	3

## Notes forming part of the financial statements (Continued)

- 28 Schedule to the Balance Sheet of a non-deposit taking non-banking financial Company [as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

Particulars	As at March 31, 2015		As at March 31, 2014	
Liabilities Side :	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
<b>1. Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:</b>				
(a) Debentures-Secured	—	—	—	—
— Unsecured	<b>1,842,020,547</b>	—	740,000,000	—
(Other than falling within the meaning of Public Deposit)				
(b) Deferred Credit	—	—	—	—
(c) Term Loan	<b>11,857,580,391</b>	<b>26,663,216</b>	7,693,610,622	61,299,521
(d) Inter-corporate loans and borrowing	—	—	—	—
(e) Commercial Paper	<b>1,977,420,550</b>	—	1,948,754,714	—
(f) Other Loan	—	—	455,080,890	—
(g) Book Overdraft	<b>661,405</b>	—	—	—
<b>Asset Side :</b>	<b>As at March 31, 2015</b>		<b>As at March 31, 2014</b>	
<b>2. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a) Secured	<b>9,692,642,825</b>	<b>1,307,586</b>	6,679,419,518	904,221
(b) Unsecured	<b>7,482,399,036</b>	<b>1,901,628</b>	5,297,403,357	2,134,083
<b>3. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>				
i) Lease assets including lease rentals under sundry debtors:				
(a) Financial lease	—	—	—	—
(b) Operating lease	—	—	—	—
ii) Stock on hire including hire charges under sundry debtors:				
(a) Assets on hire	—	—	—	—
(b) Repossessed Assets	—	—	—	—
iii) Other loans counting towards AFC activities				
(a) Loans where assets have been repossessed	—	—	—	—
(b) Loans other than (a) above	—	—	—	—



## Notes forming part of the financial statements (Continued)

5. Borrower group-wise classification of assets financed as in (2) and (3) above : Category	As at March 31, 2015		As at March 31, 2014			
	Secured	Amount net of provisions Unsecured	Total	Secured	Amount net of provisions Unsecured	Total
<b>1. Related Parties</b>						
(a) Subsidiaries	—	—	—	—	—	—
(b) Companies in the same group	—	—	—	—	—	—
(c) Other related parties	—	—	—	—	—	—
<b>2. Other than Related Parties</b>	<b>9,693,787,629</b>	<b>7,482,062,639</b>	<b>17,175,850,268</b>	<b>6,679,852,080</b>	<b>5,297,875,532</b>	<b>11,977,727,612</b>
<b>Total</b>	<b>9,693,787,629</b>	<b>7,482,062,639</b>	<b>17,175,850,268</b>	<b>6,679,852,080</b>	<b>5,297,875,532</b>	<b>11,977,727,612</b>
<b>6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b> Category						
	Market Value / Break-up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break-up or fair value or NAV	Book Value (Net of Provisions)		
<b>1. Related Parties</b>						
(a) Subsidiaries	—	—	—	—	—	—
(b) Companies in the same group	—	—	—	—	—	—
(c) Other related parties	—	—	—	—	—	—
<b>2. Other than Related Parties</b>	—	—	—	—	—	—
<b>Total</b>	—	—	—	—	—	—
<b>7. Other information</b> Particulars		As at March 31, 2015 Amount		As at March 31, 2014 Amount		
i) Gross Non Performing Assets						
(a) Related Parties	—	—	—	—	—	—
(b) Other than Related Parties	9,260,991	9,260,991	10,689,325	10,689,325	10,689,325	10,689,325
ii) Net Non Performing Assets						
(a) Related Parties	—	—	—	—	—	—
(b) Other than Related Parties	6,860,184	6,860,184	8,555,758	8,555,758	8,555,758	8,555,758
iii) Assets acquired in satisfaction of debt	—	—	—	—	—	—
<b>29. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.</b>						
For and on behalf of the Board	Directors					
<b>V.S. Rangan</b> (DIN:00030248) Chairman	<b>Madhumita Ganguli</b> (DIN:00676830)	<b>Subodh Salunke</b> (DIN:03053815)	<b>Biswamohan Mahapatra</b> (DIN:06990345)	<b>Amitabh Chaudhry</b> (DIN:00531120)	<b>Sudhin Choksey</b> (DIN:00036085)	
<b>Anil Bohora</b> (DIN:00694396) Managing Director	<b>Ajay Bohora</b> (DIN:00694444) Managing Director & CEO	<b>Sebastian Fernandez</b> (FCA:112793) Chief Financial Officer	<b>Shivangi Dave</b> (ACS:26498) Company Secretary			