

**RHFL/SE/50/2016-17**

**23 September 2016**

National Stock Exchange of India Limited,  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E)  
Mumbai-400 051

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

Kind Attn: Listing Department

Sir,

Sub: Annual Report of Repco Home Finance Limited for the Financial Year 2015-16

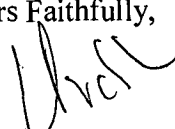
Please find attached herewith the copy of the Annual report of the Company for the financial year 2015-16, as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly approved and adopted by the Members at the 16<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> September 2016.

The Annual Report is also available on the Company's website at [www.repcohome.com](http://www.repcohome.com).

This is submitted for your kind information and records.

Thanking You,

Yours Faithfully,



Company Secretary



# **16th Annual Report 2015-16**

## OUR MISSION

Translating into reality the aspirations of people to own a house covering the market existing and potential comprehensively through institutional credit support customised to suit individual needs in a transparent and ethical way.

## FINANCIAL HIGHLIGHTS

Particulars	Units	FY12	FY13	FY14	FY15	FY16	CAGR
Outstanding Loan Book	Rs mn	28,041	35,448	46,619	60,129	76,912	29%
Sanctions	Rs mn	11,116	12,848	18,225	23,999	30,828	29%
Disbursements	Rs mn	10,423	11,674	17,153	21,812	28,512	29%
Income from Operations	Rs mn	3,188	4,057	5,342	6,922	8,801	29%
Net Interest Income	Rs mn	1,032	1,256	1,908	2,373	3,039	31%
PAT	Rs mn	615	800	1,101	1,231	1,501	25%
Networth	Rs mn	2,953	6,233	7,193	8,102	9,512	34%
Debt	Rs mn	24,860	30,647	39,020	51,044	65,379	27%
<b>Ratios</b>							
NIM	%	4.2	4	4.7	4.5	4.4	
Gross NPA	%	1.4	1.5	1.5	1.3	1.3	
Net NPA	%	1	1	0.7	0.5	0.5	
ROA	%	2.5	2.5	2.7	2.3	2.2	
ROANW	%	22.8	17.4	16.4	16.1	17.7	
CRAR	%	16.5	25.5	24.5	20.3	20.8	

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## CORPORATE INFORMATION

CORPORATE IDENTIFICATION NUMBER : CIN - L65922TN2000PLC044655

### BOARD OF DIRECTORS

• Shri T.S. KrishnaMurthy	Chairman
• Shri R. Varadarajan	Managing Director
• Smt. Sanjeevanee Kutty, I.A.S	Director
• Shri Thomas Paul Diamond	Director
• Shri G.R. Sundaravadivel	Director
• Shri V. Nadanasabapathy	Director
• Shri L. Munishwar Ganesan	Director

### COMMITTEES OF THE BOARD

#### AUDIT COMMITTEE

• Shri Thomas Paul Diamond	Chairman of the Committee
• Shri V. Nadanasabapathy	Member
• Shri G.R. Sundaravadivel	Member

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

• Shri G.R. Sundaravadivel	Chairman of the Committee
• Shri Thomas Paul Diamond	Member
• Shri V. Nadanasabapathy	Member

#### NOMINATION & REMUNERATION COMMITTEE

• Shri G.R. Sundaravadivel	Chairman of the Committee
• Shri Thomas Paul Diamond	Member
• Shri V. Nadanasabapathy	Member

#### COMPENSATION COMMITTEE

• Shri G.R. Sundaravadivel	Chairman of the Committee
• Shri Thomas Paul Diamond	Member
• Shri V. Nadanasabapathy	Member

#### MANAGEMENT & RISK MANAGEMENT COMMITTEE

• Shri Thomas Paul Diamond	Chairman of the Committee
• Shri V. Nadanasabapathy	Member
• Shri G.R. Sundaravadivel	Member
• Shri R. Varadarajan	Member

#### CSR COMMITTEE

• Shri Thomas Paul Diamond	Chairman of the Committee
• Shri V. Nadanasabapathy	Member
• Shri G.R. Sundaravadivel	Member
• Smt. Sanjeevanee Kutty, I.A.S	Member

## **SECURITIES ALLOTMENT COMMITTEE**

• Shri T.S. KrishnaMurthy	Chairman of the Committee
• Shri Thomas Paul Diamond	Member
• Shri V. Nadasabapathy	Member
• Shri G.R. Sundaravadiel	Member

## **CHIEF FINANCIAL OFFICER**

Shri T.Karunakaran

## **COMPANY SECRETARY & COMPLIANCE OFFICER**

Shri K. Prabhu

## **SENIOR MANAGEMENT**

• Shri V. Raghu	Executive Director
• Shri P. Natarajan	Executive Director
• Shri K. Ashok	Chief General Manager
• Smt. Poonam Sen	General Manager
• Shri K.S. Madhukar	General Manager
• Shri G. Ramanujam	Deputy General Manager
• Shri K. Pandiarajan	Assistant General Manager

## **REGISTERED OFFICE**

Repco Tower

No. 33, North Usman Road, T. Nagar, Chennai 600 017

Telephone: 044-28340715

Facsimile: 044-28340716

## **CORPORATE OFFICE**

Third Floor, Alexander Square,

Old No.34 & 35, New No.2, Sardar Patel Road, Guindy, Chennai – 600032

Telephone: 044- 42106650; Mobile: 9444394918

Facsimile: 044 - 42106651

E-mail: cs@repcohome.com

Website: www.repcohome.com

## **STATUTORY AUDITORS**

M/s. R. Subramanian and Company LLP, Chartered Accountants, Chennai

## **DEBENTURE TRUSTEES**

M/s. Catalyst Trusteeship Limited

GDA House, Plot No. 85, Bhusari Colony (Right),

Paud Road, Pune - 411 038

**REGISTRAR AND SHARE TRANSFER AGENT**

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District, Hyderabad -500032  
Telephone: 040-67162222  
Facsimile: 040-23001153  
E-mail: einward.ris@karvy.com

**BANKERS / FINANCIAL INSTITUTIONS**

- National Housing Bank
- Abu Dhabi Commercial Bank Limited
- Andhra Bank
- Axis Bank Limited
- Canara Bank
- Corporation Bank
- Dena Bank
- Deutsche Bank
- Federal Bank
- HDFC Bank Limited
- ICICI Bank
- IDBI Bank Limited
- IDFC Bank Limited
- Indian Bank
- Indian Overseas Bank
- Karur Vysya Bank Limited
- Oriental Bank of Commerce
- Repco Bank Limited
- State Bank of Hyderabad
- State Bank of India
- State Bank of Travancore
- SBI Life Insurance Company Limited
- Syndicate Bank
- The Jammu and Kashmir Bank Ltd
- Union Bank of India
- United Bank of India
- Yes Bank Limited

**STOCK EXCHANGES**

- National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E)  
Mumbai-400 051
- BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400001



## CHAIRMAN'S STATEMENT

I deem it a great privilege to preside over the Sixteenth Annual General Meeting of Repco Home Finance Limited for the financial year 2015-16.

Economic strength of India improved with FY16 GDP showing a growth at the rate of 7.6%- enabling the country to maintain the tag of the fastest growing major economy, even as the global economy at large was facing headwinds. The housing finance industry continued its relentless growth trajectory with various estimates pegging the FY16 growth rate between 18% and 20%. Despite having grown at a similar CAGR (Compounded Annual Growth Rate) for the past 10 years, mortgages as a percentage of GDP continues to remain in single digits.

The Housing Finance Industry gets a considerable impetus from Government's Jan Dhan Yojna, the Interest subvention scheme for the economically weaker sections (EWS) and low-income group (LIG), an additional tax benefit of Rs. 50,000 for buying a house worth upto Rs. 50 lakh and taking a housing loan upto Rs. 35 lakh, the Government's launch of the Housing for All by 2022 and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) would also give a fillip to the housing sector.

Your Company is well poised to take advantage of the opportunity presented by the current economic environment and will pursue its corporate objectives to endeavour that the growth trajectory traversed thus far is sustained. The Company has its presence in 121 Branches and 30 SAT (satellite) centres in the states of Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Kerala, Maharashtra, Odisha, West Bengal, Gujarat, Madhya Pradesh, Jharkhand and the Union Territory of Puducherry. The Company has also diversified its sources of fund raising through Non Convertible

Debentures and Commercial Papers. During the year loan approvals stood at Rs.3,082.76 crore as compared to Rs.2,398.88 crore in the previous year registering a growth of 28.51%. The Company disbursed loans to the extent of Rs. 2,851.20 crore as against Rs.2,181.15 crore in the previous year, a growth of 30.72%. The loan book of the Company at the end of financial year 2015-16 was Rs.7,691.19 crore as against Rs.6,012.92 crore in the previous year representing a growth of 27.91%. The Non performing assets stood at 1.31% (previous year 1.32%) of the total loans outstanding. The Profit after tax had grown by 21% from Rs.123.08 crore to Rs. 150.08 crores. The Capital adequacy ratio of the Company was comfortable at 20.77% against the statutory prescription of 12%.

### ACKNOWLEDGEMENTS

I would like to avail this opportunity to express our sincere appreciation and gratitude to the shareholders of the organization, our customers, Ministry of Home Affairs, Registrar of Companies, Securities and Exchange Board of India, National Stock Exchange, Bombay Stock Exchange and Repco Bank for their unrelenting support. I acknowledge the support rendered by the Board and the excellence of dedicated employees of the company. I place on record our thanks to the National Housing Bank for regulatory, promotional and financial support and our bankers for their continued financial assistance.

We have benefitted immensely from your constant support and sincerely hope to continue to receive the same in future.

Date : 06.08.2016

Place : Chennai

(T.S.KrishnaMurthy)

Chairman

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENT

#### ECONOMY

Economic strength of India improved with FY16 GDP growth at 7.6%- enabling the country to maintain the tag of the fastest growing major economy - even as the global economy at large was facing headwinds. Global GDP was estimated to grow at 3.4% by World Bank with concerns emanating from slowdown caused by transition of Chinese economy from export-led to internal consumption driven, lower commodity prices and problems in Middle East and some emerging market economies. India's economic growth was amply corroborated by persisting disinflationary trends with CPI reading coming at 5.4% - being very close to RBI's target - and WPI remaining in the negative territory for 17 straight months at (0.85%) in March 2016 supported by base effect, falling crude prices and other commodity prices. As a natural consequence, the RBI cut Repo rates thrice by a total 100 basis points during the financial year. The incumbent government demonstrated its financial prudence by maintaining fiscal deficit at 3.9% of the GDP. This coupled with low current account deficit and high Forex reserves puts the Indian economy in a great position to remain the torchbearer of global growth in years to come.

#### INDUSTRY DYNAMICS

The housing finance industry continued its relentless growth trajectory with various estimates pegging the FY16 growth rate between 18% and 20%. Despite having grown at a similar CAGR for the past 10 years, mortgage as a percentage of GDP continues to remain in single digits. This ratio -although dismal - when put in context of incumbent government's thrust on housing, points to incredible opportunities the housing finance sector will have to maintain, or better still, outdo its own historical performance on a consistent basis in times to come.

Although the historical growth drivers of housing finance sector - acute housing shortage, rising income, increasing urbanization, favorable age-mix of the population, favorable taxation etc - remain intact, the year gone by saw addition of a few more drivers

#### NEW GROWTH DRIVERS

Government's financial inclusion plan - As per government's disclosure trend in zero balance accounts opened pursuant to government's Jan Dhan Yojna shows encouraging signs. Zero balance accounts have reduced from over 40% last year to 28% in FY16. Banking transactions generally result in awareness about financial products. This may result in increase in demand for organized finance; including housing finance.

Interest subvention scheme - Government increased the interest subvention to 6.5% on housing loans to persons for economically weaker sections (EWS) and low-income group (LIG). This will result in an assistance of upto Rs. 2.3 lacs in the form of upfront reduction in loan amount. This coupled with the fact that definitions of EWS and LIG have undergone a change to include families with annual income upto Rs. 6lacs augers very well for housing finance sector especially companies within the sector present in the affordable housing space.

Additional tax sops for first home buyers - An additional tax benefit of Rs. 50,000 for buying a house worth upto Rs. 50 lacs and taking a housing loan upto Rs. 35 lacs. This takes the total tax benefit to Rs. 2 lacs on interest repayment.

Tax sops for builders - 100% of profits earned on building affordable housing projects - building homes upto 30 sq mtrs in metro cities and 60 sq mtrs in other areas - is tax deductible. Such projects are also exempt from paying service tax. This will make housing more affordable, more people will be eligible to buy houses.

Real Estate Regulation and Development Bill - The bill was passed by both houses of the parliament. This move will make builders accountable for delays and increase confidence of home buyers; thus eliminating the information asymmetry between the buyer and the seller.

Smart Cities Mission & launch of AMRUT – Government selected the first 20 of the 100 smart cities to be developed in FY16, with the remaining 80 to be identified in the next 2 years. Smart cities will require massive investment in infrastructure and real estate – as 2 crore houses will have to be constructed - and provide employment opportunities. AMRUT on the other hand aims to provide basic services like sanitation, water and transport facilities in 500 cities. Both the measures will change the urban landscape, make Indian cities more livable and arrest migration to other areas, which is likely to result in inclusive development of the economy and property prices remaining affordable.

## CHALLENGES

Housing industry continues to grapple with challenges, which constrain its ability to leverage the growth drivers in the form of insufficient supply to meet the demands in affordable housing, very limited availability of long term finance at competitive interest rates, absence of liquid corporate debt market and delay in project approvals to name a few.

## THREATS

Although government is addressing some of the challenges noted above, a prolonged slowdown in global and local economy remains a major threat along with rise in global political instability, infrastructural bottlenecks, rise in inflation and subsequently rise in market interest rates can reduce the demand for houses and housing finance, fall in underwriting standards owing to rising competition may present asset quality woes later on.

## CORPORATE OVERVIEW

Repco Home Finance Ltd (RHFL) is present in 2 segments – Individual Home Loans and Loans Against Property (LAP). The company provides a variety of tailor-made home loan products to individual borrowers in both the salaried and non-salaried (self employed professional and self employed non-professional) segments to suit various requirements

### For construction or purchase of house property

- Dream Home Loan
- Super Loan\*
- Fifty Plus Loan

- NRI Housing Loan
- New Horizon Loan
- Repco - Rural Loan\*
- Repco - Premium Loan

### For Repair and Renovation/ Extension of existing property

- Home Makeover Loan
- Super Loan\*
- Repco Rural loan\*

### For purchase of plots

- Plot Loans

### For loans against property

- Prosperity loan

\* Overlapping multi-purpose products

## GEOGRAPHIC PRESENCE

### Network of 150 branches/satellite centers; presence in 11 states and a union territory; direct sourcing

During the year, RHFL converted 7 satellite centers into branches, opened 2 new branches and 8 new satellite centers and closed down 2 satellite centers taking the total network to 115 branches and 35 satellite centers. The company didn't venture into a new state during the year with a view to consolidate in existing regions. The retail network is spread across states of Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Kerala, Maharashtra, Odisha, West Bengal, Gujarat, Madhya Pradesh, Jharkhand and the Union Territory of Puducherry

State-wise retail network	Mar16
Tamil Nadu	73
Karnataka	19
Telangana	04
Andhra Pradesh	16
Kerala	09
Maharashtra	13
Gujarat	09
West Bengal	02
Odisha	02
Puducherry	01
Jharkhand	01
Madhya Pradesh	01
Total	150

RHFL's primary sources of customer acquisition continue to be loan camps, customer walk-ins and referrals. Of these, loan camps contribute to over 60% of incremental originations. Manager of every branch conducts a loan camp once in every 2 months where, a primary assessment of customer documents is done and an in-principle sanction given. The customer then approaches the branch for further processing of his/her loan. The branch personnel act as single point of contact to customers and are responsible for sourcing loans, carrying out preliminary checks on the credit worthiness of potential customers, providing assistance in documentation, disbursing loans and monitoring repayments and collections. This way company ensures that there is no conflict of interest and level of accountability is very high.

The company employed direct sales agents (DSAs) in some branches of Maharashtra and a few other select locations during the year, and is open to using the DSA model in new and existing geographies if it makes economic sense.

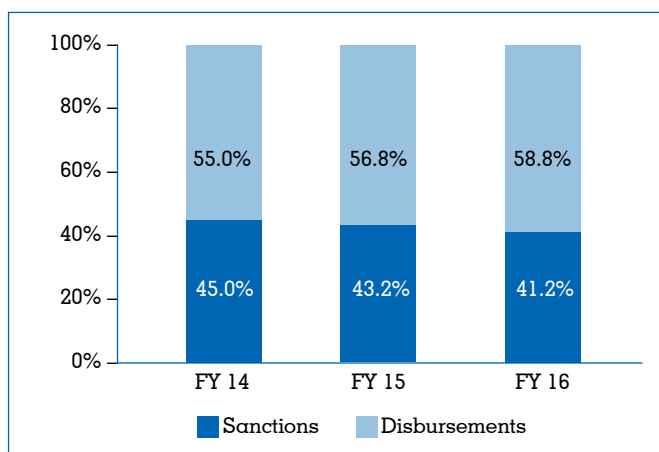
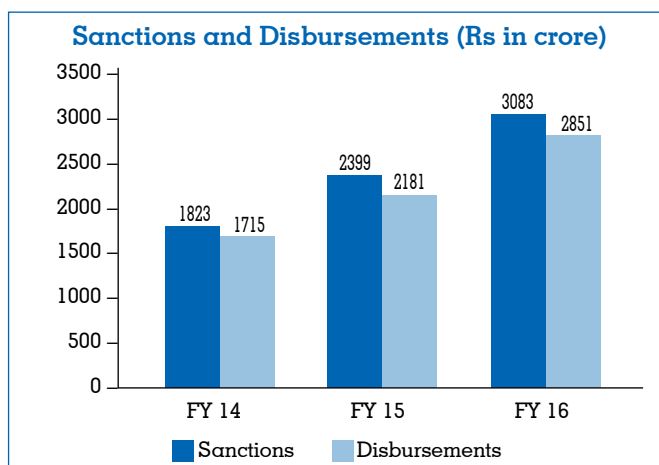
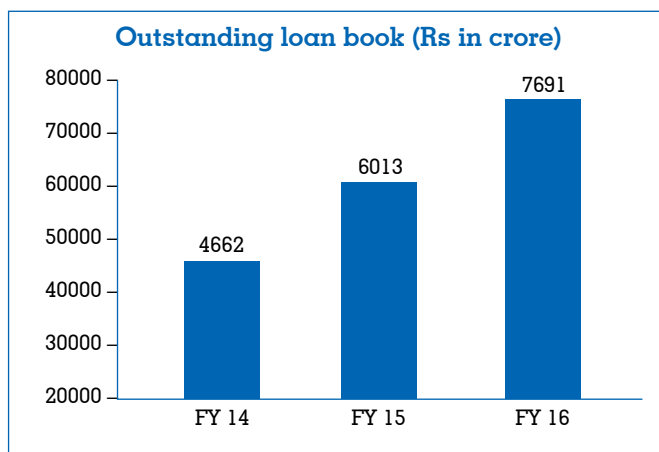
## RESULT OF OPERATIONS

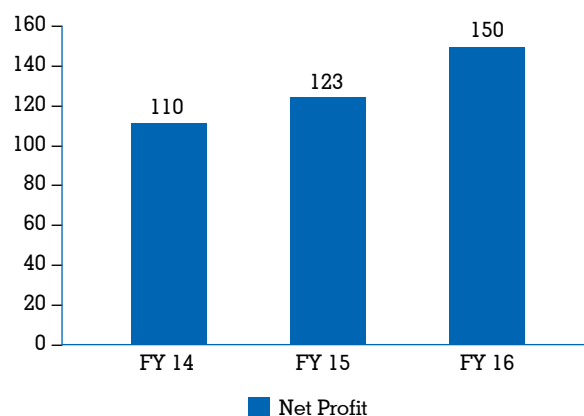
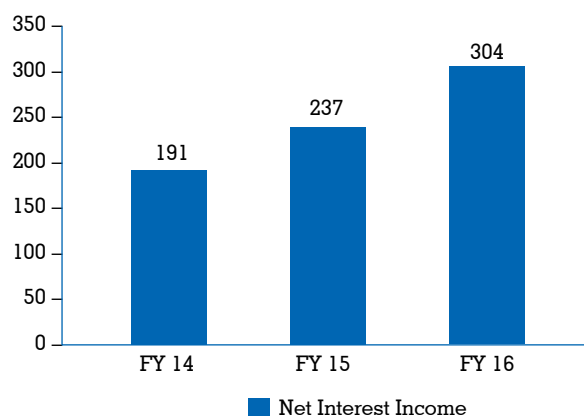
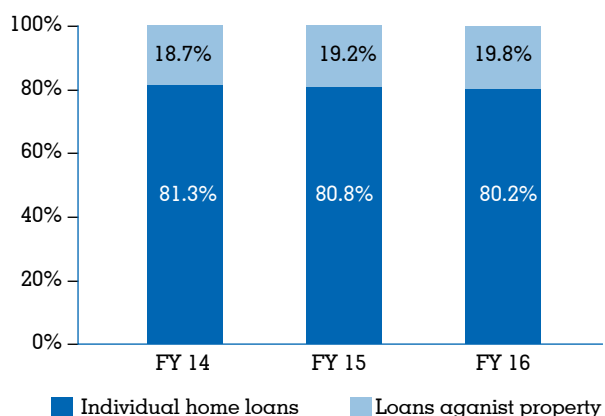
RHFL continued its consistent performance in FY16. The loan book grew at a healthy rate, spreads and margins remained robust while the asset quality remained stable.

- Income from operations during the year stood at Rs 880.1 crore up 27% from last year
- Net interest income was Rs 303.9 crore, up 28%. Net interest margin stood at 4.4%
- PAT was Rs. 150.1 crore, up 21% from the previous year.
- Cost to Income ratio stood at 19.3%
- Sanctions grew 29% to Rs. 3,082.8 crore while disbursements grew 31% to Rs 2,851.2 crore
- Loan book increased to Rs 7,691.2 crore, registering a growth of 28% year on year
- GNPAs stood at 1.3% and NNPA's at 0.5%, resulting in a PCR OF 63.5%

- The average yield earned on loan assets during the year was 12.4% (previous year – 12.5%).
- The average cost of borrowings during the year was 9.4% (previous year 9.6%)
- The interest spread was stable at about 3%.

All numbers in Rs. Crs in ensuing charts

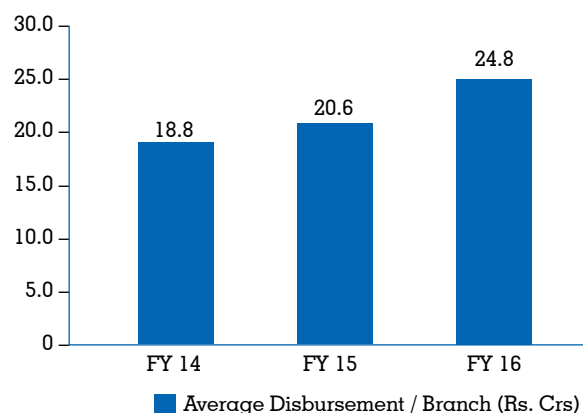
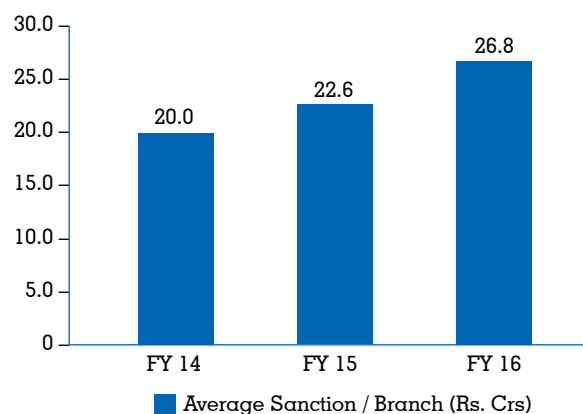


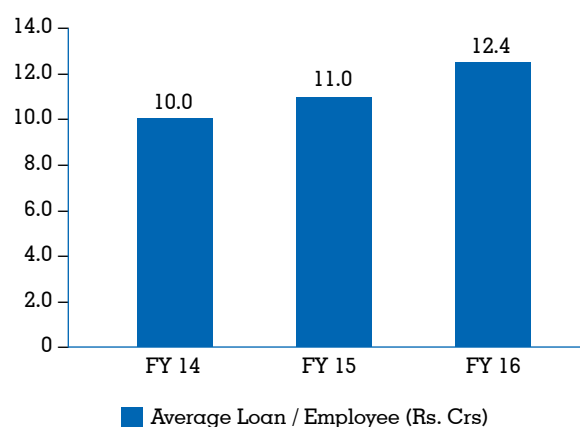
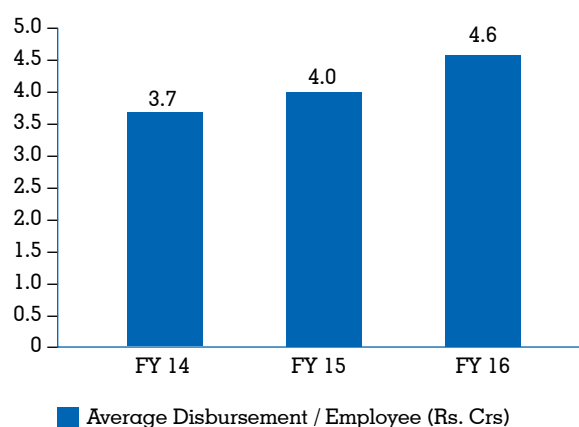
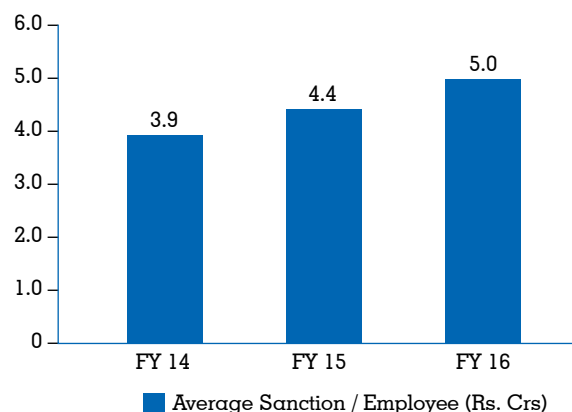
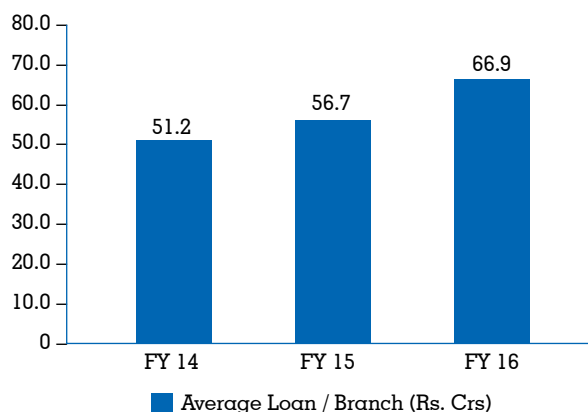


## STATE-WISE LOAN BOOK AND GROWTH

State	Loan Book Rs Crs	Growth
Andhra Pradesh	593	13%
Telangana	263	27%
Gujarat	156	72%
Karnataka	949	29%
Kerala	291	30%
Maharashtra	441	38%
Orissa	28	75%
Puducherry	96	4%
Tamil Nadu	4,823	28%
West Bengal	29	78%
Madhya Pradesh	17	165%
Jharkhand	3	862%
Overall	7,691	28%

## PRODUCTIVITY METRICS





## BORROWING PROFILE

The company has diversified sources of funding across five verticals viz. refinance from NHB, long-term bank loans, working capital loans from Repco Bank (Promoter), NCDs and CPs. As of 31st March, 2016, 72.4% of company's borrowings were from banks, 13.9% by way of refinance from NHB, 7.6% from Repco Bank and 6.1% from NCDs. Company made good use of commercial papers for managing liquidity during the year. The total outstanding borrowings stood at Rs. 6,537.9 Crs as against Rs. 5,104.4 Crs in FY15.

Going forward, with interest rates expected to soften further, the share of NCD and CP borrowings are likely to go up to be offset by declining share of bank borrowings

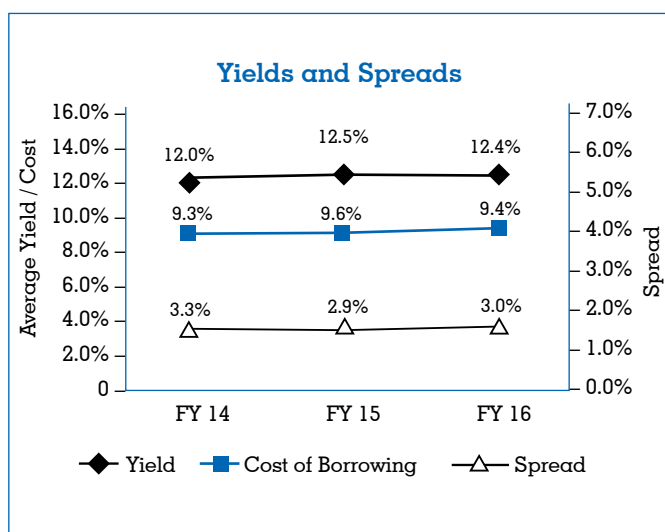
As of March 31, 2016, 13.2% of existing borrowings were on fixed rate basis and 86.8% of borrowings were on floating rate basis. The average tenor on borrowings was 7.1 years.

Source (Rs. Crs)	Rs. Crs	%
National Housing Bank	911	14%
Repco Bank	496	8%
Commercial Banks	4,731	72%
NCDs	400	6%
CPs	0	0%
Total	6,538	100%

## CREDIT RATING

RHFL is committed to diversifying its sources of funding and tapping into other sources to optimize funding costs.

In FY16, credit rating agency CARE upgraded ratings assigned to company's new and old Term Loans from banks and non-convertible debentures facilities to AA. Company's short term borrowing facility continues to enjoy A1+ rating by CARE. Company's shareholders at the 15th AGM held in September 2015 had approved new borrowings facilities from banks and by way of non-convertible debentures and commercial papers.



Rating agency ICRA revalidated ratings assigned to company's Term Loans from Banks to AA-, non-convertible debentures facilities to AA- and company's commercial paper facility to A1+.

### COMFORTABLE CAPITAL ADEQUACY

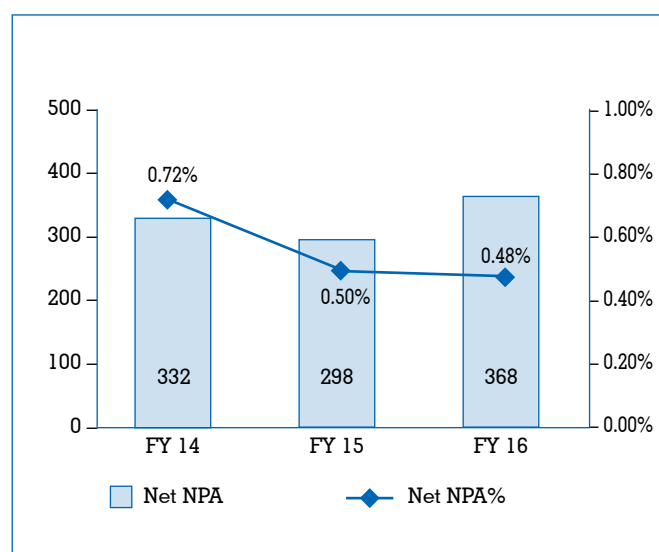
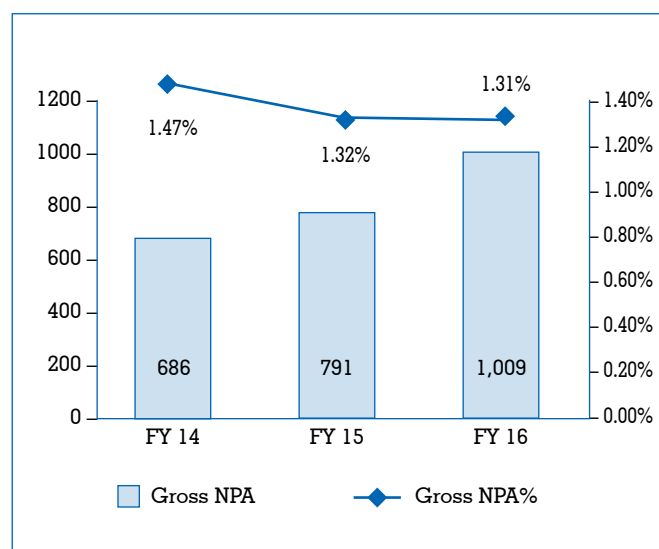
RHFL's capital adequacy ratio (CAR) as at March 31, 2016 was 20.77% consisting entirely of Tier-1 capital.

### QUALITY OF ASSETS STABLE

Over the years, RHFL has developed robust risk management systems & processes in all areas of operations like loan origination, credit appraisal, loan disbursement and collection & recovery. Gross NPAs stood at 1.31% (Rs 100.9 Crore) as on 31st March 2016 as compared to 1.32% (Rs 79.1 Crore) in the previous year, while Net NPAs improved to 0.48% (Rs 36.8 Crore) as compared to 0.50% (Rs 29.8 Crore) in the previous year. The provision coverage ratio was stable 63.5% at the end of FY16.

As on March 31, 2016, RHFL had 58.72% loan book exposure to non-salaried segment (consisting of professionals and non-professionals). Generally, income profile of the non-salaried segment tends to be lumpy which leads to significant quarter-on-quarter volatility in NPAs. However, such volatility in NPA profile is not representative of the true asset quality given conservative underwriting policies of the Company. RHFL has, since inception, written off loans aggregating to less than Rs. 5.0 Crs, which is less than 0.06% of total cumulative disbursements.

All numbers in Rs. Crs in ensuing charts



### INVESTMENTS

The company didn't make any investment in any of its associate companies, during the current year.

### PERFORMANCE SUMMARY

Ratio of income and expenses to average loan assets (ROA Tree)

Metric	FY14	FY15	FY16
Net interest margin	4.7%	4.5%	4.4%
Other income	0.5%	0.4%	0.5%
Non interest expenses	1.0%	1.0%	0.9%
Provisions & Bad Debts written off	0.5%	0.4%	0.6%
Income Tax	1.0%	1.2%	1.2%
Return on assets	2.7%	2.3%	2.2%



## 5 YEAR HISTORICAL PERFORMANCE AT A GLANCE

Particulars (Rs Crs & %)	FY11	FY12	FY13	FY14	FY15	FY16	CAGR
Outstanding Loan Book	2075	2804	3545	4662	6013	7691	30%
Sanctions	992	1112	1285	1823	2399	3083	25%
Disbursements	916	1042	1167	1715	2181	2851	26%
Income from Operations	226	319	406	534	692	880	31%
Net Interest Income	86	103	126	191	237	304	29%
PAT	58	62	80	110	123	150	21%
Networth	245	295	623	719	810	951	31%
Debt	1810	2486	3065	3902	5104	6538	29%
<b>RATIOS</b>							
NIM	4.9%	4.2%	4.0%	4.7%	4.5%	4.4%	
Gross NPA	1.2%	1.4%	1.5%	1.5%	1.3%	1.3%	
Net NPA	0.9%	1.0%	1.0%	0.7%	0.5%	0.5%	
ROA	3.3%	2.5%	2.5%	2.7%	2.3%	2.2%	
ROANW	26.6%	22.8%	17.4%	16.4%	16.1%	17.7%	
CRAR	18.2%	16.5%	25.5%	24.5%	20.3%	20.8%	

## RISK MANAGEMENT

The Company's business activities expose it to a variety of risks including credit risk and interest rate risk. Risk management forms an integral part of RHFL's business. The objective of the Company's risk management system is to measure and monitor various risks and to implement policies and procedures to mitigate such risks.

### Rigorous credit appraisal keeps credit risk in check

The 2-tier credit appraisal process – at branch and head office level – ensures high level of checks. The preliminary appraisal is performed by the branch manager, branch-level valuers and lawyers. This again is revalidated at the corporate office level before sanction. Each borrower is rated based on a dynamic credit rating model comprising of 18 parameters carrying different weights. The interest chargeable is linked to the credit score. RHFL maintains a conservative LTV/IIR ratio for the loans. The average loan to value (LTV) was 62% and average income to installment (IRR) was 50% as on March 31, 2016. An ongoing monitoring of loan accounts is ensured along with inspection of each branch by internal inspection team and external audit firms multiple times in a year based on the size of the outstanding loan book of a branch. Concurrent audit is also done at key branches.

Performance review of all branch personnel is undertaken twice a year by senior management team.

The Company has formulated an asset liability management (ALM) policy, which lays down mechanisms for assessment of various types of risks and altering the asset-liability portfolio in a dynamic way to manage such risks. There is an on-going monitoring of the maturity profile of assets and liabilities by Asset Liability Management Committee (ALCO) - a strategic decision making body constituted by the Board, to mitigate the risks arising from cash flow mismatches, comprising of the Managing Director, Executive Directors, Chief General Manager-credit and Chief Financial Officer of the Company.

## STRENGTHS, OPPORTUNITIES & THREATS

### Strengths

- Abundant opportunities in the affordable housing space RHFL is present in
- Focus on tier II and tier III cities and peripheral areas of tier I cities. This leads to lower competition from banks and other HFCs leading to high advances growth
- Non-salaried class is highly underpenetrated and relatively less competitive and offers higher yields



- Long experience in underwriting risks in the non-salaried segment
- Repco Bank, which is the promoter of Repco Home Finance and holds 37.37% stake in the company is a well-recognized name in south India and has been in operation for more than 45 years.
- Stable asset quality given significant exposure to the non-salaried segment
- Lean operating cost structure – each branch has 3-5 employees, lower rentals in tier 2/3 areas, minimum commission expenses, etc.
- Strong growth in advances and strong margins. Return ratios of the company remain strong.
- Strong capital position; CAR – 20.8%
- Expanding footprint – sowing the seeds for the future

#### Weakness

- Over 90% of the loan book coming from four southern states points to existence of significant concentration risk
- Political event emanating from any of the southern states may put stress on asset quality
- Significant exposure to non-salaried segment can cause problems if any systemic risk affects the livelihood of self-employed segment of the population.
- Higher NPAs and lower provision coverage vis-à-vis the industry

#### Opportunities

- Huge housing shortage points to availability of abundant growth opportunities for years to come
- Government's focus on housing – Housing For All by 2022
- The Government's announcement of SMART Cities has given a fillip to the housing sector
- Housing finance sector opportunity driven by increasing urbanization, housing shortage, government thrust on affordable housing and low mortgage penetration
- Presence in segments and markets largely underserved by formal credit institutions
- Regulatory clamp down on willful defaulters and other measures like inclusion of guarantors for penal actions may improve recoveries

- From the point of view financial inclusion, rural and semi urban housing presents an unmet opportunity
- Yet to achieve full penetration in areas of operation

State	# districts RHFL is present	Average Business per district Rs. Crs
Andhra Pradesh	10	59
Telangana	4	66
Gujarat	7	22
Karnataka	22	86
Kerala	10	58
Maharashtra	10	44
Orissa	1	3
Puducherry	1	96
Tamil Nadu	27	166
West Bengal	2	1
Madhya Pradesh	1	2
Jharkhand	1	3
<b>Total</b>	<b>96</b>	<b>94</b>

#### Threats

- Economic slowdown and a high interest rate scenario could adversely impact the demand for housing and housing finance
- Company's ability to raise resources at competitive rates in an adverse scenario
- Company's ability to hire and train manpower for achieving company's growth objectives outside southern India
- Sizeable exposure to non-salaried segment; could exert pressure on the Company's asset quality under unfavorable economic conditions
- Inability of government to push through the envisaged reforms could result in significant opportunity cost

#### OUTLOOK

Going forward, loan book growth for RHFL would be driven by its branch expansion strategy with focus on customer base expansion, ability to deepen its presence in existing geographies, ability to quickly understand

credit cultures of new states so it can venture into new territories:

- Continue to target markets that are relatively underpenetrated (lower competition, better yields)
- Continue to maintain an optimal blend of non-salaried and salaried loans in the loan book
- Deepen penetration in southern region markets and gradually expand into other regions/states on a contiguous basis. The company intends to continue its policy of expanding its branch network by opening 12-15 branches every year
- Diversify sources of borrowings and effectively manage borrowing cost
- Strict control on operating costs
- Strong focus on improving the asset quality
- Increase provision coverage ratio to 100% in the next 2 years
- Maintain margins and returns with better pricing power

### INTERNAL AUDIT & CONTROL

The Company has put in place organized and effective internal control systems. The company gets internal audit done by external chartered accountant firms every year. Besides, efforts are made to carry out a full-fledged inspection of every branch once in a year by the corporate office inspection team. There are stringent systems in place to ensure that the assets and properties of the Company are utilized in the interest of the Company. The Internal Control Systems and Internal Auditors' Reports are reviewed by the Audit Committee of the Board at regular intervals so as to ensure transparency and proper compliances.

### INFORMATION TECHNOLOGY

All branches of the company are connected wirelessly with the head office at Chennai. One of the USPs of RHFL is quick TAT, which is facilitated by company's robust IT infrastructure that ensures all borrower specific documents are transferred online. Automated SMS alerts are also sent to borrowers to remind them of upcoming payments so they can ensure availability of sufficient funds in their bank accounts. The Company's ability to operate and remain competitive depends in part on its ability to maintain and upgrade information

technology systems and infrastructure on a timely and cost-effective basis, including ability to process a large number of transactions on a daily basis. An Information Technology audit is conducted every year via an external agency to ensure safety of protocols and data.

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company and its associate have been prepared as per the applicable provisions of Companies Act, 2013 and Accounting Standards. The same forms part of this Annual Report.

A brief summary of the consolidated audited financial results for the year ended March 31, 2016 is as under:

Particulars	The financial year ended March 31, 2016	The financial year ended March 31, 2015
Total Revenue	881.85	692.74
Profit After Tax attributable to the Company	154.06	125.34
Equity Share Capital	62.54	62.36
Reserves as shown in the Balance Sheet	900.69	754.93
Earnings per share (Rs.)		
Basic	24.68	20.14
Diluted	24.66	20.04

### HUMAN RESOURCES

The Company believes in attracting, nurturing and retaining a qualitative workforce to accomplish its long-term objectives. To achieve this, RHFL provides the necessary internal and external training to keep employees updated in tune with prevailing benchmark practices in the housing finance industry. The Company provides a professional work environment and maintains healthy relations with its employees. As on March 31, 2016, the company had 619 employees on the rolls of the company. Testimony to company's employee friendly practices is the fact that attrition rate is best in class at less than 5%.

For and on behalf of the Board of Directors

Date : August 6, 2016

(R. Varadarajan)

Place : Chennai

Managing Director

## DIRECTORS' REPORT

### TO THE MEMBERS

The Company's financial performance for the financial year ended March 31, 2016, is summarized below:

(Rs in crore)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Profit Before Tax	230.08	186.17	230.08	186.17
Less : Provision for Taxation				
Current Year	74.22	55.92	74.22	55.92
Deferred	5.78	7.17	5.78	7.17
Profit after tax	150.08	123.08	150.08	123.08
Add : Net share of profit from Associate	-	-	3.98	2.26
Add : Balance brought forward from the previous year	115.60	89.79	120.78	93.20
Less: Utilised during the current year for depreciation charged in accordance with Schedule II Companies Act 2013	-	0.21	-	0.21
Less: Dividend received from Associate credited to carrying value of investment	-	-	0.75	0.49
<b>Amount available for appropriations</b>	<b>265.68</b>	<b>212.66</b>	<b>274.09</b>	<b>217.84</b>
<b>Appropriations</b>				
Transferred to additional reserve U/s 29C of the NHB Act, 1987	30.02	24.62	30.02	24.62
Transferred to Statutory Reserve under Section 36(1) (viii) of the Income Tax Act, 1961 read with Section 29C of National Housing Bank Act, 1987	40.85	41.13	40.85	41.13
Transferred to General Reserve	20.00	20.00	20.00	20.00
Proposed Equity Dividend	11.26	9.35	11.26	9.35
Tax on Dividends	2.29	1.96	2.29	1.96
Balance carried over to Balance Sheet	161.26	115.60	169.67	120.78
<b>Total</b>	<b>265.68</b>	<b>212.66</b>	<b>274.09</b>	<b>217.84</b>
<b>Earnings Per Share:</b>				
Basic (Rs.)	24.04	19.78	24.68	20.14
Diluted (Rs.)	24.03	19.71	24.66	20.04

### DIVIDEND

Your Directors recommend a dividend of Rs.1.80 per equity share of face value of Rs.10.00 each for the year ended 31 March 2016 as against a dividend of Rs.1.50 per equity share of face value of Rs.10.00 each for the previous year. The dividend payout ratio for the year is 9.03% (amounting to Rs.13.55 crore, inclusive of Tax on dividend) as against 9.19% (amounting to Rs.11.31 crore, inclusive of Tax on dividend) in the previous year.

In compliance with requirements stipulated vide SEBI notification no. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 2016; the Dividend Distribution Policy of the Company is available on the website of the Company, [www.repcohome.com/new\\_site/corporate\\_governance.php](http://www.repcohome.com/new_site/corporate_governance.php)

### TRANSFER TO RESERVES

During the year under review, your Company transferred Rs.20 crore to the General Reserve, Rs.40.85 crore to the Statutory Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 read with Sec 29 C of NHB Act, 1987 and Rs. 30.02 crore to additional reserve under Sec 29C of NHB Act, 1987, out of the amount available for appropriation. An amount of Rs. 161.26 crore is proposed to be retained in the profit and loss account.

### CHANGES IN SHARE CAPITAL

During the financial year, the paid up capital increased consequent to the allotment of 1,83,790 equity shares of face value of Rs.10 each upon exercise of employee stock options under ESOP (Phase-I and

Phase-II). Consequently, the equity share capital of the Company has increased from Rs.62,35,76,470 divided into 6,23,57,647 Equity shares of Rs. 10 each to Rs.62,54,14,370 divided into 6,25,41,437 Equity shares of Rs. 10 each.

## STATE OF AFFAIRS OF THE COMPANY

The Company endeavors towards adopting the benchmark underwriting practices backed up by robust monitoring and recovery mechanisms. The Company's committed in its efforts towards improving efficiency and service level in its operations.

## LENDING OPERATIONS

### 1) Sanctions

During the year, loan approvals stood at Rs.3,082.76 crore as compared to Rs.2,398.88 crore in the previous year registering a growth of 28.51%. The cumulative loan sanctions since inception of the Company stood at Rs.12,727.57 crore at the end of the financial year 2015-16.

### 2) Disbursements

During the year under review, the Company disbursed loans to the extent of Rs. 2,851.20 crore as against Rs.2,181.15 crore in the previous year, a growth of 30.72%. The Cumulative disbursements stood at Rs.11,732.04 crore in respect of 1,00,854 accounts at the end of the financial year 2015-16.

### 3) Loans Outstanding

The loan book of the Company at the end of financial year 2015-16 was Rs.7,691.19 crore as against Rs.6,012.92 crore in the previous year representing a growth of 27.91%.

## NON PERFORMING ASSETS

As of 31 March 2016, the gross NPA of the Company was Rs.100.87crore (previous year Rs.79.12 crore) constituting 1.31% (previous year 1.32%) of the total loans outstanding. Net NPA of the Company as at March 31, 2016 was 0.48% as against 0.50% in the corresponding period the previous year. The NPA provision coverage ratio stood at 63.54% (previous year 62.37%) as at 31st March 2016. The Company carries a provision of Rs.64.10 crore (previous year Rs.49.34 crore) towards its Non Performing Assets at the end of the financial year 2015-16. During the period under review, the Company has written off Rs.0.34 crore (previous year Rs.0.13 crore) in respect of loans where recovery had been rendered impracticable.

## REGULATORY COMPLIANCE

The Company is in compliance with the guidelines, circulars and directions of National Housing Bank. The Company is also in compliance with the Companies

Act 2013, guidelines, directions and circulars of MCA, SEBI etc. The Company complied with Mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and other related statutory Guidelines / Directions as applicable to the Company from time to time. The Company is registered with the Central Registry of Securitization, Asset Reconstruction and Security Interest of India (CERSAI) and furnishes information in respect of its loans. Compliance of all regulatory guidelines to NHB / other status are periodically reviewed at Audit Committee / Board of the Company.

The Company's capital adequacy ratio as on 31 March 2016 was 20.77% (previous year 20.26%) which is well above the prescribed 12% threshold as per NHB Directions. This consisted entirely of Tier 1 capital.

As per the directions of the National Housing Bank, a provision of Rs. 9.52 crore (previous year Rs.5.76 crore) being charged to statement of Profit & Loss Account of the financial year 2015-16 in respect of standard assets and the cumulative provision in respect of standard assets stood at Rs. 35.01 crore (previous year Rs. 25.49 crore) as at 31st March 2016.

## FINANCIAL RESOURCES

### REFINANCE FROM NHB

During the year the Company had received a refinance sanction of Rs. 500 crore (previous year Rs. 300 crore) from National Housing Bank. The refinance outstanding at the end of the year was Rs. 910.94 crore (previous year Rs.1,094.80 crore)

### TERM LOANS FROM BANKS AND FINANCIAL INSTITUTIONS

The outstanding bank borrowings (terms loans and overdraft) at the end of the financial year stood at Rs.5,226.97 crore (previous year Rs. 3,849.63 crore).

### SECURED NON CONVERTIBLE DEBENTURES

In its continuing efforts to reduce the cost of fund, the Company during the year, started mobilising funds through issuing Secured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Debentures (SRNCD) and Commercial Paper (CP). During the year, the Company has issued SRNCDs aggregating to Rs.300 crore (previous year Rs.100 crore). The outstanding SRNCDs as on 31st March 2016 was Rs.400 crore (previous year Rs.100 crore). These instruments have been rated "ICRA AA-" by M/s.ICRA Ltd., and "CARE AA" by M/s.CARE Ltd.,

## COMMERCIAL PAPERS

The Company's commercial paper is rated A1+ by M/s. ICRA Ltd., and CARE Ltd., implying highest safety. During the financial year 2015-16, the Company has raised funds amounting to Rs.1250 crore (previous year Rs.110 crore) by way of issuance of commercial paper. After repayments on maturity, the net amount outstanding as at 31st March 2016, was NIL. (Previous year Rs.60.00 crore).

## UNCLAIMED NCDs

According to section 125 of the Companies Act, 2013, NCDs and interest thereon remaining unclaimed and unpaid for a period of seven years from the date they became due are required to be credited to the Investor Education and Protection Fund (IEPF) set up by the Government of India. As at 31 March 2016 there are no non convertible debentures amount or interest thereon remaining unpaid or unclaimed.

## Disclosure under Housing Finance Companies issuance of Non Convertible Debentures on private placement basis, (NHB) Directions 2014.

There are no Non Convertible Debentures which have not been claimed by the Investors or which were not paid by the Company after the date on which the Non Convertible Debentures became due for redemption. There were no NCDs falling due for redemption in FY 2015-16. Further the Company has paid the interest on respective due dates.

## UNCLAIMED DIVIDENDS

As of 31 March 2016, dividend amounting to Rs.38,378 (previous year Rs.25,673) has not been claimed by the investors. According to section 125 of the Companies Act, 2013 dividends remaining unclaimed for a period of seven years from the date they became due are required to be credited to the Investor Education and Protection Fund (IEPF) set up by the Government of India. In accordance with the Investor Education Fund (Uploading of information regarding unpaid and unclaimed amount lying with the Companies) Rules 2012, the Company has uploaded this information on [www.iepf.gov.in](http://www.iepf.gov.in) and [www.repcohome.com/new\\_site/unclaimed\\_dividend.php](http://www.repcohome.com/new_site/unclaimed_dividend.php).

## PUBLIC DEPOSITS

The Company has not accepted deposits from the public during the financial year 2015-16.

## RISK MANAGEMENT

The Company has in place a risk management policy framework which has been approved by the Board of

Directors. The framework codifies the various risks and the methodologies to ensure such risks are mitigated. The Company has in place a Management & Risk Management Committee comprising of Shri. Thomas Paul Diamond (Chairman), Shri. G.R. Sundaravadivel (Director), Shri. V. Nadanasabapathy (Director) and Shri. R. Varadarajan (Managing Director).

## HUMAN RESOURCES

The objective of human resource development in an organization is to enhance human productivity through progressive and consistent policies in knowledge & skill upgradation and betterment of employment conditions at all levels. Human Resource Management's objective is to maximize the return on investment from the organization's human capital. It is the responsibility of human resource/development department in a corporate context to conduct these activities in an effective, legal, impartial and cohesive manner.

Your Company worked tirelessly towards the performance upgradation of its employees by introducing objective performance appraisal mechanism and performance linked incentive structure. Employees are also nominated regularly to attend various training programmes conducted by NHB, ICSI & other capacity building institutions besides in-house training programmes for constant skill upgradation. During the financial year the Company conducted 5 in-house training programmes and employees were nominated for 8 external programmes.

The Company provides a professional work environment and maintains a healthy relation with its employees.

As on 31 March 2016, the number of people employed by the Company stood at 619.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16

- a. No. of complaints received: 1
- b. No of complaints disposed off: 1



**PARTICULARS OF EMPLOYEES COVERED UNDER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL RULES, 2014).**  
In pursuance of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended vide the notification of Ministry of Corporate Affairs dated 30 June 2016, the particulars of top ten employees in terms of remuneration drawn and the particulars of every employee who were in receipt of remuneration of Rs 1.02 crore or more per annum are given below:

Sl No	Name	Age	Designation	Date of Commencement of Employment	Nature of Employment whether contractual or otherwise	Remuneration (Rs.)		Qualifications and Experience	Last Employment Held before joining the Company	% of equity shares held within Rule 5(2) & 5(3)	Relative of Director/ Manager
						Salary including performance incentive and other perquisites	Perquisites arising on exercise of Employee Stock Option				
1	Shri. R Varadarajan	62	Managing Director	01-10-2010	Regular	1903365	17151900	Qualification: • Master's degree in Agricultural science • Diploma in management • CAIB Experience: 38 yrs	Syndicate Bank	0.05	No
2	Shri. V Raghu	60	Executive Director	01-11-2012	Regular	2829849	9719410	Qualification: • Master's degree in Economics • Master's degree in business administration • CAIB Experience: 35 yrs	Indian Wind Turbine Manufacturers Association	0.03	No
3	Shri. K Ashok	58	Chief General Manager	01-12-2005	Regular	1973593	8575950	Qualification: Post graduate in agriculture Experience: 27 yrs	Syndicate Bank	0.03	No
4	Shri. T Karunakaran	47	General Manager	18-08-2004	Regular	1659380	3143250	Qualification: Bachelor's degree in zoology Experience: 23 yrs	Ind Bank Housing Limited	0.008	No
5	Shri. K S Madhukar	58	General Manager	23-04-2008	Regular	1821198	2961400	Qualification: Bachelor's degree in science (agriculture) Experience: 36 yrs	Syndicate Bank	0.009	No
6	Smt. Poonam Sen	43	General Manager	16-10-2006	Regular	1658051	3087150	Qualification: • Post graduate degree in economics • Master's degree in business administration Experience: 15 yrs	National Housing Bank	0.01	No
7	Shri. A Palpandi	41	Deputy General Manager	15-05-2002	Regular	1327705	2193205	Qualification: • Bachelor of Arts (History) • PG Diploma in Computer Application • MBA (Financial Management) Experience: 19 yrs	Ind Bank housing Ltd	0.006	No
8	Shri.K.S. Kannan	42	Assistant General Manager	20-03-2007	Regular	1311175	2203705	Qualification: • Bachelor of Business Administration • Diploma in Pharmacy Experience: 17 yrs	Repco Bank Ltd.	0.006	No
9	Shri. K Prabhu	34	Deputy General Manager	20-11-2008	Regular	1330071	2072980	Qualification: • Bachelor's degree in commerce • Master's degree in business administration and • ACS Experience: 8 yrs	-	0.006	No
10	Shri.G Ramanujam	59	Deputy General Manager	01-12-2005	Regular	1348959	1762964	Qualification: • Bachelor's degree in law • Master's degree in economics • CAIB Experience: 37 yrs	Syndicate Bank	0.004	No

## CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013 and the rules framed thereunder, the Company has in place a Corporate Social Responsibility Committee of Directors comprising of Shri. Thomas Paul Diamond-Chairman, Smt. Sanjeevanee Kutty, I.A.S., Shri. G.R. Sundaravadivel and Shri. V. Nadasabapathy and has inter alia formulated a Corporate Social Responsibility Policy.

This Committee envisages the activities to be undertaken in pursuance of CSR initiatives. During the year the Company spent a sum of Rs.0.24 crore towards CSR initiatives. The Annual Report on CSR activities forming part of the Directors' Report is furnished as Annexure-1 to this report.

## EMPLOYEE STOCK OPTION SCHEME:

The employee stock options have been granted to the eligible employees and the Managing Director in pursuance of "Repco Home Finance Limited Employees Stock Option Scheme - 2013". There are no material changes to this scheme and the said scheme is in compliance with the extant regulations prescribed by the Securities and Exchange Board of India in this regard. The disclosures as prescribed by the "Guidance Note on accounting for employee share based payments" issued by ICAI and the Diluted EPS on issue of shares pursuant to the Scheme in accordance with the Accounting Standard 20- Earnings per share" issued by ICAI are disclosed on the website of the Company. The disclosures as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 are furnished as Annexure 2 to this report.

## PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

Particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules 2014 are not applicable to the Company and further the Company has no foreign exchange earnings but incurred foreign exchange expenditure to the extent of Rs.0.13 crore (previous year Rs.0.10 crore) towards travelling and other foreign expenses.

## DIRECTORS

In accordance with Section 152 of the Companies Act, 2013, Smt. Sanjeevanee Kutty, I.A.S, Director of the Company is liable to retire by rotation at the ensuing annual general meeting and is eligible for reappointment. The resolution for her re-appointment forms a part of the notice convening the Annual General Meeting. The details pertaining to the re-appointment are elucidated in the explanatory statement to the notice convening the Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The details of familiarization programmes to Independent Directors is put up on the website of the Company.

## DETAILS OF MANAGERIAL REMUNERATION AS REQUIRED UNDER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The particulars of managerial remuneration as required by under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as Annexure-3.

## AUDITORS

M/s. R. Subramanian and Company LLP, retire at the conclusion of the forthcoming Annual General Meeting. The Board of Directors recommend the appointment of M/s. R. Subramanian and Company LLP for the financial year 2016-17.

The Company has received a confirmation from M/s. R. Subramanian and Company, LLP to the effect that their appointment if made, at the ensuing Annual General Meeting would be in accordance with Sections 139 and 141 of the Companies Act 2013.

## DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of section 134 (3) ( C ) of the Companies Act, 2013, and based on the information provided by

the Management, your Directors hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company as at 31 March 2016 and of the profit and loss of the Company for 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 followed by the Company and such internal financial controls are adequate and were operating effectively.
- f) Systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## INTERNAL CONTROL SYSTEMS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board every quarter or at periodic intervals.

## EXTRACTS OF THE ANNUAL RETURN (FORM MGT-9)

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management

and Administration) Rules, 2014, an extract of annual return in MGT 9 is annexed as a part of this report (Annexure-4).

## SECRETARIAL AUDIT REPORT

In accordance with Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, M/s.G Ramachandran & Associates, Company Secretaries were appointed by the Company to undertake Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this report as Annexure-5.

## Explanation on comments by the Board on Every qualification, reservation on adverse remark or disclaimer made by Auditor /Secretarial Auditor.

Neither the statutory auditor nor the secretarial auditor have made any qualification, reservation or adverse remark or disclaimer in their respective reports.

## DETAILS OF LOANS GIVEN, GUARANTEES GIVEN OR SECURITY PROVIDED

The provisions contained in Section 186(11) of the Companies Act, 2013, relating to loans, guarantees or securities do not apply to the Company.

## INVESTMENTS

The Company has investments in the equity of unlisted associate company, Repco Micro Finance Limited to the extent of Rs.12.40 Crore (124,00,000 equity shares of Rs.10/- each).

## SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements of the Company which forms part of this Annual Report. Further, a Statement containing salient features of financial statements of the Subsidiary, joint venture entities and associate Companies in the prescribed format AOC-1, pursuant to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed as Annexure-6 to this Report.



## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)**

All the related party transactions entered during the year were in ordinary course of business and on arm's length basis. The Company has obtained the shareholders' approval for material related party transactions as required under Listing Regulations.

The Company presents a statement of all related party transactions before the Audit Committee. The details of such transactions are given in the accompanying financial statements.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN 31ST MARCH 2016 AND THE DATE OF BOARD'S REPORT.**

There has been no material changes and commitment, affecting the financial position of the Company which has occurred between the end of the financial year to which the financial statements relate and the date of the report.

The Company does not have any subsidiary. There has been no change in the nature of business of the Company. No significant or material Orders have been passed by the regulators or Courts or Tribunals impacting the going concern status of the Company and / or the Company's operations in future.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

In accordance with the SEBI (LODR) Regulations, 2015, Management Discussion and Analysis Report for the year under review, is presented in a separate section which forms a part of this report.

## **REPORT ON CORPORATE GOVERNANCE**

In accordance with the SEBI (LODR) Regulations, 2015, the report on corporate governance for the year under review is presented in a separate section which forms a part of this report.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Board of Directors has approved the vigil mechanism/whistle blower policy of the Company

which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. It provides for a vigil mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism. No employee has been denied access to the Audit Committee. The policy is placed on the website of the Company, [www.repcohome.com/new\\_site/corporate\\_governance.php](http://www.repcohome.com/new_site/corporate_governance.php).

## **LISTING**

The shares of your Company are listed at National Stock Exchange Limited and Bombay Stock Exchange Limited. Listing fee has already been paid for the financial year 2016-17.

## **ACKNOWLEDGEMENTS**

The Directors of your Company wish to place on record their sincere gratitude to the National Housing Bank and its Executives for continuous guidance and support. We also record our gratitude to our bankers, financial institutions and insurance companies for their continued trust, support and assistance given to the Company.

The Board places on record its sincere gratitude to Ministry of Home Affairs, GOI, SEBI, NSE, BSE, Department of Company Affairs, Repco Bank Ltd, shareholders, Government, local / statutory authorities, customers and all the other stakeholders for their patronage and support for the achievements by the Company despite the most competitive environment in the market.

Your Directors take this opportunity to thank all the executives and employees of the Company and wish to place on record their commendable hard work, team spirit and dedicated service to the customers which enabled the Company to achieve an appreciable level of business performance during the year.

For and on behalf of the Board of Directors

Date : August 06, 2016

(T.S.KrishnaMurthy)

Place : Chennai

Chairman

## ANNEXURE-1 TO DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

The CSR Policy of the Company as approved by the Board of the Directors, is available on the Company's website at [www.repcohome.com/new\\_site/corporate\\_governance.php](http://www.repcohome.com/new_site/corporate_governance.php).

2. Composition of the CSR Committee: The CSR Committee comprises of the following directors:
  - Shri. Thomas Paul Diamond (Chairperson of the Committee) (Non-Executive and Independent Director)
  - Smt. Sanjeevanee Kutty, I.A.S. (Non-Executive and Non-Independent Director)
  - Shri. V. Nadasabapathy (Non-Executive and Independent Director)
  - Shri. G.R. Sundaravadivel (Non-Executive and Independent Director)

3. Average net profit of the Company for last three financial years : Rs.149.01 crore
4. Prescribed CSR Expenditure (two percent of the amount mentioned in item 3 above) : Rs.2.98 crore
5. Details of CSR expenditure during the financial year 2015-16
  - Total amount to be spent for the financial year 2015-16 : Rs.2.98 crore
  - Amount spent during the financial year 2015-16: Rs.0.24 crore
  - Amount unspent, if any : Rs. 2.74 crore

Reason for not spending the amount:

The Company is committed towards identifying suitable philanthropic causes and will contribute towards the same in accordance with the CSR policy of the Company.

We state that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**Shri. R. Varadarajan**  
Managing Director

**Shri. Thomas Paul Diamond**  
Chairman of CSR Committee

**Manner in which the amount spent during the financial year 2015-16 is detailed below.**
**(Rs.)**

S No	CSR Project or Activity identified	Sector in which Project is covered	Projects or Programs with location	Amount Outlay (Budget) Project or Program-wise	Amount spent on the projects or programs	Cumulative expenditure upto to the reporting period	Amount spent direct or through agency
1	Contribution to PM National Relief Fund or any other fund set up by the Central. Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;	Contribution to Prime Minister's Relief Fund	Contribution to Chief Minister's Public Relief fund towards flood relief in Tamilnadu	1500000	1500000	1500000	Direct
2.	Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects	Promoting education	Contribution to M/s. Indian Red Cross Society for its project Thalir (Community care home for girl child). Location- Huzur Road, Coimbatore	150000	150000	1650000	Direct
3.	Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects and Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Promoting education and women empowerment	Contribution to M/s.D.Srinivasan Valambal Srividya Trust (Trust to fight against female infanticide, foeticide, to rescue abandoned children, to provide primary education to the children). Location- Chennai	25000	25000	1675000	Direct
4.	Eradicating hunger, poverty & malnutrition; Promoting preventive health care & sanitation; Making available safe drinking water	Promoting preventive health care	Contribution to M/s.Udhavum Ullangal Public Charitable Trust for assisting poor cancer patients for cancer treatment and rehabilitation. Location- Chennai	100000	100000	1775000	Direct
5.	Eradicating hunger, poverty & malnutrition; Promoting preventive health care & sanitation; Making available safe drinking water	Promoting preventive health care	Contribution to M/s.Shanmuga Medical Research Foundation Trust for providing free early cancer screening, awareness camps and free treatments for cancer patients. Location- Salem	25000	25000	1800000	Direct
6.	Eradicating hunger, poverty & malnutrition; Promoting preventive health care & sanitation; Making available safe drinking water	Promoting preventive health care	Contribution to M/s.Sri Venkateswara Institute of Medical Sciences for providing super specialty health services to the poor and needy patients Location- Tirupati	500000	500000	2300000	Direct
7.	Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects	Promoting education	Contribution to M/s.Suyam Charitable Trust for providing education for children in slum, first generation learners and help in rehabilitation of begging children Location- Chennai	25000	25000	2325000	Direct
8.	Eradicating hunger, poverty & malnutrition; Promoting preventive health care & sanitation; Making available safe drinking water	Promoting preventive health care	Contribution to M/s.The Voluntary Health Services for providing free medical aid. Location- Chennai	100000	100000	2425000	Direct
TOTAL						2425000	

## ANNEXURE-2 TO DIRECTORS' REPORT

### DETAILS OF STOCK OPTIONS PURSUANT TO SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATION, 2014

i)	Description	Repco Home Finance Limited Employee Stock Option Scheme 2013
	Date of shareholders' approval	13.09.2013
	Total number of options approved under ESOP	927835
	Vesting requirements	Employee should continue to remain in employment of the Company from the date of granting till the date of vesting of the stock options.
	Vesting period	1 year from grant date
	Exercise price or pricing formula	Rs. 75 / option
	Maximum term of options granted	1 year
	Source of shares (primary, secondary or combination)	Primary
	Variation in terms of options	Not applicable.
ii)	Method used to account	Intrinsic value method
iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Rs. 0.10 crore
		<b>Difference in profits</b>
		Reported Profits - Rs. 150.08 crore.
		Pro forma profits - Rs. 150.05 crore
		<b>Difference in EPS</b>
		Reported diluted EPS - 24.03
iv)	Option movement during the year	
	Particulars	Details
	1 Number of options outstanding at the beginning	2,47,625
	2 Number of options granted during the year	Nil
	3 Number of options lapsed/forfeited	20,280
	4 Number of options vested during the year	43,555
	5 Number of options exercised during the year	1,83,790
	6 Number of shares arising out of exercise of options	1,83,790
	7 Money realized by exercise of options	1,37,84,250
	8 Loan repaid by the trust during the year from exercise price received	0
	9 Number of options outstanding at the end	43,555
	10 Number of options exercisable at the end	43,555

v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average exercise price- Rs. 75		
		Weighted average fair value of options- Tranche I: Rs. 215.95		
		Weighted average fair value of options- Tranche II : Rs. 417.65		
vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -	Nil		
	a) Key Managerial Personnel Senior Managerial Personnel	Nil		
	b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year;	Nil		
	c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil		
vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information			
	a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Fair value method	Tranche I Black Scholes	Tranche II Black Scholes
		Weighted average value of share price	Rs. 285.70	Rs. 488
		Exercise price	Rs. 75	Rs. 75
		Expected volatility	29.86%	30.92%
		Expected option life	0.58	1.00
		Expected dividends	Rs. 1.2	Rs. 1.2
		Risk free interest rate	8.89%	8.60%
	b) the method used and the assumptions made to incorporate the effects of expected early exercise;	Not applicable		
	c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Repco Home's equity shares were listed in bourses on April 01, 2013. Owing to unavailability of large number of data points, we used historical annualized since inception price volatility as the future expected volatility		
d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	GOI 1 year t-bill traded yield on the date of grant was taken as the risk free rate			

## ANNEXURE-3 TO DIRECTORS' REPORT

### DISCLOSURES ON MANAGERIAL REMUNERATION

- 1) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-16.

Sl No	Name	Designation	Ratio of remuneration to the median employees' remuneration (Times)
1	Shri. T.S.KrishnaMurthy	Chairman, Non-Executive and Independent Director	0.42
2	Smt. Sanjeevane Kutty, I.A.S	Non-Executive and Non Independent Director	–
3	Shri. K.K.Pathak, I.A.S	Non-Executive and Non Independent Director	–
4	Shri. Dilip Kumar, I.A.S	Non-Executive and Non Independent Director	–
5	Shri. B.Anand, I.A.S	Non-Executive and Non Independent Director	–
6	Shri. Thomas Paul Diamond	Non-Executive and Independent Director	0.86
7	Shri. G R.Sundaravadivel	Non-Executive and Independent Director	0.86
8	Shri .V.Nadanasabapathy	Non-Executive and Independent Director	0.86
9	Shri .L.Munishwar Ganesan	Non-Executive Non Independent Director	0.18
10	Shri. R. Varadarajan	Managing Director	45.37

- 2) Percentage increase in the remuneration of each director and key managerial personnel in the financial year 2015-16.

Sl No	Name	Designation	Increase in Remuneration (%)
1	Shri.T.S.KrishnaMurthy	Chairman, Non-Executive and Independent Director	2.94
2	Smt.Sanjeevane Kutty, I.A.S	Non-Executive and Non Independent Director	-
3	Shri. K.K.Pathak, I.A.S	Non-Executive and Non Independent Director	-
4	Shri. Dilip Kumar, I.A.S	Non-Executive and Non Independent Director	-
5	Shri. B.Anand, I.A.S	Non-Executive and Non Independent Director	-
6	Shri. Thomas Paul Diamond	Non-Executive and Independent Director	(14.29)
7	Shri. G R.Sundaravadivel	Non-Executive and Independent Director	(14.29)
8	Shri. V.Nadanasabapathy	Non-Executive and Independent Director	(11.11)
9	Shri. L.Munishwar Ganesan #	Non-Executive Non Independent Director	150
10	Shri. R. Varadarajan	Managing Director	29.02
11	Shri. K. Prabhu *	Company Secretary	195.66
12	Shri. T. Karunakaran	Chief Financial Officer	41.26

# The sitting fees paid during the financial year 2014-15 was Rs. 30000 and the sitting fees paid during the financial year 2015-16 was Rs. 75000. Hence the remuneration is showing an increase of 150%.

\* 3500 options granted in Tranche-I were not exercised and subsequently lapsed. 3500 options granted in Tranche-II were exercised during the financial year 2015-16. Hence the remuneration is showing an increase of 196%.

- 3) The percentage increase in the median remuneration of employees in the financial year stood at 7.36%
- 4) The number of permanent employees on the rolls of the Company: 619
- 5) Average percentile increase already made in salaries of employees other than managerial personal in last financial year and its comparison with percentile increase in managerial remuneration.  
The average increase in the remuneration of all employees was 14.20% in the financial year 2015-16. The average increase in remuneration of key managerial personnel was 41.10%.  
The average increase in the remuneration of both, the managerial and non-managerial personnel was determined based on the overall performance of the Company. Further the criteria for remuneration of non-managerial personnel is based on an internal evaluation of key result areas (KRAs), while the remuneration of the managerial personnel is based on the remuneration policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.  
There was no exceptional circumstance which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.
- 6) We affirm that the remuneration paid to Directors, Key Managerial Personnel (KMPs) and others is as per the remuneration policy of the Company.

## ANNEXURE-4 TO THE DIRECTORS' REPORT

### FORM NO. MGT-9 - EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March 2016)

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

#### I. REGISTRATION & OTHER DETAILS:

i	CIN	L65922TN2000PLC044655
ii	Registration Date	04.04.2000
iii	Name of the Company	Repco Home Finance Limited
iv	Category/Sub-category of the Company	Public Company limited by shares
v	Address of the Registered office & contact details	Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600017 Tel : 044 42106650 Fax: 044 42106651 Email : cs@repcohome.com Website: www.repcohome.com
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot number 31 & 32 , Financial District, Gachibowli, Hyderabad 500032 Tel : 040-67162222 Fax : 040-23001153 E-mail: einward.ris@karvy.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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Housing Finance	65922	100%

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

S No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares held	Applicable Section
1	Repco Micro Finance Limited	U74900TN2007PLC064126	Associate	32%	2(6)

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
<b>A. Promoters</b>									
1) Indian	0	0	0	0	0	0	0	0.00	0
a) Individual / HUF	0	0	0	0	0	0	0	0.00	0
b) Central Govt.	0	0	0	0	0	0	0	0.00	0
c) State Govt (s)	0	0	0	0	0	0	0	0.00	0
d) Bodies Corp.	0	0	0	0	0	0	0	0.00	0
e) Banks / FI	0	0	0	0	0	0	0	0.00	0
f) Any Other	23230606	0	23230606	37.25	23230606	0	23230606	37.14	(0.11)
Sub-total (A) (1)	23230606	0	23230606	37.25	23230606	0	23230606	37.14	(0.11)
2) Foreign	0	0	0	0	0	0	0	0.00	0
a) NRIs-Individuals	0	0	0	0	0	0	0	0.00	0
b) Other Individuals	0	0	0	0	0	0	0	0.00	0
c) Bodies Corp.	0	0	0	0	0	0	0	0.00	0
d) Banks / FI	0	0	0	0	0	0	0	0.00	0
e) Any Other	0	0	0	0	0	0	0	0.00	0
Sub-total (A) (2) :-	0	0	0	0	0	0	0	0.00	0
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>23230606</b>	<b>0</b>	<b>23230606</b>	<b>37.25</b>	<b>23230606</b>	<b>0</b>	<b>23230606</b>	<b>37.14</b>	<b>(0.11)</b>
<b>B. Public Shareholding</b>									
1) Institutions									
a) Mutual Funds	9506013	0	9506013	15.24	11758746	0	11758746	18.80	3.56
b) Banks / FI	453313	0	453313	0.73	258664	0	258664	0.41	-0.32
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIs	18321093	0	18321093	29.38	17771708	0	17771708	28.42	-0.96
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0	0	0	0	0.00	0.00
Sub-total (B)(1)	28280419	0	28280419	45.35	29789118	0	29789118	47.63	2.28
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	2408865	0	2408865	3.86	1753467	0	1753467	2.80	-1.06
ii) Overseas	0	0	0	0	0	0	0	0.00	0
b) Individuals									
i) Individuals shareholders holding nominal share capital upto Rs.1 lakh	5179047	3572	5182619	8.31	5440524	0	5440202	8.70	0.39



ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2297745	0	2297745	3.68	1346602	0	1346602	2.15	-1.53
<b>c) Others (specify)</b>									
NBFCs	0	0	0	0	18110	0	18110	0.03	-0.03
Trusts	100	0	100	0.00	25800	0	25800	0.04	0.04
Custodians / Clearing member	43091	0	43091	0.07	154783	0	154783	0.25	-0.18
NRIs	914202	0	914202	1.47	782427	0	782427	1.25	-0.22
<b>Sub-total(B)(2) :-</b>	<b>10843050</b>	<b>3572</b>	<b>10846622</b>	<b>17.39</b>	<b>9521391</b>	<b>322</b>	<b>9521713</b>	<b>15.22</b>	<b>-2.17</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>39127041</b>	<b>3572</b>	<b>39123469</b>	<b>62.75</b>	<b>39310509</b>	<b>322</b>	<b>39310831</b>	<b>62.86</b>	<b>0.11</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Grand Total (A + B + C)</b>	<b>62354075</b>	<b>3572</b>	<b>62357647</b>	<b>100.00</b>	<b>62541115</b>	<b>322</b>	<b>62541437</b>	<b>100</b>	<b>0</b>

## ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	Repatriates Co Operative Finance & Development Bank Limited	23230606	37.35	0	23230606	37.14	0	-
	<b>Total</b>	<b>23230606</b>	<b>37.35</b>	<b>0</b>	<b>23230606</b>	<b>37.14</b>	<b>0</b>	<b>-</b>

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

There is no change in the number of shares held by the promoter of the Company. However, the percentage of the shareholding has changed during the year, due to increase in the Paid-up Share capital of the Company, pursuant to the allotment of Equity shares to the employees on exercise of Stock Option.

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

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
<b>SMALLCAP WORLD FUND, INC</b>				
At the beginning of the year	3949480	6.33	3949480	6.33
Bought during the year	0	0	0	0
Sold during the year	3949480	6.33	0	0
At the end of the year	0	0	0	0
<b>PARVEST EQUITY INDIA</b>				
At the beginning of the year	2030000	3.26	2030000	3.26
Bought during the year	345000	0.55	2375000	3.80
Sold during the year	0	0	2375000	3.80
At the end of the year	2375000	3.80	2375000	3.80

<b>INDIA CAPITAL FUND LIMITED</b>				
At the beginning of the year	1925664	3.09	1925664	3.09
Bought during the year	0	0	1925664	3.09
Sold during the year	224728	0.36	1700936	2.72
At the end of the year	1700936	2.72	1700936	2.72
<b>GOLDMAN SACHS INDIA FUND LIMITED</b>				
At the beginning of the year	1385791	2.22	1385791	2.22
Bought during the year	214084	0.34	1599875	2.56
Sold during the year	0	0	1599875	2.56
At the end of the year	1599875	2.56	1599875	2.56
<b>NOMURA INDIA INVESTMENT FUND MOTHER FUND</b>				
At the beginning of the year	1243273	1.99	1243273	1.99
Bought during the year	118486	1.9	1361759	2.18
Sold during the year	0	0	1361759	2.18
At the end of the year	1361759	2.18	1361759	2.18
<b>FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA FUND</b>				
At the beginning of the year	1206318	1.93	1206318	1.93
Bought during the year	100000	1.6	1306318	2.09
Sold during the year	0	0	1306318	2.09
At the end of the year	1306318	2.09	1306318	2.09
<b>TVF FUND LTD</b>				
At the beginning of the year	989334	1.59	989334	1.59
Bought during the year	322790	0.52	1312124	2.10
Sold during the year	0	0	1312124	2.10
At the end of the year	1312124	2.10	1312124	2.10
<b>NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND</b>				
At the beginning of the year	895000	1.44	895000	1.44
Bought during the year	0	0	895000	1.44
Sold during the year	621034	0.99	273966	0.44
At the end of the year	273966	0.44	273966	0.44
<b>DSP BLACKROCK MICRO CAP FUND</b>				
At the beginning of the year	811120	1.30	811120	1.30
Bought during the year	88641	0.14	899761	1.44
Sold during the year	13000	0.20	886761	1.42
At the end of the year	886761	1.42	886761	1.42
<b>GMO EMERGING DOMESTIC OPPORTUNITIES FUND</b>				
At the beginning of the year	795891	1.28	795891	1.28
Bought during the year	103052	0.16	898943	1.44
Sold during the year	147700	0.24	751243	1.20
At the end of the year	751243	1.20	751243	1.20

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

Sl.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
Shareholding of Directors:					
1	Shri.T.S. KrishnaMurthy Chairman, Non-Executive and Independent Director	265	0.00	265	0.00
2	Shri.R.Varadarajan Managing Director	31275	0.05	33406	0.05
3	Smt.Sanjeevane Kuty Non-Executive and Non-Independent Director	0	0.00	0	0.00
4	Shri.Thomas Paul Diamond Non-Executive and Independent Director	0	0.00	0	0.00
5	Shri.V. Nadasasabapathy Non-Executive and Independent Director	0	0.00	0	0.00
6	Shri.G.R. Sundaravadiel Non-Executive and Independent Director	0	0.00	0	0.00
7	Shri.L.Munishwar Ganesan Non-Executive and Non-Independent Director	725	0.00	725	0.00
Shareholding of Key Managerial Personnel :					
1	Shri.T.Karunakaran Chief Financial Officer	5001	0.01	5001	0.01
2	Shri.K.Prabhu Company Secretary	0	0.00	3500	0.01

**V. INDEBTEDNESS**

(Rs in Crore)

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

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5044.42	60.00	-	5104.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.44	-	-	5.44
<b>Total (i + ii + iii)</b>	<b>5049.86</b>	<b>60.00</b>	<b>-</b>	<b>5109.86</b>
Change in Indebtedness during the financial year				
• Addition	3224.44	1250.00	-	4474.44
• Reduction	1689.91	1310.00	-	2999.91
<b>Net Change</b>	<b>1534.53</b>	<b>(60.00)</b>	<b>-</b>	<b>1474.53</b>
Indebtedness at the end of the financial year				
i) Principal Amount	6537.92	-	-	6537.92
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	46.47	-	-	46.47
<b>Total (i + ii + iii)</b>	<b>6584.39</b>	<b>-</b>	<b>-</b>	<b>6584.39</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A) Remuneration to Shri.R.Varadarajan, Managing Director # :

S. No.	Particulars of Remuneration	Total Amount (Rs.)
1	Gross salary	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1830165
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	17225100
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—
2	Stock Option (Number of Stocks options granted during the year)	—
3	Sweat Equity	—
4	Commission	
	- As % of Profit	
	- Others, specify	
5	Others	—
	<b>Total</b>	19055265
	Ceiling as per the Act*	Refer Note

\* Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to Managing Director shall not exceed 5% of the net profit of the Company. The remuneration paid to the Managing Director is well within the said limit.

# Refer to Page 44 (note on remuneration details of Shri R. Varadarajan, Managing Director) under Corporate Governance Report.

### B) Remuneration of other directors:

S. No.	Name	Particulars of Remuneration*			
		Fees for attending board/committee meetings (Rs.)	Commission (Rs.)	Others (Rs.)	Total* (Rs.)
1	Shri.T.S. KrishnaMurthy	175000	-	-	175000
2	Smt.Sanjeevane Kuty, I.A.S	-	-	-	-
3	Shri.K.K.Pathak, I.A.S	-	-	-	-
4	Shri.B.Anand, I.A.S	-	-	-	-
5	Shri.Thomas Paul Diamond	360000	-	-	360000
6	Shri.G.R.Sundaravadivel	360000	-	-	360000
7	Shri.V.Nadanasabapathy	360000	-	-	360000
8	Shri.L.Munishwar Ganesan\$	75000	-	-	75000
9	Shri.Dilip Kumar	-	-	-	-
	Total Managerial Remuneration	1330000	-	-	1330000
	Ceiling as per the Act#				Refer Note

# Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to directors other than executive directors shall not exceed 1% of the net profit of the Company. The remuneration paid to the directors is well within the said limit.

\* Excluding service Tax

**C) Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**
**(Rs in Crore)**

S. No.	Particulars of Remuneration	Name of KMP		Total Amount (in Rs.)
		Shri T. Karunakaran	Shri. K.Prabhu	
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1523625	1275176	2798801
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3259005	2127875	5386880
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option (Number of Stocks options granted during the year)	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- As % of Profit	–	–	–
	- Others, specify	–	–	–
5	Others	–	–	–
	Total	4782630	3403051	8185681

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

During the year under review, the Company or any of its Directors were not liable for any penalty, punishment or any compounding offences under the Companies Act, 2013.

## **ANNEXURE-5 TO DIRECTORS' REPORT**

**Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016**

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

To,  
The Members,  
Repco Home Finance Limited  
CIN# L65922TN2000PLC044655  
'Repco Tower' No.33 North Usman Road,  
T. Nagar,  
Chennai – 600017

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Repco Home Finance Limited (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 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 2016 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 M/s. Repco Home Finance Limited for the financial year ended on 31st March 2016 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) Income Tax Act, 1961
- (vi) The Trade Marks Act, 1999;
- (vii) Apprentices Act, 1961;
- (viii) Contract labour (Regulation & Abolition) Act, 1970;
- (ix) Employer's Liability Act, 1938
- (x) Employees Provident Fund Act, 1952;
- (xi) The Employees State Insurance Act, 1948;
- (xii) Payment of Bonus Act, 1965;
- (xiii) Payment of Gratuity Act, 1972;
- (xiv) Maternity Benefits Act, 1961;
- (xv) Local Shops & Establishment Acts of States;
- (xvi) Income Tax Act, 1961
- (xvii) Finance Act 1994 (Service Tax) and rules thereunder

- (xviii) 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 / 2015;
  - (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- the company has not delisted its shares, therefore the above regulation does not apply to the company for the year under review and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- the company has not bought back any of its securities during the year, so the above regulations does not apply to the Company for the year under review;
- (xix) National Housing Bank Act, 1987 and the rules made the reunder

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India. (Notified with effect from 1st July, 2015)
- (ii) The listing Agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

#### **We further report that**

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of 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:

- i. The Company has issued 1,83,790 Equity Shares under Employees Stock Option Scheme during the year under review.

**FOR G RAMACHANDRAN & ASSOCIATES**  
Company Secretaries  
**G. RAMACHANDRAN**

Date : August 6, 2016

Place : Chennai

Proprietor

ACS No.9865 CoP No.3056

## ANNEXURE-6 TO DIRECTORS' REPORT

FORM AOC-1

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

**Statement containing salient features of financial statement of  
subsidiaries / associate companies / joint ventures**

**Part "A": Subsidiaries – Not Applicable**

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013  
related to Associate Companies and Joint Ventures**

	Name of Associates/ Joint Ventures	REPCO MICRO FINANCE LIMITED
1.	Latest audited Balance Sheet Date	31.03.2016
2.	Date on which the Associate or Joint Venture was associated or acquired	19.10.2010
3.	Shares of Associate / Joint Ventures held by the Company on the year end.	
	Number	1,24,00,000
	Amount of Investment in Associates / Joint Venture.	Rs. 12,40,00,000
	Extent of Holding %	32%
4.	Description of how there is significant influence	By virtue of shareholding
5.	Reasons why the associate / joint ventures is not consolidated.	Not Applicable
6.	Net worth attributable to Shareholdings as per latest audited Balance Sheet	Rs. 18.91 crore
7.	Profit / Loss for the year	
	(i) Considered in Consolidation	Rs. 3.98 Crore
	(ii) Not considered in Consolidation	-

For and on behalf of the Board of Directors

(T.S.KrishnaMurthy)

Chairman

(R.Varadarajan)

Managing Director

Place: Chennai

Date : 10.05.2016



## REPORT ON CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE PHILOSOPHY

The company is committed towards ensuring high standards of transparency and accountability in all its activities. The best management practices and high levels of integrity in decision making are followed to ensure long term wealth generation and creation of value for all the stakeholders. The company follows all the principles of corporate governance in its true spirit and at all times.

During the year ended 31st March, 2016, your Company had complied with the provisions set out on Corporate Governance Practices required under Listing Regulations.

Given below is the report of the directors on corporate governance in accordance with the provisions of the SEBI (LODR) Regulations, 2015.

### BOARD OF DIRECTORS

#### Composition

The Board consists of seven directors as on 31st March

2016. All the directors of the Company, except the Managing Director are Non-Executive Directors. Out of the six non-executive directors, four are Independent Directors. The composition of the board is in conformity with SEBI (LODR) Regulations, 2015.

The independent directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in the provisions of the Section 149(6) of the Companies Act, 2013. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company. None of the directors of the Company are related to each other. All directors are appointed by the members of the Company.

The number of Directorships, Committee Memberships/ Chairmanships of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI (LODR). Details of the Board of Directors in terms of their directorships/memberships in committees of public companies are as under:

S No	Name of Directors	Category	Number of Directorships		No of Committees	
			Member	Chairman	Member	Chairman
1	Shri.T.S. KrishnaMurthy (DIN- 00279767)	Chairman, Non-Executive/ Independent	8	4	-	-
2	Smt.Sanjeevane Kuty, I.A.S (DIN- 01818009)	Woman Director, Non-Executive /Non-Independent	2	-	-	-
3	Shri.Thomas Paul Diamond (DIN- 03139810)	Non-Executive /Independent	-	-	-	-
4	Shri.G.R.Sundaravadivel (DIN- 00353590)	Non-Executive /Independent	2	-	2	-
5	Shri.V.Nadanasabapathy (DIN- 03140725)	Non-Executive /Independent	-	-	-	-
6	Shri.L.Munishwar Ganesan (DIN- 07082752)	Non-Executive /Non-Independent	1	-	-	-
7	Shri.R.Varadarajan (DIN- 02020709)	Managing Director/Executive	2	-	-	-

#### Notes:

- Other directorships exclude foreign companies, private limited companies and Section 8 Companies
- Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships.

## INDEPENDENT DIRECTORS

The Company has four Independent Directors on its Board. The Company has received the necessary declaration from the Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and SEBI (LODR) - Regulations, 2015.

### APPOINTMENT OF INDEPENDENT DIRECTORS:

The Company has four Independent Directors on its Board. The Independent Directors were appointed at the 14th Annual General Meeting of the Company held on 11 September 2014 for a period of 5 years and are not liable to retire by rotation. The letters of appointment were issued to the Directors in accordance with the Companies Act, 2013. The copy of the letter with the terms and conditions of appointment of the Independent Directors is placed on the Company's website.

All the Independent directors possess the requisite qualifications and are very experienced in their own fields.

### FAMILIARISATION PROGRAMME

The objective of a familiarisation programme is to ensure that the Non-Executive Directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its stakeholders.

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

A familiarisation programme was conducted for Non-Executive Directors on 28.03.2016 on areas such as the core functions of the Company, overview of the industry, financials and the performance of the Company. An overview of the familiarisation programme is placed on the Company's website, [www.repcohome.com/new\\_site/corporate\\_governance.php](http://www.repcohome.com/new_site/corporate_governance.php).

## EVALUATION OF DIRECTORS AND THE BOARD

The Nomination and Remuneration Committee reviewed the formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommendation to the Board of the remuneration policy; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; and identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

A formal annual evaluation has been made by the Board of Directors of its own performance and that of its committees and individual Directors based on parameters such as participation in Board deliberations, attendance at Board meetings, level of independence of judgement, protecting the interest of the Company and its shareholders.

### BOARD MEETINGS

The meetings of the Board of Directors are generally held at the Corporate Office of the Company. The meetings are generally scheduled well in advance. The Board meets at least once in a quarter to review the quarterly performance and the financial results of the Company.

The dates for the board meetings are fixed after taking into account the convenience of all the Directors and sufficient notice is given to them. Detailed agenda notes are sent to the Directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The Managing Director makes a presentation to the Board on the overall performance of the company at every board meeting. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.

The Board also takes on record the declaration made by the Managing director, Executive Directors and

Company secretary regarding compliances of all laws on a quarterly basis.

The Board met 5 times during the financial year 2015-16. The meetings were held on 19-05-2015; 07-08-2015;

30-09-2015; 04-11-2015 and 08-02-2016. The attendance of each director at the board meetings and attendance at the last annual general meeting are as under:

S. No	Name of Directors	Attendance at the Board meetings (No of meetings held-5)	Attendance at the 15th AGM
1	Shri.T.S. KrishnaMurthy	5	Present
2	Shri.R.Varadarajan	5	Present
3	Smt.Sanjeevane Kuty, IAS	2	Not present
4	Shri.Thomas Paul Diamond	5	Present
5	Shri.G.R.Sundaravadivel	5	Not present
6	Shri.V.Nadanasabapathy	5	Present
7	Shri.L.Munishwar Ganesan	5	Not present
8	Shri.K.K.Pathak, IAS*	-	Not present
9	Shri.Dilip Kumar, IAS**	1	Present
10	Shri.B.Anand, IAS#	4	Not present

\* Resigned from Board as director w.e.f 18th May 2015

# Resigned from Board as director w.e.f 29th January 2016

\*\* Appointed as Director w.e.f. 07 August 2015 and Resigned from Board as director w.e.f 6th November 2015.

Leave of absence was granted to the Directors who could not attend the respective meetings.

## APPOINTMENT OF DIRECTORS

During the year under review, the Board of Directors appointed Shri. Dilip Kumar, I.A.S as Additional Director on 07 August 2015.

## RE-APPOINTMENT OF DIRECTOR(S)

Pursuant to Section 152 of the Companies Act, 2013, Smt.Sanjeevane Kuty, Director is retiring by rotation at the ensuing Annual General Meeting and is eligible, for re-appointment.

**Disclosure of relationship between directors inter-se:**  
**There is no inter-se relationship between the directors of the Company.**

## COMMITTEES OF THE BOARD

The Board has established the following statutory and non-statutory Committees

### 1. Audit Committee

The audit committee assists the board in the analysing of financial information and in overseeing the financial

and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in Regulation 18 of the SEBI (LODR) Regulations, 2015 and also those specified in section 177 of the Companies Act 2013. The audit committee reviews, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor and statutory auditor. The statutory auditors were present at all audit committee meetings. The internal auditors are also invited to the audit committee meetings.

The composition of the audit committee is as per Regulation 18 of the SEBI (LODR) Regulations, 2015. The Audit Committee comprises of Shri.Thomas Paul Diamond (Chairman), Shri.G.R.Sundaravadivel and Shri. V. Nadanasabapathy. The Audit Committee is chaired by an independent director. All the members of the committee are financially literate and have relevant finance / audit exposure. The chief financial officer is a permanent invitee to the meetings of the committee. The company secretary acts as the secretary to the

committee. The Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 12th September 2015.

The audit committee met 4 times during the year on 16-05-2015, 06-08-2015, 03-11-2015 & 06-02-2016. The details of attendance at the Audit Committee meetings are as under:

Name of the Director	Number of meetings attended
Shri.Thomas Paul Diamond- Chairman	4
Shri.G.R.Sundaravadivel-Member	4
Shri.V.Nadanasabapathy-Member	4

## 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Shri.G.R.Sundaravadivel (Chairman), Shri. Thomas Paul Diamond and Shri.V.Nadanasabapathy. The Company Secretary is the secretary to the Committee.

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board.

The terms of reference of the Nomination and Remuneration Committee:

- formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommendation to the Board of the remuneration policy
- formulation of criteria for evaluation of Independent Directors and the Board
- devising a policy on Board diversity
- identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal

During the year, the Nomination and Remuneration Committee met three times on 30-09-2015, 04-11-2015 and 06-02-2016. The details of attendance at the Nomination and Remuneration Committee Meeting are as under:

Name of the Director	Number of meetings attended
Shri. G.R. Sundaravadivel - Chairman	3
Shri.ThomasPaulDiamond - Member	3
Shri.V.Nadanasabapathy-Member	3

## 3. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of Shri.G.R.Sundaravadivel (Chairman), Shri.Thomas Paul Diamond and Shri.V.Nadanasabapathy.

The committee meets to redress investor grievances like non receipt of dividend warrants, non receipt of share certificates, etc. The Committee met twice during the year 2015-16 on 03-11-2015 and 06-02-2016. The details of attendance at the Committee meetings are as under:

Name of the Director	Number of meetings attended
Shri. G.R. Sundaravadivel - Chairman	2
Shri.ThomasPaulDiamond - Member	2
Shri.V.Nadanasabapathy-Member	2

SEBI vide Circular Ref:CIR/OIAE/2/2011 dated June 3, 2011 informed the Company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Shri. K. Prabhu, Company Secretary is the compliance officer of the Company. For any clarification / complaint the shareholders may contact Shri. K. Prabhu, Company Secretary at the Corporate Office of the Company.

During the year, 13 complaints were received from shareholders and all complaints have been attended / resolved.

#### 4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of Shri.Thomas Paul Diamond (Chairman), Shri.G.R.Sundaravadivel, Shri.V.Nadanasabapathy and Smt.Sanjeevane Kutty, I.A.S. The Committee is primarily responsible for formulating and recommending to the Board of Directors, a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects.

The Committee met once during the year 2015-16 on 16-05-2015. The details of attendance at the Committee meeting are as under:

Name of the Director	Number of meetings attended
Shri. Thomas Paul Diamond - Chairman	1
Shri. G.R.Sundaravadivel - Member	1
Shri.V.Nadanasabapathy-Member	1
Smt.Sanjeevane Kutty, I.A.S - Member	-

#### 5. Compensation Committee

Compensation Committee was constituted for the purpose of reviewing and approving, on behalf of the Board of Directors, on all forms of stock compensation to all employees and to administer the Company's stock option plan.

The Committee met once during the year 2015-16 on 06-02-2016. The details of attendance at the Committee meeting are as under:

Name of the Director	Number of meetings attended
Shri.G.R.Sundaravadivel - Chairman	1
Shri.Thomas Paul Diamond - Member	1
Shri.V.Nadanasabapathy-Member	1

#### 6. Management & Risk Management Committee

The Committee is responsible for sanctioning of loans proposals beyond Rs.5 crore and upto Rs. 10 Crore and also oversees the risk management function.

During the financial year 2015-16 the Committee met six times on 20-07-2015; 06-08-2015; 30-12-2015; 16-02-2016; 03-03-2016 and 28-03-2016. The details of attendance at the Committee meeting are as under:

Name of the Director	Number of meetings attended
Shri. Thomas Paul Diamond- Chairman	6
Shri. G.R. Sundaravadivel-Member	6
Shri. V.Nadanasabapathy-Member	6
Shri. R. Varadarajan-Member	6

#### 7. Securities Allotment Committee

The Securities Allotment Committee was constituted to effect allotment of securities including that of allotment of shares pursuant to exercise of employee stock options. The Committee met once during the year on 25.11.2015. The details of attendance at the Committee meeting are as under:

Name of the Director	Number of meetings attended
Shri.T.S.KrishnaMurthy-Chairman	1
Shri.Thomas Paul Diamond- Member	1
Shri.G.R.Sundaravadivel-Member	1
Shri.V.Nadanasabapathy-Member	1

#### MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met once during the year on 28.03.2016 to review the performance of non- Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

## CRITERIA FOR SELECTION OF DIRECTORS

- The Committee will identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director.
- Directors could be chosen from diverse fields of expertise drawn from industry, management, finance and other disciplines.
- In case of appointment of Independent Directors, the Committee will satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company conforming in entirety to the conditions specified under Section 149 of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder and the Listing Regulations.
- The Committee will ensure that the candidate identified for appointment as a Director is not disqualified in any manner under Section 164 of the Companies Act, 2013.
- In case of reappointment of Non-Independent Directors, the Board will take into consideration the performance evaluation of the Director and his engagement level.

## REMUNERATION POLICY

The Remuneration Policy, including the criteria for remunerating non-executive directors is recommended by the Nomination & Remuneration Committee and approved by the Board. The key objective of the Remuneration Policy is to ensure that it is aligned to the overall performance of the Company. The Policy ensures that it is fair and reasonable to attract and retain necessary talent, is linked to attaining performance benchmarks and involves a judicious balance of fixed and variable components. The Remuneration Policy is placed on the Company's website.

## REMUNERATION PAID TO DIRECTORS

Of the total 7 directors, one is executive director (i.e. Managing Director). The remuneration payable to the Managing Director is determined by the Board on the recommendation of the Nomination & remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting. The Non Executive Directors do not draw any remuneration from the company except sitting fees for attending the meetings of the board and the committees. During the

financial year 2015-16, the sitting fee paid for each meeting for Chairman is Rs. 25,000 and for other directors it is Rs.15,000.

### Details of Remuneration paid to the all the Directors during the financial year 2015-16

#### a) Remuneration Details of Shri.R.Varadarajan, Managing Director

Shri. R.Varadarajan was drawing salary and allowances only from Repco Bank and the Company had reimbursed the additional pay to Repco Bank in respect of the additional post held from 1, April 2015 to 29 February 2016. The amount of such reimbursement to Repco Bank was Rs.3.30 lakhs. No salary in the form of pay & allowances was paid by the Company to him during this period.

Performance Incentive of Rs.15 lakh was paid for the financial year. Under the approved scheme he has exercised 30,000 employee stock options during the year. The taxable perquisite of such stock options represents the difference between the grant price and the market price as on the date of exercise and there is no actual cash payout by the Company to the Managing Director. The value of such taxable perquisite computed is Rs.1.72 Crore.

#### b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2015-16

S. No	Name	Sitting fees paid (Rs.)
1	Shri.T.S. KrishnaMurthy	175000
2	Smt.Sanjeevanee Kutty, I.A.S	-
3	Shri.K.K.Pathak, I.A.S*	-
4	Shri.B.Anand, I.A.S#	-
5	Shri.Thomas Paul Diamond	360000
6	Shri.G.R.Sundaravadivel	360000
7	Shri.V.Nadanasabapathy	360000
8	Shri.L.Munishwar Ganesan	75000
9	Shri. Dilip Kumar, I.A.S **	-

\*Resigned from Board as director w.e.f 18th May 2015

# Resigned from Board as director w.e.f 29th January 2016

\*\*Appointed as Director w.e.f. 07 August 2015 and Resigned from Board as director w.e.f 6th November 2015.



## SHAREHOLDING OF DIRECTORS

As on 31st March 2016, the Company had one Executive Director and six Non-Executive Directors. Shri.R.Varadarajan, Managing Director holds 33406 equity shares in the company. Among the non-executive directors Shri.T.S.KrishnaMurthy holds 265 equity shares and Shri.L.Munishwar Ganesan holds 725 equity shares in the Company. The other Non-Executive Directors do not hold any shares in the Company.

## TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS

There were no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the Financial Year ended 31st March, 2016.

## PREVENTION OF INSIDER TRADING

In January 2015, SEBI notified the SEBI (Prevention of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a Code of Practices & Procedures for Fair Disclosure of Unpublished Price

Sensitive Information and revised existing Code for Prevention of Insider Trading.

The code ensures that the employees deal in the shares of the Company only at a time when any price sensitive information that could be known to the employee is also known to the public at large. This code is applicable to the Designated Employees and Directors of the Company.

## CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all the Board members and the Designated Employees of the Company.

The Code of Conduct is posted on the website of the Company, [www.repcohome.com/new\\_site/corporate\\_governance.php](http://www.repcohome.com/new_site/corporate_governance.php). For the year under review, all Directors and members of senior management have affirmed their adherence to the provisions of the Code.

## ANNUAL GENERAL MEETINGS

The details of the Annual General Meetings held in the last three years are as follows:

Financial Year	Meeting	Date & Time	Venue	Special Resolutions passed
2012-13	13th AGM	13/09/2013 2.30PM	Narada Gana Sabha (Mini Hall), No. 314, T.T.K.Road, Alwarpet, Chennai-600018	1. Enhancement of performance incentive and payment of one time cash award to Shri.R.Varadarajan Managing Director 2. Employee Stock Option Scheme
2013-14	14th AGM	11/09/2014 10.30AM	Bharatiya Vidya Bhavan (Bhavan's Dr.Preetha Reddy Auditorium-Main Hall), # 18,20, East Mada Street, Mylapore , Chennai-600004	1. Enhancement of borrowing powers of the Company. 2. Enhancement of Remuneration and performance incentive of Shri. R.Varadarajan, Managing Director. 3. Proposal to issue secured redeemable non convertible debentures, commercial papers or any other debt securities on private placement basis. 4. Increase in FIIs investment limit under Portfolio Investment Scheme.
2014-15	15th AGM	12/09/2015 11 AM	Sri Dakshinamurthy Auditorium, PS Higher Sec School, No.215, Ramakrishna Mutt Road, Mylapore, Chennai-600004	Offer or invite subscription for Non-Convertible Debentures (NCD) and Commercial Paper aggregating to Rs.1,500 Crore and Rs.500 Crore respectively on private placement

## WHISTLE BLOWER POLICY

The Company has an established a Whistle Blower Policy/ vigil mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of Directors/ Employees who avail of the mechanism. The Company affirms that no personnel has been denied access to the Audit Committee.

Any employee of the Company may report any unethical & improper practices or alleged wrongful conduct to the Designated Officer if it involves any employees upto the level of Assistant Manager or to the Executive Director in case of involvement of officers' upto General Manager or to the Managing Director if it involves Chief General Manager or the Executive Directors and to the Audit Committee in certain exceptional cases and in case of involvement of the Managing Director. The Whistle Blower Policy is placed on the Company's website, [www.repcohome.com/new\\_site/corporate\\_governance.php](http://www.repcohome.com/new_site/corporate_governance.php).

## POSTAL BALLOT

The Shareholders have approved the following resolutions through Postal Ballot during the financial year 2015-16:

1. Special Resolution- Authorisation to the Board of Directors to mortgage, create charge on all or any of the assets of the Company and further issue covenants for negative pledges/lien etc.

Date of Postal Ballot Notice – November 04, 2015

Voting period - November 26, 2015 to December 26, 2015

Date of declaration of result– December 28, 2015

Number of Votes in Favour (in number of shares)	Number of Votes Against (in number of shares)	Total Valid Votes (in number of shares)	Assent %	Dissent %
3,61,82,107	1,00,05,467	4,61,87,574	78.33%	21.67%

2. Ordinary Resolution- Approval for Related Party Transactions

Date of Postal Ballot Notice – February 08, 2016

Voting period - February 21, 2016 to March 21, 2016

Date of declaration of result– March 22, 2016

Number of Votes in Favour (in number of shares)	Number of Votes Against (in number of shares)	Total Valid Votes (in number of shares)	Assent %	Dissent %
1,61,98,091	73,52,193	2,35,50,284	68.78%	31.22%

Shri.G.Ramachandran of M/s. G. Ramachandran & Associates, Company Secretaries, was appointed as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

## PROCEDURE FOR POSTAL BALLOT

- Pursuant to the provisions of Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules 2014, the Company provides e-voting facility to all its Members.
- The Company engages the services of Karvy Computershare Private Limited ("Karvy") for the purpose of providing e-voting facility to all its Members.
- A Scrutinizer is appointed for conducting the postal ballot process.
- The Members have the option to vote by postal ballot or through e-voting.
- The Company dispatches the Postal Ballot Notice by email to all the members whose email ids are registered with the Company/ Depository Participant(s) and by registered post to all the remaining members who have not registered their e-mail ids at the registered address as on the cut-off date.
- An advertisement is published in a National newspaper and a vernacular newspaper about the dispatch of notice of postal ballot.
- The duly completed postal ballot papers are received by the Scrutinizer and he gives his report to the Chairman. The Chairman announces the results of the postal ballot.
- The Results are intimated to the Stock Exchange and are posted on the Company's Website.



## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted an Internal Complaint Committee for prevention, prohibition and redressal of complaints / grievances on the sexual harassment of women at work places. During the year, one complaint of sexual harassment was received by the Company and the same has been duly addressed.

## DISCLOSURES

### Related Party Transaction

There have been no materially significant related party transactions with the Company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the Company at large. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy. The Policy is placed on the Company's website, [www.repcohome.com/new\\_site/corporate\\_governance.php](http://www.repcohome.com/new_site/corporate_governance.php).

### POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARIES

The policy is placed on the Company's website, [www.repcohome.com/new\\_site/corporate\\_governance.php](http://www.repcohome.com/new_site/corporate_governance.php).

### Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act.

### Disclosures made by the Management to the Board

During the year, there were no transactions of a material nature with the promoters, Directors or the management, or relatives that had any potential conflict with the interest of the Company. All disclosures

related to financial and commercial transactions where Directors have a potential interest are provided to the board and the interested Directors do not participate in the discussion nor do they vote on such matters.

### Other Disclosures

The Company has complied with the Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.

## MEANS OF COMMUNICATION

- The unaudited quarterly results of the Company are published in leading newspapers such as Business Line, Business Standard, Financial Express, The Hindu etc. The Standalone quarterly and annual results of the Company are available on the Company's website at [www.repcohome.com/new\\_site/quarterly\\_results.php](http://www.repcohome.com/new_site/quarterly_results.php). The Standalone quarterly and annual results are filed with the Stock Exchanges in terms of SEBI (LODR) Regulations, 2015.
- The company's website contains basic information about the Company and such other details as required under the SEBI (LODR) Regulations, 2015 including investor presentations. The Company ensures periodical updation of its website.
- Pursuant to the SEBI (LODR) Regulations, 2015, all data related to quarterly financial results, shareholding pattern, etc., are filed in NEAPS (NSE Electronic Application Processing System) and BSE listing centre within the time frame prescribed in this regard.

## GENERAL SHAREHOLDER INFORMATION

### 1. Annual General Meeting

Date and time	22 September 2016 at 11.00 A.M
Venue	Sri Dakshinamurthy Auditorium, PS Higher Sec School, No.215, Ramakrishna Mutt Road, Mylapore, Chennai-600004
Financial Year	1st April 2015 to 31st March 2016

**2. Book Closure Dates:** From 16 September 2016 to 22 September 2016 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend if approved by the Shareholders.

**3. Particulars of Dividend for the year ended 31.03.2016**

The Board of Directors has recommended a dividend of Rs.1.80 per equity share of Rs.10/ each for the financial year ended March 31, 2016 subject to the approval of the shareholders at the Annual General Meeting.

**Dividend entitlement is as follows:**

- (i) For shares held in physical form: shareholders whose names appear on the register of members of the Company as 15 September 2016.
- (ii) For shares held in electronic form: beneficial owners whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business on 15 September 2016.

The Dividend if any declared by the members at the ensuing Annual General Meeting will be paid on or before on 22 October , 2016 (30 days of AGM Date) being the statutory time limit.

**4. Listing of Shares**

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited, Mumbai (BSE)	535322
National Stock Exchange of India Limited (NSE)	repcohome

ISIN allotted by Depositories (Company ID Number): INE612J01015

(Note: Annual Listing fees for the year 2016-17 were duly paid to the above stock exchanges within the stipulated time limit.)

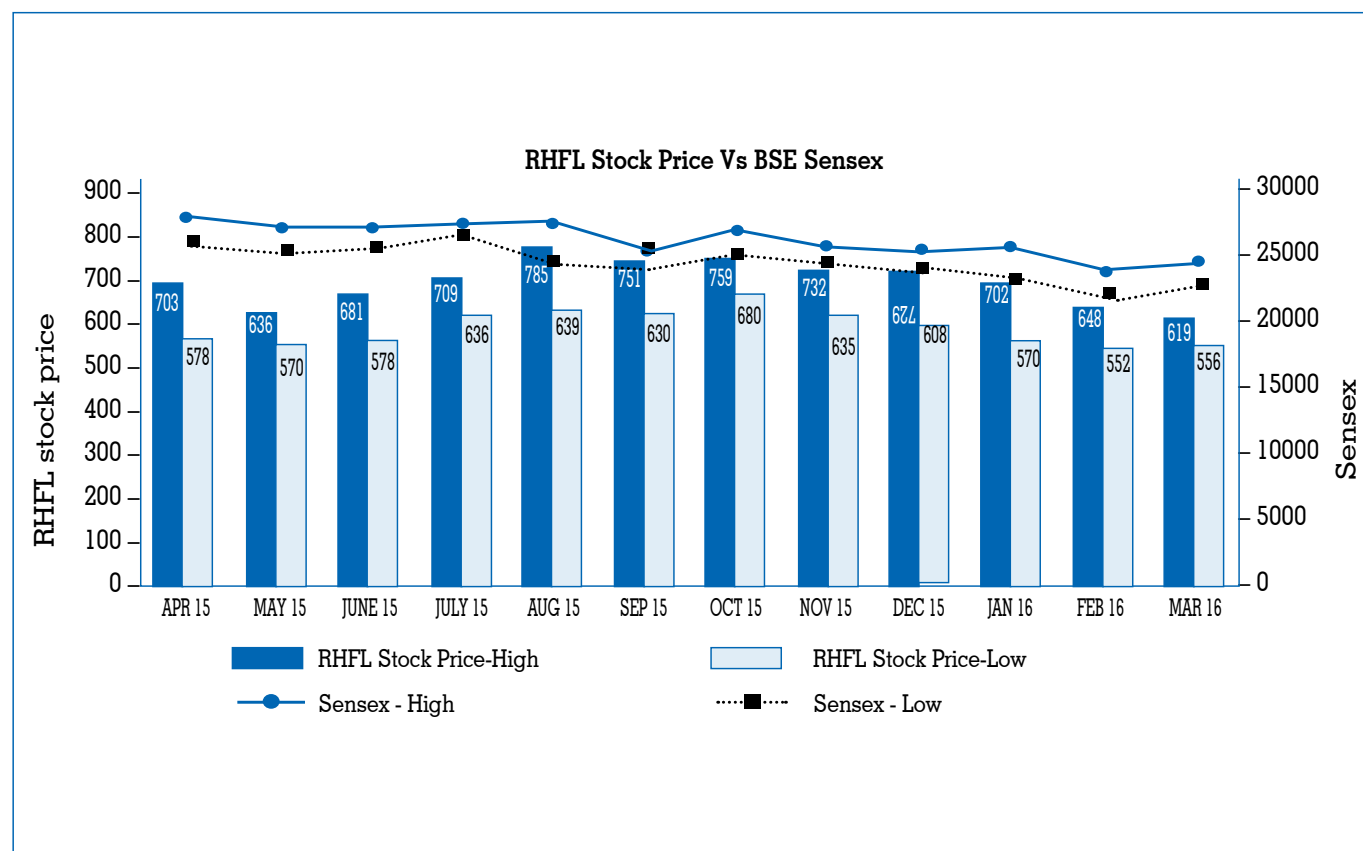
**Listing of Debt Securities:**

The Company's Non-Convertible Debentures are listed on Bombay Stock Exchange Limited.

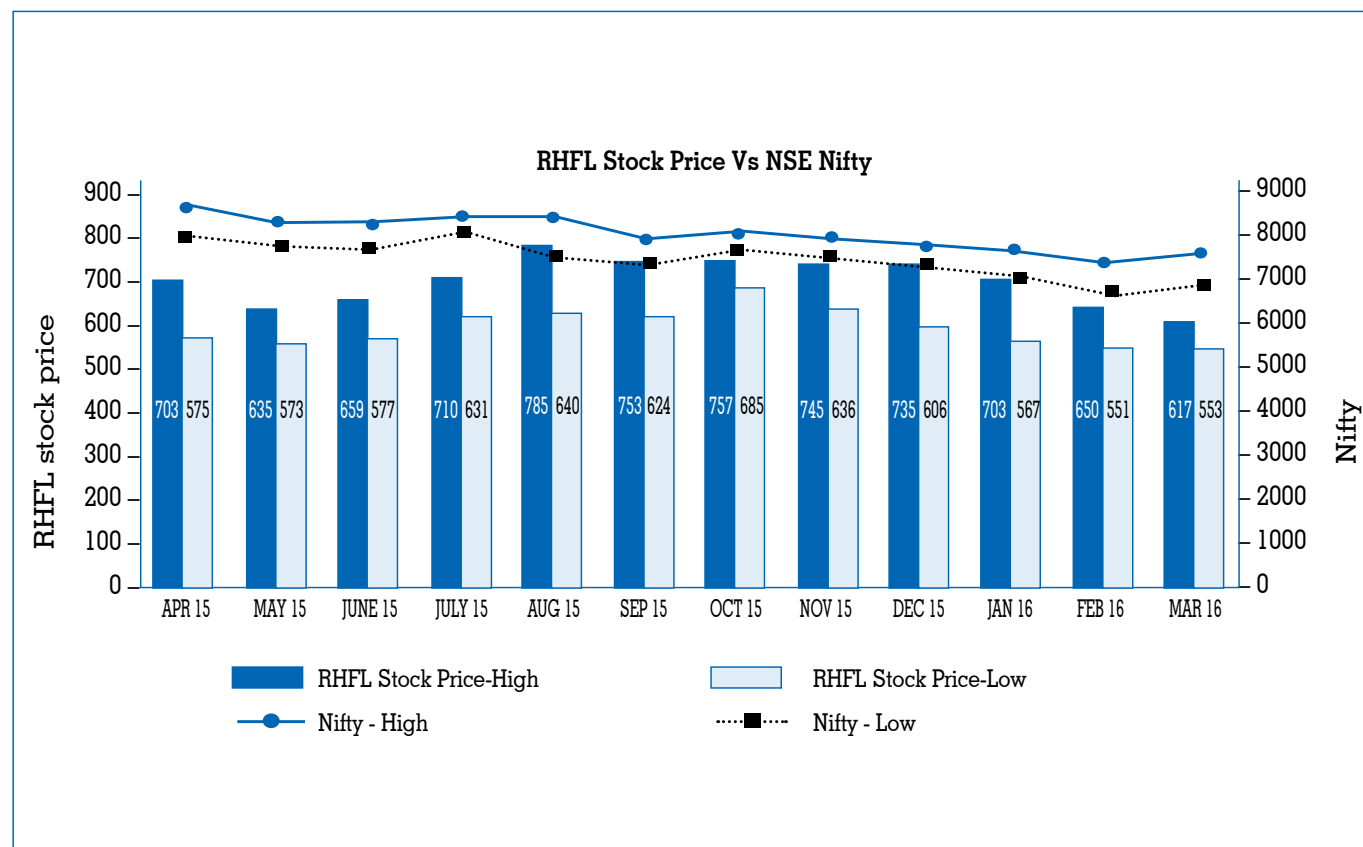
**5. Stock Market Data**

Month	The Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	Month's High Price (in Rs.)	Month's Low Price (in Rs.)	Total volume of shares transacted	Month's High Price (in Rs.)	Month's Low Price (in Rs.)	Total volume of shares transacted
Apr-15	702.8	578	2,38,316	703	575	20,85,046
May-15	636	570	4,52,161	635	573.05	18,94,719
Jun-15	681	578.2	1,98,024	659.4	577.15	19,76,418
Jul-15	709	635.6	12,62,909	709.9	631	20,40,284
Aug-15	785	639	6,62,455	785	640.05	29,18,971
Sep-15	751	630.25	4,30,278	752.5	624	18,29,146
Oct-15	759	680.1	1,25,140	756.8	685.1	10,37,881
Nov-15	731.75	635	1,20,708	745	636	8,98,594
Dec-15	728.95	607.75	1,30,012	735	605.5	10,82,442
Jan-16	702.1	569.9	1,00,680	703.3	566.6	13,15,277
Feb-16	648	552.25	2,95,827	650	551	10,18,992
Mar-16	619	555.9	4,39,782	617.25	552.5	22,52,596

## Movement of Repco's Share Price via-a-vis the Sensex



## Movement of Repco's Share Price via-a-vis the Nifty



## 6. Shareholding Pattern as on 31st March 2016

Particulars	Number of Share holders	Total Number of shares held	Shares held in dematerialised form	Shares held in physical form	% of capital
<b>Promoter and Promoter Group</b>					
a. Bodies Corporate	0	0	0	0	0
b. Directors & their relatives	0	0	0	0	0
c. Others	1	23230606	23230606	0	37.14
<b>Public Shareholding</b>					
<b>I. Institutions</b>					
a. Mutual Funds/UTI	87	11758746	11758746	0	18.80
b. Financial Institutions/Banks	4	258664	258664	0	0.41
c. Insurance Companies	0	0	0	0	0
d. Foreign Institutional Investors	97	177771708	177771708	0	28.42
<b>II. Non Institutions</b>					
a. Bodies Corporate	514	1753467	1753467	0	2.80
b. Individuals	16571	6787126	6786804	322	10.85
c. Non Resident Indians	735	782427	782427	0	1.25
d. Clearing Members	52	154783	154783	0	0.25
e. Trusts	3	25800	25800	0	0.04
f. NBFC	2	18110	18110	0	0.03
<b>Total</b>	<b>18066</b>	<b>62541437</b>	<b>62541115</b>	<b>322</b>	<b>100</b>

## 7. Distribution of Shareholding as on 31st March 2016

Number of Equity Shares held	Number of Share holders	%	Number of Shares	%
upto 5000	15345	84.94	1475865	2.36
5001 - 10000	1090	6.03	821795	1.31
10001 - 20000	715	3.96	1021720	1.63
20001 - 30000	247	1.37	616697	0.99
30001 - 40000	147	0.81	513862	0.82
40001 - 50000	98	0.54	444240	0.71
50001 - 100000	164	0.91	1180227	1.89
100001 & Above	260	1.44	56467031	90.29
<b>Total</b>	<b>18066</b>	<b>100</b>	<b>62541437</b>	<b>100.00</b>

## 8. Registrar and Share Transfer Agents

Karvy Computershare Private Limited, having its office at Karvy Selenium, Tower B, Plot number 31 & 32 ,Financial District, Gachibowli, Hyderabad 500 032 are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and

dematerialization requests are addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgement. A Practising Company Secretary certifies on a quarterly basis the timely dematerialization of shares of the company.

## 9. Information in respect of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below:

Under the extant provisions of the Companies Act, dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The details of the unclaimed dividend are as under:

Financial Year	Unpaid/ Unclaimed dividend as on 31.03.2016	Date of declaration	Date of transfer to IEPF
2012-13	6,452	13-Sep-13	21-Oct-20
2013-14	19,221	11-Sep-14	19-Oct-21
2014-15	12,705	12-Sep 15	20-Oct-22

The details of Unpaid/ Unclaimed dividend is posted on the Company's website, [www.repcohome.com/new\\_site/unclaimed\\_dividend.php](http://www.repcohome.com/new_site/unclaimed_dividend.php)

- Members are requested to note that as per the Companies Act, 2013, unclaimed dividend once transferred to IEPF will not be refunded.
- Shareholders holding shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing bank account number, etc.

## 10. Request to Investors

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the Company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form, should communicate the change of address, if any,

directly to the Registrars and Share Transfer Agent of the Company.

- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form 2B. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.

## 11. Reconciliation of Share Capital Audit

A quarterly audit was conducted by a practising Company Secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2016 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories.

## 12. Dematerialisation of shares

As on 31st March 2016, 6,25,41,115 equity shares representing 99.99% of the paid up equity capital have been dematerialized.

Particulars	No. of shares	(%)
Shares held in physical form	322	0.01
Shares held in electronic form	6,25,41,115	99.99
Total Shares	6,25,41,437	100

### 13. Information to Shareholders

A brief resume of the director proposed to be reappointed together with the nature of her experience and details of the other directorships held is annexed to the Notice convening the Annual General Meeting.

### 14. Outstanding GDRs / ADRs / warrants:

The Company does not have any GDRs / ADRs / Warrants or any convertible instruments.

### 15. Plant Locations: Nil

### 16. Address for Correspondence

To contact Registrars & Share Transfer Agents for matters relating to shares	M/s. Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad 500 032 Tel : 040-67162222 Fax : 040-23001153 E-mail: einward.ris@karvy.com
For any other general matters or in case of any difficulties / grievance	Shri.K.Prabhu, Company Secretary Repco Home Finance Limited Third Floor, Alexander Square, Old No.34 & 35, New No.2, Sardar Patel Road, Guindy, Chennai – 600032 Telephone: 044- 42106650 Fax No: 044 - 42106651 E-mail: cs@repcohome.com

### Debenture Trustees:

M/s. Catalyst Trusteeship Limited  
GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038

### NON-MANDATORY DISCLOSURES:

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

#### i) Audit Qualifications

The statutory financial statements of the company are unqualified.

#### ii) Separate posts of Chairman and CEO

The Company has separate positions for that of the Chairman and that of the Managing Director & CEO.

#### iii) Reporting of Internal Auditor

The Internal Auditor of the company directly reports to the Audit Committee.

### COMPLIANCES:

The Company has complied with the mandatory requirements as stipulated under Regulation 34(3) and 53 of SEBI (LODR) Regulations, 2015. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit. Further there have been no instances of non-compliance by the company on any matters relating to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

### CEO/ CFO CERTIFICATION

As required under Regulation 17 of the Listing Regulations, a certificate duly signed by the Managing Director & CEO and the Chief Financial Officer was placed before the Board of Directors at its meeting held on 10 May 2016.

### GOING CONCERN

The directors are satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the going concern basis in preparing the financial statements.

For and on behalf of the Board of Directors

Place : Chennai

(R. Varadarajan)

Date : 06 August 2016

Managing Director

## DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT

To  
The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2016.

Place : Chennai

Date : 06 August 2016

(R. Varadarajan)

Managing Director

## **CERTIFICATION BY MANAGING DIRECTOR (CEO) and CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD**

We, R.Varadarajan, Managing Director & Chief Executive Officer and T.Karunakaran, Chief Financial Officer of Repco Home Finance Limited, certify that:

- a) We have reviewed the financial statements comprising of the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statements for the Financial Year ended 31st March, 2016 and to the best of our knowledge and belief, we state that:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- e) We have indicated, based on our most recent evaluation wherever applicable to the Auditors / Audit committee that
  - i) There has not been any significant change, in the internal control over financial reporting during the year;
  - ii) There has not been any significant change, in the accounting policies during the year
  - iii) We are not aware are of any of significant fraud instance during the year with the involvement therein, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai

**(R. Varadarajan)**

**(Shri.T.Karunakaran)**

Date : 10.05.2016

Managing Director & Chief Executive Officer

Chief Financial Officer

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**R Subramanian And Company**  
Chartered Accountants

TO

THE MEMBERS OF

REPCO HOME FINANCE LIMITED

We have examined the compliance of conditions of Corporate Governance by Repco Home Finance Ltd for the year ended 31 st March 2016 as stipulated in Clause 49 of the Listing Agreement and / or Chapter IV read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Listing Agreement and / or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained and certified by the Company/ Registrars and Transfer Agent of the company, there was no investor grievances remaining unattended / pending for more than 30 days as at 31 st March 2016.

We further state that such compliance is neither an assurance as to the future viability of company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For R Subramanian And Company**  
FRN 004137S  
Chartered Accountants

**K Jayasankar**  
Partner

Place: Chennai  
Date: 6th August 2016

Membership No.14156



## DIVIDEND DISTRIBUTION POLICY

### SCOPE AND PURPOSE

The Securities Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations). Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (LODR) Regulations, 2015, which requires the Company to frame and adopt a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website. Accordingly, this Dividend Distribution Policy has been approved and adopted by the Company.

### KEY PARAMETERS TO BE CONSIDERED WHILE DECLARING THE DIVIDEND

#### (a) The circumstances under which the shareholders of the Company may or may not expect dividend:

1. Dividend shall be declared or paid only out of:
  - I. Profit of the current period post:
    - a) providing for depreciation as per law;
    - b) transfer to reserves as per Companies Act, 2013 and National Housing Bank Act, 1987 and Guidelines and the rules made thereunder, Income Tax Act, 1961 or in pursuance of any applicable statute.
  - II. Profit of previous years
    - a) after providing for depreciation as per law; and
    - b) out of the amount available for dividend after prescribed appropriations
  - III. Combination of I or II
2. The losses of previous years will be set off against the current year's or previous year's profit before declaring dividend.
3. The Board will avoid practice of declaration of dividend out of reserves.

#### (b) The following financial parameters shall be considered before declaration of dividend:

1. Income and profitability parameters:
  - I. Net Interest Income (NII)
  - II. Profit Before Tax (PBT) and Profit After Tax (PAT)
  - III. Return on Assets (RoA)
  - IV. Return on Equity (RoE)
  - V. Earnings Per Share (EPS)
  - VI. Profit growth targets and market expectations

#### 2. Capitalization level parameters:

- I. Net Owned Funds (NOF)
- II. Capital Risk Adequacy Ratio (CRAR), tier I capital and tier II capital
- III. Gross leverage and net leverage

#### 3. Portfolio quality parameters:

- I. Absolute values of gross NPA and net NPA
- II. Gross NPA and net NPA as percentage of loan assets
- III. Provisioning levels and provision coverage
- IV. Change in regulatory provisioning requirements
- V. Outlook on portfolio quality

#### (c) Internal and external factors that shall be considered for declaration of dividend:

1. The Board and Management may decide to utilize its profit for
  - I. Business growth
  - II. Capital expenditure
  - III. Inorganic growth
  - IV. Provision of contingency fund
  - V. Acquisition of technology
2. The level of competition and the prospects of growth for the sector may require the Company to buffer up Capital to enhance operational efficiency.
3. The ability of the Company to raise funds in cost effective manner coupled with the liquidity scenario may also occasion ploughing back of profits.
4. The Company is exposed to operational, environmental, regulatory, and legal risks. Possible adverse impact from these risks notwithstanding risk migration by the Company can have a bearing on dividend payout.

#### (d) Policy as to how the retained earnings shall be utilized:

The retained earnings will be utilized for the main objects of the Company.

#### (e) Parameters that shall be adopted with regard to various classes of share

The Company only has one class of equity share and there are no shares with differential rights as to either voting or dividend

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M/S REPCO HOME FINANCE LIMITED

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying Standalone financial statements of Repco Home Finance Limited ("the Company"), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these 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 there under.

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. 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 Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance sheet, of the state of affairs of the Company as at 31st March 2016.
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date.
- c) In the case of Cash flow statement, of the 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - 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 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our Separate report under Annexure B; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21(i) to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund of the Company.

For **R. Subramanian And Company**  
Chartered Accountants  
FRN 004137S

**K. Jayashankar**  
Partner  
M.No: 014156

Place: Chennai  
Date: 10.05.2016

## ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management at regular intervals; and as informed to us no material discrepancies were noticed on such verification;
- (c) The title deeds of the immovable property are held in the name of the Company
2. The Company being a service Company does not hold any inventories, accordingly paragraph 3(ii) of the Order is not applicable to the Company.
3. The Company has granted Secured loans to parties covered in the register maintained under section 189 of the Act;
- i) The terms and conditions of the grant of such loans are not prejudicial to the interest of the Company.
- ii) The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
- iii) There are no overdue amounts relating to loans granted.
4. The Company has complied with the provisions of Sec 185 and 186 of the Companies Act, 2013, in respect of loans, investments provided by the Company. The Company has not provided any guarantee or security to any Company covered under Section 185 of the Companies Act 2013
5. The Company has not accepted any deposits from the public.

6. As explained to us and based on the information and explanation provided to us, the Central Government has not prescribed the maintenance of Cost records under Sub-section (1) of section 148 of the Companies Act 2013 to this Company.

7. (i) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Income-tax, Service tax and other material statutory dues, as applicable, with the appropriate authorities in India. No undisputed amounts payable in respect of outstanding statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they become payable.

- (ii) According to the information and explanations given to us and based on the records of the Company examined by us, the following amounts have not been deposited as at 31st March 2016 by the Company on account of disputes:

Name of the Statute	Nature of Dues	Forum where the dispute is pending	Amount Rs. Lacs	Period to which the dues belong
Income Tax Act, 1961	Income Tax	CIT appeals	617.58	AY 2009-10 AY 2012-13 AY 2013-14

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks, Government or dues to debenture holders.
9. The Company has not raised any moneys by way of initial public offer or further public offer including debt instruments during the year. Term Loans

<p>borrowed by the Company were applied for the purposes for which those loans are obtained.</p> <p>10. As explained to us no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.</p> <p>11. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.</p> <p>12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.</p> <p>13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.</p> <p>14. According to the information and explanations give to us and based on our examination of the records</p>	<p>of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.</p> <p>15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.</p> <p>16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. However the Company has obtained Certificate of Registration under Section 29A of the National Housing Bank Act, 1987 as required.</p> <p style="text-align: right;"><b>For R. Subramanian And Company</b> Chartered Accountants FRN 004137S</p> <p style="text-align: right;"><b>K. Jayashankar</b> Partner</p> <p>Place: Chennai Date: 10.05.2016</p> <p style="text-align: right;">M.No: 014156</p>
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## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF REPCO HOME FINANCE LIMITED.

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

We have audited the internal financial controls over financial reporting of Repco Home Finance Limited (“the company”) as of March 31, 2016 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

#### AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute

of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that :

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company;

- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **OPINION**

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

**For R. Subramanian And Company**

Chartered Accountants

FRN 004137S

**K. Jayashankar**

Partner

Place: Chennai

Date: 10.05.2016

M.No: 014156



# BALANCE SHEET

AS AT MARCH 31, 2016

(Amt In INR)

Particulars		Note No.	As at 31st March 2016	As at 31st March 2015
<b>I. EQUITY AND LIABILITIES</b>				
<b>1) Shareholder's Funds</b>				
(a) Share Capital	1		6254,14,370	6235,76,470
(b) Reserves and Surplus	2		89228,86,599	74974,61,020
<b>2) Non-Current Liabilities</b>				
(a) Long Term Borrowings	3		502518,11,605	387974,47,607
(b) Deferred Tax Liability (Net)	4		4001,60,513	3423,98,643
(c) Long Term Provisions	5		10236,74,164	7623,99,928
<b>3) Current Liabilities</b>				
(a) Short Term Borrowings	6		49703,66,506	48483,96,737
(b) Other Current Liabilities	7		112441,65,349	77496,24,710
(c) Short Term Provisions	8		1935,78,753	1355,01,330
<b>Total</b>			<b>776320,57,859</b>	<b>607568,06,445</b>
<b>II. ASSETS</b>				
<b>1) Non-Current Assets</b>				
(a) Fixed Assets	9			
(i) Tangible Assets			716,67,258	703,46,454
(ii) Intangible Assets			208,52,561	189,27,200
(b) Non-Current Investments	10		1240,00,000	1240,00,000
(c) Long Term Loans and Advances	11		720300,76,788	562747,33,689
<b>2) Current Assets</b>				
(a) Cash and Bank Balances	12		2002,73,434	1752,79,597
(b) Short Term Loans and Advances	13		50193,23,461	39544,06,894
(c) Other Current Assets	14		1658,64,357	1391,12,611
<b>Total</b>			<b>776320,57,859</b>	<b>607568,06,445</b>

Accounting Policies 20

Notes Forming Part of Accounts 21

For **R. Subramanian and Company**  
Chartered Accountants  
FRN 004137S

**K Jayasankar**  
Partner  
Membership No.014156

Place: Chennai  
Date : 10-05-2016

**T Karunakaran**  
Chief Financial Officer

**R. Varadarajan**  
Managing Director

**K Prabhu**  
Company Secretary

**T.S. KrishnaMurthy**  
Chairman



# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

(Amt In INR)

Particulars		Notes	For The Year ended 31st March 2016	For The Year ended 31st March 2015
	<b>INCOME</b>			
I	Revenue From Operations	15	88068,23,087	69191,21,484
II	Other Income	16	116,57,767	82,45,287
III	<b>Total Income (I + II)</b>		<b>88184,80,854</b>	<b>69273,66,771</b>
	<b>EXPENSES</b>			
	Finance Cost	17	54827,20,395	43148,38,905
	Employee Benefit Expenses	18	4093,45,542	3461,32,181
	Depreciation and Amortization Expenses	8	414,52,074	294,65,135
	Other Expenses	19	1922,43,541	1717,55,783
	Provision for Non-Performing Assets		2925,92,135	1404,19,595
	Contingency Provisions against Standard Assets / Others		954,56,925	617,07,478
	Bad Debts Written Off		33,82,482	13,13,864
	Investments Written-Off (Refer Note No. (xxiii))		5,00,000	-
	<b>Total Expenses</b>		<b>65176,93,094</b>	<b>50656,32,941</b>
V.	Profit before exceptional and extraordinary items and tax (III-IV)		<b>23007,87,760</b>	<b>18617,33,830</b>
VI.	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V-VI)		<b>23007,87,760</b>	<b>18617,33,830</b>
VIII	Extraordinary Items		-	-
IX.	Profit Before Tax (VII-VIII)		<b>23007,87,760</b>	<b>18617,33,830</b>
X.	Tax Expense:			
	(1) Current Tax		7422,00,000	5592,00,000
	(2) Deferred Tax		577,61,870	717,32,059
XI	Net Profit/(Loss) for the period (IX-X)		<b>15008,25,890</b>	<b>12308,01,771</b>
XII	Earning Per Equity Share:			
	Weighted Average no. of Shares Outstanding During the Period		624,26,758	622,30,327
	Nominal Value Per Equity Share		10.00	10.00
	Earnings Per Share Before & After Extra-Ordinary Item			
	- Basic		24.04	19.78
	- Diluted EPS		24.03	19.71

Significant accounting policies  
Notes forming part of accounts

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For **R. Subramanian and Company**  
Chartered Accountants  
FRN 004137S  
**K Jayasankar**  
Partner  
Membership No.014156

**T Karunakaran**  
Chief Financial Officer

**R. Varadarajan**  
Managing Director

**K Prabhu**  
Company Secretary

**T.S. KrishnaMurthy**  
Chairman

Place: Chennai  
Date : 10-05-2016

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

	31-03-2016		31-03-2015	
		Rs.		Rs.
<b>Shareholder's Fund</b>				
<b>NOTE 1:</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised Capital</b>				
10,00,00,000 Equity shares of Rs.10/- each		10000,00,000		10000,00,000
<b>Issued, Subscribed &amp; Paid up Capital</b>				
6,25,41,437 (6,23,57,647) Equity shares of Rs.10/- each (Out of the above 2,32,30,606 (2,32,30,606) Fully Paid Up Equity Shares are held by promoter M/s Repco Bank Ltd.,)		6254,14,370		6235,76,470
<b>Total</b>		<b>6254,14,370</b>		<b>6235,76,470</b>
<b>(a) Reconciliation of Share outstanding at the beginning and at the end of the year.</b>				
Equity Shares (Face value of Rs.10/- each)	No's	Rs.	No's	Rs.
Equity Shares outstanding at the beginning of the year	623,57,647	6235,76,470	621,61,047	6216,10,470
Add: Equity Shares issued and allotted pursuant to exercise of stock options under ESOP	1,83,790	18,37,900	1,96,600	19,66,000
Less: Equity Shares bought back during the year.	-	-	-	-
<b>Equity Shares outstanding at the end of the year.</b>	<b>625,41,437</b>	<b>6254,14,370</b>	<b>623,57,647</b>	<b>6235,76,470</b>
<b>(b) Shareholders holding more than 5% shares</b>				
Equity Shares				
Name of Equity Shareholder (Equity Shareholder holding more than 5 % of Equity share capital)	No's	% of holding	No's	% of holding
Repco Bank Limited	232,30,606	37.14	232,30,606	37.25
Small Cap World Fund			39,49,480	6.33
	<b>232,30,606</b>	<b>37.14</b>	<b>271,80,086</b>	<b>43.58</b>
<b>(c) Terms / rights attached to Equity Shares:</b>				
The Company has only one class of Equity Share having a par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote per share.				
Dividend (if any) proposed by the board of directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.				
<b>(d) Shares Reserved for issue under options:</b>				
Refer note (xxii) for disclosures relating to Employee Stock Options.				
<b>(e) Aggregate number and class of shares bought back in last five years</b>				

Year : 2011-12  
Class of Shares : Differential voting equity shares  
No. of Shares : 1004

		31-03-2016		31-03-2015	
		Rs.	Rs.	Rs.	Rs.
<b>NOTE 2:</b>					
<b>RESERVES AND SURPLUS</b>					
<b>a.</b>	<b>Special Reserve in accordance with section 36(i)(viii) of Income tax act,1961 and Section 29 ( C ) of National Housing Bank Act 1987</b>				
	Opening Balance	17326,00,000		13213,00,000	
	Add: Transfer from Statement of Profit & Loss	4085,00,000		4113,00,000	
	Closing Balance		21411,00,000		17326,00,000
<b>b.</b>	<b>Statutory Reserve (As per the Section 29C of the NHB Act, 1987)</b>				
	Opening Balance	6266,00,000		3804,00,000.00	
	Add: Transfer from Statement of Profit & Loss	3002,00,000		2462,00,000.00	
	Closing Balance		9268,00,000		6266,00,000
<b>c.</b>	<b>Capital Redemption Reserve</b>				
	Opening Balance	10,040		10,040	
	Add: Transfer from Statement of Profit & Loss	-		-	
	Closing Balance		10,040		10,040
<b>d.</b>	<b>Securities Premium Account</b>				
	Opening Balance	30910,09,863		30344,34,206	
	Add : Received during the year	837,15,670		542,61,600	
	Add : un-utilised IPO Expenses	-		23,14,057	
	Closing Balance		31747,25,533		30910,09,863
<b>e.</b>	<b>General Reserve</b>				
	Opening Balance	8460,57,670		11033,33,174	
	Add: Transfer from Statement of Profit & Loss	2000,00,000		2000,00,000	
	Add: Transfer from Employee Stock Option Outstanding on unexercised options lapsed / cancelled	36,19,200			
	Less: Utilised during current year for creation of DTL on special reserve created U/s 36(i)(viii) of IT Act 1961 and outstanding as on 31.03.2014			4572,75,504	
	Closing Balance		10496,76,870		8460,57,670
<b>f.</b>	<b>Employee Stock Option Outstanding</b>		-		-
	Opening Balance	948,75,925		516,39,085	
	Add: Additions on account of grants during the year	-		874,50,685	
	Less: Transferred to securities Premium on account of exercise of options	732,68,510			
	Less: Transferred to General Reserve on unexercised options lapsed / cancelled	36,19,200		442,13,845	
	Closing Balance		179,88,215		948,75,925
<b>g.</b>	<b>Deferred Employee Compensation</b>				
	Opening Balance	(496,65,457)		(292,85,728)	
	Add: Additions During the year	-		(874,50,685)	
	Less: Deletion during the year	496,65,457		670,70,956	
	Closing Balance		-		(496,65,457)

	31-03-2016		31-03-2015	
	Rs.	Rs.	Rs.	Rs.
<b>h. Surplus in Statement of Profit and Loss</b>				
Opening balance	11559,72,979		8979,05,811	
Add: Net Profit for the year	15008,25,890		12308,01,771	
Less: Utilised during current year for depreciation charged in accordance with schedule II Companies Act 2013	-		21,25,782	
Amount available for appropriation	26567,98,869		21265,81,800	
Less: Appropriation				
Transfer to Special Reserve in accordance with Section 36(i)(viii) of the Income tax Act, 1961 and Section 29C of National Housing Bank Act, 1987	4085,00,000		4113,00,000	
	-			
Transfer to Additional Reserve (U/s 29C of the NHB Act)	3002,00,000		2462,00,000	
Transfer to General Reserve	2000,00,000		2000,00,000	
Dividend (including dividend distribution tax) pertaining to previous year*	20,407			
Proposed Dividend 18% (15%)	1125,74,587		935,36,471	
Tax on Proposed Dividend	229,17,934		195,72,350	
	10442,12,928		9706,08,821	
Closing Balance		16125,85,941		11559,72,979
<b>Total</b>		<b>89228,86,599</b>		<b>74974,61,020</b>

\* In respect of equity shares issued pursuant to employee stock option scheme company has paid dividend (including tax thereon) aggregating to Rs. 20,407 for the year 2014-15 as approved by the share holders at the annual general meeting.

	Non-Current Portion		Current Maturities	
	31-03-2016 Rs.	31-03-2015 Rs.	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 3:</b>				
<b>LONG TERM BORROWINGS</b>				
<b>Secured:</b>				
Term Loan from Banks & Financial Institutions	393218,75,605	286880,19,607	79774,95,715	55598,43,769
Term Loan by way of Refinance from NHB	69299,36,000	91094,28,000	21794,92,000	18385,48,000
Redeemable Non-Convertible Debentures	40000,00,000	10000,00,000	-	
Amount Disclosed Under the Head "Other Current Liabilities" (Note 6)	-	-	(101569,87,715)	(73983,91,769)
<b>Total</b>	<b>502518,11,605</b>	<b>387974,47,607</b>	<b>-</b>	<b>-</b>

- Refinance form National Housing Bank (NHB) and Term Loans are secured by first and exclusive charge on the specific book debts/receivables of the Company and an irrevocable Power of Attorney (POA) given by the Company in favour of the Banks/NHB for recovery of dues and for creation of mortgage on the properties of the loan borrowers of the Company.
- Redeemable Non convertible debentures are secured by first and exclusive charge on the specific assets by way of Hypothecation of Book debts and receivables and also by way of mortgage of specific immovable property in favour of Debenture trustees.

**i) Maturity Profile of Term Loans from Banks & Financials Institutions**
**(Rs. in Crore)**

Rate of Interest (%)	Maturities					
	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Year to 10 Years	Over 10 Years	Total
9.30 to 9.50	264.05 (Nil)	323.71 (Nil)	269.05 (Nil)	350.16 (Nil)	5.63 (Nil)	1,212.60 (Nil)
9.51 to 9.75	522.30 (Nil)	949.16 (Nil)	770.86 (Nil)	1023.48 (Nil)	151.30 (Nil)	3417.10 (Nil)
9.76 to 9.95	11.40 (Nil)	22.80 (Nil)	22.80 (Nil)	43.24 (Nil)	Nil (Nil)	100.24 (Nil)
9.96 to 10.30	Nil (555.98)	Nil (867.07)	Nil (781.62)	Nil (1169.40)	Nil (50.70)	Nil (3424.77)
<b>Total</b>	<b>797.75 (555.98)</b>	<b>1295.67 (867.07)</b>	<b>1062.71 (781.62)</b>	<b>1416.88 (1169.40)</b>	<b>156.93 (50.70)</b>	<b>4,729.94 (3,424.77)</b>

**ii) Maturity Profile of Term Loans by way of Refinance from National Housing Bank**
**(Rs. in Crore)**

Rate of Interest (%)	Maturities					
	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Year to 10 Years	Over 10 Years	Total
6.50 to 8.00	140.89 (120.87)	170.13 (249.08)	27.09 (80.86)	20.06 (28.22)	Nil (Nil)	358.17 (479.03)
8.01 to 9.00	39.24 (Nil)	74.96 (Nil)	46.68 (Nil)	93.20 (Nil)	32.62 (Nil)	286.70 (Nil)
9.01 to 9.80	37.82 (50.15)	69.13 (116.64)	64.75 (98.68)	92.25 (114.02)	2.12 (51.26)	266.07 (430.75)
10.00 to 10.05	Nil (12.84)	Nil (34.23)	Nil (34.22)	Nil (85.55)	Nil (18.19)	Nil (185.03)
<b>Total</b>	<b>217.95 (183.86)</b>	<b>314.22 (399.95)</b>	<b>138.52 (213.76)</b>	<b>205.51 (227.79)</b>	<b>34.74 (69.45)</b>	<b>910.94 (1,094.81)</b>

**iii) Maturity Profile of Redeemable Non-Convertible Debentures.**
**(Rs. in Crore)**

Rate of Interest (%)	Maturities					
	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Year to 10 Years	Over 10 Years	Total
9.21	Nil (Nil)	200 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	200 (Nil)
9.35	Nil (Nil)	100 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	100 (Nil)
9.55	Nil (Nil)	100 (100)	Nil (Nil)	Nil (Nil)	Nil (Nil)	100 (100)
<b>Total</b>	<b>Nil (Nil)</b>	<b>400 (100)</b>	<b>Nil (Nil)</b>	<b>Nil (Nil)</b>	<b>Nil (Nil)</b>	<b>400 (100)</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 4:</b>		
<b>DEFERRED TAX</b>		
Deferred Tax Assets:		
Provision for Non Performing, Standard Assets and Contingencies	3445,03,573	2604,14,724
Employee Related provisions	54,07,270	34,36,643
<b>Gross Deferred Tax Asset (A)</b>	<b>3499,10,843</b>	<b>2638,51,367</b>
Deferred Tax Liabilities:		
Difference Between Written Down Value of Fixed Assets as per Companies act and as per Income tax Act.,	90,79,468	66,31,802
Tax Liabilities in respect of reserve created		
U/s 36(i)(viii) of the Income Tax Act 1961	7409,91,888	5996,18,208
<b>Gross Deferred Tax Liability (B)</b>	<b>7500,71,356</b>	<b>6062,50,010</b>
<b>Net Deferred Tax Asset/(Liability) (A-B)</b>	<b>(4001,60,513)</b>	<b>(3423,98,643)</b>
<b>Amount Debit / Credit in Statement of Profit &amp; Loss Account</b>	<b>577,61,870</b>	<b>717,32,059</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 5:</b>		
<b>LONG TERM PROVISIONS:</b>		
Employee Benefits	282,29,259	99,30,199
<b>Other Provisions for :</b>		
Non-Performing Advances	6409,65,634	4934,47,383
Standard Advances	3500,93,440	2549,22,951
Contingencies	43,85,831	40,99,395
<b>Total</b>	<b>10236,74,164</b>	<b>7623,99,928</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 6:</b>		
<b>SHORT TERM BORROWINGS:</b>		
<b>Secured</b>		
(a) Loans Repayable on Demand		
From Scheduled Banks	76,33,440	2338,98,155
From Related Parties		
- Repco Bank Limited	49627,33,066	40144,98,582
<i>The above borrowings are secured by book debts / receivables of the Company and an irrevocable Power of Attorney given by the Company in favour of the Banks for recovery of monies and for creation of mortgage on the properties of the loan borrowers of the Company.</i>		
<i>The above secured loans carry an interest rate of 9.55% per annum</i>		
(b) Unsecured	-	60,00,00,000
Commercial Paper		
<b>Total</b>	<b>49703,66,506</b>	<b>48483,96,737</b>

## iv) Maturity Profile of Unsecured Commercial Paper

(Rs. in Crore)

Rate of Interest (%)	Maturities					
	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Year to 10 Years	Over 10 Years	Total
9.15	Nil (60)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (60)
Total	Nil (60)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (60)

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 7:</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Borrowings	101569,87,715	73983,91,769
Interest Accrued but Not Due on Borrowings	4646,53,821	543,58,442
Advance Receipts	8,82,188	13,20,618
Statutory Dues	191,20,078	77,05,854
Unclaimed Dividend	38,378	25,673
Book Overdraft	5252,39,350	2316,18,628
Other Liabilities	772,43,819	562,03,726
<b>Total</b>	<b>112441,65,349</b>	<b>77496,24,710</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 8:</b>		
<b>SHORT TERM PROVISIONS</b>		
Provisions for Employee Benefit	344,71,669	206,53,675
<b>Other Provision:</b>		
Income Tax (Net of Advance Tax Paid)	236,14,563	17,38,834
Dividend	1125,74,587	935,36,471
Tax on Dividend	229,17,934	195,72,350
<b>Total</b>	<b>1935,78,753</b>	<b>1355,01,330</b>



**NOTE 9:**  
**FIXED ASSETS**

(Rs.)

Particulars	Gross Block (at Cost)				Depreciation			Net Block	
	As on 01/04/15	Addition	Deletion	As at 31/03/16	As on 01/04/15	For the period	Adjustment	As on 31/03/16	As on 31/03/16 As at 31/03/15
TANGIBLE ASSETS:									
Land & Building	219,49,961	3,98,701	-	223,48,662	40,20,079	3,28,739	-	43,48,818	179,99,844 179,29,882
Furniture & Fixtures	147,70,350	21,66,846	1,86,179	167,51,017	67,22,594	12,73,136	1,35,133	78,60,597	88,90,420 80,47,756
Motor Vehicle	101,31,630	25,18,885	-	126,50,515	48,90,952	11,58,117	-	60,49,069	66,01,446 52,40,678
Computers	620,46,528	79,68,370	6,62,195	693,52,703	411,32,187	88,05,670	6,61,169	492,76,688	200,76,015 209,14,344
Air Conditioner	54,29,585	13,56,539	57,996	67,28,128	15,10,611	4,48,608	34,627	19,24,592	48,03,536 39,18,974
Office Equipment	45,86,304	17,36,126	6,600	63,15,830	19,39,690	10,65,960	6,600	29,99,050	33,16,780 26,46,613
Electrical Fitting	20,16,387	5,55,992	-	25,72,379	8,10,246	1,92,733	-	10,02,979	15,69,400 12,06,141
Generator	60,82,982	7,14,165	-	67,97,147	21,00,966	3,74,349	-	24,75,315	43,21,832 39,82,016
Temporary Erections	517,15,701	171,80,617	3,00,479	685,95,839	452,55,651	195,52,682	3,00,479	645,07,854	40,87,985 64,60,050
Total (A)	1787,29,428	345,96,241	12,13,449	2121,12,220	1083,82,976	331,99,994	11,38,008	1404,44,962	716,67,258 703,46,454
INTANGIBLE ASSETS:									
Software	251,77,075	101,77,441	-	353,54,516	62,49,875	82,52,080	-	145,01,955	208,52,561 189,27,200
Total (B)	251,77,075	101,77,441	-	353,54,516	62,49,875	82,52,080	-	145,01,955	208,52,561 189,27,200
Total (A + B)	2039,06,503	447,73,682	12,13,449	2474,66,736	1146,32,851	414,52,074	11,38,008	1549,46,917	925,19,819 892,73,654
Previous Year	1407,33,208	714,04,416	82,31,121	2039,06,503	908,52,909	294,65,135	99,36,754	1146,32,852	892,73,654 498,80,299



	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 10:</b>		
<b>NON-CURRENT INVESTMENTS:</b>		
<b>At Cost, Unquoted, Trade</b>		
<b>Investment in Associates:</b>		
50,000(50,000) Equity shares of Rs.10/- Each Fully Paid up in Repco Infrastructure Development Finance Company Ltd.,	-	5,00,000
124,00,000 (124,00,000) Equity Shares of Rs.10/- Each Fully Paid up in Repco Micro Finance Ltd.,	12,40,00,000	12,40,00,000
<b>Total</b>	<b>12,40,00,000</b>	<b>12,45,00,000</b>
<b>Less : Provision for diminution in value of Investments</b>	<b>-</b>	<b>5,00,000</b>
<b>Aggregate value of un-quoted investments net of provision</b>	<b>12,40,00,000</b>	<b>12,40,00,000</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 11:</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
<b>A. Secured &amp; Considered Good excepting advances classified as Non-Performing Advances</b>		
(i) Housing Loan to Individuals	579138,01,119	455943,42,909
(ii) Mortgage / Other Loans to individuals	140048,67,353	106105,43,287
<b>B. Capital Advances</b> (unsecured, considered good)	406,50,319	41,23,605
<b>C. Security Deposits</b> (unsecured, considered good)	501,38,877	467,55,394
<b>D. Other loans &amp; advances</b> (Unsecured, considered good unless otherwise stated)		
(i) Loan to Employees	206,19,120	189,68,494
<b>Total</b>	<b>720300,76,788</b>	<b>562747,33,689</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 12:</b>		
<b>CASH AND BANK BALANCES:</b>		
<b>A. Cash and Cash Equivalents</b>		
<b>(i) Balances with Banks in</b>		
a. Current Accounts	1079,93,382	1098,29,218
b. Deposit Accounts	264,80,777	295,79,340
c. Unpaid Dividend Account	38,378	25,673
<b>(ii) Cash on Hand</b>	514,75,897	206,84,041
<b>(B) Other Bank Balances</b>		
Balances with Scheduled Banks in Deposit Accounts with original maturity of more than 3 months.	142,85,000	151,61,325
<i>(Deposits amounting to Rs.6,60,000/- (Rs.38,000/-) held jointly by the Company and employees towards security deposit and Rs. 1,36,00,000/- (Rs.1,36,00,000/-) provided as Cash Collateral on which lien noted towards Bank Guarantee issued to NSE by bank)</i>		
<b>Total</b>	<b>2002,73,434</b>	<b>1752,79,597</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 13:</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b> (Secured & Considered Good excepting advances classified as Non-Performing Advances)		
Current Maturities of Housing Loan to Individual	37397,35,865	29826,77,192
Current Maturities of Mortgage / Other Loans to Individual	12535,23,694	9416,57,324
<b>Other loans &amp; advances</b> (Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in Kind	152,37,688	138,17,063
Loan to Employees	106,56,720	75,03,063
Travel Advance	1,69,494	1,68,430
Deferred Finance Cost	-	85,83,822
<b>Total</b>	<b>50193,23,461</b>	<b>39544,06,894</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 14:</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Due from Borrowers	1479,82,025	1263,27,371
PEMI Due from Borrowers	175,93,715	117,35,219
Interest Accrued but not due on Deposits	2,88,617	10,50,021
<b>Total</b>	<b>1658,64,357</b>	<b>1391,12,611</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 15:</b>		
<b>REVENUE FROM OPERATIONS</b>		
Interest on Loans	85212,58,151	66909,94,384
Processing Fee	2689,29,537	2212,38,836
Other Operating Income	166,35,399	68,88,264
<b>Total</b>	<b>88068,23,087</b>	<b>69191,21,484</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 16:</b>		
<b>OTHER INCOME</b>		
Interest on Deposits with Bank	18,09,771	21,76,357
Interest Others	22,11,996	16,33,976
Dividend Received on Non-Current Investments	62,00,000	41,32,603
Profit on sale of fixed assets	-	3,02,351
Rental income	9,36,000	-
Investment provision written-back (Refer Note No. (xxiii))	5,00,000	-
<b>Total</b>	<b>116,57,767</b>	<b>82,45,287</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 17:</b>		
<b>Finance Cost</b>		
Interest on Loan from Banks & Financial Institutions	41873,53,586	34801,39,578
Interest on Refinance	8695,14,468	8149,52,203
Interest on Non-Convertible Debentures	2668,05,479	86,34,247
Interest on Commercial Papers	1537,40,322	70,87,978
Other Borrowing Cost	53,06,540	40,24,899
<b>Total</b>	<b>54827,20,395</b>	<b>43148,38,905</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 18:</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	2731,11,229	2230,91,283
Expenses on Employee Stock option Scheme	481,66,267	643,39,711
Contribution to PF and Other Funds	424,31,837	237,58,936
Staff Welfare	456,36,209	349,42,251
<b>Total</b>	<b>4093,45,542</b>	<b>3461,32,181</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 19:</b>		
<b>OTHER EXPENSES</b>		
Advertisement & Business Promotion	245,10,911	381,34,647
Legal Fees	309,23,648	213,55,826
Communication Expenses	124,73,100	103,78,775
CERSAI Fee	27,98,996	30,02,022
Professional & Consultancy Fee	150,34,741	76,40,122
Electricity Expenses	82,78,436	64,61,280
Directors' Sitting Fee	14,21,665	15,63,795
Miscellaneous Expenses	93,26,089	78,30,686
Insurance Expenses	10,49,821	9,52,118
Printing and Stationary	39,61,679	48,66,484
Rates & Taxes	12,77,827	8,70,474
Rent	565,20,717	474,11,339
Remuneration to Auditors		
- Audit Fee	14,00,000	12,00,000
- Limited Review	5,00,000	4,00,000
- Corporate Governance	50,000	50,000
- Others Taxation and Certification Work	99,751	10,23,402
Repairs & Maintenance - Others	54,06,104	36,28,899
Travelling & Conveyance	118,58,671	100,66,303
Training Expenses	8,95,738	14,68,166
Vehicle Maintenance	19,08,606	19,81,445
Contributions towards CSR Activities (Refer Note xxv)	24,25,000	13,00,000
Donations	77,000	1,70,000
Loss on Sale of assets	45,041	-
<b>Total</b>	<b>1922,43,541</b>	<b>1717,55,783</b>

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### NOTE 20:

#### SIGNIFICANT ACCOUNTING POLICIES

##### A. BASIS OF PREPARATION

The financial statement are prepared under the historical cost convention method in accordance with the Generally Accepted Accounting Principles (GAAP), the provisions of the Companies Act 2013 and Mandatory Accounting Standards as prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 .The Company also follows the guidelines / directions prescribed by the National Housing Bank (NHB) for housing finance companies.

##### B. INCOME RECOGNITION

###### a. INTEREST INCOME ON LOANS

Repayment of housing loans is generally by way of Equated Monthly Instalments (EMIs) comprising principal and interest. EMIs commence generally once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month. Interest on loans is computed on a monthly rest basis on the principal outstanding at the beginning of the relevant month. Interest income is accrued as earned with the passage of time. Interest on loan assets classified as "non-performing" is recognised only on actual receipt.

###### b. DIVIDEND

Dividend income is recognised when the right to receive has been established.

###### c. FEES AND OTHER REVENUE

Fees, charges and other revenue is recognised after the service is rendered to the extent that it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured, regardless of when the payment is being made.

##### C. 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.

##### D. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before extraordinary items and taxes are 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.

##### E. FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost less accumulated depreciation. Cost includes taxes, duties and other incidental expenses related to the acquisition and installation of the assets.

Depreciation on tangible Fixed Assets acquired after 1st April 2014 are provided under Straight line method based on the useful life of the assets and in accordance with Schedule II to the Companies Act, 2013.

Assets acquired prior to 1st April 2014, the carrying amount as on 1st April 2014, are depreciated over the remaining useful life of the assets.

Intangible assets comprising of computer software are stated at cost of acquisition including any cost attributable for bringing the same in its working condition less accumulated amortization.

Intangible assets are amortized equally over the estimated useful life not exceeding five years.

##### F. PROVISION FOR NON-PERFORMING ASSETS/ PERFORMING ASSETS

Advances are classified into Performing and Non Performing Assets. Further Non-performing assets are categorized into Sub-standard, Doubtful and Loss category based on the guidelines and directions issued by NHB. Provision for Standard assets and Non-performing assets are made in accordance with the NHB guidelines.

## G. INVESTMENTS

Investments are classified as Long Term Investments and Current Investments and are valued in accordance with guidelines of National Housing Bank and Accounting Standards on 'Accounting for Investments' (AS-13).

Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

Current Investments are valued at lower of cost and market value/NAV, computed individually.

## H. EMPLOYEE BENEFITS

### (a) Short-term Employee Benefits

Short Term Employee Benefits are recognized during the period when the services are rendered.

### (b) Post Employment Benefits

#### Defined Contribution Plan – Provident Fund

The Company contributes to a Government-administered Provident Fund in accordance with the provisions of Employees Provident Fund Act.

#### Defined Benefit Plan

##### Gratuity:

The Company makes an annual contribution to Gratuity Fund administered by Trustees and managed by LIC. The Company accounts for its liability based on actuarial valuation, as at balance Sheet Date.

##### Other Long Term Employee Benefits:

Liability for compensated absences as at the balance sheet date is provided on the basis of valuation, carried out by an independent actuary. The actuarial valuation method for measuring the liability is Projected Unit Credit Method.

## I. BORROWING COSTS

Borrowing costs include interest and ancillary costs that the Company incurs in connection with the borrowings. Costs 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.

## J. SEGMENT REPORTING

The Company identifies primary segments based on the

dominant source, nature of risks and returns and the internal organisation and management structure.

## K. ACCOUNTING FOR TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. 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 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, deferred tax assets are recognised only if there is a virtual certainty 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.

## L. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

## M. IMPAIRMENT OF ASSETS

The carrying amount of Assets are reviewed at each

Balance sheet date to ascertain impairment based on internal/external factors. An Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of net selling price of assets and their value in use.

#### N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized when the Company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities if any are disclosed in the notes to accounts. Contingent assets are not recognized in the financial statements.

#### O. SHARE BASED PAYMENTS

The Company accounts for equity settled stock option as per the accounting treatment prescribed by the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 and the guidance note on employee share based payments issued by the Institute of Chartered Accountants of India using the intrinsic value method.

#### P. OPERATING CYCLE

Based on the nature of its activities, 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.

## NOTE 21

### NOTES ON ACCOUNTS

#### i) Contingent Liabilities not provided for:-

- (a) Claims against the Company not acknowledged as debts Rs. 20.96 lakh (Rs.20.96 lakh)
- (b) Disputed Income tax Liability Rs. 617.58 lakh ( Rs.130.45 lakh ) .
- ii) Commitment towards sanction pending disbursement including part disbursement as on 31-03-2016 – Rs.37018.93 lakh (Rs.30,669.62 lakh).
- iii) Pending Capital Commitments: Pending capital commitments as on 31st March 2016 is Rs. 1,94,36,641 (Rs. 2,03,54,882).
- iv) Deferred Tax:

The components of deferred tax assets and deferred tax Liabilities as on 31-03-2016 and as at 31-03-2015 are as under:

#### Deferred Tax Assets:

(Rs.)

		As at 31-03-2016	As at 31-03-2015
DTA on Provision for Non Performing Advances , Standard Assets and Contingencies		34,45,03,573	260,414,274
Employee Benefits		54,07,270	3,436,643
	(A)	34,99,10,843	263,851,367

#### Deferred Tax Liabilities:

Difference between written down value of Fixed Assets as per Companies Act and as per Income Tax Act.,		9,079,468	6,631,802
Tax Liabilities in respect of reserve created U/s 36(i)(viii) of the Income Tax 1961		74,09,91,888	599,618,208
	(B)	75,00,71,356	606,250,010
Net Deferred Tax Asset / (Liability)	(A-B)	(40,01,60,513)	(342,398,643)

- v) In the opinion of the Board, all Assets other than Fixed Assets and Non current Investments have a realizable value in the Ordinary course of business which is not different from the amount at which it is stated with the exception of Non performing advances for which requisite provision has been made in accordance with the NHB Guidelines.

vi) Classification of Loans and Provisions made for Non-Performing Assets are as under:

(Rs. in Crore)

	For the year ended 31-03-2016					For the year ended 31-03-2015				
	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Housing Loans										
Individual house ownership	6,094.45	39.46	31.44	-	6,165.35	4,798.33	23.83	35.31	0.23	4,857.70
Mortgage/ other loans	1,495.87	21.83	8.14	-	1,525.84	1,135.47	11.20	8.54	0.01	1,155.22
Total Loans	7,590.32	61.29	39.58	-	7,691.19	5,933.80	35.03	43.85	0.24	6,012.92
Provision -Housing loans	26.95	15.78	31.44	-	74.17	19.23	3.57	35.31	0.23	58.34
Provision - mortgage / other loans	8.03	8.74	8.14	-	24.91	6.26	1.68	8.54	0.01	16.49
Total Provisions	34.98	24.52	39.58	-	99.08	25.49	5.25	43.85	0.24	74.83

vii) There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues, which are outstanding for more than 45 days as at 31-03-2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis at information available with the Company.

viii) Expenditure incurred in foreign currency: Towards Travelling Expenses - Rs. 13,22,362/- (Rs.10,39,849 /-) . There are no Earnings in foreign currency during the current year as well as in the previous year.

ix) There are no amounts to be reflected under payable to Investor Protection Fund.

x) Related Party Transactions

Disclosures in terms of Accounting Standard 18 "Related Party Disclosure" (AS 18) are given below:-

**List of related parties:**

**Promoter**

Repco Bank Ltd.,

**Associates**

Repco Micro Finance Ltd.,

**Key Management Personnel**

Shri R. Varadarajan

Managing Director

Shri P. Natarajan

Executive Director

Shri V. Raghu

Executive Director

Shri T. Karunakaran

Chief Financial Officer

Shri K. Prabhu

Company Secretary and Compliance Officer



The Company's related party balances and transactions are summarized as follows:

Remuneration paid to Key Management Personnel:

Name of the Key Management Personnel	Remuneration	
	Salary including performance incentive and other Perquisites (Rs.)	Perquisites arising on exercise of employee stock option (Rs.)
Mr. R. Varadarajan	19,03,365 (23,80,135)	1,71,51,900 (1,23,89,400)
Mr. P. Natarajan	29,86,852 (27,42,809)	- (70,20,660)
Mr. V. Raghu	28,29,849 (27,90,603)	97,19,410 (70,20,660)
Mr. T. Karunakaran	16,39,380 (13,76,999)	31,43,250 (20,08,650)
Mr. K. Prabhu	13,30,071 (11,51,007)	20,72,980 (-)

Nature of Transaction	Key Management Personnel Managing Director /Executive Director	Promoter Repco Bank Ltd.,	Associate
Equity Share Capital (Paid-up outstanding )	5,89,810 (7,02,760)	23,23,06,060 (23,23,06,060)	-
Dividend Received on Investments	-	-	62,00,000 (41,32,603)
Working Capital Loan Outstanding	-	4,96,27,33,066 (4,01,44,98,582)	-
Loans advanced during the year	22,30,000 (24,95,604)	-	-
Loan repaid During the Year	65,06,755 (19,43,906)	-	-
Loans Outstanding as at 31st March 2016	97,29,655 (1,38,27,272)	-	-
Interest received on Loans given	7,33,614 (11,97,039)	-	-
Stock options granted and outstanding	17,000 (76,000)	-	-
No. Shares allotted on account exercise of ESOP	55,500 (69,000)	- -	- -
Rent Paid (Excluding input Service tax availed by the Company)	-	43,31,270 (30,63,800)	-
Rent received	-	9,36,000	-
Interest paid on Borrowings	-	43,84,86,739 (39,92,76,522)	-
Equity Dividend Proposed	1,06,166 (1,05,414)	4,18,15,090 (3,48,45,909)	-
Interest earned on deposits	-	6,56,542 (7,06,015)	-
Investments outstanding as at the end of the year	-	-	12,40,00,000 (12,45,00,000)
Balances in Deposits Account	-	2,64,80,777 (2,06,84,041)	-
Salary of deputed staff	-	NIL (19,47,919)	-

xi) The main business of the Company is to provide long term loan financing for Residential purposes in India. Accordingly, there is no separate reportable segment as per Accounting Standard - AS-17 "Segment Reporting", as the Company has only one Geographical and Business segment.

xii) Earnings per share (Basic and Diluted)

(Rs.)

		2015-16	2014-15
a)	Profit for the year after Tax	1,50,08,25,890	1,230,801,771
b)	Weighted average number of Equity Shares outstanding during the year for Basic Earnings Per Share	62,426,758	62,230,327
c)	Weighted average number of Equity Shares outstanding during the year for Diluted Earnings Per Share	6,24,65,292	6,24,41,784
d)	Basic Earnings per Share	24.04	19.78
e)	Diluted Earnings Per Share	24.03	19.71
f)	Nominal Value per Equity Share	10.00	10.00

xiii) Particulars of dividend paid to Non-resident shareholders:

Year in which dividend paid	2015-16	2014-15
No of Shareholders	724	373
No of Shares held	19,357,730	20,904,650
Year for Which Dividend is Paid	2014-15	2013-14
Gross amount of Dividend (Rupees)	29036,595	25,085,580

xiv) Details of movement in Provisions in accordance with the Accounting Standard -29

(Rs.)

Particulars of Provision for	Opening Balance as on 01/04/2015	Provision made during the year	Provisions reversed/ adjusted	Closing balance as on 31/03/2016
Non performing advances	49,34,47,383	29,25,92,135	14,50,73,884	64,09,65,634
Contingent Provisions on Standard Assets	25,49,22,951	9,51,70,489	-	35,00,93,440
Provision for other contingencies	40,99,395	2,86,436	NIL	43,85,831
Compensated Absences	99,30,199	92,35,878	35,41,742	1,56,24,335
Proposed dividend (including Dividend Tax)	11,31,08,821	13,54,92,521	11,31,08,821	13,54,92,521
Investments	5,00,000	----	5,00,000	---

xv) **EMPLOYEE BENEFITS**

i. Defined Contribution Plan:

Company Contribution to Provident fund : Rs. 2,01,95,367

## ii. Defined Benefit Plan: Gratuity

(Rs.)

	2015-16	2014-15
<b>A. Reconciliation of opening and closing balance of present value of the defined benefit obligation</b>		
Present value of obligations as at beginning of year	13,769,652	8,947,807
Increase in present obligation on account of change in actuarial assumptions	15,562,396	
Interest Cost	2,515,537	715,825
Current Service Cost	11,311,769	2,031,104
Benefits Paid	-	(638,695)
Actuarial loss/(gain) on obligation	(2,347,083)	2,713,611
Present value obligations as at end of year.	40,812,271	13,769,652
<b>B. Reconciliation of opening and closing balances of fair value of Plan Assets</b>		
Fund Maintained by LIC		
Fair value of plan assets as at beginning of year	17,181,061	9,219,382
Expected return on plan assets	1,758,706	1,041,969
Contributions	5,836,862	7,558,405
Benefits paid	-	(638,695)
Actuarial gain on plan assets	59,049	NIL
Fair value of plan assets at the end of year	24,835,678	17,181,061
<b>C. Reconciliation of Present value of defined benefit obligation and fair value of plan assets to the assets and liabilities</b>		
Present value of obligations as at the end of the year	40,812,271	13,769,652
Fair value of plan assets at the end of year	24,835,677	17,181,061
Net asset/(liability) recognized in the Balance sheet	(15,976,594)	3,411,409
<b>D. Expenses recognized in statement of Profit and Loss:</b>		
Current Service Cost	113,11,769	20,31,104
Interest Cost	25,15,537	7,15,825
Increase in present obligation on account of change in actuarial assumptions	15,562,396	-
Expected Return on Plan Assets	(17,58,706)	(10,41,968)
Net Actuarial (Gain)/Loss recognized in the year	(24,06,132)	27,13,610
Expenses Recognized in Statement of Profit and Loss	252,24,864	44,18,571
<b>E. Details showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	17,181,061	9,219,382
Actual return on plan assets	1,817,755	1,041,969
Contributions	5,836,861	7,558,405
Benefits paid	-	(638,695)
Fair value of plan assets at the end of year	24,835,677	17,181,061
<b>F. Actuarial assumption</b>		
Discount Rate	7.80 %	8.00 %
Rate of Increase in Compensation levels	10.00 %	5.00 %
Mortality rates	10 %	10 %

The actuarial valuation of obligations towards compensated absences, as per actuarial certificate as on March 31 2016 is Rs.156,24,335 (March 31 2015 Rs.99,30,199) and the same is recognized in the books of the Company.

xvi) The following disclosures have been given in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dt. October 11, 2010 issued by the National Housing Bank.

**a) Capital to Risk Assets Ratio (CRAR) (As certified by the Management)**

	Items	As on 31-03-2016	As on 31-03-2015
i)	CRAR (%)	20.77	20.26
ii)	CRAR – Tier I Capital (%)	20.77	20.26
iii)	CRAR – Tier II Capital (%)	--	--

**b) Exposure to Real Estate Sector (As certified by the Management)**

(Rs. in crore)

	Category	As on 31-03-2016	As on 31-03-2015
<b>A)</b>	<b>Direct Exposure</b>		
	<b>(i) Residential Mortgages -</b>		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	7292.48	5,728.10
	(i) Out of the above Individual Housing Loans up to Rs.15.00 lakh	3377.60	2,443.18
	<b>(ii) Commercial Real Estate</b>		
	Lending Secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	398.71	284.82
	<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securities exposures -</b>	Nil	Nil
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
<b>B)</b>	<b>Indirect Exposure</b>		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

**iii) Asset Liability Management: Maturity pattern of certain items of assets and liabilities**

(As certified by the Management)

(Rs. in crore)

	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
<b>Liabilities</b>											
Borrowings from Banks / NHB	589.50 (544.10)	150.56 (11.49)	81.66 (69.16)	255.93 (188.83)	435.09 (351.10)	1,609.89 (1,267.02)	1,201.23 (995.38)	853.78 (737.35)	768.61 (659.84)	191.67 (120.15)	6,137.92 (4,944.42)
Market Borrowings	--	-- (60)	--	--	--	400 (100)	--	--	--	--	400 (160)
<b>Advances (Gross)</b>	62.54 (50.89)	38.03 (29.73)	38.38 (29.99)	117.16 (91.62)	243.21 (190.20)	1,078.42 (851.05)	1,239.98 (962.96)	1,360.25 (1071.11)	1,832.37 (1417.34)	1,680.85 (1318.03)	7,691.19 (6,012.92)
Investments	--	--	--	--	--	--	--	--	--	12.40 (12.45)	12.40 (12.45)

xvii) Amount of Dividend proposed to be distributed to the Equity Shares holders for the year ended 31/03/2016

(Rs. in crore)

Particulars	2015-16	2014-15
Dividend %	18	15
Dividend amount/Share	1.80	1.50
Total Amount of dividend Proposed to be distributed	11,25,74,587	93,536,471

xviii) There are no penalties levied on the Company by the National Housing Bank.

xix) Maturity profile of secured and un-secured borrowings is set out below.

(Rs. in crore)

Particulars	Upto 1 Year	Over 1 year to 3 Years	Over 3 years to 5 Years	Over 5 year to 10 Years	Over 10 Years	Total
Secured Loans from Banks	1,294.79 (980.82)	1,295.67 (867.07)	1,062.71 (781.62)	1,416.88 (1,169.40)	156.93 (50.70)	5,226.98 (3,849.61)
Term Loans from National Housing Bank (NHB)	217.95 (183.86)	314.22 (399.95)	138.52 (213.76)	205.51 (227.79)	34.74 (69.45)	910.94 (1094.81)
Non Convertible Debenture	--	400.00 (100.00)	--	--	--	400.00 (100.00)
Commercial Paper	-- (60.00)	--	--	--	--	-- (60.00)
Total	1,512.74 (1,224.68)	2,009.89 (1,367.02)	1,201.23 (995.38)	1,622.39 (1,397.19)	191.67 (120.15)	6,537.92 (5,104.42)

(xx) National Housing Bank during the inspection of the company with reference to the position as on 31st March 2013 has observed that the company's Net Owned Fund (NOF) and Capital Adequacy Ratio (CAR) was Rs.612.66 crore and 25.07% respectively as against Rs.623.26 crore and 25.50% worked out by the company as at end of March 2013. The difference was attributed to not considering Rs.64.03 crore deposited with parent bank i.e., Repco Bank Ltd., for the purposes of calculation of NOF and short provisioning to the extent of Rs.74.33 lakh, on account of reclassification of non-performing advances / standards advances.

The contention of the company that Repco Bank Ltd., was not a body corporate and hence not considered the deposit amount with Repco Bank Ltd., for calculation of NOF, was not acceptable to NHB. However, the CAR of the company as at end of March 2013 was well above the statutory minimum requirement of 12%.

National Housing Bank during the inspection of the company with reference to the position as on 31st March 2014 has observed that the company's Net Owned Fund (NOF) and Capital Adequacy Ratio (CAR) was Rs. 718.46 crore and 24.26% respectively as against Rs. 719.32 crore and 24.51% worked out by the company as on that date. The difference was attributed to additional provisioning due to reclassification of standard/Non performing advances with consequential reversal of income, negative amortization, wrong treatment of Commercial Real Estate loans, and provisioning towards loans extended to employees.

xxi) During the year Company has rephased certain advances consequent to floods in certain districts of Tamilnadu. The advances outstanding related to these accounts aggregate to Rs. 209.49 crore as at 31/03/2016. (As part of the Rephasement Company has extended repayment holiday ranging from 3 months to 6 months and these advances have been classified as Performing advances based on the NHB Directions.)

xxii) Employee Stock Option Scheme-2013 (ESOP-2013): During the year 2013-14 the Company instituted Employee Stock Option Scheme 2013 (ESOP-2013). The Board of Directors and the share holders approved the scheme during the year 2013-14. As on 31-03-2016 the company has following Employee stock options schemes, the features of the same are as follows:-

Scheme	ESOP 2013 Tranche I	ESOP 2013 Tranche II
Date of Grant	25th October 2013	26th October 2014
No of Options granted	244375	211745
Exercise Price	Rs. 75/-per share	Rs. 75/- per share
Date of Vesting	One year from the date of grant	One year from the date of grant
Exercise period	Within one year from the date of vesting	Within one year from the date of vesting
Lock In Period	One year from the date of allotment	One year from the date of allotment

The Company has adopted the intrinsic value method in accounting for employee cost on account of ESOP. Based on such valuation, the difference between the Market price on the date of grant and exercise price is accounted as Deferred Employee compensation cost and the same is amortized over the vesting period. Accordingly during the year sums aggregating to Rs.4,81,66,267/- (Rs.6,43,39,711) is recognized as expenses on employee stock option scheme.

#### Summary of Employee Stock Options:

Particulars	Tranche-I	Tranche-II
Options outstanding as at the beginning of the year	36,600	211,025
Options granted during the year	NIL	NIL
Options not vested at the start of the year	NIL	211,025
Options lapsed/Forfeited during the year	16,125	4,155
Options exercised during the year	20,475	1,63,315
Options vested but not exercised at the end of the year	NIL	43,555
Options not vested at the end of the year	NIL	NIL
Weighted average exercise price per option	Rs. 75	Rs. 75

The Black-Scholes Model have been used to derive the estimated value of the stock option granted, if the fair value method to account for the employee share based payment plans were to be used. The estimated value of each stock options and the parameters used for deriving the estimated value of stock option granted under the Black-scholes Model is as follows:

Particulars		ESOP-2013 (Tranche-I)	ESOP-2013 (Tranche-II)
		Vesting on 25th October 2014	Vesting on 26th October 2015
Estimated value of Stock Options	(Rs.)	215.95	417.65
Share Price at grant Date	(Rs.)	285.70	488.00
Exercise Price at Grant Date	(Rs.)	75.00	75.00
Expected Volatility	(%)	29.86	30.92
Dividend Yield Rate	(%)	1.20	1.20
Expected Life of Options	(in years)	0.58	1.00
Risk Free Rate of Interest	(%)	8.89	8.60

Had the compensation cost for the stock options granted under ESOP-2013 (Tranche- I) and ESOP – 2013 (Tranche – II) been determined on fair value approach, the company's profit after tax and earnings per share would have been as per pro-forma amount indicate below:

(Rs.)

Particulars	2015-2016	2014-2015
Profit after tax As reported	150.08	123.08
Profit Considered for computing EPS (pro-forma)	150.05	123.02
<b>Earnings per Share – Basic</b>		
As Reported (Rs.)	24.04	19.78
pro-forma (Rs.)	24.03	19.77
<b>Earnings Per Share – Diluted</b>		
As Reported (Rs.)	24.03	19.71
pro-forma (Rs.)	24.02	19.70

xxiii) During the year one of the associate company Repco Infrastructure Development company limited was wound up, accordingly the investment made in the company amounting to Rs.500000/- is written off to the statement of profit and loss. Further provision already made towards this investment amounting to Rs.500000/- is written back to the statement of profit and loss.

xxiv) Details of Reserve Fund Created under Section 29C of the NHB Act, 1987. Disclosure as per the directions of the National Housing Bank communicated vide their letter NHB (ND)/DRS/Pol.Circular.61/2013-14, dt April 7, 2014

(Rs.)

Particulars	2015 – 2016	2014 – 2015
Reserves & Surplus		
Statutory Reserve (As per Section 29C of the National Housing Bank Act, 1987)		
Opening Balance	62,66,00,000	380,400,000
Addition during the year	30,02,00,000	246,200,000
Appropriation during the year	--	--
Closing Balance	92,68,00,000	626,600,000

Particulars	Amount
Balance at the beginning of the year	
a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	62,66,00,000
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	1,73,26,00,000
c) Total	2,35,92,00,000
<b>Addition/Appropriation/Withdrawal during the year</b>	
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	30,02,00,000
b) Amount of special reserve u/s 36(1)(vii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	40,85,00,000
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	–
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29 C of the NHB Act, 1987	–
<b>Balance at the end of the year</b>	
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	92,68,00,000
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	2,14,11,00,000
c) Total	3,06,79,00,000



**xxv) Expenditure towards Corporate Social responsibility:**

The gross amount required to be spent by the company during the year 2015-16 as CSR expenditure under section 135 of the Companies Act of 2013 is Rs. 2,98,02,461/- (Rs. 2,24,26,970) being 2% of the average profit after tax of past three financial years. The amount is required to be spent on activities qualifying as CSR expenditure as per schedule VII of the Companies Act 2013.

During the financial year 2015-2016 the company has spent sums aggregating to Rs. 24,25,000 towards CSR activities. The details of disclosure as per the Guidance issued by the Institute of Chartered Accountants of India is as follows:-

(a) Gross amount required to be spent by the Company during the year Rs. 2,98,02,461/-

(b) Amount spent during the year :-

Particulars	In Cash (Rs.)	Yet to be paid in Cash (Rs.)	Total (Rs.)
i) Construction or acquisition of any asset	-	-	-
ii) On purposes other than (i)	24,25,000	-	24,25,000
Total			24,25,000

xxvii) Provision required towards long term investments- Nil (Rs.5,00,000)

xxviii) Previous year figures have been regrouped and rearranged wherever necessary, to conform to current year classification.

**For R. Subramanian and Company**

Chartered Accountants

FRN 004137S

**K Jayasankar**

Partner

Membership No.014156

Place: Chennai

Date : 10.05.2016

**T Karunakaran**

Chief Financial Officer

**R. Varadarajan**

Managing Director

**K Prabhu**

Company Secretary

**T.S. KrishnaMurthy**

Chairman

# CASH FLOW STATEMENT

## FOR THE YEAR ENDING MARCH 31, 2016

(Rs.)

		For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>NET PROFIT BEFORE TAX</b>	2,30,07,87,760	1,86,17,33,830
	Adjustments For:		
	Depreciation	4,14,52,074	2,94,65,135
	(Profit)/Loss on Sale of Fixed Assets	45,041	(3,02,351)
	Interest Earned on Deposits	(18,09,771)	(21,76,357)
	Expenses on Employee Stock Option	4,81,66,267	6,43,39,711
	Bad debts written off	33,82,481	13,13,864
	Provision for Non-Performing Assets/Standard Assets	38,80,49,060	20,21,27,073
	Dividend received on Investments	(62,00,000)	(41,32,603)
	Investments written off	5,00,000	-
	Provision for diminution in investments written back	(5,00,000)	-
	<b>Operating Profit Before Working Capital Changes</b>	2,77,38,72,912	2,15,23,68,302
	<b>Changes in Working Capital</b>		
	Increase/(Decrease) in Long term provisions	1,82,99,060	28,63,734
	Increase/(Decrease) in short term provisions	1,38,17,994	86,53,675
	Increase/(Decrease) in other current liabilities	73,59,31,989	5,66,66,852
	(Increase)/Decrease in Long term and short term loans & advances	(10,25,632)	(3,70,98,838)
	(Increase)/Decrease in other current assets	(2,75,13,150)	(3,80,25,232)
	<b>Operating Profit after Working Capital Changes</b>	3,51,33,83,172	2,14,54,28,493
	Direct Taxes Paid	(72,03,24,272)	(56,32,43,218)
	<b>Net Cash From Operations</b>	2,79,30,58,900	1,58,21,85,275
	(Increase)/Decrease in Housing/other loans	(15,86,22,38,641)	(12,62,33,83,099)
	(Increase)/Decrease in Current maturities of Housing/other loans	(1,06,89,25,043)	(88,85,94,994)
	<b>Net Cash Generated from operating activity</b>	(14,13,81,04,784)	(11,92,97,92,818)
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(4,47,73,681)	(7,14,04,416)
	(Increase)/Decrease in Capital advances	(3,65,26,714)	(12,51,642)
	Sale of Fixed Assets	30,400	7,22,499
	Subscription to Investments	-	-
	Interest received on Deposits	25,71,176	24,10,558
	Dividend received on Investments	62,00,000	41,32,603
	Investments/redemption of Deposits Maturing after three months	8,76,325	(14,48,325)
	<b>Net Cash Used in Investing Activities (B)</b>	(7,16,22,495)	(6,68,38,723)

(Rs.)

		For the year ended March 31, 2016	For the year ended March 31, 2015
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from share allotment under Employee stock option scheme	18,37,900	19,66,000
	Securities premium received on allotment of shares under Employee stock option scheme	1,19,46,350	1,27,79,000
	Term loans received from Banks and financial institutions	23,04,50,00,000	17,03,00,00,000
	Term loans availed from banks and financial Institutions repaid	(9,99,34,92,055)	(8,07,28,30,853)
	Proceeds from Issue of Non convertible Debentures	3,00,00,00,000	1,00,00,00,000
	Proceeds from issue of Commercial paper	12,50,00,00,000	1,10,00,00,000
	Repayment of Commercial Paper	(13,10,00,00,000)	(50,00,00,000)
	Proceeds of refinance availed from NHB	-	4,50,00,00,000
	Repayment of Refinance availed from National Housing Bank	(1,83,85,48,000)	(3,30,43,70,829)
	Increase in Short term Borrowings	72,19,69,769	27,12,44,054
	Dividends Paid (Including Dividend distribution tax)	(11,31,16,523)	(8,72,51,159)
	Net Cash Used in Financing Activities (C)	14,23,55,97,441	11,95,15,36,213
	Net Increase/Decrease in cash and cash equivalent (A+B+C)	2,58,70,162	(4,50,95,328)
	Cash and Cash Equivalents - Opening Balance (D)	16,01,18,272	20,52,13,600
	Cash and Cash Equivalents - Closing Balance * (E)	18,59,88,434	16,01,18,272
	Net Increase/(Decrease) in Cash and Cash Equivalents (E-D)	2,58,70,162	- (4,50,95,328)
	Components of Cash and Cash Equivalents at the end of the year		
	Current account with Banks*	10,80,31,760	10,98,54,891
	Short term deposits	2,64,80,777	2,95,79,340
	Cash on Hand	5,14,75,897	2,06,84,041
	Cash and Cash Equivalents	18,59,88,434	16,01,18,272
	* Includes balance in unpaid dividend account which are not available for use by the company	38,378	25,673

We have examined the above Cash Flow Statement of Repco Home Finance Ltd., Chennai, for the year ended March 31, 2016. The statement has been prepared by the company based on and in agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the Company.

For **R. Subramanian and Company**  
Chartered Accountants  
FRN 004137S

**K Jayasankar**  
Partner  
Membership No.014156

Place: Chennai  
Date : 10.05.2016

**T Karunakaran**  
Chief Financial Officer

**R. Varadarajan**  
Managing Director

**K Prabhu**  
Company Secretary

**T.S. KrishnaMurthy**  
Chairman

# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2016

(Amt In INR)

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholder's Funds</b>			
(a) Share Capital	1	6254,14,370	6235,76,470
(b) Reserves and Surplus	2	90069,43,396	75492,55,402
<b>2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	3	502518,11,605	387974,47,607
(b) Deferred Tax Liability (Net)	4	4001,60,513	3423,98,643
(c) Long Term Provisions	5	10236,74,164	7623,99,928
<b>3) Current Liabilities</b>			
(a) Short Term Borrowings	6	49703,66,506	48483,96,737
(b) Other Current Liabilities	7	112441,65,349	77496,24,710
(c) Short Term Provisions	8	1935,78,753	1355,01,330
<b>Total</b>		<b>777161,14,656</b>	<b>608086,00,827</b>
<b>II. ASSETS</b>			
<b>1) Non-Current Assets</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		716,67,258	703,46,454
(ii) Intangible Assets		208,52,561	189,27,200
(b) Non-Current Investments	10	2080,56,797	1757,94,382
(c) Long Term Loans & Advances	11	720300,76,788	562747,33,689
<b>2) Current Assets</b>			
(a) Cash and Bank Balances	12	2002,73,434	1752,79,597
(b) Short Term Loans and Advances	13	50193,23,461	39544,06,894
(c) Other Current Assets	14	1658,64,357	1391,12,611
<b>Total</b>		<b>777161,14,656</b>	<b>608086,00,827</b>

Accounting Policies 20

Notes Forming Part of Accounts 21

For **R. Subramanian and Company**  
Chartered Accountants  
FRN 004137S

**K Jayasankar**  
Partner  
Membership No.014156

Place: Chennai  
Date : 10.05.2016

**T Karunakaran**  
Chief Financial Officer

**R. Varadarajan**  
Managing Director

**K Prabhu**  
Company Secretary

**T.S. KrishnaMurthy**  
Chairman

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31ST MARCH, 2016

(Amt In INR)

Particulars	Notes	For The Year ended 31st March 2016	For The Year ended 31st March 2015
<b>INCOME</b>			
I Revenue From Operations	15	88068,23,087	69191,21,484
II Other Income	16	116,57,767	82,45,287
III <b>Total Revenue (I+II)</b>		<b>88184,80,854</b>	<b>69273,66,771</b>
<b>EXPENSES</b>			
Finance Costs	17	54827,20,395	43148,38,905
Employee Benefit Expenses	18	4093,45,542	3461,32,181
Depreciation and Amortization Expenses	8	414,52,074	294,65,135
Other Expenses	19	1922,43,541	1717,55,783
Provision for Non-Performing Assets		2925,92,135	1404,19,595
Contingency Provisions against Standard Assets / Others		954,56,925	617,07,478
Bad Debts Written Off		33,82,482	13,13,864
Investments Written-Off (Refer Note No. (xxiii))		5,00,000	-
<b>Total Expenses</b>		<b>65176,93,094</b>	<b>50656,32,941</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		<b>23007,87,760</b>	<b>18617,33,830</b>
VI. Exceptional Items		-	-
VII Profit before extraordinary items and tax (V-VI)		<b>23007,87,760</b>	<b>18617,33,830</b>
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII-VIII)		<b>23007,87,760</b>	<b>18617,33,830</b>
X Tax Expense:			
(1) Current Tax		7422,00,000	5592,00,000
(2) Deferred Tax		577,61,870	717,32,059
XI Net Profit/(Loss) for the period (IX-X)		<b>15008,25,890</b>	<b>12308,01,771</b>
XII Share of profit /(loss) of associates (Net)		397,59,755	225,61,462
XIII Net Profit/(Loss) for the period (XI+XII)		<b>15405,85,645</b>	<b>12533,63,233</b>
XIV Earning Per Equity Share:			
Weighted Average no. of Shares Outstanding During the Period		624,26,758	622,30,327
Nominal Value Per Equity Share		10.00	10.00
Earnings Per Share Before & After Extra-Ordinary Item			
- Basic		24.68	20.14
- Diluted EPS		24.66	20.04

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For **R. Subramanian and Company**  
Chartered Accountants  
FRN 004137S

**K Jayasankar**  
Partner  
Membership No.014156

Place: Chennai  
Date : 10.05.2016

**T Karunakaran**  
Chief Financial Officer

**R. Varadarajan**  
Managing Director

**K Prabhu**  
Company Secretary

**T.S. KrishnaMurthy**  
Chairman

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2016

	31-03-2016		31-03-2015	
		Rs.		Rs.
<b>Shareholder's Fund</b>				
<b>NOTE 1:</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised Capital</b>				
10,00,00,000 Equity shares of Rs.10/- each		10000,00,000		10000,00,000
<b>Issued, Subscribed &amp; Paid up Capital</b>				
6,25,41,437 (6,23,57,647) Equity shares of Rs.10/- each (Out of the above 2,32,30,606 (2,32,30,606) Fully Paid Up Equity Shares are held by promoter M/s Repco Bank Ltd.,)		6254,14,370		6235,76,470
<b>Total</b>		<b>6254,14,370</b>		<b>6235,76,470</b>
<b>(a) Reconciliation of Share outstanding at the beginning and at the end of the year.</b>				
Equity Shares (Face value of Rs.10/- each)	No's	Rs.	No's	Rs.
Equity Shares outstanding at the beginning of the year	623,57,647	6235,76,470	621,61,047	6216,10,470
Add: Equity Shares issued and allotted pursuant to exercise of stock options under ESOP	1,83,790	18,37,900	1,96,600	19,66,000
Less: Equity Shares bought back during the year.	-	-	-	-
<b>Equity Shares outstanding at the end of the year</b>	<b>625,41,437</b>	<b>6254,14,370</b>	<b>623,57,647</b>	<b>6235,76,470</b>
<b>(b) Shareholders holding more than 5% shares</b>				
Equity Shares				
Name of Equity Shareholder (Equity Shareholder holding more than 5 % of Equity share capital)	No's	% of holding	No's	% of holding
Repco Bank Limited	232,30,606	37.14	232,30,606	37.25
Small Cap World Fund			39,49,480	6.33
	<b>232,30,606</b>	<b>37.14</b>	<b>271,80,086</b>	<b>43.58</b>
<b>(c) Terms / rights attached to Equity Shares:</b>				
The Company has only one class of Equity Share having a par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote per share.  Dividend (if any) proposed by the board of directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.				
<b>(d) Shares Reserved for issue under options:</b> Refer note (xxii) for disclosures relating to Employee Stock Options.				
<b>(e) Aggregate number and class of shares bought back in last five years</b>				

Year : 2011-12

Class of Shares : Differential voting equity shares

No. of Shares : 1004

	31-03-2016		31-03-2015	
	Rs.	Rs.	Rs.	Rs.
<b>NOTE 2:</b>				
<b>RESERVES AND SURPLUS</b>				
<b>a. Special Reserve in accordance with section 36(i)(viii) of Income tax act, 1961 and Section 29 ( C ) of National Housing Bank Act 1987</b>				
Opening Balance	17326,00,000		13213,00,000	
Add: Transfer from Statement of Profit & Loss	4085,00,000		4113,00,000	
Closing Balance		21411,00,000		17326,00,000
<b>b. Statutory Reserve (As per the Section 29C of the NHB Act, 1987)</b>				
Opening Balance	6266,00,000		3804,00,000.00	
Add: Transfer from Statement of Profit & Loss	3002,00,000		2462,00,000.00	6266,00,000
Closing Balance		9268,00,000		
<b>c. Capital Redemption Reserve</b>				
Opening Balance	10,040		10,040	
Add: Transfer from Statement of Profit & Loss	-		-	
Closing Balance		10,040		10,040
<b>d. Securities Premium Account</b>				
Opening Balance	30910,09,863		30344,34,206	
Add : Received during the year	837,15,670		542,61,600	
Add : un-utilised IPO Expenses	-		23,14,057	
Closing Balance		31747,25,533		30910,09,863
<b>e. General Reserve</b>				
Opening Balance	8460,57,670		11033,33,174	
Add: Transfer from Statement of Profit & Loss	2000,00,000		2000,00,000	
Add: Transfer from Employee Stock Option Outstanding on unexercised options lapsed / cancelled	36,19,200			
Less: Utilised during current year for creation of DTL on special reserve created U/s 36(i)(viii) of IT Act 1961 and outstanding as on 31.03.2014			4572,75,504	
Closing Balance		10496,76,870		8460,57,670
<b>f. Employee Stock Option Outstanding</b>				
Opening Balance	948,75,925		516,39,085	
Add: Additions on account of grants during the year	-		874,50,685	
Less: Transferred to securities Premium on account of exercise of options	732,68,510			
Less: Transferred to General Reserve on unexercised options lapsed / cancelled	36,19,200		442,13,845	
Closing Balance		179,88,215		948,75,925
<b>g. Deferred Employee Compensation</b>				
Opening Balance	(496,65,457)		(292,85,728)	
Add: Additions During the year	-		(874,50,685)	
Less: Deletion during the year	496,65,457		670,70,956	
Closing Balance		-		(496,65,457)



	31-03-2016		31-03-2015	
	Rs.	Rs.	Rs.	Rs.
<b>h. Surplus in Statement of Profit and Loss</b>				
Opening balance	12077,67,361		9319,73,670	
Add: Net Profit for the year	15405,85,645		12533,63,233	
Less: Dividend received from associate (Including DDT) credited to carrying value of investment	74,97,340		48,34,939	
Less: Utilised during current year for depreciation charged in accordance with schedule II Companies Act 2013	-		21,25,782	
Amount available for appropriation	27408,55,666		21783,76,182	
Less: Appropriation				
Transfer to Special Reserve in accordance with Section 36(i)(viii) of the Income tax Act, 1961 and Section 29C of National Housing Bank Act, 1987	4085,00,000		4113,00,000	
Transfer to Additional Reserve (U/s 29C of the NHB Act)	3002,00,000		2462,00,000	
Transfer to General Reserve	2000,00,000		2000,00,000	
Dividend (including dividend distribution tax) pertaining to previous year*	20,407			
Proposed Dividend 18% (15%)	1125,74,587		935,36,471	
Tax on Proposed Dividend	229,17,934		195,72,350	
	10442,12,928		9706,08,821	
Closing Balance		16966,42,738		12077,67,361
<b>Total</b>		<b>90069,43,396</b>		<b>75492,55,402</b>

\* In respect of equity shares issued pursuant to employee stock option scheme company has paid dividend (including tax thereon) aggregating to Rs. 20,407 for the year 2014-15 as approved by the share holders at the annual general meeting.

	Non-Current Portion		Current Maturities	
	31-03-2016 Rs.	31-03-2015 Rs.	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 3:</b>				
<b>LONG TERM BORROWINGS</b>				
<b>Secured:</b>				
Term Loan from Banks & Financial Institutions	393218,75,605	286880,19,607	79774,95,715	55598,43,769
Term Loan by way of Refinance from NHB	69299,36,000	91094,28,000	21794,92,000	18385,48,000
Redeemable Non-Convertible Debentures	40000,00,000	10000,00,000	-	
Amount Disclosed Under the Head "Other Current Liabilities" (Note 6)	-	-	(101569,87,715)	(73983,91,769)
<b>Total</b>	<b>502518,11,605</b>	<b>387974,47,607</b>		<b>-</b>

- Refinance form National Housing Bank (NHB) and Term Loans are secured by first and exclusive charge on the specific book debts/receivables of the company and an irrevocable Power of Attorney (POA) given by the company in favour of the Banks/NHB for recovery of dues and for creation of mortgage on the properties of the loan borrowers of the company.
- Redeemable Non convertible debentures are secured by first and exclusive charge on the specific assets by way of Hypothecation of Book debts and receivables and also by way of mortgage of specific immovable property in favour of Debenture trustees.

**i) Maturity Profile of Term Loans from Banks & Financials Institutions**
**(Rs. in Crore)**

Rate of Interest (%)	Maturities					
	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Year to 10 Years	Over 10 Years	Total
9.30 to 9.50	264.05 (Nil)	323.71 (Nil)	269.05 (Nil)	350.16 (Nil)	5.63 (Nil)	1,212.60 (Nil)
9.51 to 9.75	522.30 (Nil)	949.16 (Nil)	770.86 (Nil)	1023.48 (Nil)	151.30 (Nil)	3417.10 (Nil)
9.76 to 9.95	11.40 (Nil)	22.80 (Nil)	22.80 (Nil)	43.24 (Nil)	Nil (Nil)	100.24 (Nil)
9.96 to 10.30	Nil (555.98)	Nil (867.07)	Nil (781.62)	Nil (1169.40)	Nil (50.70)	Nil (3424.77)
<b>Total</b>	<b>797.75</b> <b>(555.98)</b>	<b>1295.67</b> <b>(867.07)</b>	<b>1062.71</b> <b>(781.62)</b>	<b>1416.88</b> <b>(1169.40)</b>	<b>156.93</b> <b>(50.70)</b>	<b>4,729.94</b> <b>(3,424.77)</b>

**ii) Maturity Profile of Term Loans by way of Refinance from National Housing Bank**
**(Rs. in Crore)**

Rate of Interest (%)	Maturities					
	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Year to 10 Years	Over 10 Years	Total
6.50 to 8.00	140.89 (120.87)	170.13 (249.08)	27.09 (80.86)	20.06 (28.22)	Nil (Nil)	358.17 (479.03)
8.01 to 9.00	39.24 (Nil)	74.96 (Nil)	46.68 (Nil)	93.20 (Nil)	32.62 (Nil)	286.70 (Nil)
9.01 to 9.80	37.82 (50.15)	69.13 (116.64)	64.75 (98.68)	92.25 (114.02)	2.12 (51.26)	266.07 (430.75)
10.00 to 10.05	Nil (12.84)	Nil (34.23)	Nil (34.22)	Nil (85.55)	Nil (18.19)	Nil (185.03)
<b>Total</b>	<b>217.95</b> <b>(183.86)</b>	<b>314.22</b> <b>(399.95)</b>	<b>138.52</b> <b>(213.76)</b>	<b>205.51</b> <b>(227.79)</b>	<b>34.74</b> <b>(69.45)</b>	<b>910.94</b> <b>(1,094.81)</b>

**iii) Maturity Profile of Redeemable Non-Convertible Debentures.**
**(Rs. in Crore)**

Rate of Interest (%)	Maturities					
	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Year to 10 Years	Over 10 Years	Total
9.21	Nil (Nil)	200 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	200 (Nil)
9.35	Nil (Nil)	100 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	100 (Nil)
9.55	Nil (Nil)	100 (100)	Nil (Nil)	Nil (Nil)	Nil (Nil)	100 (100)
<b>Total</b>	<b>Nil</b> <b>(Nil)</b>	<b>400</b> <b>(100)</b>	<b>Nil</b> <b>(Nil)</b>	<b>Nil</b> <b>(Nil)</b>	<b>Nil</b> <b>(Nil)</b>	<b>400</b> <b>(100)</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 4:</b>		
<b>DEFERRED TAX</b>		
Deferred Tax Assets:		
Provision for Non Performing, Standard Assets and Contingencies	3445,03,573	2604,14,724
Employee Related provisions	54,07,270	34,36,643
<b>Gross Deferred Tax Asset (A)</b>	<b>3499,10,843</b>	<b>2638,51,367</b>
Deferred Tax Liabilities:		
Difference Between Written Down Value of Fixed Assets as per Companies act and as per Income tax Act.,	90,79,468	66,31,802
Tax Liabilities in respect of reserve created U/s 36(i)(viii) of the Income Tax Act 1961	7409,91,888	5996,18,208
<b>Gross Deferred Tax Liability (B)</b>	<b>7500,71,356</b>	<b>6062,50,010</b>
<b>Net Deferred Tax Asset/(Liability) (A-B)</b>	<b>(4001,60,513)</b>	<b>(3423,98,643)</b>
<b>Amount Debit / Credit in Statement of Profit &amp; Loss Account</b>	<b>577,61,870</b>	<b>717,32,059</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 5:</b>		
<b>LONG TERM PROVISIONS:</b>		
Employee Benefits	282,29,259	99,30,199
<b>Other Provisions for :</b>		
Non-Performing Advances	6409,65,634	4934,47,383
Standard Advances	3500,93,440	2549,22,951
Contingencies	43,85,831	40,99,395
<b>Total</b>	<b>10236,74,164</b>	<b>7623,99,928</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 6:</b>		
<b>SHORT TERM BORROWINGS:</b>		
<b>Secured</b>		
<b>(a) Loans Repayable on Demand</b>		
From Scheduled Banks	76,33,440	2338,98,155
From Related Parties		
- Repco Bank Limited	49627,33,066	40144,98,582
<i>The above borrowings are secured by book debts / receivables of the company and an irrevocable Power of Attorney given by the Company in favour of the Banks for recovery of monies and for creation of mortgage on the properties of the loan borrowers of the Company</i>		
The above secured loans carry an interest rate of 9.55% per annum		
<b>(b) Unsecured</b>		
Commercial Paper	-	60,00,00,000
<b>Total</b>	<b>49703,66,506</b>	<b>48483,96,737</b>

## iv) Maturity Profile of Unsecured Commercial Paper

(Rs. in Crore)

Rate of Interest (%)	Maturities					
	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Year to 10 Years	Over 10 Years	Total
9.15	Nil (60)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (60)
Total	Nil (60)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (60)

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 7:</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Borrowings	101569,87,715	73983,91,769
Interest Accrued but Not Due on Borrowings	4646,53,821	543,58,442
Advance Receipts	8,82,188	13,20,618
Statutory Dues	191,20,078	77,05,854
Unclaimed Dividend	38,378	25,673
Book Overdraft	5252,39,350	2316,18,628
Other Liabilities	772,43,819	562,03,726
<b>Total</b>	<b>112441,65,349</b>	<b>77496,24,710</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 8:</b>		
<b>SHORT TERM PROVISIONS</b>		
Provisions for Employee Benefit	344,71,669	206,53,675
<b>Other Provision:</b>		
Income Tax (Net of Advance Tax Paid)	236,14,563	17,38,834
Dividend	1125,74,587	935,36,471
Tax on Dividend	229,17,934	195,72,350
<b>Total</b>	<b>1935,78,753</b>	<b>1355,01,330</b>

**NOTE 9:  
FIXED ASSETS**

(Rs.)

Particulars	Gross Block (at Cost)				Depreciation			Net Block		
	As on 01/04/15	Addition	Deletion	As at 31/03/16	As on 01/04/15	For the period	Adjustment	As on 31/03/16	As on 31/03/16	As at 31/03/15
TANGIBLE ASSETS:										
Land & Building	219,49,961	3,98,701	-	223,48,662	40,20,079	3,28,739	-	43,48,818	179,99,844	179,29,882
Furniture & Fixtures	147,70,350	21,66,846	1,86,179	167,51,017	67,22,594	12,73,136	1,35,133	78,60,597	88,90,420	80,47,756
Motor Vehicle	101,31,630	25,18,885	-	126,50,515	48,90,952	11,58,117	-	60,49,069	66,01,446	52,40,678
Computers	620,46,528	79,68,370	6,62,195	693,52,703	411,32,187	88,05,670	6,61,169	492,76,688	200,76,015	209,14,344
Air Conditioner	54,29,585	13,56,539	57,996	67,28,128	15,10,611	4,48,608	34,627	19,24,592	48,03,536	39,18,974
Office Equipment	45,86,304	17,36,126	6,600	63,15,830	19,39,690	10,65,960	6,600	29,99,050	33,16,780	26,46,613
Electrical Fitting	20,16,387	5,55,992	-	25,72,379	8,10,246	1,92,733	-	10,02,979	15,69,400	12,06,141
Generator	60,82,982	7,14,165	-	67,97,147	21,00,966	3,74,349	-	24,75,315	43,21,832	39,82,016
Temporary Erections	517,15,701	171,80,617	3,00,479	685,95,839	452,55,651	195,52,682	3,00,479	645,07,854	40,87,985	64,60,050
Total (A)	1787,29,428	345,96,241	12,13,449	2121,12,220	1083,82,976	331,99,994	11,38,008	1404,44,962	716,67,258	703,46,454
INTANGIBLE ASSETS:										
Software	251,77,075	101,77,441	-	353,54,516	62,49,875	82,52,080	-	145,01,955	208,52,561	189,27,200
Total (B)	251,77,075	101,77,441	-	353,54,516	62,49,875	82,52,080	-	145,01,955	208,52,561	189,27,200
Total (A + B)	2039,06,503	447,73,682	12,13,449	2474,66,736	1146,32,851	414,52,074	11,38,008	1549,46,917	925,19,819	892,73,654
Previous Year	1407,33,208	714,04,416	82,31,121	2039,06,503	908,52,909	294,65,135	99,36,754	1146,32,852	892,73,654	498,80,299

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 10:</b>		
<b>NON-CURRENT INVESTMENTS:</b>		
<b>Long Term:</b>		
<b>At Cost, Unquoted, Trade</b>		
<b>Investment in Associates:</b>		
50,000 (50,000) Equity shares of Rs.10/- Each Fully Paid up in Repco Infrastructure Development Finance Company Ltd.,	-	5,00,000
124,00,000 (124,00,000) Equity Shares of Rs.10/- Each Fully Paid up in Repco Micro Finance Ltd., (Including Goodwill on Acquisition Rs.6183798/-)	1240,00,000	1240,00,000
Share of profit / (loss) (net)	840,56,797	517,94,382
<b>Carrying amount of investment</b>	<b>2080,56,797</b>	<b>1762,94,382</b>
<b>Less: Provision for diminution in value of Investments</b>	<b>-</b>	<b>5,00,000</b>
<b>Aggregate value of un-quoted investments net of provision</b>	<b>2080,56,797</b>	<b>1757,94,382</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 11:</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
<b>A. Secured &amp; Considered Good excepting advances classified as Non-Performing Advances</b>		
(i) Housing Loan to Individuals	579138,01,119	455943,42,909
(ii) Mortgage / Other Loans to individuals	140048,67,353	106105,43,287
<b>B. Capital Advances</b> (unsecured, considered good)	406,50,319	41,23,605
<b>C. Security Deposits</b> (unsecured, considered good)	501,38,877	467,55,394
<b>D. Other loans &amp; advances</b> (Unsecured, considered good unless otherwise stated)		
(i) Loan to Employees	206,19,120	189,68,494
<b>Total</b>	<b>720300,76,788</b>	<b>562747,33,689</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 12:</b>		
<b>CASH AND BANK BALANCES:</b>		
<b>A. Cash and Cash Equivalents</b>		
<b>(i) Balances with Banks in</b>		
a. Current Accounts	1079,93,382	1098,29,218
b. Deposit Accounts	264,80,777	295,79,340
c. Unpaid Dividend Account	38,378	25,673
<b>(ii) Cash on Hand</b>	514,75,897	206,84,041
<b>(B) Other Bank Balances</b>		
Balances with Scheduled Banks in Deposit Accounts with original maturity of more than 3 months.	142,85,000	151,61,325
<i>(Deposits amounting to Rs.6,60,000/- (Rs.38,000/-) held jointly by the company and employees towards security deposit and Rs. 1,36,00,000/- (Rs.1,36,00,000/-) provided as Cash Collateral on which lien noted towards Bank Guarantee issued to NSE by bank)</i>		
<b>Total</b>	<b>2002,73,434</b>	<b>1752,79,597</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 13:</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b> (Secured & Considered Good excepting advances classified as Non-Performing Advances)		
Current Maturities of Housing Loan to individual	37397,35,865	29826,77,192
Current Maturities of Mortgage / Other Loans to individual	12535,23,694	9416,57,324
<b>Other loans &amp; advances</b> (Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in Kind	152,37,688	138,17,063
Loan to Employees	106,56,720	75,03,063
Travel Advance	1,69,494	1,68,430
Deferred Finance Cost	-	85,83,822
<b>Total</b>	<b>50193,23,461</b>	<b>39544,06,894</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 14:</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Due from Borrowers	1479,82,025	1263,27,371
PEMI Due from Borrowers	175,93,715	117,35,219
Interest Accrued but not due on Deposits	2,88,617	10,50,021
<b>Total</b>	<b>1658,64,357</b>	<b>1391,12,611</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 15:</b>		
<b>REVENUE FROM OPERATIONS</b>		
Interest on Loans	85212,58,151	66909,94,384
Processing Fee	2689,29,537	2212,38,836
Other Operating Income	166,35,399	68,88,264
<b>Total</b>	<b>88068,23,087</b>	<b>69191,21,484</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 16:</b>		
<b>OTHER INCOME</b>		
Interest on Deposits with Bank	18,09,771	21,76,357
Interest Others	22,11,996	16,33,976
Dividend Received on Non-Current Investments	62,00,000	41,32,603
Profit on sale of fixed assets	-	3,02,351
Rental income	9,36,000	-
Investment provision written-back (Refer Note No. (xxiii))	5,00,000	-
<b>Total</b>	<b>116,57,767</b>	<b>82,45,287</b>



	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 17:</b>		
<b>Finance Cost</b>		
Interest on Loan from Banks and Financial Institutions	41873,53,586	34801,39,578
Interest on Refinance	8695,14,468	8149,52,203
Interest on Non-Convertible Debentures	2668,05,479	86,34,247
Interest on Commercial Papers	1537,40,322	70,87,978
Other Borrowing Cost	53,06,540	40,24,899
<b>Total</b>	<b>54827,20,395</b>	<b>43148,38,905</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 18:</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	2731,11,229	2230,91,283
Expenses on Employee Stock option Scheme	481,66,267	643,39,711
Contribution to PF and Other Funds	424,31,837	237,58,936
Staff Welfare	456,36,209	349,42,251
<b>Total</b>	<b>4093,45,542</b>	<b>3461,32,181</b>

	31-03-2016 Rs.	31-03-2015 Rs.
<b>NOTE 19:</b>		
<b>OTHER EXPENSES</b>		
Advertisement & Business Promotion	245,10,911	381,34,647
Legal Fees	309,23,648	213,55,826
Communication Expenses	124,73,100	103,78,775
CERSAI Fee	27,98,996	30,02,022
Professional & Consultancy Fee	150,34,741	76,40,122
Electricity Expenses	82,78,436	64,61,280
Directors' Sitting Fee	14,21,665	15,63,795
Miscellaneous Expenses	93,26,089	78,30,686
Insurance Expenses	10,49,821	9,52,118
Printing and Stationary	39,61,679	48,66,484
Rates & Taxes	12,77,827	8,70,474
Rent	565,20,717	474,11,339
Remuneration to Auditors		
- Audit Fee	14,00,000	12,00,000
- Limited Review	5,00,000	4,00,000
- Corporate Governance	50,000	50,000
- Others Taxation and Certification Work	99,751	10,23,402
Repairs & Maintenance - Others	54,06,104	36,28,899
Travelling & Conveyance	118,58,671	100,66,303
Training Expenses	8,95,738	14,68,166
Vehicle Maintenance	19,08,606	19,81,445
Contributions towards CSR Activities (Refer Note xxv)	24,25,000	13,00,000
Donations	77,000	1,70,000
Loss on Sale of assets	45,041	-
<b>Total</b>	<b>1922,43,541</b>	<b>1717,55,783</b>

## NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016 AND CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016.

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### NOTE 20:

#### SIGNIFICANT ACCOUNTING POLICIES

##### A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statement of the company and its associate ("together the group") are prepared under the historical cost convention method in accordance with the Generally Accepted Accounting Principles (GAAP), the provisions of the Companies Act 2013 and Mandatory Accounting Standards as prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. The Company also follows the guidelines / directions prescribed by the National Housing Bank (NHB) for housing finance companies and Reserve Bank of India for the purposes of Micro finance companies.

##### B. PRINCIPLES OF CONSOLIDATION

The Consolidated financial statement relate to Repco Home Finance Limited ("the parent") and its associate Repco Micro Finance Limited (Collectively referred to as the group). The consolidated financial statements have been prepared on the following basis:-

- (i) Following Associate company have been considered in the preparation of consolidated financial statements

Name of the Company	Relationship	Percentage of Holding and voting power	
		As on 31/03/2016	As on 31/03/2015
Repco Micro Finance Limited	Associate Company	31.63%	31.63%

- (ii) Investment in Associate companies has been accounted under the Equity method as per the Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements".
- (iii) The Company accounts for its share of post acquisition changes in net assets of associates

after eliminating unrealized profits and losses resulting from transactions between the company and its associates to the extent of its share through its consolidated statement of profit and loss.

- (iv) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (v) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

##### C. INCOME RECOGNITION

###### a. INTEREST INCOME ON LOANS

Repayment of housing loans is generally by way of Equated Monthly Instalments (EMIs) comprising principal and interest. EMIs commence generally once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month. Interest on loans is computed on a monthly rest basis on the principal outstanding at the beginning of the relevant month. Interest income is accrued as earned with the passage of time. Interest on loan assets classified as "non-performing" is recognised only on actual receipt.

###### b. DIVIDEND

Dividend income is recognised when the right to receive has been established.

###### c. FEES AND OTHER REVENUE

Fees, charges and other revenue is recognised after the service is rendered to the extent that it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured, regardless of when the payment is being made.

#### **D. 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.

#### **E. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before extraordinary items and taxes are 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.

#### **F. FIXED ASSETS AND DEPRECIATION**

Fixed Assets are stated at cost less accumulated depreciation. Cost includes taxes, duties and other incidental expenses related to the acquisition and installation of the assets.

Depreciation on tangible Fixed Assets acquired after 1st April 2014 are provided under Straight line method based on the useful life of the assets and in accordance with Schedule II to the Companies Act, 2013.

Assets acquired prior to 1st April 2014, the carrying amount as on 1st April 2014, are depreciated over the remaining useful life of the assets.

Intangible assets comprising of computer software are stated at cost of acquisition including any cost attributable for bringing the same in its working condition less accumulated amortization.

Intangible assets are amortized equally over the estimated useful life not exceeding five years.

#### **G. PROVISION FOR NON-PERFORMING ASSETS/ PERFORMING ASSETS**

Advances are classified into Performing and Non Performing Assets. Further Non-performing assets

are categorized into Sub-standard, Doubtful and Loss category based on the guidelines and directions issued by NHB. Provision for Standard assets and Non-performing assets are made in accordance with the NHB guidelines.

#### **H. INVESTMENTS**

Investments are classified as Long Term Investments and Current Investments and are valued in accordance with guidelines of National Housing Bank and Accounting Standards on 'Accounting for Investments' (AS-13).

Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

Current Investments are valued at lower of cost and market value/NAV, computed individually.

#### **I. EMPLOYEE BENEFITS**

##### **a) Short-term Employee Benefits**

Short Term Employee Benefits are recognized during the period when the services are rendered.

##### **b) Post Employment Benefits**

##### **Defined Contribution Plan – Provident Fund**

The Company contributes to a Government-administered Provident Fund in accordance with the provisions of Employees Provident Fund Act.

##### **Defined Benefit Plan**

##### **Gratuity:**

The Company makes an annual contribution to Gratuity Fund administered by Trustees and managed by LIC. The Company accounts for its liability based on actuarial valuation, as at balance Sheet Date

##### **Other Long Term Employee Benefits:**

Liability for compensated absences as at the balance sheet date is provided on the basis of valuation, carried out by an independent actuary. The actuarial valuation method used for measuring the liability is Projected Unit Credit Method.

## **J. BORROWING COSTS**

Borrowing costs include interest and ancillary costs that the Company incurs in connection with the borrowings. Costs 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.

## **K. SEGMENT REPORTING**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

## **L. ACCOUNTING FOR TAXES ON INCOME**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. 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 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, deferred tax assets are recognised only if there is a virtual certainty 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.

## **M. EARNINGS PER SHARE**

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect

of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

## **N. IMPAIRMENT OF ASSETS**

The carrying amount of Assets are reviewed at each Balance sheet date to ascertain impairment based on internal/external factors. An Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of net selling price of assets and their value in use.

## **O. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognized when the company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities if any are disclosed in the notes to accounts. Contingent assets are not recognized in the financial statements.

## **P. SHARE BASED PAYMENTS**

The company accounts for equity settled stock option as per the accounting treatment prescribed by the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 and the guidance note on employee share based payments issued by the Institute of Chartered Accountants of India using the intrinsic value method.

## **Q. OPERATING CYCLE**

Based on the nature of its activities, 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.

## NOTE 21:

### NOTES ON ACCOUNTS

#### i) Contingent Liabilities not provided for:-

- (a) Claims against the Company not acknowledged as debts Rs. 20.96 lakh (Rs.20.96 lakh)
- (b) Disputed Income tax Liability Rs. 617.58 lakh ( Rs.130.45 lakh ) .

ii) Commitment towards sanction pending disbursement including part disbursement as on 31-03-2016 – Rs. 37018.93 lakh (Rs.30,669.62 lakh).

iii) Pending Capital Commitments: Pending capital commitments as on 31st March 2016 is Rs. 1,94,36,641 (Rs. 2,03,54,882).

#### iv) Deferred Tax:

The components of deferred tax assets and deferred tax Liabilities as on 31-03-2016 and as at 31-03-2015 are as under:

#### Deferred Tax Assets:

(Rs.)

		As at 31-03-2016	As at 31-03-2015
DTA on Provision for Non Performing Advances , Standard Assets and Contingencies		34,45,03,573	260,414,274
Employee Benefits		54,07,270	3,436,643
	(A)	34,99,10,843	263,851,367

#### Deferred Tax Liabilities:

Difference between written down value of Fixed Assets as per Companies Act and as per Income Tax Act.,		9,079,468	6,631,802
Tax Liabilities in respect of reserve created U/s 36(i)(viii) of the Income Tax 1961		74,09,91,888	599,618,208
	(B)	75,00,71,356	606,250,010
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(A-B)</b>	<b>(40,01,60,513)</b>	<b>(342,398,643)</b>

v) In the opinion of the Board, all Assets other than Fixed Assets and Non current Investments have a realizable value in the Ordinary course of business which is not different from the amount at which it is stated with the exception of Non performing advances for which requisite provision has been made in accordance with the NHB Guidelines.

vi) Classification of Loans and Provisions made for Non-Performing Assets are as under:

(Rs. in Crore)

	For the year ended 31-03-2016					For the year ended 31-03-2015				
	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Housing Loans										
Individual house ownership	6,094.45	39.46	31.44	-	6,165.35	4,798.33	23.83	35.31	0.23	4,857.70
Mortgage/ other loans	1,495.87	21.83	8.14	-	1,525.84	1,135.47	11.20	8.54	0.01	1,155.22
Total Loans	7,590.32	61.29	39.58	-	7,691.19	5,933.80	35.03	43.85	0.24	6,012.92
Provision-Housing loans	26.95	15.78	31.44	-	74.17	19.23	3.57	35.31	0.23	58.34
Provision - Mortgage / other loans	8.03	8.74	8.14	-	24.91	6.26	1.68	8.54	0.01	16.49
Total Provisions	34.98	24.52	39.58	-	99.08	25.49	5.25	43.85	0.24	74.83

vii) There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues, which are outstanding for more than 45 days as at 31-03-2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis at information available with the Company.

viii) Expenditure incurred in foreign currency: Towards Travelling Expenses - Rs. 13,22,362/- (Rs.10,39,849/-) . There are no Earnings in foreign currency during the current year as well as in the previous year.

ix) There are no amounts to be reflected under payable to Investor Protection Fund.

x) Related Party Transactions

Disclosures in terms of Accounting Standard 18 "Related Party Disclosure" (AS 18) are given below:-

**List of related parties:**

**Promoter**

Repco Bank Ltd.,

**Associates**

Repco Micro Finance Ltd.,

**Key Management Personnel**

Shri R. Varadarajan Managing Director

Shri P. Natarajan Executive Director

Shri V. Raghu Executive Director

Shri T. Karunakaran Chief Financial Officer

Shri K. Prabhu Company Secretary and Compliance Officer

The Company's related party balances and transactions are summarized as follows:

Remuneration paid to Key Management Personnel:

(Rs.)

Name of the Key Management Personnel	Remuneration	
	Salary including performance incentive and other Perquisites (Rs.)	Perquisites arising on exercise of employee stock option (Rs.)
Mr. R. Varadarajan	19,03,365 (23,80,135)	1,71,51,900 (1,23,89,400)
Mr. P. Natarajan	29,86,852 (27,42,809)	- (70,20,660)
Mr. V. Raghu	28,29,849 (27,90,603)	97,19,410 (70,20,660)
Mr. T. Karunakaran	16,39,380 (13,76,999)	31,43,250 (20,08,650)
Mr. K. Prabhu	13,30,071 (11,51,007)	20,72,980 (-)

Nature of Transaction	Key Management Personnel Managing Director /Executive Director	Promoter Repco Bank Ltd.,	Associate
Equity Share Capital (Paid-up outstanding )	5,89,810 (7,02,760)	23,23,06,060 (23,23,06,060)	-
Dividend Received on Investments	-	-	62,00,000 (41,32,603)
Working Capital Loan Outstanding	-	4,96,27, 33,066 (4,01,44,98,582)	-
Loans advanced during the year	22,30,000 (24,95,604)	-	-
Loan repaid During the Year	65,06,755 (19,43,906)	-	-
Loans Outstanding as at 31st March 2016	97,29,655 (1,38,27,272)	-	-
Interest received on Loans given	7,33,614 (11,97,039)	-	-
Stock options granted and outstanding	17,000 (76,000)	-	-
No. Shares allotted on account exercise of ESOP	55,500 (69,000)	- -	- -
Rent Paid (Excluding input Service tax availed by the Company)	-	43,31,270 (30,63,800)	-
Rent received	-	9,36,000	-
Interest paid on Borrowings	-	43,84,86,739 (39,92,76,522)	-
Equity Dividend Proposed	1,06,166 (1,05,414)	4,18,15,090 (3,48,45,909)	- -
Interest earned on deposits	-	6,56,542 (7,06,015)	-
Investments outstanding as at the end of the year	-	-	12,40,00,000 (12,45,00,000)
Balances in Deposits Account	-	2,64,80,777 (2,06,84,041)	-
Salary of deputed staff	-	NIL (19,47,919)	-



xi) The main business of the Company is to provide long term loan financing for Residential purposes in India. Accordingly, there is no separate reportable segment as per Accounting Standard - AS-17 "Segment Reporting", as the company has only one Geographical and Business segment.

xii) Earnings per share (Basic and Diluted)

(Rs.)

		2015-16	2014-15
a)	Profit for the year after Tax	1,54,05,85,645	1,253,363,233
b)	Weighted average number of Equity Shares outstanding during the year for Basic Earnings Per Share	62,426,758	62,230,327
c)	Weighted average number of Equity Shares outstanding during the year for Diluted Earnings Per Share	6,24,65,292	6,24,41,784
d)	Basic Earnings per Share	24.68	20.14
e)	Diluted Earnings Per Share	24.66	20.04
f)	Nominal Value per Equity Share	10.00	10.00

xiii) Particulars of dividend paid to Non-resident shareholders:

Year in which dividend paid	2015-16	2014-15
No of Shareholders	724	373
No of Shares held	19,357,730	20,904,650
Year for Which Dividend is Paid	2014-15	2013-14
Gross amount of Dividend (Rupees)	29036,595	25,085,580

xiv) Details of movement in Provisions in accordance with the Accounting Standard -29

(Rs.)

Particulars of Provision for	Opening Balance as on 01/04/2015	Provision made during the year	Provisions reversed/adjusted	Closing balance as on 31/03/2016
Non performing advances	49,34,47,383	29,25,92,135	14,50,73,884	64,09,65,634
Contingent Provisions on Standard Assets	25,49,22,951	9,51,70,489	-	35,00,93,440
Provision for other contingencies	40,99,395	2,86,436	NIL	43,85,831
Compensated Absences	99,30,199	92,35,878	35,41,742	1,56,24,335
Proposed dividend (including Dividend Tax)	11,31,08,821	13,54,92,521	11,31,08,821	13,54,92,521
Investments	5,00,000	-	5,00,000	-

xv) **EMPLOYEE BENEFITS**

i. Defined Contribution Plan:

Company Contribution to Provident fund : Rs. 2,01,95,367

ii. Defined Benefit Plan: Gratuity

(Rs.)

	2015-16	2014-15
<b>A. Reconciliation of opening and closing balance of present value of the defined benefit obligation</b>		
Present value of obligations as at beginning of year	13,769,652	8,947,807
Increase in present obligation on account of change in actuarial assumptions	15,562,396	
Interest Cost	2,515,537	715,825
Current Service Cost	11,311,769	2,031,104
Benefits Paid	-	(638,695)
Actuarial loss/(gain) on obligation	(2,347,083)	2,713,611
Present value obligations as at end of year.	40,812,271	13,769,652
<b>B. Reconciliation of opening and closing balances of fair value of Plan Assets</b>		
Fund Maintained by LIC		
Fair value of plan assets as at beginning of year	17,181,061	9,219,382
Expected return on plan assets	1,758,706	1,041,969
Contributions	5,836,862	7,558,405
Benefits paid	-	(638,695)
Actuarial gain on plan assets	59,049	NIL
Fair value of plan assets at the end of year	24,835,678	17,181,061
<b>C. Reconciliation of Present value of defined benefit obligation and fair value of plan assets to the assets and liabilities</b>		
Present value of obligations as at the end of the year	40,812,271	13,769,652
Fair value of plan assets at the end of year	24,835,677	17,181,061
Net asset/(liability) recognized in the Balance sheet	(15,976,594)	3,411,409
<b>D. Expenses recognized in statement of Profit and Loss:</b>		
Current Service Cost	113,11,769	20,31,104
Interest Cost	25,15,537	7,15,825
Increase in present obligation on account of change in actuarial assumptions	15,562,396	
Expected Return on Plan Assets	(17,58,706)	(10,41,968)
Net Actuarial (Gain)/Loss recognized in the year	(24,06,132)	27,13,610
Expenses Recognized in Statement of Profit and Loss	252,24,864	44,18,571
<b>E. Details showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	17,181,061	9,219,382
Actual return on plan assets	1,817,755	1,041,969
Contributions	5,836,861	7,558,405
Benefits paid	-	(638,695)
Fair value of plan assets at the end of year	24,835,677	17,181,061
<b>F. Actuarial assumption</b>		
Discount Rate	7.80 %	8.00 %
Rate of Increase in Compensation levels	10.00 %	5.00 %
Mortality rates	10 %	10 %

The actuarial valuation of obligations towards compensated absences, as per actuarial certificate as on March 31 2016 is Rs.156,24,335 (March 31 2015 Rs.99,30,199) and the the same is recognized in the books of the company.

xvi) The following disclosures have been given in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dt. October 11, 2010 issued by the National Housing Bank.

a) **Capital to Risk Assets Ratio (CRAR) (As certified by the Management)**

	Items	As on 31-03-2016	As on 31-03-2015
i)	CRAR (%)	20.77	20.26
ii)	CRAR – Tier I Capital (%)	20.77	20.26
iii)	CRAR – Tier II Capital (%)	--	--

**b) Exposure to Real Estate Sector (As certified by the Management)**
**(Rs.in Crore)**

	Category	As on 31-03-2016	As on 31-03-2015
<b>A)</b>	<b>Direct Exposure</b>		
	<b>(i) Residential Mortgages -</b>		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	7292.48	5,728.10
	(i) Out of the above Individual Housing Loans up to Rs.15.00 lakh	3377.60	2,443.18
	<b>(ii) Commercial Real Estate</b>		
	Lending Secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction, etc,). Exposure would also include non-fund based (NFB) limits;	398.71	284.82
	<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securities exposures -</b>	Nil	Nil
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
<b>B)</b>	<b>Indirect Exposure</b>		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

**iii) Asset Liability Management: Maturity pattern of certain items of assets and liabilities**
**(As certified by the Management)**
**(Rs. in Crore)**

	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
<b>Liabilities</b>											
Borrowings from Banks / NHB	589.50 (544.10)	150.56 (11.49)	81.66 (69.16)	255.93 (188.83)	435.09 (351.10)	1,609.89 (1,267.02)	1,201.23 (995.38)	853.78 (737.35)	768.61 (659.84)	191.67 (120.15)	6,137.92 (4,944.42)
Market Borrowings	-	- (60)	-	-	-	400 (100)	-	-	-	-	400 (160)
<b>Advances (Gross)</b>	62.54 (50.89)	38.03 (29.73)	38.38 (29.99)	117.16 (91.62)	243.21 (190.20)	1,078.42 (851.05)	1,239.98 (962.96)	1,360.25 (1071.11)	1,832.37 (1417.34)	1,680.85 (1318.03)	7,691.19 (6,012.92)
Investments	--	--	--	--	--	--	--	--	--	12.40 (12.45)	12.40 (12.45)

**xvii) Amount of Dividend proposed to be distributed to the Equity Shares holders for the year ended 31/03/2016**
**(Rs. in Crore)**

Particulars	2015-16	2014-15
<b>Dividend %</b>	<b>18</b>	<b>15</b>
<b>Dividend amount/Share</b>	<b>1.80</b>	<b>1.50</b>
Total Amount of dividend Proposed to be distributed	11,25,74,587	93,536,471

xviii) There are no penalties levied on the company by the National Housing Bank.

xix) Maturity profile of secured and un-secured borrowings is set out below.

(Rs. in Crore)

Particulars	Upto 1 Year	Over 1 year to 3 Years	Over 3 years to 5 Years	Over 5 year to 10 Years	Over 10 Years	Total
Secured Loans from Banks	1,294.79 (980.82)	1,295.67 (867.07)	1,062.71 (781.62)	1,416.88 (1,169.40)	156.93 (50.70)	5,226.98 (3,849.61)
Term Loans from National Housing Bank (NHB)	217.95 (183.86)	314.22 (399.95)	138.52 (213.76)	205.51 (227.79)	34.74 (69.45)	910.94 (1094.81)
Non Convertible Debenture	--	400.00 (100.00)	--	--	--	400.00 (100.00)
Commercial Paper	-- (60.00)	--	--	--	--	-- (60.00)
Total	1,512.74 (1,224.68)	2,009.89 (1,367.02)	1,201.23 (995.38)	1,622.39 (1,397.19)	191.67 (120.15)	6,537.92 (5,104.42)

(xx) National Housing Bank during the inspection of the company with reference to the position as on 31st March 2013 has observed that the company's Net Owned Fund (NOF) and Capital Adequacy Ratio (CAR) was Rs.612.66 crore and 25.07% respectively as against Rs.623.26 crore and 25.50% worked out by the company as at end of March 2013. The difference was attributed to not considering Rs.64.03 crore deposited with parent bank i.e., Repco Bank Ltd., for the purposes of calculation of NOF and short provisioning to the extent of Ron account of reclassification of Non Performing Advances/ Standard Advances Rs.74.33 lakh, on account of reclassification of Non Performing Advances/ Standard Advances.

The contention of the company that Repco Bank Ltd., was not a body corporate and hence not considered the deposit amount with Repco Bank Ltd., for calculation of NOF, was not acceptable to NHB. However, the CAR of the company as at end of March 2013 was well above the statutory minimum requirement of 12%.

National Housing Bank during the inspection of the company with reference to the position as on 31st March 2014 has observed that the company's Net Owned Fund (NOF) and Capital Adequacy Ratio (CAR) was Rs. 718.46 crore and 24.26% respectively as against Rs. 719.32 crore and 24.51% worked out by the company as on that date. The difference was attributed to additional provisioning due to reclassification of standard/Non performing advances with consequential reversal of income, negative amortization, wrong treatment of Commercial Real Estate loans, and provisioning towards loans extended to employees.

xxi) During the year Company has rephased certain advances consequent to floods in certain districts of Tamilnadu. The advances outstanding related to these accounts aggregate to Rs. 209.49 crore as at 31/03/2016. (As part of the Rephasement Company has extended repayment holiday ranging from 3 months to 6 months and these advances have been classified as Performing advances based on the NHB Directions.)

xxii) Employee Stock Option Scheme-2013 (ESOP-2013): During the year 2013-14 the Company instituted Employee Stock Option Scheme 2013 (ESOP-2013). The Board of Directors and the share holders approved the scheme during the year 2013-14. As on 31-03-2016 the company has following Employee stock options schemes, the features of the same are as follows:-

Scheme	ESOP 2013 Tranche I	ESOP 2013 Tranche II
Date of Grant	25th October 2013	26th October 2014
No of Options granted	244375	211745
Exercise Price	Rs. 75/-per share	Rs. 75/- per share
Date of Vesting	One year from the date of grant	One year from the date of grant
Exercise period	Within one year from the date of vesting	Within one year from the date of vesting
Lock In Period	One year from the date of allotment	One year from the date of allotment

The Company has adopted the intrinsic value method in accounting for employee cost on account of ESOP. Based on such valuation, the difference between the Market price on the date of grant and exercise price is accounted as Deferred Employee compensation cost and the same is amortized over the vesting period. Accordingly during the year sums aggregating to Rs.4,81,66,267/- (Rs.6,43,39,711) is recognized as expenses on employee stock option scheme.

#### Summary of Employee Stock Options:

Particulars	Tranche-I	Tranche-II
Options outstanding as at the beginning of the year	36,600	211,025
Options granted during the year	NIL	NIL
Options not vested at the start of the year	NIL	211,025
Options lapsed/Forfeited during the year	16,125	4,155
Options exercised during the year	20,475	1,63,315
Options vested but not exercised at the end of the year	NIL	43,555
Options not vested at the end of the year	NIL	NIL
Weighted average exercise price per option	Rs. 75	Rs. 75

The Black-Scholes Model have been used to derive the estimated value of the stock option granted, if the fair value method to account for the employee share based payment plans were to be used. The estimated value of each stock options and the parameters used for deriving the estimated value of stock option granted under the Black-scholes Model is as follows:

Particulars		ESOP-2013 (Tranche-I)	ESOP-2013 (Tranche-II)
		Vesting on 25th October 2014	Vesting on 26th October 2015
Estimated value of Stock Options	(Rs.)	215.95	417.65
Share Price at grant Date	(Rs.)	285.70	488.00
Exercise Price at Grant Date	(Rs.)	75.00	75.00
Expected Volatility	(%)	29.86	30.92
Dividend Yield Rate	(%)	1.20	1.20
Expected Life of Options	(in years)	0.58	1.00
Risk Free Rate of Interest	(%)	8.89	8.60

Had the compensation cost for the stock options granted under ESOP-2013 (Tranche- I) and ESOP – 2013 (Tranche – II) been determined on fair value approach, the company's profit after tax and earnings per share would have been as per pro-forma amount indicate below:

(Rs.)

Particulars	2015-2016	2014-2015
Profit after tax As reported	154.06	125.34
Profit Considered for computing EPS (pro-forma)	154.03	125.28
<b>Earnings per Share – Basic</b>		
As Reported (Rs.)	24.68	20.14
pro-forma (Rs.)	24.67	20.13
<b>Earnings Per Share – Diluted</b>		
As Reported (Rs.)	24.66	20.04
pro-forma (Rs.)	24.65	20.03

xxiii) During the year one of the associate company Repco Infrastructure Development company limited was wound up, accordingly the investment made in the company amounting to Rs.500000/- is written off to the statement of profit and loss. Further provision already made towards this investment amounting to Rs.500000/- is written back to the statement of profit and loss.

xxiv) Details of Reserve Fund Created under Section 29C of the NHB Act, 1987. Disclosure as per the directions of the National Housing Bank communicated vide their letter NHB (ND)/DRS/Pol.Circular.61/2013-14, dt April 7, 2014.

(Rs.)

Particulars	2015 – 2016	2014 – 2015
Reserves & Surplus		
Statutory Reserve (As per Section 29C of the National Housing Bank Act, 1987)		
Opening Balance	62,66,00,000	380,400,000
Addition during the year	30,02,00,000	246,200,000
Appropriation during the year	--	--
Closing Balance	92,68,00,000	626,600,000
Particulars	Amount	
Balance at the beginning of the year		
a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	62,66,00,000	
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	1,73,26,00,000	
c) Total	2,35,92,00,000	
<b>Addition/Appropriation/Withdrawal during the year</b>		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	30,02,00,000	
b) Amount of special reserve u/s 36(1)(vii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	40,85,00,000	
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	–	
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29 C of the NHB Act, 1987	–	
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	92,68,00,000	
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	2,14,11,00,000	
c) Total	3,06,79,00,000	

**xxv) Expenditure towards Corporate Social responsibility:**

The gross amount required to be spent by the company during the year 2015-16 as CSR expenditure under section 135 of the Companies Act of 2013 is Rs. 2,98,02,461/- (Rs. 2,24,26,970) being 2% of the average profit after tax of past three financial years. The amount is required to be spent on activities qualifying as CSR expenditure as per schedule VII of the Companies Act 2013.

During the financial year 2015-2016 the company has spent sums aggregating to Rs24,25,000 towards CSR activities. The details of disclosure as per the Guidance issued by the Institute of Chartered Accountants of India is as follows:-

(a) Gross amount required to be spent by the Company during the year Rs. 2,98,02,461/-

(b) Amount spent during the year :-

Particulars	In Cash (Rs.)	Yet to be paid in Cash (Rs.)	Total (Rs.)
i) Construction or acquisition of any asset	-	-	-
ii) On purposes other than (i)	24,25,000	-	24,25,000
Total			24,25,000

xxvii) Provision required towards long term investments- Nil (Rs.5,00,000)

xxviii) Previous year figures have been regrouped and rearranged wherever necessary, to conform to current year classification.

For **R. Subramanian and Company**  
Chartered Accountants  
FRN 004137S

**K. Jayasankar**  
Partner  
Membership No.014156

Place: Chennai  
Date : 10.05.2016

**T. Karunakaran**  
Chief Financial Officer

**R. Varadarajan**  
Managing Director

**K. Prabhu**  
Company Secretary

**T.S. KrishnaMurthy**  
Chairman

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDING MARCH 31, 2016

(Rs.)

		For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>NET PROFIT BEFORE TAX</b>	2,30,07,87,760	1,86,17,33,830
	Adjustments For:		
	Depreciation	4,14,52,074	2,94,65,135
	(Profit)/Loss on Sale of Fixed Assets	45,041	(3,02,351)
	Interest Earned on Deposits	(18,09,771)	(21,76,357)
	Expenses on Employee Stock Option	4,81,66,267	6,43,39,711
	Bad debts written off	33,82,481	13,13,864
	Provision for Non-Performing Assets/Standard Assets	38,80,49,060	20,21,27,073
	Dividend received on Investments	(62,00,000)	(41,32,603)
	Investments written off	5,00,000	-
	Provision for diminution in investments written back	(5,00,000)	-
	<b>Operating Profit Before Working Capital Changes</b>	2,77,38,72,912	2,15,23,68,302
	<b>Changes in Working Capital</b>		
	Increase/(Decrease) in Long term provisions	1,82,99,060	28,63,734
	Increase/(Decrease) in short term provisions	1,38,17,994	86,53,675
	Increase/(Decrease) in other current liabilities	73,59,31,989	5,66,66,852
	(Increase)/Decrease in Long term and short term loans & advances	(10,25,632)	(3,70,98,838)
	(Increase)/Decrease in other current assets	(2,75,13,150)	(3,80,25,232)
	<b>Operating Profit after Working Capital Changes</b>	3,51,33,83,172	2,14,54,28,493
	Direct Taxes Paid	(72,03,24,272)	(56,32,43,218)
	<b>Net Cash From Operations</b>	2,79,30,58,900	1,58,21,85,275
	(Increase)/Decrease in Housing/other loans	(15,86,22,38,641)	(12,62,33,83,099)
	(Increase)/Decrease in Current maturities of Housing/other loans	(1,06,89,25,043)	(88,85,94,994)
	<b>Net Cash Generated from operating activity</b>	(14,13,81,04,784)	(11,92,97,92,818)
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(4,47,73,681)	(7,14,04,416)
	(Increase)/Decrease in Capital advances	(3,65,26,714)	(12,51,642)
	Sale of Fixed Assets	30,400	7,22,499
	Subscription to Investments	-	-
	Interest received on Deposits	25,71,176	24,10,558
	Dividend received on Investments	62,00,000	41,32,603
	Investments/redemption of Deposits Maturing after three months	8,76,325	(14,48,325)
	<b>Net Cash Used in Investing Activities (B)</b>	(7,16,22,495)	(6,68,38,723)



(Rs.)

		For the year ended March 31, 2016	For the year ended March 31, 2015
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from share allotment under Employee stock option scheme	18,37,900	19,66,000
	Securities premium received on allotment of shares under Employee stock option scheme	1,19,46,350	1,27,79,000
	Term loans received from Banks and financial institutions	23,04,50,00,000	17,03,00,00,000
	Term loans availed from banks and financial Institutions repaid	(9,99,34,92,055)	(8,07,28,30,853)
	Proceeds from Issue of Non convertible Debentures	3,00,00,00,000	1,00,00,00,000
	Proceeds from issue of Commercial paper	12,50,00,00,000	1,10,00,00,000
	Repayment of Commercial Paper	(13,10,00,00,000)	(50,00,00,000)
	Proceeds of refinance availed from NHB	-	4,50,00,00,000
	Repayment of Refinance availed from National Housing Bank	(1,83,85,48,000)	(3,30,43,70,829)
	Increase in Short term Borrowings	72,19,69,769	27,12,44,054
	Dividends Paid (Including Dividend distribution tax)	(11,31,16,523)	(8,72,51,159)
	Net Cash Used in Financing Activities (C)	14,23,55,97,441	11,95,15,36,213
	Net Increase/Decrease in cash and cash equivalent (A+B+C)	2,58,70,162	(4,50,95,328)
	Cash and Cash Equivalents - Opening Balance (D)	16,01,18,272	20,52,13,600
	Cash and Cash Equivalents - Closing Balance * (E)	18,59,88,434	16,01,18,272
	Net Increase/(Decrease) in Cash and Cash Equivalents (E-D)	2,58,70,162	- (4,50,95,328)
	Components of Cash and Cash Equivalents at the end of the year		
	Current account with Banks*	10,80,31,760	10,98,54,891
	Short term deposits	2,64,80,777	2,95,79,340
	Cash on Hand	5,14,75,897	2,06,84,041
	Cash and Cash Equivalents	18,59,88,434	16,01,18,272
	* Includes balance in unpaid dividend account which are not available for use by the company	38,378	25,673

We have examined the above Cash Flow Statement of Repco Home Finance Ltd., Chennai, for the year ended March 31, 2016. The statement has been prepared by the company based on and in agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the Company.

For **R. Subramanian and Company**  
Chartered Accountants  
FRN 004137S

**K Jayasankar**  
Partner  
Membership No.014156

Place: Chennai  
Date : 10.05.2016

**T Karunakaran**  
Chief Financial Officer

**R. Varadarajan**  
Managing Director

**K Prabhu**  
Company Secretary

**T.S. KrishnaMurthy**  
Chairman

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M/S REPCO HOME FINANCE LIMITED

We have audited the accompanying Consolidated Financial statements of Repco Home Finance Limited ("the Company"), and its Associate Repco Micro Finance Limited which comprise the Consolidated balance sheet as at 31 March 2016, the Consolidated statement of profit and loss and the Consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as the "the Consolidated Financial Statements").

#### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED 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 and presentation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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. The Board of Directors of the company and Board of directors of the Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and that of the associate 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, which have been used for the purpose of

preparation of the Consolidated Financial Statements by the Directors of the Company as aforesaid.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated 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 there under.

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

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

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Consolidated Balance sheet, of the consolidated state of affairs of the Company and its associate as at 31st March 2016.
- b) In the case of the consolidated Statement of Profit and Loss, of the consolidated profit of the company and its associate for the year ended on that date.
- c) In the case of consolidated Cash flow statement, of the consolidated cash flows of the company and its associate for the year ended on that date.

## OTHER MATTERS:

The consolidated financial results also include the share of profit after tax of Rs. 397.60 lacs being considered in the financial results, in respect of an associate Company (Repco Microfinance Limited), whose financial statements have been audited by us which is pending adoption by the Board of Directors of the Associate Company.

Our opinion on the Consolidated Financial Statements and our report on other Legal and Regulatory Requirements below is not modified in respect of the above matters.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 of the aforesaid Consolidated Financial Statements;

- b) In our opinion proper books of account as required by law relating to the preparation of the aforesaid Consolidated Financial Statements have been kept, so far as it appears have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated balance sheet, the Consolidated statement of profit and loss and the Consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated financial statements;
- d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards 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 31 March 2016 taken on record by the Board of Directors of the company and its associate, none of the directors of the company and its Associate company incorporated in india is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its associate and the operating effectiveness of such controls refer to our Separate report under Annexure A; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21(i) to the financial statements; The Associate Company does not have any pending litigations.
- ii. The Company and its Associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education

and Protection Fund by the company and its Associate Company.

For **R.Subramanian and Company**  
Chartered Accountants

Firm's registration number:  
**FRN 004137S**

**K Jayashankar**

Partner

M.No: 014156

Place: Chennai

Date: 10.05.2016

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF REPCO HOME FINANCE LIMITED.**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of Repco Home Finance Limited and its Associate Repco Microfinance Limited, which are companies incorporated in India as of that date

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Board of Directors of the company and its associate company which are incorporated in India are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and

detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **AUDITOR'S RESPONSIBILITY**

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

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

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and

- iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

### OPINION

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

For **R.Subramanian and Company**  
Chartered Accountants

Firm's registration number:  
**FRN 004137S**

**K Jayashankar**  
Partner

Place: Chennai  
Date: 10.05.2016

M.No: 014156

## REPCO HOME FINANCE LIMITED

CIN-L65922TN2000PLC044655

Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017

Corporate office: Third Floor, Alexander Square, Old No.34 & 35, New No.2,  
Sardar Patel Road, Guindy, Chennai – 600032

Ph: (044) - 42106650 Fax: (044) – 42106651; E-mail: cs@repcohome.com

Website: www.repcohome.com

### NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 16th Annual General Meeting of the members of Repco Home Finance Limited will be held on 22 September 2016 at 11 A.M, at Sri Dakshinamurthy Auditorium, PS Higher Sec School, No.215, Ramakrishna Mutt Road, Mylapore, Chennai-600004 to transact the following business:

#### ORDINARY BUSINESS

##### 1. To receive, consider and adopt :

- a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Reports of the Board of Directors and Statutory Auditors thereon.
- b) the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2016, together with the Report of Statutory Auditors thereon.

##### 2. Declaration of dividend

To declare dividend on equity shares of the Company for the financial year ended March 31, 2016.

##### 3. Re-appointment of Smt. Sanjeevane Kutty, I.A.S.

To appoint a Director in place of Smt. Sanjeevane Kutty, I.A.S. (DIN 01818009), liable to retire by rotation and who is eligible for reappointment.

##### 4. Appointment of Auditors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution, pursuant to Sections 139 to 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 :

“Resolved that M/s. R. Subramaniam and Company, Chartered Accountants, be and are hereby appointed as Auditors of the Company for the financial year 2016-17 on a remuneration of Rs. 16.00 Lakhs towards statutory audit fee, Rs. 1.50 lakh per quarter for quarterly limited review certifications and Rs. 50,000 towards other certifications.”

#### SPECIAL BUSINESS

5. Offer or invite subscription for Non-Convertible Debentures (NCD) and Commercial Paper (CP) aggregating to Rs. 2,000 crore and Rs.500 crore respectively on private placement.

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

“RESOLVED that subject to the provisions of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI (Issue and Listing of Debt Securities) Rules, 2008, Directions/Guidelines issued by the National Housing Bank/ Regulators or any other statutory authorities from time to time, including any amendment, modification, variation or re-enactment thereof, the approval of the Members of the Company is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof) and the Board is authorised to offer or invite/issue subscription for Redeemable Non-Convertible Debentures (NCDs) upto an amount of Rs.2,000



crore (Rupees Two thousand Crore) and Commercial Paper upto an amount of Rs.500 crore (Rupees Five hundred Crore) only, on private placement basis, in one or more tranches, during the period of one year commencing from the date of this meeting until the conclusion of the next Annual General Meeting."

"RESOLVED FURTHER that the Board of Directors of the Company are hereby authorised to take decision(s) about the timing of the issue(s) of such securities including the above said Non-Convertible Debentures, number of tranche(s), number of securities to be issued under each such tranche, tenure, coupon rate(s), pricing of the issue, date(s) of opening and closing of the offers/invitations for subscription of such securities, securities for the issue, if any, deemed date(s) of allotment, exercise 'PUT' and 'CALL' option, redemption and all other terms and conditions relating to the issue of the said securities on private placement basis or delegate the above powers to committee(s) of the Board or such other Committee(s) duly constituted for the purpose."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary in relation thereto."

"RESOLVED FURTHER that the Board is hereby authorised to delegate all or any of the powers herein conferred to any director(s)/Committees and/or officers(s) of the Company, to give effect to the resolution(s)."

## 6. Approval for RHFL ESOP Scheme 2016

To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and in accordance with the

Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), and subject further to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded to the introduction and implementation of RHFL ESOP Scheme 2016 or the "Scheme" authorising the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, grant, offer, issue and allot from time to time, in one or more tranches, not exceeding 4,70,000 (Four Lakh Seventy Thousand only) Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the Company, in India, Director of the Company including the Managing Director, Whole-time Director, Non Executive Director but excluding an independent director as may be decided by the Board under RHFL ESOP Scheme 2016, exercisable into not more than 4,70,000 (Four Lakh Seventy Thousand) equity shares of face value of Re. 10/- each fully paid-up, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of Scheme."

"RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned herein before shall rank pari passu with the then existing equity shares of the Company."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the



options granted earlier, the ceiling on the number of options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued."

"RESOLVED FURTHER THAT in case the equity shares of the Company are split or consolidated, then the number of shares to be allotted and the exercise price payable by the option grantees under the Scheme shall automatically stand augmented or reduced in the same proportion as the present face value of Re.10 per equity share bears to the revised face value of the equity shares of the Company after such split or consolidation, without affecting any other rights or obligations of the said grantees."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under RHFL ESOP Scheme 2016 on the Stock Exchanges where the Equity Shares of the Company are listed."

"RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to RHFL ESOP Scheme 2016."

"RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate RHFL ESOP Scheme 2016 subject to compliance with

the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of RHFL ESOP Scheme 2016 and do all other things incidental to and ancillary thereof."

"RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including authorizing the Board to appoint Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of RHFL ESOP Scheme 2016 as also to make applications to the appropriate Authorities, for their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard."

By the order of the Board

Place: Chennai  
Date: 06.08.2016

**K. Prabhu**  
Company Secretary

## NOTE:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business set out in the notice wherever applicable, is attached herewith.
3. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from September 16, 2016 to September 22, 2016 (both days inclusive) for determining the entitlement of the shareholders to the payment of dividend.
4. Subject to provisions of Section 126 of the Companies Act, 2013, dividend as recommended by the Board, if declared at the meeting, will be dispatched / remitted on or before 22 October 2016 (30 days of AGM Date)
5. Members are requested to encash their dividend warrants as Dividend remaining unclaimed for seven years are required to be transferred to the Investor Education and Protection Fund, established by the Central Government under Section 124(6) of the Companies Act 2013. Once unclaimed dividends are transferred to this fund, members will not be entitled to claim these dividends from the Company.

6. Member who have not received or encashed their dividend warrants for the financial years 2012-13 ; 2013-14 and 2014-15, are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/ revalidated dividend warrants.
7. Members holding shares in physical form are requested to notify in writing any changes in their address/bank account details to the Secretarial Department of the Company at Repco Home Finance Ltd, Third Floor, Alexander Square, Old No.34 & 35, New No.2, Sardar Patel Road, Guindy, Chennai – 600032 or to the Registrar & Transfer Agent. Members holding shares in electronic form are requested to notify the changes in the above particulars directly to their Depository Participants (DP).
8. In accordance with the provisions of Section 101 of the Companies Act 2013, Rule 18 f the Companies (Management and Administration) Rules, 2014 and Regulation 36 of SEBI (LODR) Regulations, 2015, this notice and the Annual Report of the Company are being sent to those members whose email address are available with the Company (in respect of shares held in electronic form) and made available to the Company by the Depositories.

The Company requests those members who have not registered their email address, to register the same with their DP in case shares are held in electric form and to the Company in case shares are held in physical form

Members who register their names with the Company or the Registrar and Share Transfer Agent would receive their notice(s)/document(s) through email instead of physical copy.

9. The annual report of the Company circulated to the members of the Company, and is also available on the Company's website at [www.repcohome.com](http://www.repcohome.com).
10. Members desirous of getting any information about the accounts of the Company are requested to write to the Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.

11. All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered/ Corporate Office of the Company between 10.30 a.m. and 12.30 p.m. on all working days from the date hereof upto the date of the Meeting.

12. For security reasons and for proper conduct of AGM, entry to the place of AGM will be regulated by the Attendance slip, which is annexed to this notice. The Members/proxies are requested to bring their attendance slip duly completed and hand it over at the entrance of the venue. The route map to the AGM venue is also annexed to this notice.

### 13.E-Voting

- In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot paper.
- The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.
- Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 15, 2016.

- The remote e-voting facility will be available during the following period:

#### **Commencement of remote e-voting:**

From 9.00 a.m. (IST) on September 19, 2016

#### **End of remote e-voting:**

Up to 5.00 p.m. (IST) on September 21, 2016

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by Karvy upon expiry of aforesaid period.

The instructions for e-voting are as follows:

#### **A. In case a Member receives an email from Karvy [for members whose email IDs are registered with the Company / Depository Participants (s)]:**

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., Repco Home Finance Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email [gr@gramscfirm.com](mailto:gr@gramscfirm.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).

**B. In case of Members receiving physical copy of Notice [for members whose email IDs are not registered with the Company / Depository Participants (s)]**

- i) E-Voting Event Number – (EVEN), User ID and Password is provided with the AGM notice.
- ii) Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
  - Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 15, 2016, may obtain the User ID and password in the manner as mentioned below:
- a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL :

MYEPWD <SPACE> 1402345612345678

Example for Physical :

MYEPWD <SPACE> XXXX1234567890

- b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c) Member may call Karvy's toll free number 1800-3454-001
- d) Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).

If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

- The Company has appointed Shri. G Ramachandran of M/s. G Ramachandran &

Associates, Company Secretaries (Membership No-ACS No.9865) as Scrutinizer to scrutinize the voting at AGM and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

- Once the vote on the Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [gr@gramscfirm.com](mailto:gr@gramscfirm.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd at Tel No. 1800 345 4001 (toll free).
- The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.repcohome.com](http://www.repcohome.com) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to National Stock Exchange of India Limited and BSE Limited.

#### **INFORMATION AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015 IN RESPECT OF DIRECTOR BEING APPOINTED/RE-APPOINTED:**

##### **1. Smt. Sanjeevane Kuty, I.A.S (DIN- 01818009)**

Smt.Sanjeevane Kuty, I.A.S is a non-executive and non-independent director of our Company. She currently holds the position of Special Secretary and Financial Advisor - Ministry of Home Affairs. She

has been a Director on the Board of our Company since March 27, 2015.

Other Directorships:

- Repco Bank
- Rehabilitation Plantations Limited

Shareholding in the Company: NIL

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013:**

##### **Item No.5**

In terms of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013, a Company may, subject to the provisions of that section, make an offer or invitation for subscription of securities including non-convertible debentures, commercial papers or any other debt securities by way of private placement.

Further, in terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the said Act, Directions/Guidelines by the Regulators or any other statutory authorities issued from time to time, a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the shareholders of the Company by a Special Resolution, for each of the offers or invitations. In case of an offer or invitation for subscription to the Non-Convertible Debentures (NCD), it shall be sufficient if the Company passes a previous Special Resolution only once in a year for all the offers or invitation for such debentures during the year.

Keeping in view the increasing volume of business of the Company, the need to diversify the sources of funding and the cost of each of the sources and subject to the provisions of Section 42 of Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the said Act, Directions/Guidelines by the Regulators or any other statutory authorities issued from time to time, your Company intends to offer or invite subscription to Non-convertible Debentures upto an amount of Rs.2,000



Crore (Rupees One thousand Five hundred crore only) and Commercial paper upto an amount of Rs.500 Crore (Rupees Five hundred Crore only) on private placement basis for a period of one year from the conclusion of this Meeting until the conclusion of the next Annual General Meeting in one or more tranches, subject to the condition that the amount accepted in the form of the said Non-Convertible Debentures and Commercial paper together with the existing borrowings and future borrowings would be within the limits specified by the members under section 180(1) (c) of "the Act".

The terms of issue of the above Non-Convertible Debentures would depend upon the requirement of the funds, time of issue, market conditions and alternative sources of funds available to the Company and would be decided by the Company in consultation with the merchant bankers / arrangers, if any appointed by the Company for the purpose. All the required details/ disclosures relating to the issue would be made available in the respective information memorandum.

In order to issue Non-Convertible Debentures by way of an offer or invitation for subscription on private placement and in terms of the above mentioned provisions of "the Act" and rules, subject to Directions/ Guidelines by the Regulators or any other statutory authorities issued from time to time, the prior consent of the members is sought by way of a Special Resolution.

Your Directors recommend the passing of the resolution proposed at Item No.5 of the Notice.

None of the Directors or any key managerial personnel or the relatives of the directors or key managerial personnel are in any way concerned or interested, financially or otherwise, in the said resolution.

#### **Item No.6**

With the objective of rewarding and motivating employees and also to attract and retain the best talent, the Company proposes to grant stock options to its present and future permanent employees (in India or outside India) and directors (whether whole time or not) subject to the employees meeting the eligibility criteria and on such other terms as may be determined by the Board of Directors of the Company (hereinafter

referred to as the "Board" which term shall be deemed to include any Committee, including the Compensation Committee)

In accordance with the terms of these resolutions and ESOP – 2016, the options would be granted in one or more tranches as may be decided by the Board, from time to time.

The Company seeks members' approval in respect of ESOP 2016 and grant of Stock Options to the eligible employees of the Company as decided in this behalf from time to time in due compliance of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations").

**The main features of the ESOP 2016 are as under:**

#### **a) Brief description of the Scheme:**

The Company proposes to introduce ESOP 2016 for the benefit of the present and future permanent employees (in India) and directors (whether whole time or not) and such other eligible persons as may be determined as per SEBI SBEB Regulations. Options granted under the Scheme shall vest on satisfaction of vesting conditions which can thereafter be exercised resulting in allotment of equity shares of the Company.

The Compensation Committee of the Company shall administer the ESOP 2016. All questions of interpretation of the ESOP 2016 shall be determined by the Committee and such determination shall be final and binding.

#### **b) Total number of Options to be granted:**

The total number of options to be granted under ESOP 2016 shall not exceed 4,70,000 (Four Lakh Seventy Thousand only) options. Each option when exercised shall be converted into one Equity Share of Rs.10 (Rupees Ten) each fully paid-up.

The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to

be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such manner that the total value of the options granted under ESOP 2016 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 4,70,000 shall be deemed to be increased to the extent of such additional options issued.

**c) Identification of classes of employees entitled to participate in ESOP 2016:**

Following classes of employees are entitled to participate in ESOP 2016:

- a. Permanent employees of the Company working in India;
- b. Directors of the Company, whether whole time or not ; and

Following persons are not eligible:

- a. an employee who is a Promoter or belongs to the Promoter Group;
- b. a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- c. an Independent Director within the meaning of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**d) Requirements of vesting and period of vesting:**

All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 5 (Five) years from the date of grant of options. The Committee may determine the vesting period from time to time, in accordance with the applicable laws and in the interest of the option grantee.

The vesting dates in respect of the options granted under the Scheme may vary from employee to employee or any class thereof and/or in respect of the number or percentage of options granted to an employee.

Options shall vest essentially based on continuation of employment and apart from that the Board or Committee may prescribe achievement of any performance condition(s) for vesting.

**e) Maximum period within which the options shall be vested:**

All the options granted on any date shall vest not later than a maximum 5 (Five) years from the date of grant of options.

**f) Exercise price or pricing formula:**

The exercise price for the purpose of the grant of stock options will be as per the terms and conditions decided by the Board/Compensation Committee at a time of respective grant of stock options, but at a price not below the face value of the equity share and not more than the market price.

**g) Exercise period and the process of Exercise:**

The Employee Stock Options granted shall be capable of being exercised within a period of four years from the date of Vesting of the respective Employee Stock Options.

The vested Option shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such vested Options in such manner and on such format as may be prescribed. The vested Options shall lapse if not exercised within the specified exercise period.

**h) Appraisal process for determining the eligibility of employees under ESOP 2016:**

The appraisal process for determining the eligibility shall be decided from time to time by the Committee.



**i) Maximum number of Options to be issued per employee and in aggregate:**

The maximum number of options that may be granted per employee of the Company under the ESOP 2016, in any financial year under the ESOP 2016 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

**j) Maximum quantum of benefits to be provided per employee under the ESOP 2016:**

The maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to difference between the option Exercise price and the Market price of the shares on the exercise date.

**k) Route of Scheme implementation:**

The Schemes shall be implemented and administered directly by the Company.

**l) Source of acquisition of shares under the Scheme:**

The Scheme contemplates fresh/new issue of shares by the Company.

**m) Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:**

This is not contemplated under the Scheme.

**n) Maximum percentage of secondary acquisition:**

This is not relevant under the Scheme.

**o) Accounting and Disclosure Policies:**

The Company shall follow the Guidance Note on Accounting for Employee Share-based Payments and/or any relevant

Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein as per Regulation 15 of SEBI SBEB Regulations.

**p) Method of option valuation:**

The Company shall adopt the intrinsic value method of valuation of options.

**q) Declaration:**

In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on Earning Per Share of the Company shall also be disclosed in the Directors' Report.

Consent of the members is being sought by way of Special Resolutions pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

Your Directors recommend the passing of the resolution proposed at Item No.6 of the Notice.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Scheme.

By the order of the Board

Place: Chennai

Date: 06.08.2016

**K. Prabhu**

Company Secretary

## REPCO HOME FINANCE LIMITED

CIN-L65922TN2000PLC044655

Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017

Corporate office: Third Floor, Alexander Square, Old No.34 & 35, New No.2,

Sardar Patel Road, Guindy, Chennai – 600032

Ph: (044) - 42106650 Fax: (044) – 42106651; E-mail: cs@repcohome.com

Website: www.repcohome.com

### ATTENDANCE SLIP: 16th ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 16th Annual General Meeting of the Company held on Thursday the 22<sup>nd</sup> day of September, 2016 at 11.00 A.M at Sri Dakshinamurthy Auditorium, PS Higher Sec School, No. 215, Ramakrishna Mutt Road, Mylapore, Chennai-600004.

Name of the Shareholder(s) .....  
(In Capital Letters)

Name of the Proxy or Company Representative .....  
(In Capital Letters)

Signature of Shareholder(s) OR .....  
Proxy or Company's Representative

#### Notes:

1. A Proxy attending on behalf of Shareholder(s) should write the name of the Shareholder(s) from whom he holds Proxy.
2. Members are requested to bring their copy of the Annual Report to the Meeting as additional Copies of the same will not be made available at the Meeting.

Reg. Folio No. ....

\* Client ID No. ....

\* DPID No. ....

No. of shares held.....

\*Applicable for members holding shares in electronic form.

# REPCO HOME FINANCE LIMITED

CIN-L65922TN2000PLC044655

Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017

Corporate office: Third Floor, Alexander Square, Old No.34 & 35, New No.2, Sardar Patel Road, Guindy, Chennai – 600032

Ph: (044) - 42106650 Fax: (044) – 42106651; E-mail: cs@repcohome.com Website: www.repcohome.com

## FORM No. MGT-11 PROXY FORM

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

Name of the Company: REPCO HOME FINANCE LIMITED

Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017

Name of the Member(s) :

Registered Address :

E-mail Id :

Folio No/ Client Id :

DP ID :

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

1. Name : ..... E-mail ID: .....

Address:..... Signature: .....

Or failing him/her

2. Name : ..... E-mail ID: .....

Address:..... Signature: .....

Or failing him/her

3. Name : ..... E-mail ID: .....

Address:..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the Company held on Thursday the 22nd day of September, 2016 at 11.00 A.M , at Sri Dakshinamurthy Auditorium, PS Higher Sec School, No.215, Ramakrishna Mutt Road, Mylapore, Chennai-600004 and at any adjournment thereof in respect of such resolutions as are indicated below::

Resolution No.	Resolution	Vote	
		For	Against
Ordinary Business			
1	To receive, consider and adopt : a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Reports of the Board of Directors and Statutory Auditors thereon. b) the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2016, together with the Report of Statutory Auditors thereon.		
2	Declaration of dividend for the year ended March 31, 2016.		
3	Re-appointment of Smt.Sanjeevane Kutty, I.A.S, Director retiring by rotation		
4	Appointment of Auditors.		
Special Business			
5	Offer or invite subscription for Non-Convertible Debentures (NCD) and Commercial Paper (CP) aggregating to Rs. 2,000 Crore and Rs.500 Crore respectively on private placement		
6	RHFL ESOP Scheme 2016		

Signed this ..... day of ..... 2016

Signature of Shareholder(s): .....

Signature of Proxy holder(s) .....

### Notes:

- A member entitled to attend the meeting and vote thereat is entitled to appoint a proxy
- A proxy can vote on behalf of the member only on a poll but shall not have the right to speak.
- A proxy need not be a member of the Company.
- A person can act as a proxy on behalf of members not exceeding 50 and aggregate holding of not more than 10% of the total share capital of the Company.
- A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- It is optional for the member to indicate preference of Votes in the proxy form. If the member leaves the 'for' or 'against' column blank against any or all resolutions, the proxy will be entitled to vote in the manner as he/she may deem appropriate.
- Proxies (this form) in order to be valid must be deposited at the Company's registered office not less than 48 hours before the time fixed for the meeting or holding the adjourned meeting in relation to which the proxy is given.

AFFIX  
( Re. 1/- )  
REVENUE  
STAMP

### ELECTRONIC VOTING PARTICULARS

EVEN ( Electronic Voting Event Number	User ID	Password / PIN

## Route map to the venue of the AGM

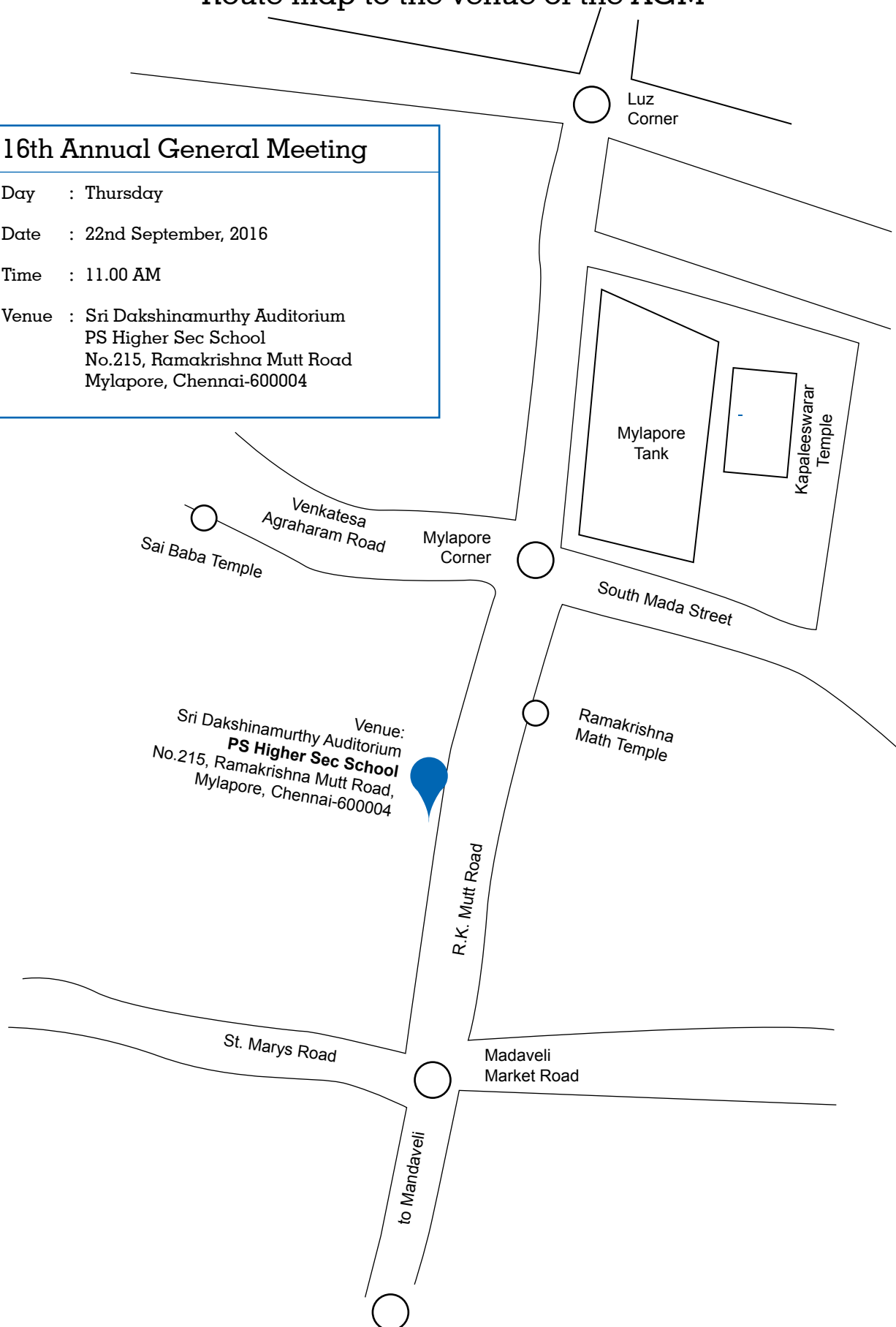
### 16th Annual General Meeting

Day : Thursday

Date : 22nd September, 2016

Time : 11.00 AM

Venue : Sri Dakshinamurthy Auditorium  
PS Higher Sec School  
No.215, Ramakrishna Mutt Road  
Mylapore, Chennai-600004



## LIST OF BRANCHES & SAT CENTRES

### TAMIL NADU

- 1 Adayar
- 2 Anna Nagar
- 3 Ashok Nagar
- 4 Coimbatore
- 5 Coonoor
- 6 Dindigul
- 7 Erode
- 8 Hosur
- 9 Kancheepuram
- 10 Karur
- 11 Kumbakonam
- 12 Madurai
- 13 Mayiladuthurai
- 14 Mettupalayam
- 15 Nagercoil
- 16 Namakkal
- 17 Pattukottai
- 18 Perambalur
- 19 Pollachi
- 20 Pudukottai
- 21 Purasaiwakkam
- 22 Sai Baba Colony
- 23 Salem
- 24 Tambaram
- 25 Thanjavur
- 26 Theni
- 27 Thiruvannamalai
- 28 Tirunelveli

- 29 Tiruppur
- 30 Trichy
- 31 Tuticorin
- 32 Vellore
- 33 Vyasarpadi
- 34 Tenkasi
- 35 Tiruchengode
- 36 Gobichettipalayam
- 37 Sivagangai
- 38 Virudhunagar
- 39 Thiruvallur
- 40 Villupuram
- 41 Madurai North Veli
- 42 Thiruverumbur
- 43 Chidambaram
- 44 Saravanampatti
- 45 Avinashi
- 46 Perundurai
- 47 Marthandam
- 48 Kelambakkam
- 49 Nagapattinam
- 50 Ariyalur
- 51 Udumalaipettai
- 52 Sullur
- 53 Cuddalore
- 54 Ramanathapuram
- 55 Paramathevalur
- 56 Chengalpet
- 57 Palani
- 58 Ranipet

### ANDHRA PRADESH

- 59 Anantapur
- 60 Guntur
- 61 Kadapa
- 62 Kakinada
- 63 Kurnool
- 64 Nellore
- 65 Ongole
- 66 Rajhamundry
- 67 Thirupathi
- 68 Vijayawada
- 69 Vizag
- 70 Vizianagaram

### TELANGANA

- 71 Habsiguda
- 72 Hyderabad
- 73 Khammam
- 74 Warangal
- 75 Pathancheru

### GUJARAT

- 76 Ahmedabad
- 77 Vadodara
- 78 Surat
- 79 Jamnagar
- 80 Rajkot
- 81 Bhavnagar

## KARNATAKA

- 82 Bangalore
- 83 Basaveshwaranagar
- 84 Banashankari
- 85 Belgaum
- 86 Bellary
- 87 Davangere
- 88 Gulbarga
- 89 Hassan
- 90 Hubli
- 91 Mangalore
- 92 Mysore
- 93 Shimoga
- 94 Yelahanka
- 95 Tumkur
- 96 Peenya

## KERALA

- 97 Ernakulam
- 98 Kollam
- 99 Kottayam
- 100 Palakkad
- 101 Punalur
- 102 Trivandrum

## MAHARASTRA

- 103 Dombivili
- 104 Nagpur
- 105 Nasik
- 106 Pimpri
- 107 Pune

- 108 Sangli
- 109 Aurangabad
- 110 Amravati
- 111 AhmedNagar
- 112 Nanded
- 113 Chakan-Talkhed
- 114 Wagholi

## ORISSA

- 115 Bhubaneswar
- 116 Cuttack

## PONDICHERRY

- 117 Pondicherry

## WEST BENGAL

- 118 Kolkata
- 119 Durgapur

## MADHYA PRADESH

- 120 Indore

## JHARKHAND

- 121 Ranchi

## LIST OF SAT CENTRES

### Tamil Nadu

- 1 Karaikudi
- 2 Dharmapuri
- 3 Rajapalayam
- 4 Thirukoilur

- 5 Mannargudi
- 6 Sathyamangalam
- 7 Sriperumbadur
- 8 Kovilpatti
- 9 Aranthangi
- 10 Thiruvarur
- 11 Cumbum
- 12 Porur
- 13 Dharapuram
- 14 Vellakoil
- 15 Musiri
- 16 Rasipuram

### Andhra Pradesh

- 17 Tenali
- 18 Eluru
- 19 Nandyal

### Karnataka

- 20 Chitradurga
- 21 Hospet
- 22 Mulki
- 23 Nanjangud

### Kerala

- 24 Allepey
- 25 Thrissur
- 26 Attingal

### Maharashtra

- 27 Panvel

### Gujarat

- 28 Anand
- 29 Morbi
- 30 Jamkhambhalia