



2nd ANNUAL REPORT

2014-2015

**RAAS HOUSING FINANCE
(INDIA) LIMITED**

NOTICE

NOTICE IS HEREBY GIVEN THAT the First Annual General Meeting of the Members of RAAS Housing Finance (India) Private Limited be held at its Registered Office 1249, Aruna Asaf Ali Marg, Opp Fortis Hospital, Vasant Kunj, New Delhi-110070 on Tuesday, April 22, 2014 at 3pm to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2014, Profit and Loss Account for the period ended on that date, and the Reports of Directors and Auditors thereon, the following Resolution as an ordinary resolution:

"RESOLVED THAT the audited Balance Sheet of the Company as at March 31, 2014 and Profit & Loss Account for the period ended March 31, 2014 together with the reports of Directors and Auditor's thereon be and are hereby approved and adopted."

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

"RESOLVED THAT pursuant to the provisions of section 139 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act), M/s. Walker Chandiook & Associates, Chartered Accountants (Firm Registration number 001329N), be and are hereby appointed as Statutory Auditors of the Company, to hold the office from the conclusion of this Meeting until the conclusion of the sixth Annual General Meeting of the Company subject to ratification by Members at every Annual General Meeting, at such remuneration as may be fixed at the Annual General Meeting of Members."

By Order of the Board



Raakhe K Tandon
Whole-time Director



Rajat Baldhi
Managing Director & CEO

Date: April 21, 2014
Place: New Delhi

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS/ HER STEAD AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.

RAAS HOUSING FINANCE (INDIA) LIMITED

DIRECTORS' REPORT

To the Members

Your Directors are pleased to present the Second Annual Report of the Company together with the Audited Accounts of the Company for the year ended 31st March, 2015.

Financial Highlights

The performance of the Company for the financial year ended March 31, 2015 is summarized as under:

(In Rupees)

Particulars	Year ended 31.03.2015	Period ended 31.03.2014
Total Revenue	17,492,209	5,78,074
Total Expenditure	39,260,586	2,22,61,957
Gross Profit before depreciation, amortizations & taxation	21,768,377	(2,16,83,883)
Depreciation and amortizations	264,661	26,653
Profit before Tax (PBT)	22,033,038	(2,17,10,536)
Provisions for Tax/ Deferred Tax	(12,319,532)	(10,31,384)
Profit after Tax (PAT)	(9,713,506)	(2,06,79,150)
Profit brought forward	(20,679,150)	Nil
Tangible Net Worth	469,607,344	9,93,21,850

Operations

The Company had received the Certificate of Registration (CoR) from NHB in August 13, 2014 and commenced its operations thereafter. During the year, the Company had sanctioned loans of Rs 41.84 crores and made loan disbursements of Rs 20.29 crores.

Financials

During the year under review, the Profit After Tax was Rs (97.14) lacs, essentially due to set-up/ gestation costs for the business launch. There is no dividend applicable for this period.

Deposits



The Company did not accept any public deposits during the year under review.

Directors

Mr Sandeep Chopra, a Chartered Accountant by profession, has joined the Company on March 3rd 2015 as an Independent Director. He has in-depth knowledge of Accounting, Auditing, Company Law and Taxation and have handled professional assignments of many Industries, Service Sectors, Corporate, Societies, Trusts, Govt. Departments/ Schemes.

Based on the declarations given, none of the directors of the Company are disqualified for being appointed as a Director, as specified under Section 164 of the Companies Act, 2013.

Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgo

During the year under review, there were no foreign exchange earnings or outgo. Since your Company does not own any manufacturing facility, the particulars relating to conservation of energy and technology absorption stipulated under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998 are not applicable.

Particulars of employees as required under section 134 of the Companies Act, 2013 and Rules framed thereunder

A statement giving the particulars of employees as required under section 134 of the Companies Act, 2013 read with related rules thereon, wherever applicable, is annexed.

Directors' Responsibility Statement

In accordance with the provisions of section 134 of the Companies Act, 2013, your Directors state that:

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors have selected accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a



true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit and loss account of the Company for the year ended on that date.

- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The Annual Accounts have been prepared on a going concern basis.

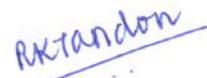
Auditors

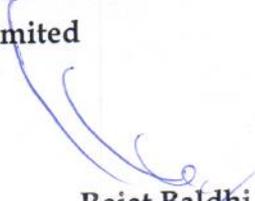
M/s Walker Chandiook & Associates, Chartered Accountants, Statutory Auditors of your Company were appointed for the term of five years i.e. till the conclusion of Sixth AGM of the Company. The Board recommends the ratification of their appointment as the Statutory Auditors of the Company.

Acknowledgements

The Board of Directors places on record its deep appreciation for the continued support and co-operation extended by employees, banks, government authorities and other stakeholders.

For and on behalf of the Board of Directors of
RAAS Housing Finance (India) Limited


Raakhe K Tandon
Whole-time Director
DIN: 00601988


Rajat Baldhi
Managing Director & CEO
DIN: 01151570

New Delhi, April 16, 2015



Walker Chandniok & Associates

L 41 Connaught Circus
New Delhi 110001
India

Independent Auditor's Report

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To the Members of RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited) (the 'Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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

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



4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. 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.
6. 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 controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books



Walker Chandiook & Associates

- c. the financial statements 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 (as amended);
- e. on the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position;
 - 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 by the Company.

Walker Chandiook & Associates

For **Walker Chandiook & Associates**

Chartered Accountants

Firm's Registration No.: 001329N

Nitin Toshniwal

per **Nitin Toshniwal**

Partner

Membership No.: 507568



Place : New Delhi

Date : 16 April 2015

Walker Chandio & Associates

Annexure to the Independent Auditor's Report of even date to the members of RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited) on the financial statements for the year ended 31 March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sell any goods. Accordingly, clause 3(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.



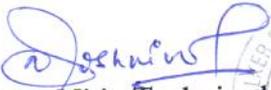
Walker Chandiok & Associates

Annexure to the Independent Auditor's Report of even date to the members of RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited) on the financial statements for the year ended 31 March 2015

- (b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.
- (viii) The Company has been registered for a period of less than five years. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) The Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

Walker Chandiok & Associates

For **Walker Chandiok & Associates**
Chartered Accountants
Firm's Registration No.: 001329N


per **Nitin Toshniwal** NEW DELHI
Partner
Membership No.: 507568



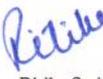
Place : New Delhi
Date : 16 April 2015

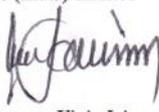
RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)
Balance Sheet as at 31 March 2015
(All amounts in rupees unless otherwise stated)

	Notes	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	500,000,000	120,001,000
Reserves and surplus	4	(30,392,656)	(20,679,150)
		<u>469,607,344</u>	<u>99,321,850</u>
Non current liabilities			
Long-term provisions	5	1,253,341	-
Current liabilities			
Other current liabilities	6	43,300,832	974,553
Short-term provisions	7	17,367	-
		<u>43,318,199</u>	<u>974,553</u>
		<u>514,178,884</u>	<u>100,296,403</u>
ASSETS			
Non-current assets			
Fixed assets			
(a) Tangible assets	8	1,617,996	198,338
(b) Intangible assets	8	88,064	13,659
Deferred tax asset, net	9	13,350,916	1,031,384
Long-term loans and advances	10	198,583,682	-
		<u>213,640,658</u>	<u>1,243,381</u>
Current assets			
Current investments	11	90,800,000	-
Cash and bank balances	12	204,288,721	98,551,421
Short-term loans and advances	13	5,095,030	81,805
Other current assets	14	354,475	419,796
		<u>300,538,226</u>	<u>99,053,022</u>
		<u>514,178,884</u>	<u>100,296,403</u>

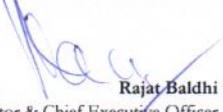
Notes from 1 to 26 form an integral part of these financial statements

For and on behalf of the board of directors of
RAAS Housing Finance (India) Limited

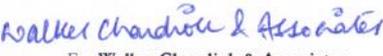

Ritika Sati
 Company Secretary

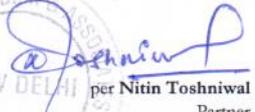

Vipin Jain
 Vice President & Chief Financial Officer


Raakhe K Tandon
 Whole-time Director
 DIN 00601988


Rajat Baldhi
 Managing Director & Chief Executive Officer
 DIN 01151570

This is the Balance Sheet referred to in our report of even date


 For **Walker Chandiook & Associates**
 Chartered Accountants


 per **Nitin Toshniwal**
 Partner

Place: New Delhi
 Date: 16 April 2015



RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)

Statement of Profit and Loss for the year ended 31 March 2015

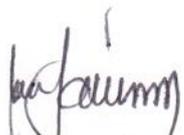
(All amounts in rupees unless otherwise stated)

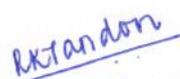
	Notes	Year ended 31 March 2015	Period ended 31 March 2014
Revenue			
Revenue from operations	15	5,575,386	-
Other income	16	11,916,823	578,074
Total revenue		17,492,209	578,074
Expenses			
Employee benefit expenses	17	31,623,846	16,645,860
Depreciation and amortization	8	264,661	26,653
Other expenses	18	7,636,740	5,616,097
Total expenses		39,525,247	22,288,610
Loss before tax		(22,033,038)	(21,710,536)
Tax expense			
-Deferred tax benefit	9	(12,319,532)	(1,031,384)
Loss for the year/period		(9,713,506)	(20,679,150)
Earnings per share			
	19		
- Basic		(0.48)	(9.72)
- Diluted		(0.48)	(9.72)

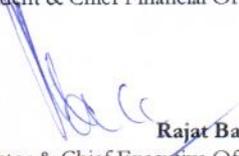
Notes from 1 to 26 form an integral part of these financial statements

For and on behalf of the board of directors of
RAAS Housing Finance (India) Limited


Ritika Sati
Company Secretary


Vipin Jain
Vice President & Chief Financial Officer


Raakhe K Tandon
Whole-time Director
DIN 00601988


Rajat Baldhi
Managing Director & Chief Executive Officer
DIN 01151570

This is the Statement of Profit and Loss referred to in our report of even date


For Walker Chandiook & Associates
Chartered Accountants


per Nitin Toshniwal
Partner



Place: New Delhi
Date: 16 April 2015



RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)
Statement of Cash Flow for the year ended 31 March 2015

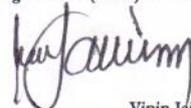
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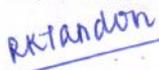
	Year ended 31 March 2015	Period ended 31 March 2014
Cash flow from operating activities:		
Loss before tax	(22,033,038)	(21,710,536)
Adjustments to reconcile net loss to net cash provided by/ (used in) operating activities:		
Depreciation and amortisation	264,661	26,653
Interest income on deposits with banks	(8,682,917)	(578,074)
Gain on mutual fund redemption	(3,201,561)	-
Operating loss before working capital changes	(33,652,855)	(22,261,957)
Long term loans		
Loans disbursed (net)	(202,329,136)	-
Changes in working capital		
Increase in other current liabilities and provisions	43,596,987	974,553
Increase in loans and advances	(1,267,771)	(81,805)
Net cash used in operating activities	(193,652,775)	(21,369,209)
Cash flow from investing activities:		
Purchase of fixed assets (including intangible assets)	(1,758,724)	(238,650)
Investment in mutual funds (net)	(87,598,439)	-
Interest received	8,748,238	158,280
Movement in fixed deposits	21,466,338	(53,000,000)
Net cash used in investing activities	(59,142,587)	(53,080,370)
Cash flow from financing activities:		
Proceeds from issuance of share capital	379,999,000	120,001,000
Net cash generated from financing activities	379,999,000	120,001,000
Net increase in cash and cash equivalents	127,203,638	45,551,421
Cash and cash equivalents at the beginning of the year/period	45,551,421	-
Cash and cash equivalents at the end of the year/period	172,755,059	45,551,421
	127,203,638	45,551,421

Notes from 1 to 26 form an integral part of these financial statements

For and on behalf of the board of directors of
RAAS Housing Finance (India) Limited


Ritika Sati
Company Secretary


Vipin Jain
Vice President & Chief Financial Officer

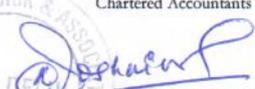

Raakhe K Tandon
Whole-time Director
DIN 00601988


Rajat Baldhi
Managing Director & Chief Executive Officer
DIN 01151570

This is the Statement of Cash Flow referred to in our report of even date


Walker Chandniok & Associates

For Walker Chandniok & Associates
Chartered Accountants


per Nitin Toshniwal
Partner

Place: New Delhi
Date: 16 April 2015



RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)
Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended 31 March 2015

1. Company overview

RAAS Housing Finance (India) Limited (the 'Company') was incorporated on 16 July 2013 with its registered office in New Delhi. The Company is a wholly owned subsidiary of RAAS Capital (India) Private Limited. On 25 March 2015, the company has converted into a public limited company. Further, pursuant to new certificate of incorporation dated 25 March 2015 issued by the Registrar of Companies, Delhi, the name of the company has been changed to RAAS Housing Finance (India) Limited.

The main objects of the Company, inter alia, are to carry out the business of providing long term finance to individuals, companies, corporations, societies or association of persons for purchase/construction/ repair and renovation of new/ existing flats/ houses for residential purposes and provide property related services.

The Company is registered with National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987. The Company has received the certificate of registration dated 13 August 2014 from the National Housing Bank to commence its business operations without accepting public deposits.

2 Basis of preparation

The financial statements are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under section 133 of the Companies Act, 2013 (the 'Act'). These financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles in India. The accounting policies have been consistently applied by the Company.

2.1 Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the current and future periods.

b) Revenue recognition

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

- i. Interest income / fees on housing and other loans given are recognised on accrual basis, except in case of interest on non-performing assets and charges for delayed payments and cheque bouncing, if any, which are recognised only when realised.
- ii. Loan origination income i.e. processing fees and other charges collected upfront, are recognised at the inception of the loan.
- iii. Interest income on deposits with banks is recognised on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.
- iv. Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

c) Classification and provisioning of loan portfolio

- (i) Loans and other credit facilities are classified as standard, sub-standard, doubtful, and loss assets in accordance with the extant Housing Finance Companies, (NHB) Directions, 2010, as amended from time to time.
- (ii) Loans are provided for as per the management's estimates, subject to the minimum provision required as per the extant Housing Finance Companies, (NHB) Directions, 2010, as amended from time to time.



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RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)
Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended 31 March 2015

d) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at lower of cost or fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of the long term investments.

e) Fixed assets

Tangible

Fixed assets (gross block) are stated at historical cost less accumulated depreciation and impairment (if any). Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible

Software which is not integral part of the hardware is classified as intangibles and is stated at cost less accumulated amortisation. These are recognized as assets if it is probable that future economic benefits attributable to such assets will flow to the Company and the cost of the assets can be reliably measured

f) Depreciation and amortisation

Depreciation on tangible assets is provided on straight line method at the rates and in the manner prescribed in schedule II to the Act.

The intangible assets are being amortised over the estimated useful life of 3 years, as determined by the management.

g) Leases

Operating leases:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

h) Employee benefits

Wages, salaries and bonus/ variable pay are accrued in the period in which the associated services are rendered by employees of the Company.

The Company has two post employment plans in operation viz. Gratuity and Provident fund.

Provident fund benefit is a defined contribution plan under which the Company pays fixed contributions into funds established under Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as and when they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short term nature.

The Company provides for gratuity, a defined benefit plan, which defines an amount of benefit that an employee will receive on separation from the Company, usually dependent on one or more factors such as age, years of service and remuneration. The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation ('DBO') at the balance sheet date together with adjustments for unrecognised actuarial gains or losses and past service costs. The present value of DBO is calculated annually by an independent actuary using the projected unit credit method.



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RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)
Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended 31 March 2015

i) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier period.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset to the extent it pertains to unabsorbed business loss/ depreciation is recognized only to the extent that there is virtual certainty of realization based on convincing evidence, as evaluated on a case to case basis.

j) Impairment of assets

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

k) Earnings per share (EPS)

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where results would be anti-dilutive.

l) Contingent liabilities and provisions

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- i) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- ii) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- iii) present obligation, where a reliable estimate cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

m) Segment reporting

The Company operates in a single reportable segment i.e. lending, which have similar risks and returns for the purpose of Accounting Standard 17 on 'Segment Reporting' notified under the Companies (Accounting Standard) Rules, 2006 (as amended). The Company operates in a single geographical segment i.e. domestic.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term bank deposits with an original maturity of three months or less.



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RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)
 Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended 31 March 2015
 (All amounts in rupees, unless otherwise stated)

3 Share capital

	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Amount	
Authorised share capital				
Equity shares of Rs. 10 each	50,000,000	500,000,000	50,000,000	500,000,000
Issued, subscribed and fully paid up capital				
Equity shares of Rs. 10 each	50,000,000	500,000,000	12,000,100	120,001,000

a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive remaining assets of the Company after settlement of all the liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of equity shares outstanding at the end of reporting period

	As at 31 March 2015		As at 31 March 2014	
	Number	Amount	Amount	
Shares outstanding at the beginning of the year	12,000,100	120,001,000	-	-
Shares issued during the year	37,999,900	379,999,000	12,000,100	120,001,000
Shares outstanding at the end of the year	50,000,000	500,000,000	12,000,100	120,001,000

c) Details of shares held by Holding Company *

	As at 31 March 2015		As at 31 March 2014	
	Number of shares held	% of holding	Number of shares held	% of holding
RAAS Capital (India) Private Limited	49,999,900	99.99%	12,000,000	99.99%

* As per the records of the Company, including its register of shareholders/ members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

d) Details of shareholders holding more than 5% of equity share capital of the Company *

	As at 31 March 2015		As at 31 March 2014	
	Number of shares held	% of holding	% of holding	
RAAS Capital (India) Private Limited, Holding Company	49,999,900	99.99%	12,000,000	99.99%

* As per the records of the Company, including its register of shareholders/ members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

e) No shares have been issued for consideration other than cash or as bonus shares in the current reporting period and in the immediately preceding reporting period

4 Reserves and surplus

	As at 31 March 2015	As at 31 March 2014
Deficit as per Statement of Profit and Loss		
Opening balance as at the beginning of the year/period	(20,679,150)	(20,679,150)
Net loss for the year/ period	(9,713,506)	-
Closing balance as at the end of the year/period	(30,392,656)	(20,679,150)

5 Long term provisions

	As at 31 March 2015	As at 31 March 2014
Provision for employee benefits	413,396	-
Contingent provisions against loans (standard assets)	839,945	-
(Also refer note 23)	1,253,341	-



RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)
 Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended 31 March 2015
 (All amounts in rupees, unless otherwise stated)

a) Employee benefits

The Company is following Accounting Standard 15 (Revised 2005) 'Employee Benefits' and using Projected Unit Credit Method and other assumptions as per the market.

(i) The weighted average actuarial assumptions used to determine benefit obligations and net periodic cost for gratuity and compensated absences as at the reporting date are
Gratuity (Unfunded)

(i) Reconciliation of opening and closing balances of the present value of the defined benefit obligations:-

	As at 31 March 2015
Current service cost	414,537
Present value of obligation as at reporting date	414,537

(ii) Breakup of the expense recognized in the statement of profit and loss is as follows:-

	As at 31 March 2015
Current service cost	414,537
Total expense recognised in the statement of profit and loss	414,537

(iii) Assumptions used

	As at 31 March 2015
Discount rate	7.50%
Future salary increase rate	5.00%
Average remaining working life of employees (years)	28.1 years

6 Other current liabilities

Statutory dues	22,098	588,185
Employee related payables	4,097,000	64,458
Other accrued liabilities	691,505	321,910
Book overdraft	38,490,229	-
	<u>43,300,832</u>	<u>974,553</u>

7 Short term provisions

Provision for employee benefits (Refer note 5(a))	1,141	-
Contingent provisions against loans (Standard assets) (Also refer note 23)	16,226	-
	<u>17,367</u>	<u>-</u>

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RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)

Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended 31 March 2015
(All amounts in rupees, unless otherwise stated)

8 Fixed Assets

	Tangible assets			Intangible assets	Total
	Computer equipments	Furniture and fixtures	Office equipments	Computer software	
Gross block					
Additions during the period	222,250	-	-	16,400	238,650
Balance as at 31 March 2014	222,250	-	-	16,400	238,650
Additions during the year	1,377,337	166,400	126,987	88,000	1,758,724
Balance as at 31 March 2015	1,599,587	166,400	126,987	104,400	1,997,374
Accumulated depreciation and amortisation					
Depreciation and amortisation for the period	23,912	-	-	2,741	26,653
Balance as at 31 March 2014	23,912	-	-	2,741	26,653
Depreciation and amortisation for the year	241,989	5,272	3,805	13,595	264,661
Balance as at 31 March 2015	265,901	5,272	3,805	16,336	291,314
Net block					
Balance as at 31 March 2014	198,338	-	-	13,659	211,997
Balance as at 31 March 2015	1,333,686	161,128	123,182	88,064	1,706,060

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RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)
 Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended 31 March 2015
 (All amounts in rupees, unless otherwise stated)

	As at 31 March 2015	As at 31 March 2014
9 Deferred tax asset, net		
Deferred tax asset/(liabilities) arising on account of timing difference on :		
Preoperative and preliminary expenses	852,995	1,066,244
Unabsorbed business loss and depreciation	12,245,929	-
Provision for employee benefits	133,106	-
Provision on standard assets	259,543	-
Depreciation and amortisation	(140,657)	(34,860)
	<u>13,350,916</u>	<u>1,031,384</u>

	As at 31 March 2015	As at 31 March 2014
10 Long term loans and advances		
(Unsecured, considered good)		
Housing loans		
Secured		
- Individuals	154,810,044	-
Others loans		
Secured		
- Individuals	38,815,833	-
- Others	4,947,805	-
Security deposit	10,000	-
	<u>198,583,682</u>	<u>-</u>

	As at 31 March 2015		As at 31 March 2014	
	Nos	Amount	Nos	Amount
11 Current investments				
Investment in mutual funds - quoted				
Birla sun life cash plus, growth, direct plan	101,164	22,700,000	-	-
HDFC liquid fund, direct plan, growth option	822,666	22,700,000	-	-
ICICI prudential liquid, direct plan, growth	109,661	22,700,000	-	-
Reliance liquid fund, treasury plan, direct growth plan, growth option	6,660	22,700,000	-	-
	<u>1,040,151</u>	<u>90,800,000</u>	<u>-</u>	<u>-</u>

Aggregate amount of quoted investments (market value Rs 90,865,897/-)

	As at 31 March 2015	As at 31 March 2014
12 Cash and bank balances		
Cash and cash equivalents		
Bank balances in		
- Current accounts	255,059	551,421
- Deposits with original maturity less than three months	172,500,000	45,000,000
	<u>172,755,059</u>	<u>45,551,421</u>
Other bank balances		
Deposits with maturity of less than three months	31,533,662	2,500,000
Deposits with maturity more than three months but less than twelve months	31,533,662	50,500,000
	<u>204,288,721</u>	<u>53,000,000</u>
	<u>204,288,721</u>	<u>98,551,421</u>



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RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)
 Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended 31 March 2015
 (All amounts in rupees, unless otherwise stated)

	As at 31 March 2015	As at 31 March 2014
13 Short-term loans and advances (Unsecured, considered good)		
Housing loans		
Secured		
- Individuals	2,535,515	-
Other Loans		
Secured		
- Individuals	1,120,543	-
- Others	89,396	-
Advances recoverable in cash or in kind or for value to be received	472,908	24,000
Advance income-tax	876,668	57,805
	<u>5,095,030</u>	<u>81,805</u>
14 Other current assets		
Interest accrued on fixed deposits	354,475	419,796
	<u>354,475</u>	<u>419,796</u>

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RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)
 Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended 31 March 2015
 (All amounts in rupees, unless otherwise stated)

	As at 31 March 2015	As at 31 March 2014
15 Revenue from operations		
Interest on housing loans and other loans	4,057,526	-
Fees and other charges	1,517,860	-
	<u>5,575,386</u>	<u>-</u>
16 Other income		
Interest income on deposits with banks	8,682,917	578,074
Gain on mutual fund redemption	3,201,561	-
Miscellaneous income	32,345	-
	<u>11,916,823</u>	<u>578,074</u>
17 Employee benefits expense		
Salaries, wages and bonus	30,459,088	16,594,094
Contribution to provident fund and other funds	487,981	-
Contribution to gratuity (Refer note 5(a))	414,537	-
Staff welfare expenses	262,240	51,766
	<u>31,623,846</u>	<u>16,645,860</u>
18 Other expenses		
Rent	2,012,190	1,241,169
Rates and taxes	451,827	158,690
Electricity	337,899	137,009
Remuneration to auditors (refer note 21)	150,000	168,540
Legal and professional charges	912,791	60,741
Repair and maintenance	546,511	259,851
Insurance expenses	48,749	-
Membership and fees	141,993	-
Selling expenses	1,030,521	-
Communication expenses	385,461	83,836
Preoperative and preliminary expenses	-	3,464,694
General provision for standard assets	856,171	-
Miscellaneous expenses	762,627	41,567
	<u>7,636,740</u>	<u>5,616,097</u>
19 Earnings per share - Basic and diluted		
(a) Computation of loss for computing		
Net loss after tax available for equity shareholders	(9,713,506)	(20,679,150)
(b) Computation of weighted average number of shares		
Basic	20,211,059	2,127,420
Diluted	20,211,059	2,127,420
(c) Nominal value of equity share (Rs.)	10	10
(d) Earnings per share		
- Basic	(0.48)	(9.72)
- Diluted	(0.48)	(9.72)

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RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)
 Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended 31 March 2015
 (All amounts in rupees, unless otherwise stated)

20 Related party disclosures

Related party disclosures, as required by Accounting Standard 18 - Related party disclosures prescribed in the Companies (Accounting Standard) Rules, 2006 issued by the Central Government in exercise of the powers conferred under section 133 of the Companies Act, 2013 are given below:

Holding Company : M/s RAAS Capital (India) Private Limited
 Key Managerial Personnel (KMP) : Raakhe K Tandon, Whole-time Director
 : Rajat Baldhi, Managing Director and Chief Executive Officer
 : Vipin Jain, Vice President and Chief Financial Officer
 : A Manimurugan, Vice President and Chief Risk Officer (with effect from 10 October 2014)
 : Shobha Sridhar, Deputy Vice President and National Operations Head (with effect from 2 February 2015)

Transactions with related parties during the period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period:

Particulars	For the year ended 31 March 2015	For the period ended 31 March 2014
Transactions during the year/period		
Holding company		
M/s RAAS Capital (India) Private Limited		
Issue of share capital	379,999,000	120,000,000
Reimbursement of expenses	-	3,358,210
Purchase of fixed asset	-	175,350
Refund of share application money	1,000	-
Director		
Raakhe K Tandon		
Issue of share capital	-	1,000
Key management personnel		
Remuneration paid		
Rajat Baldhi	14,826,840	11,085,750
Vipin Jain	4,935,068	3,698,740
A Manimurugan	2,347,104	-
Shobha Sridhar	434,731	-
Balance outstanding as at the end of year/period		
Key management personnel		
Provision for remuneration		
Rajat Baldhi	3,000,000	-
Vipin Jain	500,000	-
A Manimurugan	236,986	-
Shobha Sridhar	31,781	-

Note:

1) The remuneration to the key managerial personnel does not include the provision made for gratuity, as it is determined on an actuarial basis for the company as a whole.

	For the year ended 31 March 2015	For the period ended 31 March 2014
21 Payments to auditors		
Particulars		
Statutory audit	125,000	125,000
Certification fees	25,000	25,000
Out of pocket expenses	10,000	-
Service tax	18,540	18,540
	<u>178,540</u>	<u>168,540</u>

22 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and others, and not provided for (net of capital advances) is Rs 195,000 (previous year Rs. Nil).



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RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)
 Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended 31 March 2015
 (All amounts in rupees, unless otherwise stated)

23 Contingent provisions against loans

The Company has followed the Housing Finance Companies (NHB) Directions, 2010 with respect to provisioning on loans including general provision on standard loans. The details of loans and provision thereon is as under:

Particulars	For the year ended 31 March 2015	
	Standard	
Loans		
Housing loans- Individuals	157,345,559	
Other loans- Individuals	39,936,376	
Other loans- Others	5,037,201	
Provisions		
Housing loans- Individuals	629,381	
Other loans- Individuals	206,641	
Other loans- Others	20,149	

24 Lease payments under cancellable operating lease are recognised as an expense in the Statement of Profit and Loss as rentals.

25 Disclosures in terms of Circular no. NHB/ND/DRS/Pol—No. 35/2010—11 dated 11 October 2010:

I Capital to Risk Assets Ratio (CRAR)

	31 March 2015	31 March 2014
Capital to Risk Asset Ratio (CRAR) (%)	158.04%	Not applicable
Thereof: CRAR-Tier I Capital (%)	157.75%	Not applicable
CRAR-Tier II Capital (%)	0.30%	Not applicable

II Exposure to Real Estate Sector

a. Direct Exposure

i) Residential Mortgages-

Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;

	31 March 2015	31 March 2014
Individual housing loans up to Rs.15 lakh	17,484,379	-
Others	177,018,916	-

ii) Commercial Real Estate-

Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).

7,815,840

iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures

a. Residential

b. Commercial Real Estate

-

-

b. Indirect Exposure

Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)

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RAAS Housing Finance (India) Limited (formerly known as RAAS Housing Finance (India) Private Limited)
Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended 31 March 2015

(All amounts in rupees, unless otherwise stated)

III Asset Liability Management

Maturity pattern of certain items of assets and liabilities

	Liabilities		31 March 2015	
			Assets	
	Borrowings from banks	Market Borrowings	Advances	Investments
1 day to 30-31 days (one month)	-	-	295,406	90,800,000
Over one month to 2 months	-	-	298,344	-
Over 2 months upto 3 months	-	-	301,312	-
Over 3 months to 6 months	-	-	922,042	-
Over 6 months to 1 year	-	-	1,928,350	-
Over 1 year to 3 years	-	-	8,970,758	-
Over 3 years to 5 years	-	-	11,295,802	-
Over 5 years to 7 years	-	-	14,297,050	-
Over 7 years to 10 years	-	-	28,694,386	-
Over 10 years	-	-	135,315,686	-
Total	-	-	202,319,136	90,800,000

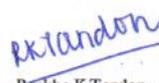
Maturity pattern of certain items of assets and liabilities

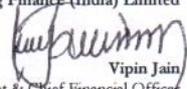
	Liabilities		31 March 2014	
			Assets	
	Borrowings from banks	Market Borrowings	Advances	Investments
1 day to 30-31 days (one month)	-	-	-	-
Over one month to 2 months	-	-	-	-
Over 2 months upto 3 months	-	-	-	-
Over 3 months to 6 months	-	-	-	-
Over 6 months to 1 year	-	-	-	-
Over 1 year to 3 years	-	-	-	-
Over 3 years to 5 years	-	-	-	-
Over 5 years to 7 years	-	-	-	-
Over 7 years to 10 years	-	-	-	-
Over 10 years	-	-	-	-
Total	-	-	-	-

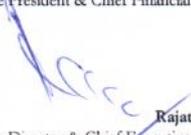
IV Other disclosures

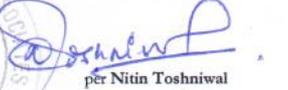
	For the year ended 31 March 2015	For the year ended 31 March 2014
i) Details of penalty levied by National housing bank	-	-
ii) Adverse comments by the National housing bank on regulatory compliances	-	-
iii) Percentage of outstanding loans granted against collateral of gold jewellery to total outstanding assets	-	-
26 The current financial year is not comparable to previous period figures which are from 16 July 2013 to 31 March 2014. However previous period figures have been regrouped/reclassified wherever considered necessary to make them in line with that of the current year.		


Ritika Sati
Company Secretary


Raakhe K Tandon
Whole-time Director
DIN 00601988

For and on behalf of the board of directors of
RAAS Housing Finance (India) Limited

Vipin Jain
Vice-President & Chief Financial Officer


Rajat Baldhi
Managing Director & Chief Executive Officer
DIN 01151570


For Walker Chandiock & Associates
Chartered Accountants

per Nitin Toshniwal
Partner

Place: New Delhi
Date: 16 April 2015

