

सबके लिए आवास HOUSING FOR ALL



वार्षिक रिपोर्ट - 2015 - 16
ANNUAL REPORT - 2015 - 16



राष्ट्रीय
आवास बैंक
NATIONAL
HOUSING BANK

सबके लिए आवास HOUSING FOR ALL

पक्षियों के लिए धरती मां के आंचल में घर होना उतना ही महत्वपूर्ण है जितना कि नीले गगन में ऊंची उड़ानें भरना। पक्षियों को समर्पित भाव से अपनी एवं परिवार की सुरक्षा एवं हिफाजत हेतु घोंसले को बनाते हुए देखना अपने आप में एक अच्छी अनुभूति देता है। अपनी हर जरूरत को पूरा करने में पक्षियों द्वारा दिखाया जाने वाला मनोवेग, बुद्धिमत्ता और एकजुटता अद्वितीय होती है।

अब तक रा.आ. बैंक की यात्रा प्रगतिशील एवं महत्वपूर्ण घटनाक्रम से जुड़ी रही है जिसमें एक स्वस्थ, लाभप्रद और सतत् आवास तंत्र हेतु आधारभूत बाजार संरचना के निर्माण के लिए विनियमन एवं पर्यवेक्षण, वित्तपोषण, एवं संवर्धन और विकास में तालमेल के साथ अनुभव और विशेषज्ञता शामिल है।

रा.आ. बैंक आवासीय क्षेत्र में एक अर्थपूर्ण योगदान देने के लिए साझेदारी को प्रोत्साहित करने की दिशा में अग्रसर है।

For birds, having a shelter in the lap of mother earth to come back to is as important as soaring in the blue skies. It is indeed a pleasure to watch the birds as they determinedly build their nests designed for safety and security of their offspring. The passion, intelligence and focus shown by birds in addressing each aspect of their need is unparalleled.

NHB's journey so far has been innovative and eventful, assimilating the experiences and expertise by balancing the functions of regulation & supervision, financing, and promotion & development, to create a market infrastructure for a healthy, profitable and sustainable housing eco-system.

NHB will continue to foster partnerships in order to make a meaningful contribution to the housing sector.



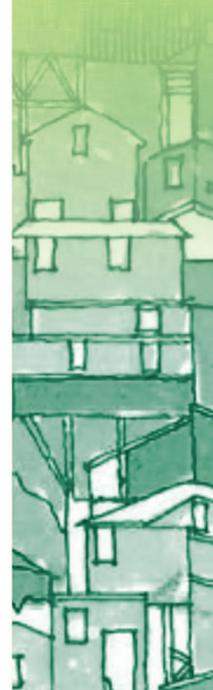
Annual Report 2015-16 (July 2015 - June 2016)





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श्रीराम कल्याणरामन

प्रबन्ध निदेशक एवं मुख्य कार्यपालक अधिकारी

Sriram Kalyanaraman

Managing Director & Chief Executive Officer



राष्ट्रीय
आवास बैंक
NATIONAL
HOUSING BANK

Letter of Transmittal

NHB (ND)/MD&CEO/9254/2016-17

October 07, 2016

The Secretary
Government of India
Ministry of Finance
Department of Financial Services
Jeevan Deep Building, Parliament Street
New Delhi- 110001

Dear Sir,

In accordance with the provision of sub-section (5) of Section 40 of the National Housing Bank Act, 1987, I forward herewith a copy of the Annual Report along with the Annual Accounts of the National Housing Bank for the year 2015-16.

Yours faithfully,

(Sriram Kalyanaraman)

Encl.: As above

भारतीय रिजर्व बैंक
के संपूर्ण स्वामित्व में

Wholly owned by
Reserve Bank of India

कोर 5-ए, इंडिया हैबिटेट सेंटर, लोधी रोड, नई दिल्ली-110003

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e-mail : sriram.kalyanaraman@nhb.org.in

बैंक हिन्दी में पत्राचार का स्वागत करता है

श्रीराम कल्याणरामन

प्रबन्ध निदेशक एवं मुख्य कार्यपालक अधिकारी

Sriram Kalyanaraman

Managing Director & Chief Executive Officer



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आवास बैंक
NATIONAL
HOUSING BANK

Letter of Transmittal

NHB (ND)/MD&CEO/9253/2016-17

October 07, 2016

The Secretary
Government of India
Ministry of Finance
Department of Economic Affairs
North Block, New Delhi- 110001

Dear Sir,

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Sriram Kalyanaraman

Managing Director & Chief Executive Officer



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आवास बैंक
NATIONAL
HOUSING BANK

Letter of Transmittal

NHB (ND)/MD&CEO/9252/2016-17

October 07, 2016

The Governor
Reserve Bank of India
Central Office Building
18th Floor, Shahid Bhagat Singh Road
Mumbai- 400023

Dear Sir,

In accordance with the provision of sub-section (5) of Section 40 of the National Housing Bank Act, 1987, I forward herewith a copy of the Annual Report along with the Annual Accounts of the National Housing Bank for the year 2015-16.

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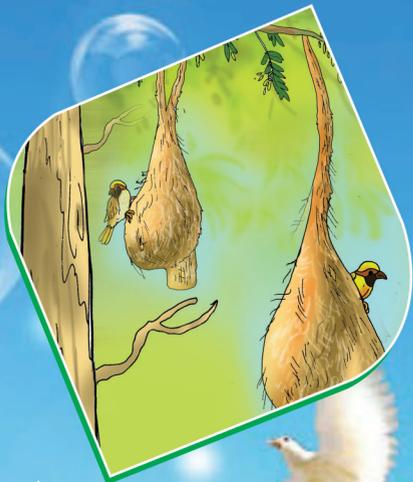
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राष्ट्रीय
आवास बैंक
NATIONAL
HOUSING BANK

1

INTRODUCTION

About National Housing Bank
Governance Structure
Board of Directors



ABOUT NATIONAL HOUSING BANK

1.1 The National Housing Bank (NHB) is a development financial institution, established in 1988, under an Act of Parliament, viz. the National Housing Bank Act, 1987 (Central Act No. 53 of 1987). NHB is to operate as a principal agency to promote housing finance institutions and to provide financial and other support to such institutions. NHB is wholly owned by the Reserve Bank of India. NHB's multi-pronged approach towards the development of institutional and market infrastructure has led to the expansion and stabilization of the housing sector. NHB is committed towards establishment of a sound and sustainable housing finance system in the country by way of promoting institutional framework and market infrastructure.

1.2 Vision

Promoting Inclusive Expansion with Stability in the Housing Finance Market.

1.3 Mission

To harness and promote the market potentials to serve the housing needs of all segments of the population with focus on low and moderate income housing.

1.4 Objectives

NHB has been established to achieve, inter alia, the following objectives –

- To promote a sound, healthy, inclusive and viable housing finance system to cater to all segments of the population and to integrate the housing finance system with the overall national financial system;
- To develop network of dedicated housing finance institutions to adequately serve all regions and sections in the society;
- To facilitate finance and other resources for development of housing and create framework for institutions for enhancing the quality of credit and affordability;
- To regulate and supervise the activities of housing finance companies based on the mandate provided under the National Housing Bank Act, 1987;
- To innovate and develop new products in

housing finance to cater to the specialized needs of different categories of the population;

- To create an appropriate environment for the development of sustainable habitat and housing finance system through eco-friendly housing using energy efficient and sustainable practices by partnership and collaboration arrangements with domestic and international agencies.

1.5 Functions

1.5.1 NHB performs multidimensional activities in the pursuit of its objectives, under three broad functions, namely regulation & supervision, financing and promotion & development. As a regulator of Housing Finance Companies (HFCs), NHB is entrusted with the responsibility for issuing Certificate of Registration (CoR) to HFCs for commencement and carrying on the business of housing finance in India. The supervision of the HFCs is also done by NHB through on-site and off-site surveillance, market intelligence and coordination with other regulators. On the financing front, NHB extends refinance assistance to primary lending institutions including HFCs and Banks for their housing loans to individuals. Refinance is extended at concessional rates for housing loans given to target segments such as borrowers in rural areas, low income and informal income borrowers and persons affected by natural calamities. NHB also extends project finance assistance to public agencies and public private partnership entities for their housing projects. The promotion and development activities of NHB are aimed at strengthening the operating milieu of the housing finance sector as well as development of new products and market infrastructure. Training and capacity building for the personnel of the sector is carried out with the objective of not only streamlining the processes but also for better information dissemination. NHB has assisted in the formulation of the central and state housing and habitat policies of some of the states and has also been playing a Central Nodal Agency role in implementation of the Government schemes for housing to the targeted segments.

1.5.2 NHB is also acting as a Central Nodal Agency for the Credit Linked Subsidy Scheme (CLSS), the second vertical of the Pradhan Mantri Awas Yojana Housing for All (Urban) Scheme Guidelines.



1.6 GOVERNANCE STRUCTURE

1.6.1 Composition of the Board

General superintendence, direction and management of the affairs of the business of the NHB are vested in the Board of Directors, which acts on business principles with due regard to public interest. The Board of Directors has been constituted in accordance with the provisions of the National Housing Bank Act, 1987. The following changes took place in the composition of the Board of Directors of NHB during the year 2015-16:

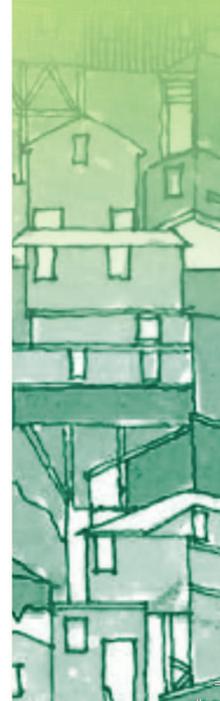
- Shri Sriram Kalyanaraman took charge as Managing Director and Chief Executive Officer of NHB, with effect from July 13, 2015. Earlier to this, the Board was headed by Shri Mohammad Mustafa, IAS as Chairman and Managing Director;
- Shri G.M. Rao, Director on the Central Board of Reserve Bank of India ceased to be a Director with effect from 23-09-2015;
- Shri Rajiv Sadanandan, IAS, Joint Secretary to the Government of India, Rural Housing, Department of Rural Development, was appointed as Director with effect from 07-08-2015 vice Ms. Vijaya Srivastava, IAS. However, Shri Sadanandan ceased to be a Director with effect from 07-05-2016;
- Shri Rajiv Ranjan Mishra, IAS, Joint Secretary to the Government of India, Ministry of

Housing and Urban Poverty Alleviation has been appointed as Director with effect from 15-03-2016 vice Shri Sanjeev Kumar, IAS;

- Shri Pankaj Jain, IAS, Joint Secretary to the Government of India, Ministry of Finance, Department of Financial Services has been appointed as Director with effect from 10-06-2016 vice Shri Alok Tandon, IAS.

1.6.2 Committees Constituted by the Board

The Board has constituted four Committees, viz., (a) Executive Committee of Directors [EC], (b) Audit Committee of the Board [ACB], (c) Remuneration Committee of Directors [RC], and (d) Human Resource Committee of the Board [HRB] to enable better and focused attention on the affairs of NHB. Besides, Review Committee of Directors for reviewing the Order of the Committee for identifying willful defaulters has also been constituted. The functions of the EC, ACB, RC and HRB are well-defined and the Board has delegated certain powers to these Committees. The Board/Committee meetings are held at regular intervals. During the year 2015-16, the Board met four times, the Executive Committee and Audit Committee of the Board also met four times and Remuneration Committee met once.





1.6.3 BOARD OF DIRECTORS

As on 22-08-2016 apart from Managing Director and Chief Executive Officer of NHB appointed by the Government of India under Section 6 (1) (a) of the Act, there were five other directors on the Board, as per the following composition –

- one Director from out of the Directors of Reserve Bank, nominated by the Reserve Bank of India under Section 6 (1) (d) of the Act
- two Directors from among the officials of the Central Government, appointed by the Central Government under Section 6 (1) (e) of the Act, and
- two Directors from among the officials of the State Government, appointed by the Central Government under Section 6 (1) (f) of the Act.

The following is the constitution of the Committees as on 22-08-2016

Executive Committee of Board

(i) Shri Sriram Kalyanaraman
Chairman

(ii) Shri Pankaj Jain, IAS
Member

(iii) Shri Rajiv Ranjan Mishra, IAS
Member

(iv) Shri Malay Shrivastava, IAS
Member

Audit Committee of the Board

(i) Shri Pankaj Jain, IAS
Chairman

(ii) Dr. Urjit R. Patel
Member

(iii) Shri Rajiv Ranjan Mishra, IAS
Member

(iv) Shri Malay Shrivastava, IAS
Member

Human Resource Committee of the Board

(i) Shri Sriram Kalyanaraman
Chairman

(ii) Shri Rajiv Ranjan Mishra, IAS
Member

(iii) Shri Malay Shrivastava, IAS
Member



BOARD OF DIRECTORS



Shri Sriram Kalyanaraman



Dr. Urjit R. Patel



Shri Pankaj Jain



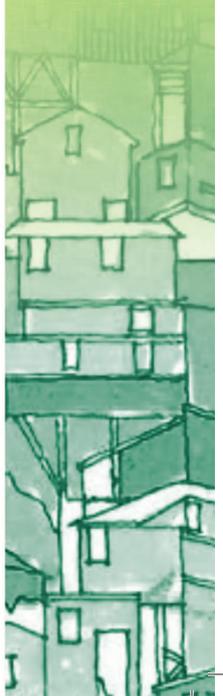
Shri Rajiv Ranjan Mishra

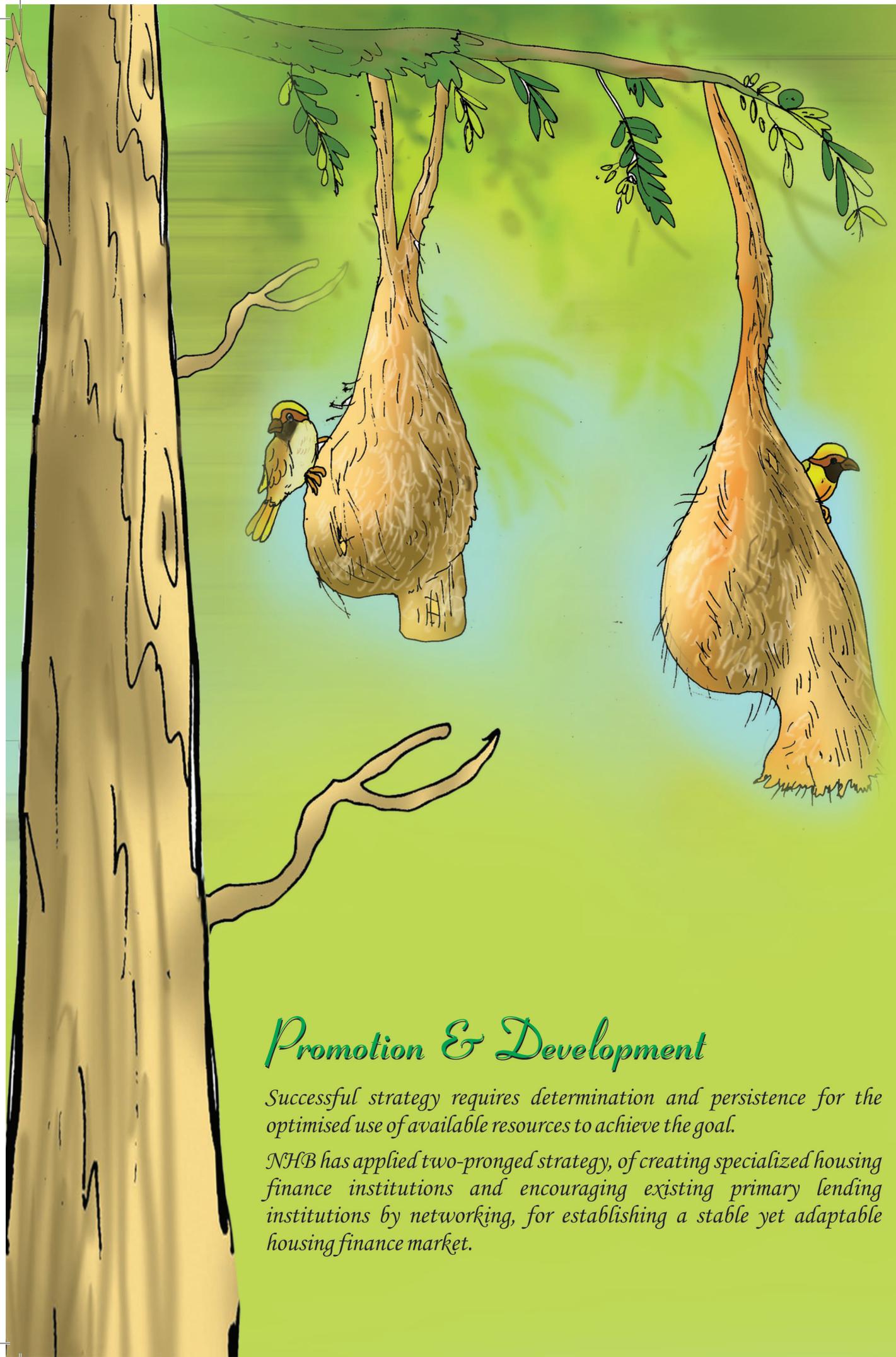


Shri Sadakant



Shri Malay Shrivastava





Promotion & Development

Successful strategy requires determination and persistence for the optimised use of available resources to achieve the goal.

NHB has applied two-pronged strategy, of creating specialized housing finance institutions and encouraging existing primary lending institutions by networking, for establishing a stable yet adaptable housing finance market.



2

PERFORMANCE

Operational Highlights 2015-16
Key Metrics



2.1 OPERATIONAL HIGHLIGHTS FOR 2015-16

Share Capital Infusion

Equity share capital was at ₹1,450 crore as on 30-06-2016, with the infusion of ₹1,000 crore by the Reserve Bank of India during 2015-16, in addition to its contribution of ₹450 crore earlier.

Outstanding Borrowings

Crossed ₹50,000 crore mark and stood at ₹50,674 crore as on 30-06-2016.

Outstanding Loans & Advances

Crossed the ₹50,000 crore mark and stood at ₹53,573 crore as on 30-06-2016.

Total Assets

Stood at ₹59,262 crore as on 30-06-2016.

Regulation

As on 30-06-2016, 75 HFCs have been registered with NHB. During the year, 11 HFCs were granted Certificate of Registration (COR), under the Section 29A of the National Housing Bank Act, 1987.

NHB consolidated all instructions for the first time, and issued Master Circulars to HFCs on Directions, Notifications, Circulars, etc.

Consumer Protection

1,380 complaints, constituting around 93% of the total complaints received by NHB, were resolved, while the remaining complaints are under regular monitoring for early resolution and final disposal. Complaints are being registered through Grievance Registration & Information Database System (GRIDS), a 24x7 on-line database system, facilitating the customers of HFCs to lodge complaints and track status.

Central Nodal Agency

As a Central Nodal Agency (CNA) for implementation of the Credit Linked Subsidy Scheme (CLSS) under second vertical of the Pradhan Mantri Awas Yojana - Housing for All (Urban) Guidelines, NHB has signed Memorandum of Understanding (MoU) with 145 Primary Lending Institutions (PLIs). As on 30-06-2016, NHB disbursed an interest subsidy of ₹119.53 crore to 57 Primary Lending Institutions, which benefitted 7,062 households.

Research studies

Five research studies were commissioned during the year: 'NHB RESIDEX' 'Impact of the Land Acquisition Act' with special reference to 'Land Pooling' and 'Property Insurance in New & Existing Housing', 'An Outlook on Indian Housing Finance Sector and Contribution of Housing Finance Companies in Indian Economy', 'Financial performance of Housing Finance Companies registered with National Housing Bank during 2012 and 2014'. Three studies, viz. NHB RESIDEX, "An Outlook on Indian Housing Finance Sector and Contribution of Housing Finance Companies in Indian Economy", "Financial Performance of Housing Finance Companies registered with National Housing Bank during 2012 and 2014" were completed during the year.

Governance

NHB appeared before seven Parliamentary Committees during the year.

Digital India initiative

A 24x7 on-line portal has been developed and implemented for PLIs to lodge CLSS claims and reduce the turnaround time (TAT) at NHB for processing interest subsidy under CLSS.

Another 24x7 portal, the Online Reporting & Management Information System (ORMIS) was developed and implemented to expedite the process of submission of returns, data and information by HFCs and enable tracking of current status of the same. A mobile app named 'NHB' was developed to facilitate stakeholders with various services.

Awards & Recognition

NHB's Grievance Registration & Information Database System (GRIDS) Portal received the prestigious 'FINNOVITI 2016' award, which recognizes and rewards innovations in the Banking, Financial Services & Insurance (BFSI) sector.

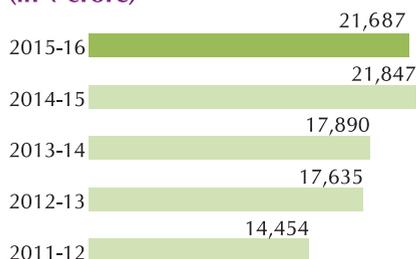
The 24x7 online portal for expediting the interest subsidy processing to reduce the TAT received SKOCH Award 2016 for Financial Inclusion.

NHB's in-house magazine 'Awas Bharti' was received first prize from the Reserve Bank of India for the year 2014-15. The magazine was also awarded first prize for the same year by Delhi Town Official Language Implementation Committee (TOLIC).

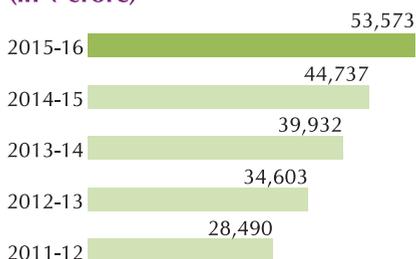
2.2 KEY METRICS

Balance Sheet Metrics

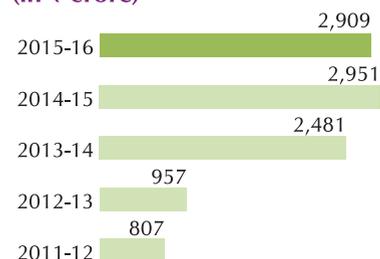
Disbursements (in ₹ crore)



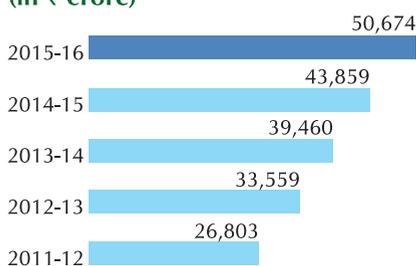
Loans & Advancements (in ₹ crore)



Investments (in ₹ crore)



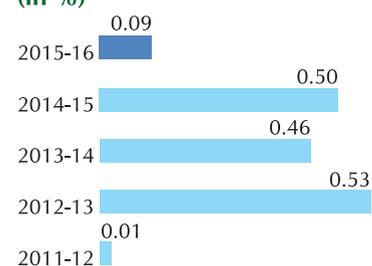
Total Borrowings (in ₹ crore)



Total Assets (in ₹ crore)



GNPAs to Loan & Advances (in %)



Profit & Loss Metrics

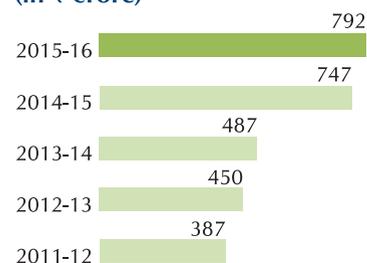
Total Income (in ₹ crore)



Operating Expenses (in ₹ crore)

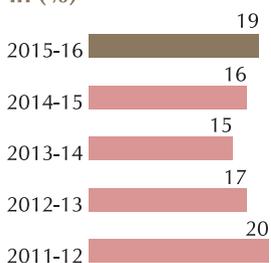


Profit After Tax (in ₹ crore)

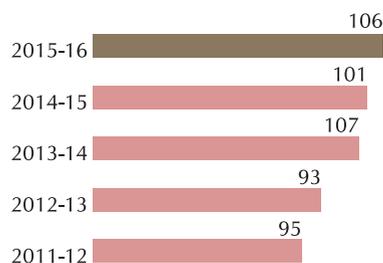


Efficiency Metrics

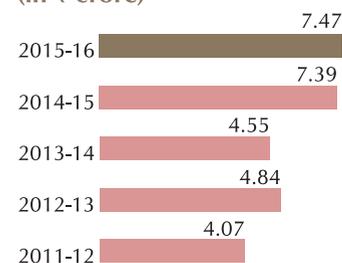
CRAR in (%)



No. of Employees



PAT per Employee (in ₹ crore)





Regulation & Supervision

Vision is a successful leadership characteristic, and must be big and focussed.

NHB has the vision to create sound & sustainable housing finance system, and guides the housing finance companies through appropriate regulation and supervision framework, within the overall financial eco-system.



3

OVERVIEW OF ECONOMY & HOUSING

Global Economic Outlook
Housing - Global
Indian Economy
Housing - Domestic



3.1 GLOBAL ECONOMIC OUTLOOK

3.1.1 The global output has grown by 3.1 percent in 2015, with 1.9 percent growth for advanced economies and 4.0 percent growth for emerging market and developing economies, as per the World Economic Outlook (WEO) published by the International Monetary Fund (IMF). The WEO projects that global growth would remain modest in 2016, at 3.2 percent, before picking up to 3.5 percent in 2017. Despite a modest increase in projected growth rates relative to 2015, the emerging market and developing economies continued to account for the maximum share of world growth in 2016. This growth projection reflects the contribution of various factors like weakness in oil-exporting countries, moderate slowdown in China and still-weak outlook for exporters of non-oil commodities, following further price declines. Oil-importing emerging market economies benefitting from terms-of-trade gains, faced tighter financing conditions and weakness in external demand, countering the positive terms-of-trade impact on their domestic demand and growth. The modest acceleration of growth in advanced economies is contributable to a large extent to lower energy prices and accommodative monetary policies.

3.1.2. Global growth is projected to increase further beyond 2017, to just below 4 percent by the end of the forecast horizon in 2021, reflecting a further pickup in growth in emerging market and developing economies. The projection is based on several assumptions which

are subject to sizable downside risks. The assumptions include gradual normalization of conditions in several economies currently under stress, successful rebalancing of China's economy with trend growth rates, pickup in activity in commodity exporters and resilient growth in other emerging market and developing economies. The gradual increase in the global weight of fast-growing countries such as China and India also plays a role in boosting global growth. Growth in China is projected to slow to 6.5 percent this year and 6.2 percent in 2017. Elsewhere in emerging and developing Asia, activity remains robust. In India, growth is projected to notch up to 7.5 percent in 2016–17, as forecast in October. Growth will continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth. Among the ASEAN-5 economies (Indonesia, Malaysia, Philippines, Thailand, Vietnam), growth will ease in 2016 in Malaysia and Vietnam (to 4.4 percent and 6.3 percent, respectively) but increase moderately in Indonesia, the Philippines, and Thailand (to 4.9 percent, 6.0 percent, and 3.0 percent, respectively). Growth in the ASEAN-5 is envisaged to pick up further in 2017 and thereafter, underpinned by strong domestic demand and a gradual increase in exports.

Source: IMF World Economic Outlook April, 2016



3.2 HOUSING - GLOBAL

3.2.1. Globally, the outlook for the housing sector appears to be positive after recovering from the recession of the past few years. As per the Global Housing and Mortgage Outlook, 2016 by Fitch Ratings, the housing market outlook for most of the countries (the report takes a sample of 22 countries) was stable or stable / positive. Low mortgage rates, GDP growth and improving employment will support the housing and mortgage market performance of many countries. All of the countries with improved outlooks are located in Europe, where the peripheral Eurozone markets continue to rebound. Despite the prospect of rate hikes, performance in the US is not expected to deteriorate significantly as most mortgages there have fixed rates. UK non-conforming pools are more vulnerable to higher rates than prime portfolios, which benefit from seasoning

and stricter affordability testing. In APAC, Singapore is most exposed to rate hikes. Rate increases from already high levels will affect performance in South Africa. Home ownership is at a 25-year low in the US and continues to fall in many major mortgage markets. Affordability constraints, mortgage availability, and consumer preferences, all have a bearing on home ownership rates - although improving funding conditions could act as a mitigant. It is observed that global housing is expensive and getting more so. Most countries where home prices are already above long-term averages compared to incomes and rents will see further rises this year, although prices in France and Belgium will fall. Where they occur, rate rises may slow price increases, but will also weigh on affordability.

3.3 INDIAN ECONOMY

3.3.1 Indian economy has emerged as the fastest growing major economy and emerging as a safe haven for long term growth, due to improvement in the macroeconomic scenario. The economy at this juncture stands out in terms of growth and investment potential. With the Government's commitment to continue on the path of fiscal discipline, the efforts on containing the revenue deficit and rationalizing subsidies need to be reinforced, even as gross fixed capital formation needs a fillip. India's external sector indicators show a relatively stronger position. However, a faster growth in India's oil import in terms of volume

in recent years makes it imperative to be alert to the risks of commodity cycle reversals. The prediction of a normal monsoon augurs well for agriculture sector growth in 2016-17, although the spatial and temporal distribution matter as much as the total quantum of rainfall. Given its large impact on broader political economy, the agriculture sector needs coherent policy measures to address sustained food price pressures and the overall rural distress. While stress in the corporate sector showed some signs of moderation in 2015-16, the risks of lower demand and weaker debt servicing capacity continue.

Source: Global Housing and Mortgage Outlook, 2016 by Fitch Ratings
Source: Financial Stability Report, June, 2016, Reserve Bank of India





Box 1 Excerpts from the Economic Survey 2015-16

- India haven of stability amidst gloomy global scenario
- GDP growth rate for 2015-16 to be in the range of 7% to 7.75%
- Inflation rate pegged at 4.5 to 5%
- Current account deficit seen around 1-1.5% of GDP
- 3.9% fiscal deficit target achievable this year, coming year to be challenging
- Low inflation takes hold, price stability has increased
- Challenging external environment to cast shadow on economic policies
- Subsidy bill to be below 2% of GDP next fiscal.
- Suggests revival of domestic demand as foreign capital outflow likely.
- Sees good performance by industrial, infrastructure, corporate sectors due to recent reform.
- More investment in health, education; focus on agriculture.
- Government tax revenues to be higher than budgeted.
- Exports slowdown to continue; pick up in next fiscal.
- India should resist protectionist measures in trade.
- Suggests reform package for fertilizer sector
- Proposes widening of tax net from 5.5% of earning individuals to more than 20%
- Services sector growth in 2015-16 seen at 9.2%
- Growth this fiscal to be 7.6%, long-term potential at 8-10% if exports grow rapidly.

3.4 HOUSING - DOMESTIC

The real estate and housing sector, being an important contributor to the Indian economy, constituted 8% of India's Gross Value Added (GVA) in 2014-15 and grew by 9.1%. The sector has grown at a CAGR of 8.1 per cent since 2011-12. The sector however, witnessed a slowdown in sales resulting in increase in the inventory of unsold housing units.

The budgetary announcements made in the Union Budget 2016-17, as also the multi-pronged thrust being provided to housing under the Housing for All by 2022 Mission, have started making the desired impact on the sector, particularly in the affordable segment. It is further envisioned that these initiatives will go a long way in ameliorating the housing shortage in the country and achieving the objective of Housing for All.



Box 2

Pronouncements made in the Union Budget 2016-17 pertaining to housing and housing finance

- Allowing 100% deduction for profits to an undertaking from a housing project for flats upto 30 m² in four metro cities and 60 m² in other cities, approved during June 2016 to March 2019, and completed within three years of the approval
- Allowing deduction to first time home buyers for additional interest of ₹50,000 per annum for loans up to ₹35 lakh (value of the house not exceeding ₹50 lakh) sanctioned during 2016-17
- Providing complete pass through of income-tax to securitization trusts including trusts of Asset Reconstruction Companies (ARCs), in accordance to which the income will be taxed in the hands of the investors instead of the trust, however, the trust will be liable to deduct tax at source
- Exemption of service tax on construction of affordable houses up to 60 m² under any scheme of the Central or State Government including PPP Schemes
- Extending excise duty exemption, presently available to Concrete Mix manufactured at site for use in construction work at such site to Ready Mix Concrete
- Any distribution made out of income of SPV to the REITs and INVITs having specified shareholding will not be subjected to Dividend Distribution Tax
- Building of an integrated land information management system under the National Land Record Modernization Program, a Central sector scheme under the Digital India Initiative effective from 1st April, 2016





Financing

Intelligent and adaptable approach is required for wider and deeper penetration. NHB uses multi-pronged approach to enable mobilisation of long term resources by the lending institutions, and also provides refinance and direct finance for improving affordability.

4

OPERATIONS

Resource Mobilization
Refinance, Direct Finance
Regulation and Supervision
Promotion and Development
Risk Management, Information Technology
Human Resources, Rajbhasha
Knowledge Centre, Corporate Governance
All Audits
Role of Regional Office &
Regional Representative Offices



4.1 RESOURCE MOBILIZATION

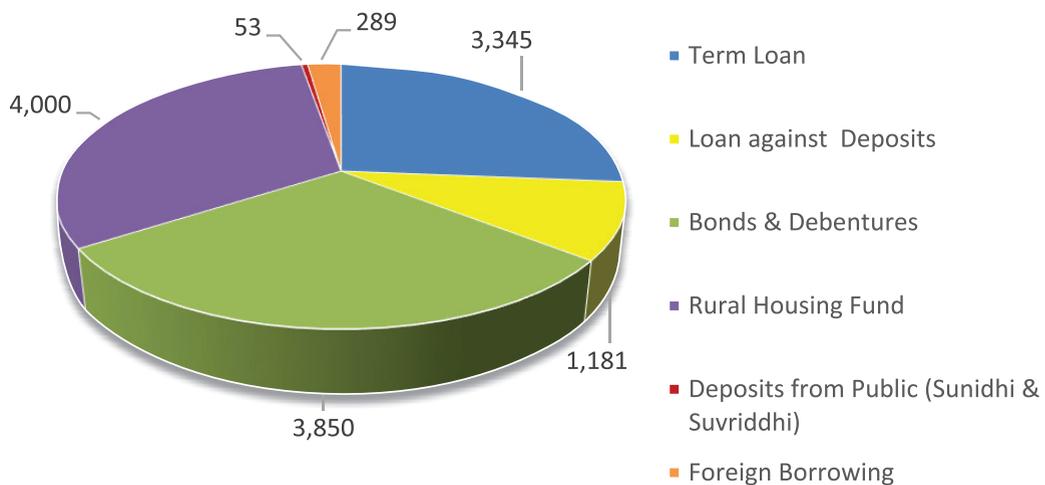
4.1.1. Net Resources Mobilized

During the year under review, NHB received ₹1,000 crore capital infusion by way of equity investments in NHB from RBI. NHB also raised both short term and long term resources. Short term resources included issuance of Commercial Papers (CPs) and Short Term Loans from Banks. Long Term borrowings includes Deposits from Banks under

Rural Housing Fund (RHF), Bonds/Debentures, Foreign borrowings and Deposits from public under SUNIDHI and SUVRIDDHI term deposit schemes. The net incremental borrowing was ₹12,718 crore for the year 2015-16. The table and chart below depicts the net resources mobilized during the year.

Source	Amount (in ₹ crore)
Term Loan	3,345
Loan against Deposits	1,181
Bonds & Debentures	3,850
Rural Housing Fund	4,000
Deposits from Public (Sunidhi & Suvriddhi)	53
Foreign Borrowing	289
Total	12,718

Net Resources Mobilized during 2015-16 (in ₹ crore)



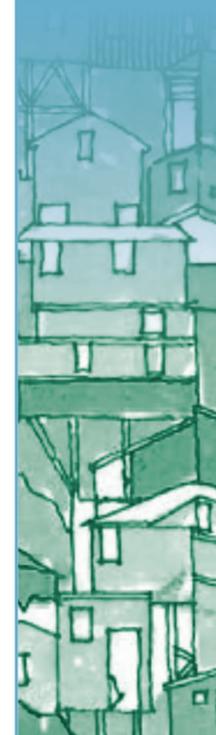
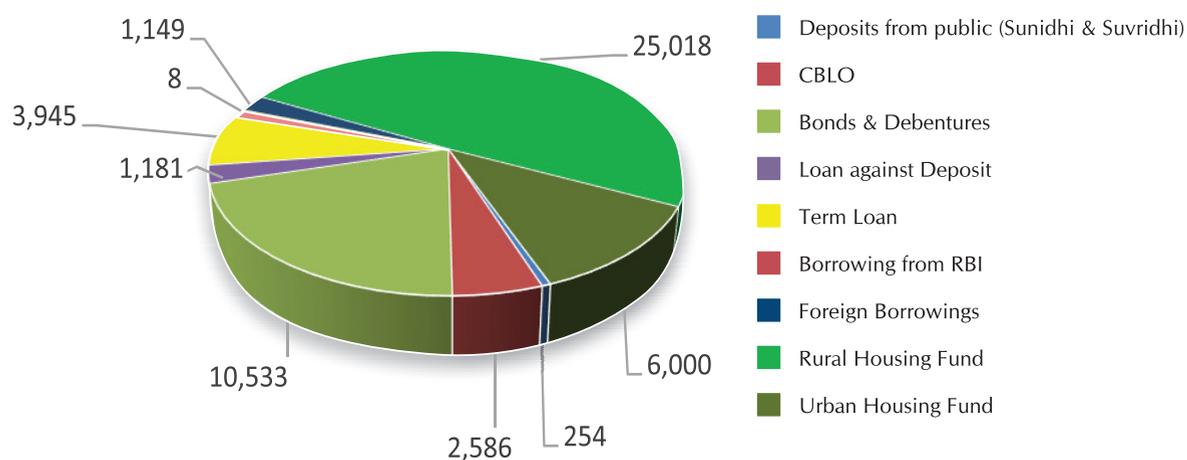


Outstanding Borrowings as on 30-06-2016

The table and chart below depict the outstanding borrowings of ₹50,674 crore as on 30-06-2016 :

Instrument	Amount (in ₹ crore)
Deposits from public (Sunidhi & Suvridhi)	254
CBLO	2,586
Bonds & Debentures	10,533
Loan against Deposit	1,181
Term Loan	3,945
Borrowing from RBI	8
Foreign Borrowings	1,149
Rural Housing Fund	25,018
Urban Housing Fund	6,000
Total	50,674

Resources Outstanding as on 30-06-2016 (in ₹ crore)





Bonds & Debentures

Taxable bonds of ₹3,850 crore were issued during the year. Details of the Bonds issued during the period are as given below:

Issue Date	Amount (₹crore)	Coupon rate	Tenor
08-03-16	1000	8.24%	3 years with put/call option after 366 days
21-03-16	1850	7.92%	
20-04-16	1000	7.56%	

As on 30-06-2016, the outstanding balance under Bonds and Debentures was ₹10,533 crore including ₹4,640 crore outstanding under Tax Free Bonds.

Deposits from Public

During the year, deposits of ₹53 crore were mobilized from Public through two schemes viz. regular deposit scheme called "SUNIDHI", and term deposit scheme for five years called "SUVRIDDI". SUVRIDDI is notified under Section 80C of the

Income Tax Act, 1961. Both the schemes are as per the guidelines of RBI, and as on 30-06-2016, the outstanding balance under both the schemes was ₹254 crore.

Foreign Borrowings

Borrowing from Department for International Development (DFID)

Under the umbrella of India-UK bilateral development cooperation partnership agreed between the two countries in July 2011, NHB has entered into a collaboration with Department for International Development (DFID), Government of UK for a project namely "Making affordable housing market work for faster and sustained

economic growth" in eight low income states of the country. Under the project, DFID is providing a total assistance of £50 million. Out of this, £10 million (₹99 crore) was drawn during the year. As on 30-06-2016, outstanding borrowing from DFID was £29 million (₹264 crore after revaluation) which was hedged.

Borrowing from World Bank

NHB has entered into an Agreement with World Bank (WB) on 14-08-2013 followed by subsidiary loan agreement with Government of India on 04-10-2013 for Low Income Housing Finance Project of SDR 66.1 million (USD 100 million equivalent). Under this line of credit, World Bank makes disbursements to Government of India (GoI) and GoI in turn on-lends the rupee equivalent to NHB. The amount on-lent to NHB will be fully repaid by NHB including exchange rate variations, if any, on the due dates.

The Bank has submitted its claim to World Bank through GoI under the programme and accordingly World Bank released eligible claims to the extent of ₹213 crore (equivalent to SDR 22.96 million/USD 32.87 million) to GoI, and NHB has hedged USD 32.87 million. Out of which, the Bank has received 190 crore on 31-03-2016 and the balance is awaited from GoI. As on 30-06-2016, outstanding loan was ₹217 crore (after revaluation).



Other Initiatives

External Commercial Borrowings for Low Cost Affordable Housing

RBI master circular dated 01-07-2015 has allowed ECB for low cost affordable housing projects as a permissible end-use, under the approval route. ECB can be availed of by developers/ builders for low cost affordable housing projects. HFCs/NHB can also avail of ECB for financing prospective owners of low cost affordable housing units.

NHB has been designated as a nodal agency for deciding on project's eligibility as a low cost affordable housing project, and on being satisfied, forward the application to the RBI for consideration under the approval route. During the year, NHB forwarded six proposals from HFCs for USD 2,050 million to RBI.

4.2 REFINANCE

4.2.1 Refinance Disbursements

Aggregate refinance disbursements of ₹21,590 crore were made with more or less equal shares between HFCs and Scheduled Commercial Banks (SCBs). Six new Primary Lending Institutions (3 SCBs

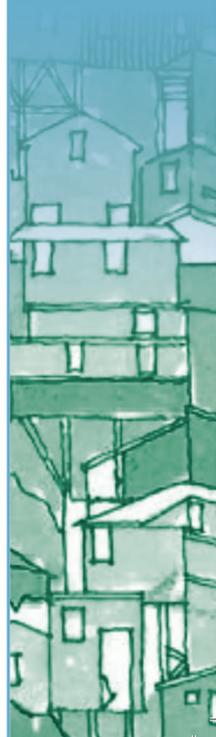
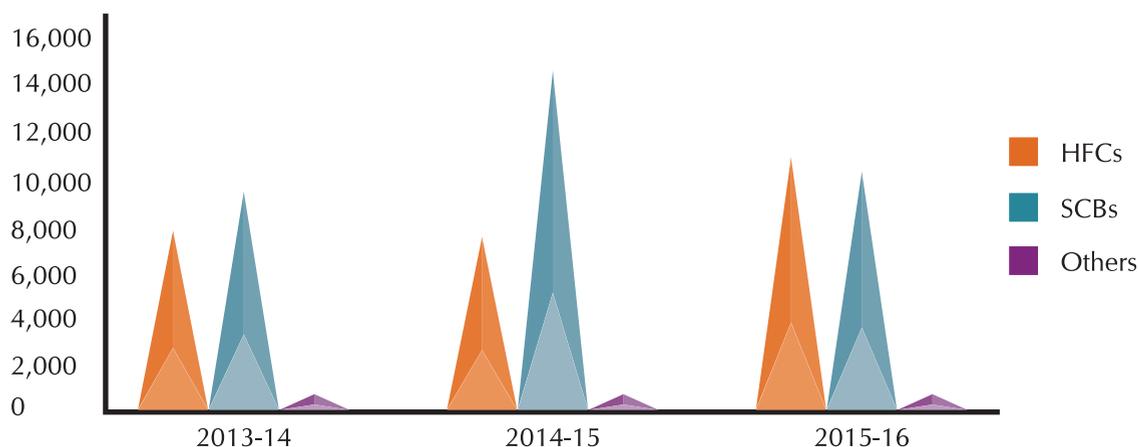
and 3 HFCs) were added to the refinance client lists. The breakup details of disbursements is shown in the tables and charts below, under different classifications.

Refinance Disbursements - Institution-wise

(in ₹ crore)

Institution	2013-14	2014-15	2015-16
HFCs	9,633	7,390	10,852
SCBs	7,943	14,114	10,275
Others	280.00	343.00	463.00
Total	17,856	21,847	21,590

Refinance Disbursements - Institution-wise (in ₹ crore)





Refinance Disbursements made during 2015-16- Scheme-wise

(in ₹ crore)

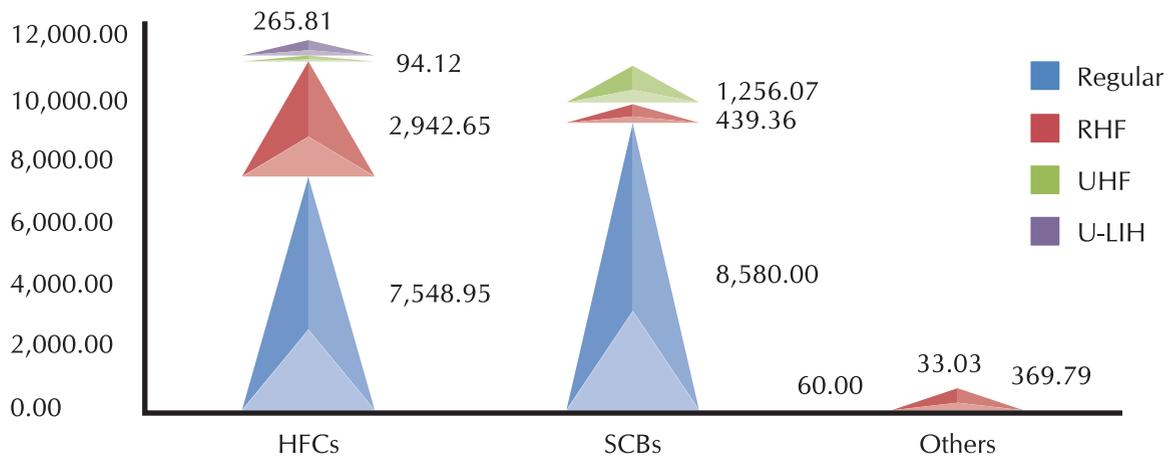
Institution	Regular	RHF*	UHF [^]	U-LIH	Total
HFCs	7,549	2,943	94	266	10,852
SCBs	8,580	439	1,256	0	10,275
Others	60	370	33	0	463
Total	16,189	3,752	1,383	266	21,590

*Includes ₹7.50 crore disbursed under J&K Flood Relief

[^]Includes ₹28.50 crore disbursed under J&K Flood Relief and ₹44.07 crore under TN Flood Relief

Refinance Disbursements made during 2015-16- Scheme-wise

(in ₹ crore)

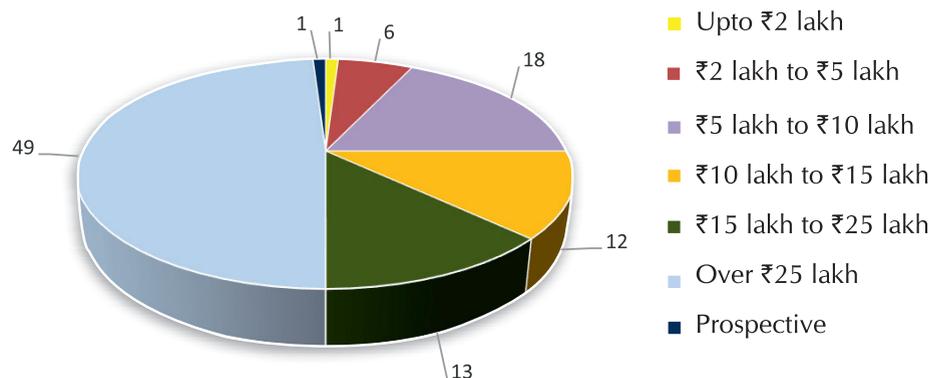


Refinance Disbursements- Loan Size-wise

Individual Loan Size	2015-16	
	Amount (in ₹ crore)	% of Total
Upto ₹2 lakh	167	1
₹2 lakh to ₹5 lakh	1,265	6
₹5 lakh to ₹10 lakh	3,943	18
₹10 lakh to ₹15 lakh	2,627	12
₹15 lakh to ₹25 lakh	2,691	13
Over ₹25 lakh	10,680	49
Prospective	217	1
Total	21,590	100



Individual Size Wise Refinance (% of total)



Disbursements under New Schemes

Special Urban Housing Refinance Scheme for Low Income Households (WB-ULIH) (Refinance Scheme launched under the NHB-WB Urban Low Income Housing Project)

Government of India entered into an agreement with the International Development Association (IDA) under which IDA will provide a \$100 million equivalent Credit to the GoI. IDA also entered into an agreement with NHB for the implementation of the project, which included extending refinance in respect of housing loans to informal segments and to households with annual income upto ₹3 lakh per annum. Refinance is provided by NHB to the Primary Lending Institutions (PLIs) in respect of their housing loans which are secured either through collateral of property financed or are alternatively secured. Refinance assistance is provided under the Scheme to PLIs in respect of their housing loans in the urban areas extended to low income household

either directly or through intermediaries like MFIs (having proper systems and procedures for appraisal and follow-up of housing loans including qualified staff for handling such loans to the satisfaction of the concerned PLI), for the following purposes:

- construction / purchase of new dwelling units
- purchase of existing dwelling units
- repairs / renovation / extension / up-gradation of existing dwelling units

During 2015-16, an amount of ₹265.81 crore was disbursed to various PLIs under WB-LIH. Cumulative disbursements under WB-LIH have been ₹335.03 crore facilitating construction/ up-gradation of 9,357 dwelling units.

Special Refinance Scheme for Flood Affected Areas of Jammu & Kashmir

Torrential rains and floods affected large parts of Jammu & Kashmir (J&K) in 2014, displacing large segments of the population and resulting in large scale destruction of property. NHB introduced Special Refinance Scheme for Flood Affected Areas of Jammu & Kashmir with the objective of improving the flow of housing finance at concessional rates to the residents of J&K, to help in construction of new dwelling units, repairs, renovation and up-gradation

of existing dwelling units.

Under the Scheme, NHB provides refinance assistance to the Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), and Housing Finance Companies (HFCs). During the year 2015-16, ₹36 crore was disbursed to J&K Bank Limited for helping construction/renovation of 700 dwelling units.

Refinance Assistance for Flood Affected Areas of Tamil Nadu

With the objective of improving the flow of housing finance at concessional rates to the residents of Tamil Nadu affected by floods, to help in repairs, renovation and up-gradation of existing dwelling units, NHB had launched Refinance Assistance for

Flood Affected Areas of Tamil Nadu. The assistance was available till 30-06-2016. An amount of ₹44.07 crore has been disbursed till 30-06-2016, helping construction/renovation of 1,077 dwelling units.



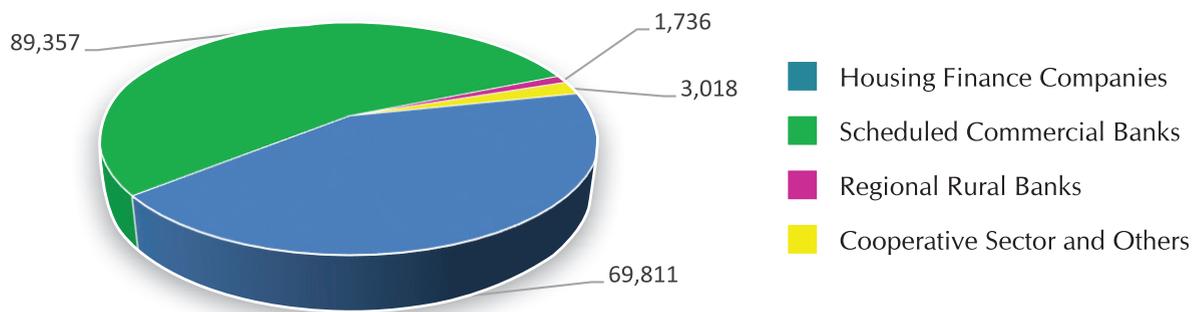


4.2.2. Cumulative Disbursements

The cumulative refinance disbursements as on 30-06-2016 were ₹1,63,922 crore, with the following break-up :

Institutions	Amount (in ₹ crore)	% of Total
Housing Finance Companies	69,811	43
Scheduled Commercial Banks	89,357	54
Regional Rural Banks	1,736	1
Cooperative Sector and Others	3,018	2
Total	1,63,922	100

Cumulative Disbursements (in ₹ crore)



4.2.3 Refinance Outstanding

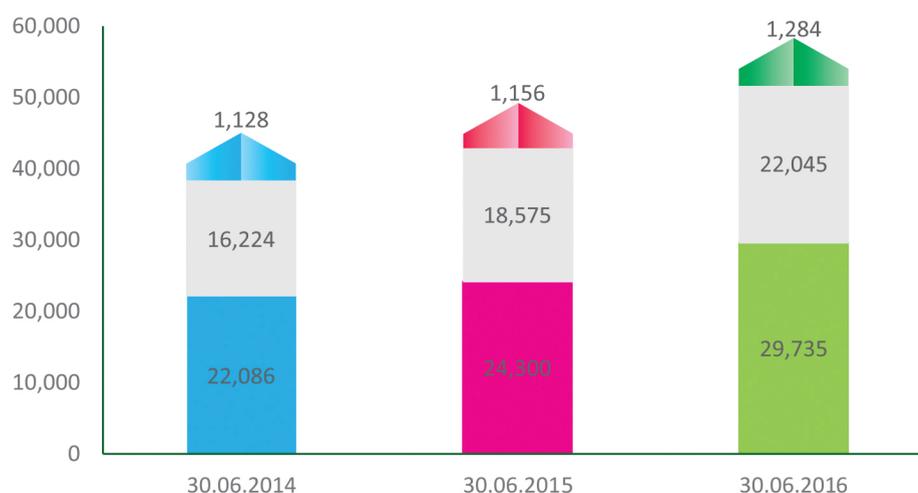
As on 30-06-2016, the outstanding refinance crossed the mark of ₹50,000 crore and reached ₹53,064 crore, with major share of ₹29,735 crore to HFCs. The breakup details of outstanding is shown in the tables and charts below.

Table: Refinance Outstanding- Institution-wise as on 30-06-2016

Institution	(in ₹ crore)		
	30-06-2014	30-06-2015	30-06-2016
HFCs	22,086	24,300	29,735
SCBs	16,224	18,575	22,045
Others	1,128	1,156	1,284
Total	39,438	44,031	53,064



Refinance Outstanding (in ₹ crore)



Rural Housing Fund

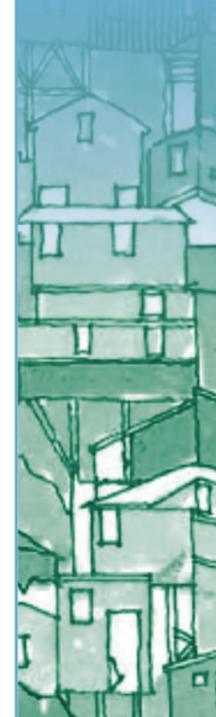
The Hon'ble Finance Minister, in his Union Budget speech for 2008-09, announced the setting up of the Rural Housing Fund (RHF) to enable primary lending institutions to access funds for extending housing finance to targeted groups in rural areas at competitive rates. The corpus of the Fund is contributed by those Scheduled Commercial Banks (SCBs) which have been unable to fulfil their priority sector targets during the preceding year. The quantum of funds to be contributed by each SCB and the applicable interest rate are determined by the Reserve Bank of India depending upon the priority sector shortfall of the respective SCB. Under RHF, refinance is given to PLIs for lending towards rural housing undertaken by people falling under the weaker section category. The housing loans eligible under this scheme are Direct

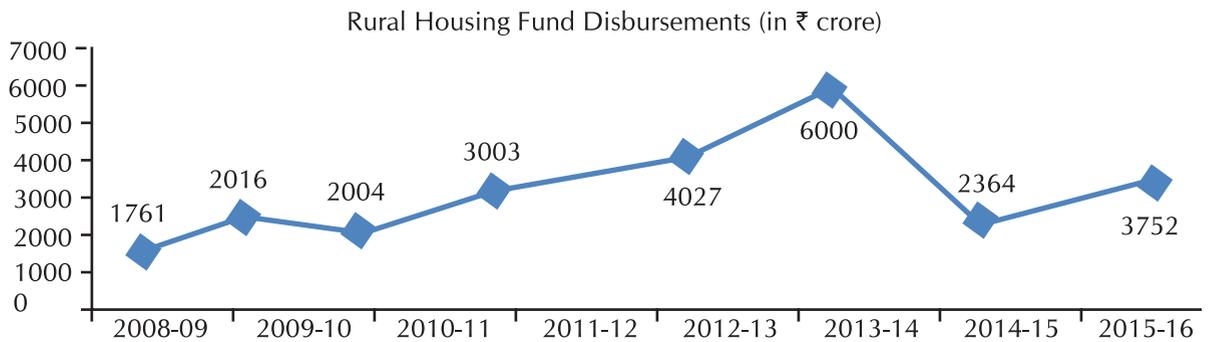
Housing loans up to ₹15 lakh disbursed by the PLIs to (i) rural population with income up to ₹2 lakh (ii) Small and marginal farmers with land holding of 5 acres and less, and landless laborers, tenant farmers and share croppers, (iii) Women, (iv) loans eligible under Swarnjayanti Gram Swarozgar Yojana (SGSY) and Differential Rate of Interest (DRI) i.e. classified as BPL or marginally above the poverty line, (v) Scheduled Castes, Scheduled Tribes and (vi) Persons from minority communities as may be notified by Government of India from time to time. Further, to ensure that the intended benefit of lower interest rates reaches to ultimate borrowers, on-lending rates have been capped. Cumulative disbursements under RHF since inception till 30-06-2016 have been ₹24,927.43 crore.

Table: RHF Allocation and Utilization - Institution-wise

(in ₹ crore)

Year	Allocation	Utilization				
		HFCs	SCBs	RRBs	Others	Total
2008-09	1,778	1,544	0	202	15	1,761
2009-10	2,000	1,795	0	185	36	2,016
2010-11	2,000	1,688	182	134	--	2,004
2011-12	3,000	2,126	721	143	13	3,003
2012-13	4,000	1,940	1,802	285	--	4,027
2013-14	6,000	2,681	3,225	94	--	6,000
2014-15	8,000	1,746	398	220	--	2,364
2015-16	--	2,943	439	370	--	3,752
Total	26,778	16,463	6,767	1,633	64	24,927





The no. of units financed under the Rural Housing Fund during the eight years of its existence is as under:

Table: Units Financed under RHF- Year-wise

Year	No. of Units
2008-09	95,577
2009-10	70,995
2010-11	42,859
2011-12	1,26,795
2012-13	3,56,480
2013-14	5,83,508
2014-15	2,26,715
2015-16	59,143
Total	15,62,072

Urban Housing Fund (UHF)

The purpose of this Scheme is to provide refinance assistance in respect of housing loans extended by PLIs in urban areas for the construction/purchase of dwelling units, repairs/renovation/up-gradation of dwelling units and for incremental housing. The eligible loan size is up to ₹10 lakh disbursed on or after April 01, 2013 against the dwelling unit whose carpet

area does not exceed 60 m² or the cost of dwelling does not exceed ₹16 lakh. The targeted beneficiaries under the Scheme are borrowers in urban areas with total household income not exceeding ₹4,00,000/- per annum. Cumulative disbursements made under UHF till 30-06-2016 have been ₹5,956.43 crore

Year	Allocation	Utilization			
		HFCs	SCBs	RRBs	Total
2013-14	2,000	148	1,852	000	2,000
2014-15	4,000	883	1,661	30	2,574
2015-16		94	1,256	33	1,383
Total	6,000	1,125	4,769	63	5,957

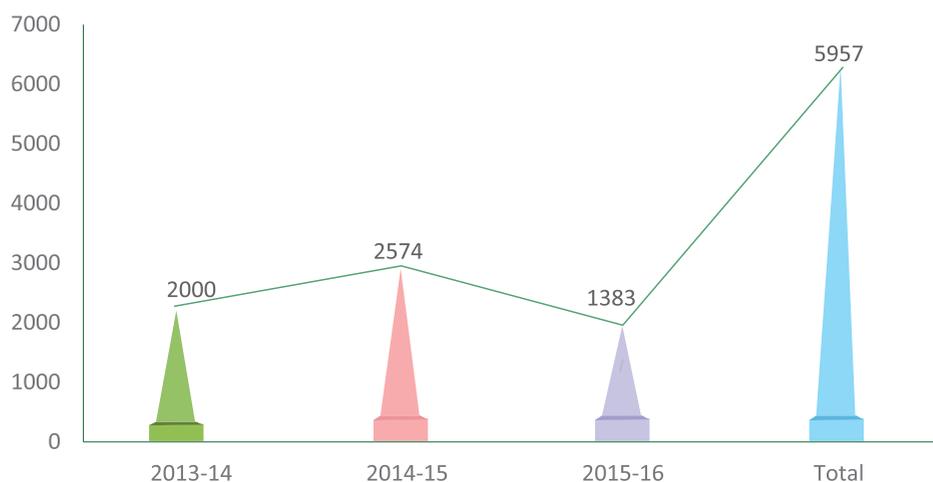
The no. of units financed under the Urban Housing Fund during the last two, years of its existence are as under:

Table: Units Financed under UHF- Year-wise

Year	No. of Units
2013-14	45,660
2014-15	99,049
2015-16	28,251
Total	1,72,934



Urban Housing Fund Disbursements (in ₹ crore)



4.3 DIRECT FINANCE

4.3.1 NHB, in terms of Section 14 (ba) of the National Housing Bank Act 1987, extends financial assistance under its project finance window to various public agencies like State Housing Boards, State Slum Clearance Boards/Authorities, Development Authorities, Municipal Corporations, Urban Local Bodies etc. for undertaking residential housing. NHB's endeavor is to facilitate increase in the overall housing stock in the country through supply side intervention with special emphasis on the housing needs of the weaker sections of the society. The financial assistance is extended to commercially viable project in terms of the project finance policy of NHB and in line with the guidelines prescribed by the RBI.

4.3.2 NHB has sanctioned project finance for two housing projects amounting to ₹ 250 crore for facilitating construction of 14,552 flats for EWS/LIG category under the Affordable Housing Scheme of the Government of Chhattisgarh, and disbursed

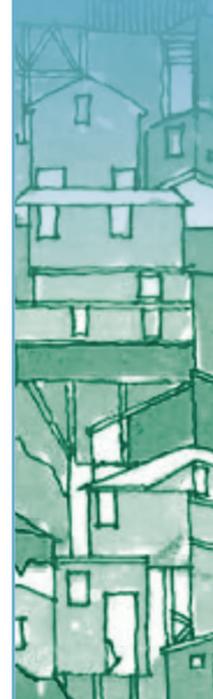
₹97 crore for construction of 7,602 flats for BPL families in Haryana.

4.3.3. Under Housing Micro Finance, NHB's focus is to develop sustainable human habitats which are eco-friendly, cost effective and productive. In the past, NHB sanctioned 102 crore to 31 Microfinance Institutions spread across 11 states for financing 40,210 urban and rural housing/sanitation units. The beneficiaries included farmers, petty traders, artisans, dairy workers and other low income households. More than 90% of the beneficiaries were women.

4.3.4. Cumulative Performance (excluding project refinance): Till June 30, 2016, NHB had financed total of 448 projects with project cost of ₹9,590 crore and loan component of ₹5,522 crore. As on 30-06-2016, cumulative project finance disbursement stood at ₹2,331 crore. The trend of NHB's project finance disbursement is shown below:

(in ₹ crore)

Year	Disbursement	Cumulative Disbursement
2005-06	365	1,023
2006-07	172	1,195
2007-08	449	1,644
2008-09	35	1,679
2009-10	52	1,731
2010-11	312	2,043
2011-12	64	2,107
2012-13	93	2,200
2013-14	34	2,234
2014-15	-	2,234
2015-16	97	2,331





4.4 REGULATION AND SUPERVISION

4.4.1 NHB regulates and supervises the Housing Finance Companies (HFCs) in public interest, as per provisions of the National Housing Bank Act, 1987. As on June 30, 2016, the total number of HFCs registered with NHB stood at 75, of which 18 HFCs have been granted the Certificate of Registration (CoR) with permission to accept public deposits and the balance 57 HFCs have been granted the CoR without permission to accept public deposits. Of the 18 HFCs, which have been granted with the CoR with permission to accept public deposits, 6 are required to obtain prior written permission from the NHB before accepting any public deposits. The list of HFCs granted with the CoR is updated and available on NHB's website.

4.4.2 NHB's regulation and supervision is aimed at preventing the affairs of any HFC being conducted in a manner detrimental to the interest of the depositors and shall not be prejudicial to the operations and the growth of the housing finance sector of the country. As a part of regulations, NHB has issued Directions, Guidelines on Asset Liability Management System, Know Your Customer (KYC) and Anti Money Laundering (AML), Fair Practice Code, etc., and Circulars to the HFCs and their auditors, from time to time. NHB also undertakes on-site inspections and off-site surveillance of HFCs through its supervisory mechanism to ensure safety and soundness of HFCs.

4.4.3 To provide value to the stakeholders, a Complaint Redressal Cell has been set up to redress the grievances of the customers of HFCs. NHB has implemented Grievance Registration & Information Database System (GRIDS) to enable the customers of HFCs for online registration and tracking of their complaints. NHB is the member organization of Centralized Grievance Redress and Monitoring System (CPGRAMS) of Department of Administrative Reforms and Public Grievances (DARPG), aimed at providing citizens with a platform for redressal of their grievances. The complaints received on Payment Gateway Portal related to NHB are being monitored on a regular basis and are promptly disposed of. During

the financial year 2015-16, a total of 1,482 complaints against HFCs were received by NHB, out of which 1,380 were resolved, and remaining are under regular monitoring for their early disposal.

4.4.4 An initiative was taken by NHB to issue Caution Advices to all the HFCs on the lines of similar information being shared by the Reserve Bank of India/ Indian Banks Association with the member banks. The HFCs are required to submit information on fraudulent transactions to NHB on a quarterly basis. Information received from HFCs is shared with all HFCs along with the modus operandi and causative factors involved. In order to contain frauds in housing finance, NHB regularly disseminates the information on frauds relating to mortgages to HFCs through Caution Advices and also interacts with other regulators for market feedback. The caution lists help in instituting checks and balances among the various lending institutions, the larger objective being to prevent occurrence/ recurrence of frauds in the housing sector. In the year 2015-16, 3 caution advices were issued by NHB totalling 129 fraudulent transactions.

4.4.5 Registration / Cancellation of Certificate of Registration Granted to HFCs

NHB granted Certificate of Registration (COR) to 11 HFCs in 2015-16 viz. Fullerton India Home Finance Company Limited • Bajaj Housing Finance Limited • Capri Global Housing Finance Private Limited • Hinduja Housing Finance Limited • Khush Housing Finance Private Limited • Nivara Home Finance Limited • Supreme Housing Finance Ltd • Lodha Housing Finance Private Limited • IKF Housing Finance Private Limited • Five-Star Housing Finance Private Limited and West End Housing Finance Limited, for commencement of business as housing finance institutions.

Cancellation

NHB cancelled the Certificate of Registration granted to Kerala Housing Finance Limited in 2015-16.



4.4.6 Supervision of HFCs

NHB supervises the functioning of HFCs through on-site inspections, market intelligence and off-site surveillance mechanisms, through periodical returns/ information and their verification.

On-site Inspections

NHB conducted inspection of 54 HFCs in 2015-16, of which 12 were of companies which had applied for grant of Certificate of Registration under Section 29A of the NHB Act, 1987. Remaining 42 inspections were carried out of registered HFCs to ascertain their compliances with various regulatory provisions of the NHB Act, 1987, and the Directions, Guidelines, Circulars, etc. issued thereunder by NHB, from time to time.

Off-site Surveillance

Periodic returns submitted by HFCs, including the

quarterly, half-yearly and annual returns prescribed in the Directions were monitored and scrutinized.

Online Reporting & Management Information System (ORMIS)

Towards the objective of digitisation, during the year 2015-16, NHB launched the 24x7 online reporting system for HFCs to facilitate a faster mechanism for submission of Returns, Data and Information. HFCs can view the status of Returns, Data and Information submitted by them. The system has provisions of an automated reminder for non-submission of Returns, Data and Information. Affixation of Digital Signatures by HFCs' Officials and Auditors provides authenticity of information in terms of the Information Technology Act.

4.4.7 Notifications, Circulars, and Caution Advices Issued

Notifications on Housing Finance Companies (NHB) Directions, 2010

- The new State of "Telangana" has been inserted in Part 1(C), Part 4.1 (D) and (E) of the Annual Return in Schedule-I, vide Notification No. NHB.HFC.DIR.16/MD&CEO/2015 dated September 14, 2015 and
- Paragraph 27A clause (a) and (b) of subparagraph (1) has been amended by the following substitution vide Notification No. NHB.HFC.DIR.17 / MD & CEO / 2015 dated October 9, 2015
 - upto ₹30 lakh with LTV ratio exceeding 90%; and
 - above ₹30 lakh and up to ₹75 lakh with LTV ratio exceeding 80%

Consequently, Paragraph 30 has also been amended by modifying size of housing loan, LTV Ratio and percentage of risk weights in arriving at on-balance sheet risk weighted assets and the changes have been carried out in Half-Yearly Return in Schedule II.

Notifications on Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014

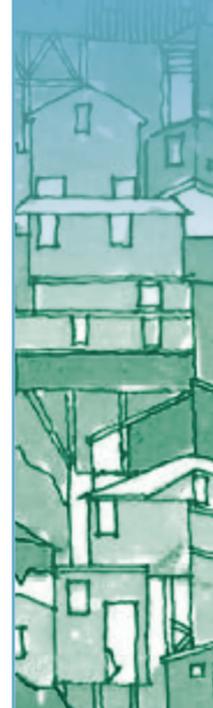
Amendments have been made in Paragraph 5 of the Directions viz. "The housing finance company

should have minimum credit rating of adequate degree of safety regarding timely servicing of financial obligations" has been substituted vide Notification No. NHB.HFC.NCD-DIR.3/MD&CEO/2016 dated February 9, 2016 with "The housing finance company should have minimum credit rating of moderate degree of safety regarding timely servicing of financial obligations."

During the year 2015-16, for the first time, NHB consolidated all instructions issued to HFCs in the form of Directions, Notifications, Circulars, etc. and issued the following Master Circulars:

- Master Circular - Housing Finance Companies (National Housing Bank) Directions, 2010,
- Master Circular - Housing Finance Companies Issuance of Non-Convertible Debentures on Private Placement Basis (NHB) Directions, 2014,
- Master Circular - Fair Practice Code, and
- Master Circular - Miscellaneous Instructions to all Housing Finance Companies.

NHB(ND) / DRS / Policy Circular No. 73 / 2015-16 dated 03-12-2015 on Loan facility to visually impaired persons by HFCs : HFCs have been advised to ensure that there shall be no discrimination in extending products, services, facilities, etc., offered by them including loan facilities to the visually impaired





person on the grounds of disability and issue guidelines accordingly. HFCs have been instructed that they may advise their branches/offices to render all possible assistance to the visually impaired for availing the various product / services offered by them.

NHB (ND) / DRS / Policy Circular No. 74/ 2015-16 dated 31-12-2015 on Guidelines on Wilful Defaulters : In the light of the recommendations of the Puri Committee Report, NHB has prescribed guidelines to put in place a mechanism of reporting of information on wilful defaults by the HFCs to all Credit Information Companies (CICs). Accordingly, NHB advised HFCs to follow the instructions/directions of the said guidelines for meticulous compliance.

NHB (ND) / DRS / Misc. Circular No.15/ 2015-16 dated 17-07-2015 on Membership

of Credit Information Companies (CICs) and Submission of Data to CICs : To overcome the problem of incomplete/inaccurate credit information, NHB has mandated all HFCs to become members of all CICs. Further, HFCs can also moderate the membership and annual fees suitably in term of the directive NHB(ND)/DRS/7151/2015-16 dated 17-07-2015.

NHB (ND) / DRS / Misc. Circular No.16/ 2015-16 dated 3-12-2015 on Loan facility to physically challenged by HFCs : HFCs have been advised that there shall be no discrimination in extending products, services, facilities, etc. including loan facilities to the physically challenged applicants on the ground of disability. HFCs have been instructed that they may advise their branches/offices to render all possible assistance to such persons for availing of the various products / services offered by them.

4.4.8 Coordination with Other Regulatory Authorities

NHB continued the process of coordination with other Regulatory Authorities through its participation in State Level Coordination Committee (SLCC) meetings convened by the Reserve Bank of India and attended by State Police Department, State

Government through its Ministries/ Department, Economic Offences Wing, Registrar of Companies, Company Law Board, Securities and Exchange Board of India, Institute of Chartered Accountants of India, etc.

4.4.9 KYC and AML activities

Interactive Meeting of the Principal Officers of HFCs regarding compliance with Prevention of Money Laundering Act, 2002, and Guidelines on KYC and AML measures for HFCs : HFCs have certain obligations under the Prevention of Money Laundering Act, 2002 (PMLA) including reporting of large cash and suspicious transactions to FIU-IND as Cash Transaction Report (CTR) and Suspicious

Transaction Report (STR). To sensitize the HFCs regarding the development in PMLA and to review their compliances on Know Your Customer Guidelines/Anti Money Laundering Measures, the Bank organized Inter-Face Meeting of Financial Intelligence Unit- India with the Principal Officers of HFCs at Delhi on January 22, 2016



4.5 PROMOTION AND DEVELOPMENT

4.5.1 Equity Participation

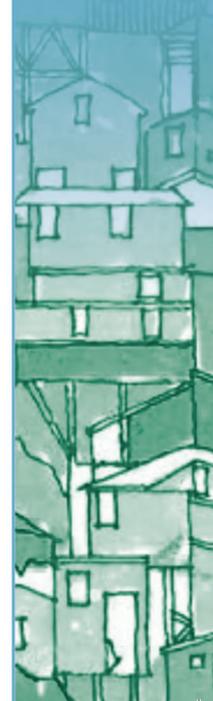
NHB has extended its financial support in form of equity participation to the following Housing Finance Companies/Institutions –

- Cent Bank Home Finance Limited (CBHFL), a Housing Finance Company registered with NHB. It is a subsidiary of Central Bank of India. NHB has 16 percent stake in CBHFL since 1991. As on 30-06-2016, total investment by NHB in the equity share capital of CBHFL was ₹5.10 crore.
- Mahindra Rural Housing Finance Limited (MRHFL), a Housing Finance Company registered with NHB. It is a subsidiary of Mahindra & Mahindra Financial Services Limited. NHB has 12.50 percent stake in MRHFL since 2008. As on 30-06-2016, the total investment by NHB in the equity share capital of MRHFL was ₹16.96 crore.
- Sewa Grih Rin Limited (SGRL), a Housing Finance Company registered with NHB. The Key promoter of the Company is SEWA which is an organization of poor, self-employed women workers. NHB has 7.41 percent stake in SGRL since September 2014. As on 30-06-2016, the total investment by NHB in the equity share capital of SGRL was ₹1 crore.
- Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), a company licensed under Section 25 of the Companies Act. The objective of the CERSAI is to maintain and operate a Registration System for the purpose of registration of transactions of securitisation, asset reconstruction of financial assets and creation of security interest over property, as contemplated under Chapter IV of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act). As on 30-06-2016, the total investment by NHB in the equity share capital of CERSAI was ₹ 2.44 crore.
- India Mortgage Guarantee Corporation Pvt. Ltd. (IMGC), India's maiden Mortgage Guarantee Company set up together by NHB, Genworth Financial Mauritius Holdings Limited (Genworth), Asian Development Bank (ADB) and International Finance Corporation (IFC). NHB is the majority stakeholder in IMGC with a shareholding of 38 percent, Genworth has a stake of 36 percent, ADB and IFC have a 13 percent stake each in the Company. During the year, NHB made additional investment of ₹5.70 crore, bringing the total investment by NHB in the equity share capital of IMGC to ₹76 crore as on 30-06-2016.

4.5.2 Participation in various Government Programmes

1. To improve the affordability of housing loans by EWS/LIG Segments in urban areas, Ministry of Housing and Urban Poverty Alleviation (MHUPA), Government of India introduced **Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) Scheme** on 26-12-2008. Under the Scheme, an interest subsidy of 5 percent per annum for whole duration of the loan (15 – 20 years) is provided on loans up to ₹1.00 lakh extended to EWS/LIG beneficiaries by the Primary Lending Institutions (PLIs). The maximum loan amount was ₹1.00 lakh for a EWS individual and ₹1.60 lakh for a LIG individual. This Interest subsidy is provided on NPV and upfront basis. The Scheme was implemented through Primary Lending Institutions, viz. Banks and Housing Finance Companies. The Scheme envisaged the appointment of State Level Nodal

Agencies (SLNA) by various States to facilitate the identification and selection of eligible beneficiaries for its effective implementation. NHB and HUDCO are designated as the Central Nodal Agencies (CNAs) for implementation of the Scheme. NHB as Nodal Agency for the aforesaid Scheme had taken various measures to bring awareness through wider publicity, sensitization programmes and coordinating with various agencies for facilitating effective implementation of ISHUP. The Scheme ceased to exist on 30-09-2013 but committed liabilities have been served. Till 30-06-2016, NHB as nodal agency, has disbursed NPV of subsidy amounting to ₹12.45 crore covering 12,302 beneficiaries under the Scheme. The status of subsidy disbursed by NHB under ISHUP is as under :





	Financial Year							Total
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
Amount (₹crore)	0.37	3.41	2.89	1.18	0.37	3.66	0.57	12.45
No. of Beneficiaries	531	4,611	2,987	755	294	2,828	296	12,302

2. The **1% Interest Subvention Scheme (ISS)** commenced on 01-10-2009. An interest subvention of 1% was provided on all individual housing loans of upto ₹10 lakh, provided the cost of the unit did not exceed ₹20 lakh. From the FY 2011-12, the Scheme was extended for housing loans upto ₹15 lakh, where the cost of house did not exceed ₹25 lakh. The Scheme was implemented through SCBs, RRBs & HFCs.

From 2012-13, NHB was designated as the common nodal agency for the implementation of the Scheme. The Scheme was in operation for a period starting from 01-10-2009 to 31-03-2013, and NHB has disbursed the subsidy for about ₹17 lakh transactions since 01-04-2012, based on the claims submitted by 89 Primary Lending Institutions (36 SCBs, 22 RRBs and 31 HFCs).

Performance under 1% Interest Subvention Scheme

(in ₹ crore)

Financial Year (Apr 1 to Mar 31)	Allocation by GoI	Subsidy Disbursed by NHB	Subsidy Disbursed by RBI & NHB
2009-10	0.0	0.0	0.0
2010-11	38.5	17.3	38.5
2011-12	300.0	165.9	300.0
Reimbursement Basis - Sub Total (A)	338.5	183.2	338.5
2012-13	400.0	315.9	315.9
2013-14	80.0	105.0	105.0
2014-15	50.0	78.8	78.8
2015-16	0.0	50.3	50.3
2016-17 (up to June 30, 2016)	84.8	42.1	42.1
Allocation Basis - Sub Total (B)	614.8	592.1	592.1
TOTAL (A+B)	953.3	775.3*	930.6*

*Including interest earned on Government funds and refunds received from PLIs



3. The Ministry of Housing and Urban Poverty Alleviation (MHUPA), Government of India revised the Interest Subsidy Scheme and renamed it as **Rajiv Rinn Yojana (RRY)**, as an additional instrument for addressing the housing needs of EWS/LIG segments in urban areas with increase in limit of eligible housing loans from ₹1 lakh to ₹5 lakh. Rajiv Rinn Yojana is effective from 01-10-2013. Under RRY, the amount of loan was revised up to ₹5 lakh for EWS and ₹8 lakh for LIG beneficiaries. However, the interest subsidy was made available for a maximum ₹5 lakh for both categories of beneficiaries. The eligible lending institutions under the Scheme were SCBs, HFCs and RRBs. NHB and HUDCO were the 2 nodal agencies under the Scheme. An Interest Subsidy of 5% (500 bps) was provided to the eligible borrowers availing housing loans from the financial institutions, on quarterly basis for the loan tenure of 15-20 years. Income of the borrowers was to be certified by State Level Nodal Agencies as per the Guidelines of MHUPA. Under Rajiv Rinn Yojana (RRY), 28 (Twenty Eight) MOUs were signed by Primary Lending Institutions (PLIs) with NHB. Till 30-06-2016, subsidy claims of ₹6.86 lakh have been disbursed to 229 beneficiaries through 4 PLIs. In terms of the communication F No. 14013/9/2014-H/FTS-11839 dated 16-04-2015 from MHUPA, GOI the Scheme of Rajiv Rinn Yojana (RRY) ceased to exist now.
4. With a view to promote the use of solar energy in the domestic context, the Ministry of New and Renewable Energy (MNRE), Government of India has implemented **Capital Subsidy Scheme for Installation of Solar Water Heating and Solar Lighting Systems in Homes** under its Jawaharlal Nehru National Solar Mission (JNNSM). The Scheme aims at popularizing the use of solar water heating and solar lighting systems in homes by offering suitable incentives in the form of capital subsidies for purchase and installation of the solar systems. The National Housing Bank has been designated as a nodal agency for administering and monitoring the capital subsidy scheme. The Scheme has commenced from 01-04-2014 and loans disbursed on or after 01-04-2014 are eligible to be covered under the Scheme. The Scheme will be valid till 31-12-2015, or such extended period as may be allowed by the Government of India. An amount of ₹52.35 Crore has been received by NHB from MNRE. The Capital Subsidy Scheme for Solar Water Heating Systems has been discontinued by MNRE w.e.f. 01-10-2014. However the subsidy is continued for solar home lighting system on the same terms and conditions as were originally sanctioned by MNRE. In case of solar home lighting system, the amount of subsidy is limited to 40% of the benchmark cost for units up to 300 watts capacity and 30% of the benchmark costs for units above 300 watts to 1000 watts. The benchmark cost is prescribed by MNRE from time to time. The institutions eligible to participate in the Scheme include Housing Finance Companies (HFCs), Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), Scheduled Urban Cooperative Banks (UCBs), Apex Cooperative Housing Finance Societies (ACHFS) and Agricultural and Rural Development Banks (ARDBs). NHB has signed MoUs with seven institutions including 1 Public Sector Bank, 1 Private Sector Bank, 3 Housing Finance Companies and 2 Regional Rural Banks under the scheme. Till 30-06-2016, an amount of 30.13 crore has been disbursed by NHB to two Banks, one HFC and two RRBs for 18,737 beneficiaries, under the Scheme.
5. **The Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH)** was setup by the Government of India on May 01, 2012 with the objective to ensure better flow of institutional credit for housing in urban areas to cater to the needs of the targeted segments (EWS/LIG borrowers). The Trust is being managed by National Housing Bank. The Credit Risk Guarantee Fund Scheme provides guarantee for all housing loans up to ₹8 lakh sanctioned and disbursed by the lending institutions (effective from 01-10-2014), subject to guarantee cover limited upto ₹5 lakh only. Prior to this all housing loans up to ₹5 lakh were eligible without any collateral security and/or third party guarantee to the new borrowers in the EWS/LIG categories in urban areas for the purpose of home improvement, construction, acquisition and purchase of new or second hand dwelling units of size upto 430 ft² (40 m²). The Guarantee Cover available under the Scheme is to the extent of 90% of the sanctioned housing loan amount up to ₹2 lakh and 85% of the sanctioned loan amount above ₹2 lakh. The major Banks and HFCs have already entered into agreements to implement these initiatives of the GOI. Till date, 62 institutions have signed MoU with the Trust under the Scheme. During the period, the Trust has issued guarantee cover in respect of 1,922 loan accounts of 14 Member Lending Institutions (MLIs) involving a total loan amount of ₹53.80 crore provided to EWS/LIG households. These MLIs include 9 Scheduled Commercial Banks; 4 Housing Finance Companies and 1 Regional Rural Bank."





6. Pradhan Mantri Awas Yojana (PMAY) under the Mission “Housing for All by 2022”

On June 25, 2015, the Hon’ble Prime Minister of India launched the Pradhan Mantri Awas Yojana with the comprehensive Mission “Housing for All” by 2022”.

- The “Housing for All” Mission seeks to provide central assistance to implementing agencies through States and UTs for providing houses to all eligible families/beneficiaries by 2022, and address the housing requirement of urban poor including slum dwellers through the following four programme verticals:
- Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource
- Promotion of Affordable Housing for weaker section through credit linked subsidy
- Affordable Housing in Partnership with Public & Private sectors
- Subsidy for beneficiary-led individual house construction

The Mission with all its components has become effective from the date June 17, 2015 and will be implemented upto March 31, 2022.

Promotion of affordable housing for weaker section through credit linked subsidy is one of the four verticals under PMAY, which has been implemented through Primary Lending Institutions viz. Scheduled Commercial Banks, Housing Finance Companies, Regional Rural Banks and Co-operative Banks. The National Housing Bank (NHB) has been identified as a Central Nodal Agency (CNA) by the Government of India, Ministry of Housing and Urban Poverty Alleviation (MHUPA) to implement the CLSS vertical of PMAY. The CLSS vertical is one of the important components of the Housing for All Mission and is a Central Sector Scheme. The scheme is effective from 17-06-2015 to 31-03-2022. The master data on the beneficiaries as per the prescribed format is required to be collected from PLIs as per the Scheme guidelines. The master data includes Unique IDs of the borrowers, dependent adult family members along with their Unique IDs, demographic details like caste category and religion, annual family income, property location

code as per census 2011 and loan details. NHB has developed an interim software solution for lodging of claims by the PLIs. It is an online portal for PLI to submit the subsidy claims enabling access through user name and password. As on 30-06-2016, 145 PLIs, comprising of 68 Housing Finance Companies, 25 Public Sector Banks, 9 Private Sector Banks, 29 Regional Rural Banks and 14 Co-operative Banks, have signed MoUs with NHB as CNA. NHB has made total disbursement of ₹119.53 crore to 57 Primary Lending Institutions benefitting 7,062 households. During the financial year 2015-16 (July-June), NHB conducted 12 regional workshops at Guwahati, Chennai, Mumbai, Bangalore, Raipur, Bhopal, Hyderabad, Lucknow, Patna, Srinagar, Thiruvananthapuram and Ranchi for implementation of the scheme to sensitize the PLIs. The objective of the workshops is to interact with SLNA and PLI officials to clarify their queries.

4.5.3 Research Studies-

As part of research initiatives, NHB has commissioned many research studies in association with reputed research institutions for the development of housing and housing finance market on sound lines. These research studies have helped in developing new products and in applying renewed thrust on policies and directions, for the overall development of housing and housing finance sector. During the year, NHB commissioned following five studies :

- Study on NHB RESIDEX - ‘Application of new base year and revised segmentation in NHB RESIDEX and its validation & Preparation of methodology for All India Residential Price Index’. The study has since been completed.
- Study on ‘Impact of the Land Acquisition Act’ with special reference to ‘Land Pooling’, being conducted by Administrative Staff College of India, Hyderabad.
- Study on Property Insurance in New & Existing Housing, being conducted by Insurance Institute of India, Mumbai.
- Study on "Housing Finance: An outlook on Indian Housing Finance Sector and contribution of Housing Finance companies in Indian Economy". The study has since been completed.
- Study on Financial Performance of Housing Finance Companies registered with National



Housing Bank during 2012 & 2014. The study has since been completed.

4.5.4 Review and Revamping of NHB-RESIDEX-

Keeping in view the prominence of housing and real estate as a major area for creation of both physical and financial assets and its contribution in overall national wealth, a need was felt for setting up of a mechanism, which could track the movement of prices in the residential housing segment. NHB, at the behest of the Ministry of Finance, undertook a pilot study to examine the feasibility of preparing such an index at the National level. The pilot study covered 5 cities viz. Bangalore, Bhopal, Delhi, Kolkata and Mumbai, for which index was constructed till the period 2005 taking 2001 as the Base Year. Based on the results of the pilot study and recommendations of the Technical Advisory Group (TAG), NHB launched RESIDEX for tracking prices of residential properties in India, in July 2007. NHB RESIDEX tracks the movement in prices of residential properties on a quarterly basis. This is being done since 2007. The last NHB RESIDEX was released for the quarter January-March, 2015 for 26 cities, taking into account the price trends for residential properties in different locations and zones in each city and is based upon the transaction data received from Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI).

Thereafter, in order to make the RESIDEX more current and up-to-date with the prevailing macro-economic scenario, it was felt that the processes and methodology needed to be reviewed and the base year and segmentation needed to be revised. The issue was taken up in the meeting of the RESIDEX Advisory Committee (RAC) and a pilot study was also undertaken for computation of indices for Delhi, Chennai and Kolkata with base year of 2012 and updated residential segmentation. Based on the findings of the study and further deliberation, the RAC approved the choice of 2012 Calendar year for base year of NHB RESIDEX and also suggested to consider exploring the possibility of availing the services of some reputed external agency for conducting the assignment of changing

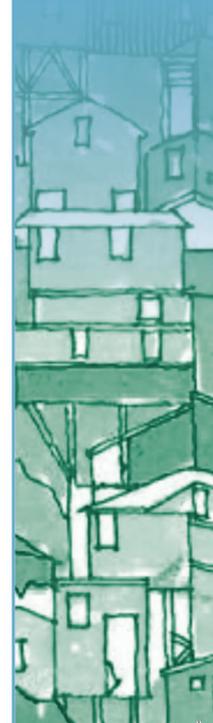
the base year of RESIDEX and revising the Residential Segmentation of all the 26 cities. Accordingly, NHB is exploring to engage a professional institution through open tender process for providing support services in revamping and managing NHB RESIDEX and other proposed indices and linking with Housing Price Index of Reserve Bank of India and Consumer Price Index.

4.5.5 Training and Capacity Building

NHB believes in the significance of capacity building and training interventions for skill development and enhancement measures for the housing finance sector through participatory approach and external professionals. Since inception, NHB dovetailed its resources with banks, HFCs, and Cooperative institutions in organizing/conducting training programmes, seminars and symposia, and providing necessary design and faculty support to such institutions in housing and habitat related activities. In 2015-16, NHB conducted eleven training programmes all over India, which were attended by 443 participants from various PLIs. As a capacity building initiative, institution specific training programmes for RRBs and UCBs are being conducted free of cost. Out of those eleven training programmes, two customized training programmes for two RRBs operating in the state of Madhya Pradesh were conducted in Hindi.

4.5.6 Corporate Communication Cell (CCC)

As the nodal wing has endeavored to build and nurture a fruitful partnership between NHB and the public through a two-way communication: transparent, timely and credible dissemination. Apart from managing all internal and external communications, the CCC aims at increasing brand awareness and visibility of NHB. With a view to creating awareness and sensitizing PLIs and SLNAs, in 2015-16, NHB undertook a campaign and conducted twelve regional workshops on Pradhan Mantri Awas Yojana - Credit Linked Subsidy Scheme. The public awareness drive was also carried out in the print media, electronic media, and social media. As a brand building exercise, NHB also sponsored events and is now present on social media like Facebook, Twitter and LinkedIn.





4.6 RISK MANAGEMENT

4.6.1 NHB is exposed to the following risks on its business operations –

Credit risk- the risk arises when borrowers will fail to discharge their repayment obligations and thereby cause a financial loss.

Liquidity risk- the risk arising from Bank's inability to meet net funding requirements. This may be because of market disruptions or downgrade of credit ratings, which may cause certain sources of funding to become unavailable.

Interest rate risk- the risk arising from re-pricing and/ or maturity mismatches between the assets and liabilities, thus impairing our net interest income.

Operational and other risks- the risk of loss arising from inadequate or failed internal processes, people, systems and/or from external events, including legal risk.

4.6.2 To mitigate and monitor the above risks, NHB has its Risk Management System in place. For this purpose the Bank has constituted the following Committees:

- **Asset Liability Management Committee (ALCO)** which monitors the management of liquidity risk and interest rate risk of the Bank.
- **Credit Risk Management Committee (CRMC)** which monitors the credit risk of the Bank
- **Operational Risk Management Committee (ORMC)** which monitors the operational risk of the Bank.
- **Special Mention Accounts Committee (SMAC)** which oversees the monitoring of special mention accounts of the Bank.

4.6.3 In addition to the above Committees, NHB also has a Board appointed Risk Management Advisory Committee (RMAC) with two external members who are experts in matters concerning Banking and Finance. During the year, the Committee met four times to review NHB's risk management policies and functions in relation to the three areas of risk i.e. Market Risk, Credit Risk and Operational Risk.

4.7 INFORMATION TECHNOLOGY

4.7.1. NHB is continuously thriving to match the changing environment in the field of Information Technology. To catch up with the changing dynamics, major activities and projects undertaken, include –

- Connecting all offices to VC system at Head Office through MPLS network, with facility over Internet, whereby officers and any other 3rd party can join video conference over Internet from any other video conference system/ desktops or laptops/ mobile devices.
- Setup Microsoft Based Lync System based on Govt. guidelines on implementation of a dedicated collaboration system for sharing of information amongst employees, especially women employees to facilitate instant messaging/ video based collaboration right from the desktop of the officers. This setup is also made available over Internet whereby through MS Lync mobile App, officers can

communicate instantly while on tour from their laptop/ mobile devices.

- Enabled Virtual Private Network with a goal to setup a full-fledged virtual office environment, enabling officers to access File Server and various portal services viz., corporate email, SAP Employee portal, Intranet, Grievance Redressal System etc. over Internet from NHB's provided laptops only.
- Ensuring security with integrated access with NHB's domain setup and two factor authentication mechanism so that only officers having office provided active domain credentials and 2nd factor authentication (hard/mobile token) can access the IT resources over Internet.
- Revamping its Website with an aim to give the website a better look & feel, along with enabling its adaptability to mobile devices.



Besides, it is planned to bring additional features like dedicated section on housing trend, market news on housing finance along-with sections on information related to housing market, social presence, etc.

- Setting up an Internet Protocol (IP) Telephony system at its Offices. Once setup, this kind of telephony does not incur any calling cost towards communication made over existing network and is free from dependency on availability of traditional PSTN based telephonic infrastructure. Also, IP telephony infrastructure will also be integrated with existing PBX infrastructure for making outside calls.
- Renovating its existing Network Infrastructure to ensure proper segregation and restricted access in the network for better manageability, performance, controlled communication and robust security. This will not only ensure security and robustness in the LAN environment but also ensure to protect the network from outside threat viz., penetration of network, unauthorized access through Internet, Denial of Service (DOS) attack, BOT attack etc.
- Establishing a new Data Center with the design to support state of the art technology with advance security and infrastructure setup recommended for modern Data Centers.

4.7.2 IT Committee- To provide focused attention

4.8 HUMAN RESOURCES

4.8.1 NHB aims at recruitment and retention of skilled, well balanced and motivated employees and is committed to continuous development of its employees through on-the-job training and participation in in-house as well as external training courses and conferences and seminars.

Recruitment, Promotions, Transfers and Resignations

- In 2015-16, 1 officer in Top Executive Grade and 6 officers in Junior Management Grade were recruited. In addition, 6 officers were engaged on contract basis, as

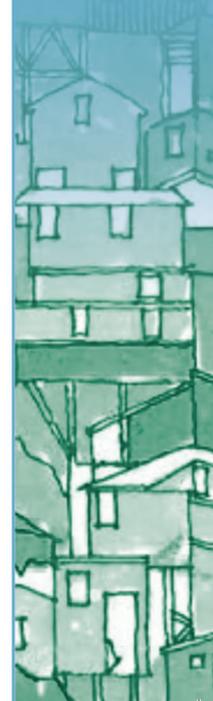
on IT security issues, the Information Technology Policy (ITP) has prescribed formulation and adoption of a detailed and comprehensive Information Security Policy (ISP). The Information Security Policy (ISP) is implemented and maintained through a specific structure which is called Information Security Organization (ISO). The first component of the ISO is the Information Security Committee (ISC) which is an integral part of Information Technology Committee (ITC). The ITC is headed by the Executive Director of NHB. It has nominated heads of departments, including the head of IT Department, as its member. The ITC also has nominated external IT Security experts, senior IT security functionaries in other organizations into the committee. The ITC undertakes the following:

- Review and approve functional Information Security Policy (ISP) and define responsibilities of various functionaries;
- Monitor significant changes in the exposure of information assets to various threats;
- Identify, classify and periodically review the criticality and confidentiality requirements of all types of information resources;
- Ensure that information security issues are appropriately addressed in the Business Plan;
- Monitor and review the security incidents;
- Approve major initiatives to enhance the information security.

Manager/Consultant.

- As per the schedule, promotion exercise was conducted for all eligible officers in various scales.
- During the year, 35 officers were entrusted with new/additional assignments (both interdepartmental transfers as well as transfer from HO to RO and vice-versa).
- Attrition rate is less than 1%, only one Officer in Junior Management Grade resigned during the year.

4.8.2 To upgrade skills and enhance their proficiency, NHB deputed its officers for





various external training and management development programmes offered by reputed institutions along with organizing in-house training programmes.

- 13 officers were nominated to programmes at various institutes such as National Institute of Bank Management (NIBM), Institute of Public Administration (IPA), Indian Institute of Banking & Finance (IIBF), Centre for Integrity Governance and Training in Vigilance (CIGVA), etc.
- 22 officers had attended conferences, summits, workshops and meetings.
- 10 officers were deputed to International programmes in various countries.
- 4 in-house training programmes were conducted.

4.8.3 In a competitive market where employee attrition rate is substantially high, improvement

in the existing employee welfare schemes raises the satisfaction level among employees and provides a morale boost. Accordingly, during the year, the Bank reviewed and revised several staff schemes to bring them in line with the current requirements. Besides implementing staff welfare schemes, various HR initiatives are taken as a stress busting measure to increase the efficiency of the officers.

4.8.4 NHB complies with government guidelines received from time to time. Specific guidelines received regarding revision in Foreign Travel Scheme, LFC Scheme etc. have been complied with. Further, the guidelines issued by the Government of India with respect to SCs, STs and OBCs wherever applicable is in consonance with NHB's guidelines/policies. On annual basis, Bank uploads the final Reservation Rosters on its website.

Representation of SCs, STs, and OBCs as on June 30, 2016

Groups	Number of Employees			Number of appointments made during the previous calendar year								By other Method		
	Promotion			By Direct Recruitment								Total SCs	STs	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A	102	11	03	25	-	-	-	-	-	-	-	-	-	-
Total	102	11	03	25	-	-	-	-	-	-	-	-	-	-

Note: The officers' strength as shown above excludes MD&CEO, EDs and CVO

4.8.5 NHB has constituted a Reservation Cell (RC) consisting of a Chief Liaising Officer (CLO) and Liaison Officer (LO) for Scheduled Caste (SC)/Scheduled Tribe (ST) and Other Backward Classes (OBC) Category. The Liaison Officers of the Bank -

- Complied with subordinate appointing authorities with the orders and instructions pertaining to the reservation of vacancies in favor of SC/ST/OBC and other benefits admissible to them;
- Submitted timely of SC/ST/OBC Report - I and Report - II (wherever applicable) by

the appointing authority and scrutiny and consolidation of the above reports and sending the consolidated reports in the prescribed proforma to the Department of Personnel & Training (DOPT);

- Extended necessary assistance to the National Commission for SC and the National Commission for ST in the investigation of complaints received by the Commission;
- Maintained the reservation registers/rosters in the Bank with a view to ensuring proper implementation of the reservation orders;



4.9 RAJBHASHA

NHB is committed towards the successful and effective implementation of Official Language Policy of the Government of India and has taken relevant and effective measures for the progressive use of Hindi language. NHB complies with the provisions relating to issuing replies in Hindi for the Hindi/bilingual letters received, issuance of bi-lingual documents under Section 3(3) of Official Language Act, publishing reports and NHB's publications in bi-lingual form etc. Workshops are also organized regularly in NHB to enhance the usage of Hindi. 'Aaj ka Shabd' (Today's word) is written in Hindi/English at the Notice Board of NHB which is also sent through internal e-mail to all the officers. The progress of Rajbhasha Implementation is captured below –

- Regular Official Language Implementation Committee meetings were held on quarterly basis. The meetings were presided by the Executive Director, and the decisions taken were informed to all the Departments/Officers for ensuring compliance;
- Inspecting Regional/Representative offices and also the various departments of the Head Office to review the compliance on Official Language Implementation policies.
- Promoting the use of Hindi by organizing bi-monthly Hindi competition, and 18 Officers were incentivized. Officers were awarded for

maximum use of Hindi in their official work.

- Encouraging the use of Hindi in official work. An honorarium amount is enhanced to officers who write articles for in-house Hindi magazine Awas Bharti.
- Organizing 'Hindi Chetna Maas' every year to enhance the use of Hindi in NHB's day-to-day work. Last year, eight competitions were organized during the 'Hindi Chetna Maas', and a Hindi Documentary was also shown during the 'Chetna Maas' emphasizing women power and the importance of pronunciation in any language. 27 Officers were awarded under different Hindi Competitions/Schemes.
- Organizing Hindi Competition for members Banks/FIs, under the aegis of TOLIC Delhi.
- Releasing a special edition of Awaas Bharti on the occasion of World Habitat Day, containing articles in Hindi especially on Habitainment from the officers of various banks and financial institutions from all over India.
- Awarded the first prize by the Reserve Bank of India for in-house Hindi magazine for the year 2014-15 to Aawas Bharti. The magazine was also awarded first prize for the same year by Delhi Town Official Language Implementation Committee (TOLIC).

4.10 KNOWLEDGE CENTRE

Knowledge Centre was established in Head Office to facilitate acquiring additional knowledge and application through effective dissemination of information. Since the inception of Knowledge Centre in 1989, it has seen many changes. It has transformed itself from manually managed to fully automated library through library automation software LIBSYS. NHB's Knowledge Centre has demonstrated that opportunities can be seized to help institutions respond to changes in the research environment and critical information/data available helps the institution to play a wider institutional role and deliver new value. All the functions of Knowledge Centre are managed through library automation software LIBSYS, thus making it a fully automated library. A substantial collection of Knowledge Centre is in the form of e-books in various formats like PDF, EPUB etc. on CD-ROMs,

and kindle e-book reader. Knowledge Centre has also availed the membership of some leading libraries such as British Council Library, India Habitat Centre etc. During the year, Bank has also started the e-newsletter for the officers to keep them apprise with the knowledge center developments. Knowledge Centre has a unique collection of more than 6,600 Books / Bound Journals / Reports and subscribes to more than 30 Reputed International and National Journals on subjects like Housing and Housing Finance, Banking, Economics, General Management, Law, Leadership, Quantitative Methods, Rural Developments, Microfinance etc. in English and Hindi. It also has a collection of various reports and publication of various reputed institutions such as RBI, International Monetary Fund, World Bank, International Union for Housing Finance (IUHF).





4.11 CORPORATE GOVERNANCE

NHB ensures Corporate Governance by adopting best practices in the field of corporate governance and conducting its operations with a firm commitment to values, public interest, and accountability while meeting the expectations of the public and stakeholders. The affairs of NHB are managed in a fair and transparent manner, which are vital to retain the trust of its stakeholders. Accordingly, the records of the meetings of the Board and other Directors' Committee have been

digitized and are updated regularly to facilitate availability of right information to right people at the right time. Further, compliance with all the statutory requirements is scrupulously ensured by NHB. The endeavor of NHB is to provide up-to-date status to its stakeholders through its dynamic website with easier and speedier access and downloads. All the information about activities / functions, products, new initiatives, organization etc., is placed on NHB's website.

4.12 ALL AUDITS

Risk Based Internal Audit System has been implemented in the Bank.

4.13 ROLE OF REGIONAL OFFICES & REGIONAL REPRESENTATIVE OFFICES

Regional Office (RO) at Mumbai and the Regional Representative Offices (RROs) at various places play an important role in the achievement of the Bank's aims and objectives. The RO and RROs are closely involved in liaising and coordination at the

local level within their domains. They provide vital support to the financing, resource raising, capacity building and other functions to the Head Office within their areas of operations.



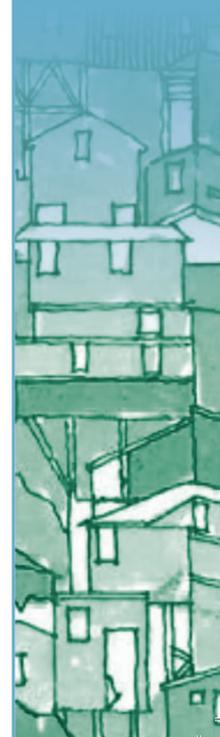


Box 3

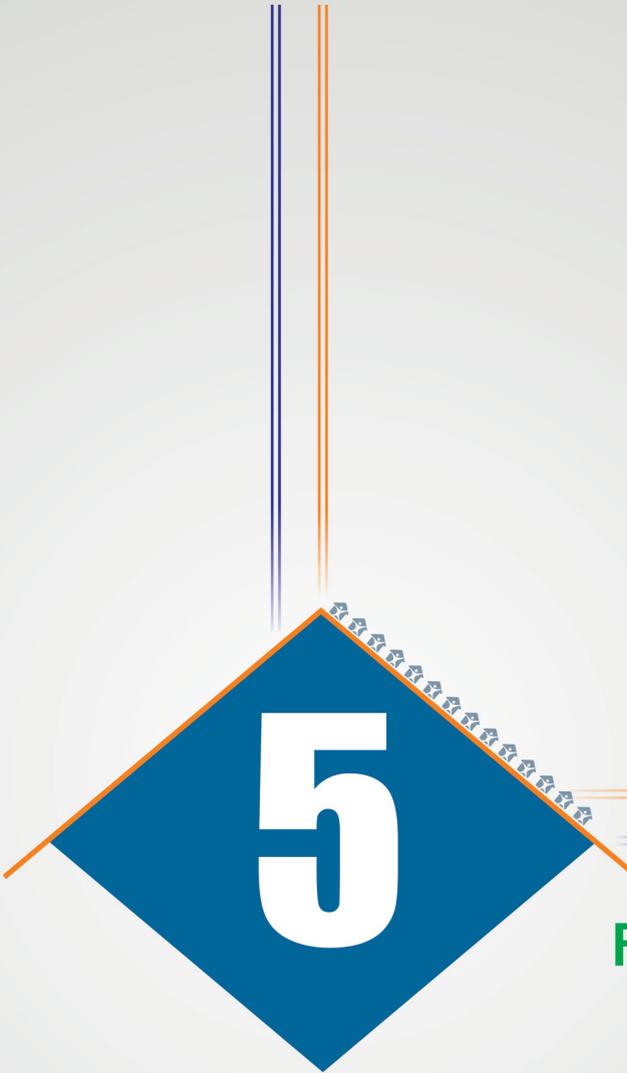
Parliamentary Committee appearances

During the year, NHB appeared before the following Parliamentary Committees -

- Study visit of the Committee on Subordinate Legislation to Mumbai, Bengaluru, Hyderabad and Visakhapatnam from August 23 to 30, 2015 .
- Study Tour of the Standing Committee on Urban Development to Mumbai and Trivandrum from January 27 to 30, 2016.
- Study visit of the Committee on Estimates to Lucknow, Kanpur, Mumbai and Bengaluru from February 1 to 6, 2016, for examination of Rural Housing Fund.
- Examination of Housing and Urban Development Corporation Limited (HUDCO) - Summoning of Stakeholders on March 18, 2016 at New Delhi.
- Study visit of the Committee on Subordinate Legislation to Bhopal, Mumbai, Bengaluru and Hyderabad from May 18 to 25, 2016.
- Study Tour of the Standing Committee on Urban Development to Srinagar, District Baramulla and Bandipora from May 24 to 26, 2016.
- Study visit of the Committee on Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016 from June 30 to July 2, 2016 at Mumbai.







5

FUTURE OUTLOOK



5. FUTURE OUTLOOK

5.1.1 The housing sector, with its forward and backward linkages to more than 250 ancillary industries, forms a very important component of the domestic economy. The enabling policies of the Central and State Governments, participation from the public and private sectors, as well as improved availability of housing finance have contributed significantly to the growth of the housing sector in the country. The fiscal concessions provided for the supply as well as demand sides in the Union Budget, increasing interest of the retail financing institutions, relatively low levels of stressed assets in the retail housing finance market, and gradual percolation of housing finance products to the under-served segments of the market, such as rural population, low income / informal income segments, etc. are resulting in increasing levels of home ownership.

5.1.2 The growing trend of urbanization is also changing the country's physical, social and economic landscape in a big way. As per Census 2011, nearly 31% of the country's population resides in urban areas, which is expected to increase to 40% by 2030. Simultaneously, the contribution of urban areas to the country's GDP is also projected to rise from 63% (Census 2011) to 75% by 2030, and this would greatly impact the development patterns of the country, since the urban areas would be facing much larger pressures on their infrastructure. This rapidly increasing urbanization will also lead to a much greater demand for new homes and the associated ecosystem. However, it is felt that given the innovations taking place in construction as well as housing finance, the sector will be able to cope with the burgeoning demand in the years to come. Housing finance is expected to once again play a very important role in this paradigm shift which the housing sector is currently poised at.

5.1.3 The growth in institutional housing finance in the past was largely lopsided towards higher and middle income segments,

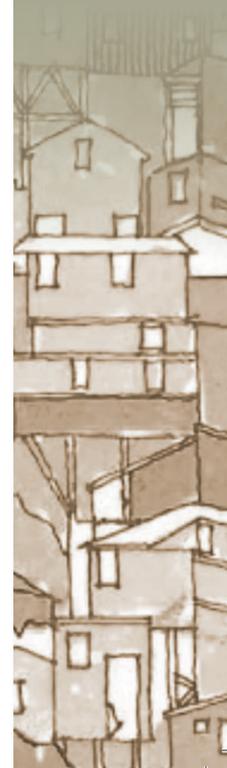
based on the supply side factors. This led to accumulation of housing shortage in the lower income and economically weaker segments. However, over the past few years, the emergence of new breed housing finance institutions focusing on specific market segment is altering the socio-economic and geographical penetration. The development of involved due diligence processes based on assessment of informal income, and tailor made products have played an important role in bringing the housing finance sector to the stage where it is poised for a paradigm shift. The Pradhan Mantri Awas Yojana launched by the Government of India under its Housing for All by 2022 Mission is proving to be a major catalyst in galvanizing the market to serve the housing finance needs of the many to own their pucca homes.

5.1.4 The Real Estate (Regulation and Development) Act, 2016 came into force from May 1, 2016 is setting in motion the process of making necessary operational rules and creation of institutional infrastructure for protecting the interests of consumers and promoting the growth of real estate sector in an environment of trust, confidence, credible transactions and efficient and time bound execution of projects. This will improve the confidence in the real estate and housing sector and make it more consumer friendly. Further, the Draft National Rental Housing Policy, 2015, which seeks to enable a vibrant and formal rental housing sector by adopting regulatory and legal reforms, enhancing fund flows, promoting institutions for constructing, managing, maintenance and creation of rental housing stock, along with necessary incentives will improve the housing availability for the needy.

5.1.5 With the above developments, the future of the housing sector in the country is quite promising given the changing contours of the economy, constantly innovating markets, increasing aspirations, as well as the enthusiastic participation by the public and private sector, guided by the enabling policies of the Central and State Governments.

ABBREVIATIONS

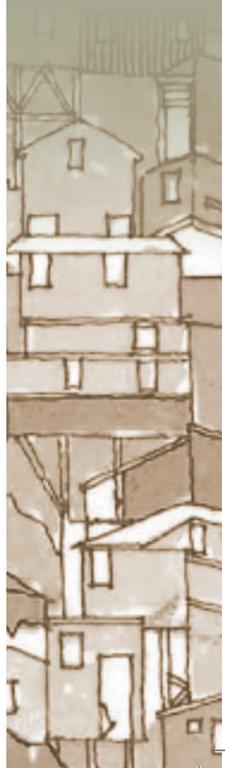
ACB	Audit Committee of the Board
ACHFs	Apex Cooperative Housing Finance Societies
ACHFS	Apex Cooperative Housing Federations
ADB	Asian Development Bank
ALCO	Asset Liability Management Committee
AML	Anti-Money Laundering
APAC	Asia-Pacific
ARCs	Asset Reconstruction Companies
ARDBs	Agriculture Rural Development Banks
ASEAN	Association of Southeast Asian Nations
CAGR	Compound Annual Growth Rate
CBHFL	Cent Bank Home Finance Limited
CBLO	Collateralized Borrowing and Lending Obligation
CEO	Chief Executive Officer
CERSAI	Central Registration of Securitization Asset Reconstruction and Security Interest of India
CICs	Credit Information Companies
CIGVA	Centre for Integrity Governance and Training in Vigilance
CLO	Chief Liaisoning Officer
CLSS	Credit Linked Subsidy Scheme
CNA	Central Nodal Agencies
CoR	Certificate of Registration
CPs	Commercial Papers
CPGRAMS	Centralized Grievance Redress and Monitoring System
CRGFTLIH	Credit Risk Guarantee Fund Trust for Low Income Housing
CRMC	Credit Risk Management Committee
CTR	Cash Transaction Report
CVO	Chief Vigilance Officer
DARPG	Department of Administrative Reforms and Public Grievances
DoPT	Department of Personnel & Training
DFI	Development Finance Institution
DFID	Department for International Development
EC	Executive Committee of Directors
ECB	External Commercial Borrowing
EMI	Equated monthly Installment
EWS	Economically Weaker Section
FIU-IND	Financial Intelligence Unit- India
GDP	Gross Domestic Product
GoI	Government of India
GRIDS	Grievance Registration & Information Database System
GVA	Gross Value Added

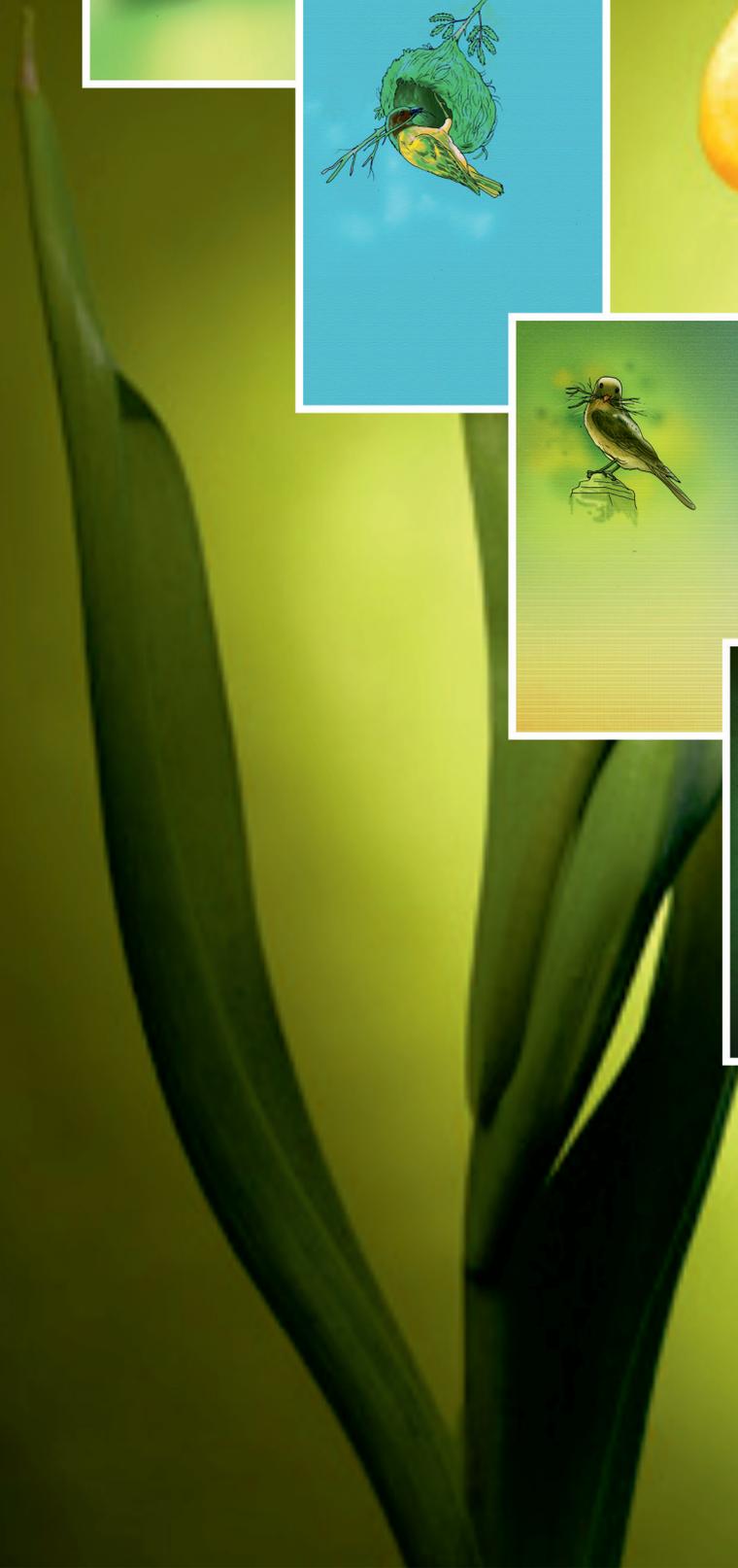
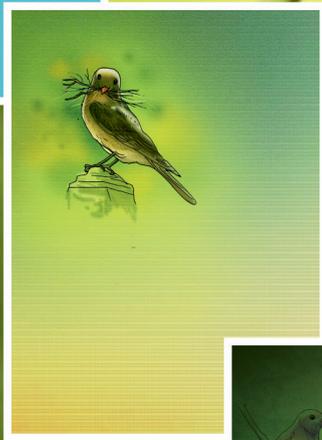




HFCs	Housing Finance Companies
HUDCO	Housing and Urban Development Corporation Ltd
IDA	International Development Association
IIBF	Indian Institute of Banking & Finance
IMF	International Monetary Fund
IMGC	India Mortgage Guarantee Corporation Private Limited
InvITs	Infrastructure Investment Trust
IPA	Institute of Public Administration
ISHUP	Interest Subsidy Scheme for Housing the Urban Poor
IT	Information Technology
IUHF	International Union of Housing Finance
KYC	Know your Customer
LAN	Local Area Network
LIG	Lower Income Group
LTV	Loan To Value
MHUPA	Ministry of Housing & Urban Poverty Alleviation
MoU	Memorandum of Understanding
MNRE	Ministry of New and Renewable Energy
MPLS	Multi-Protocol Label Switching
MRHFL	Mahindra Rural Housing Finance Limited
NCD	Non-Convertible Debentures
NHB	National Housing Bank
NIBM	National Institute of Bank Management
NPV	Net Present Value
ORMC	Operational Risk Management Committee
ORMIS	Online Reporting & Management Information System
PLIs	Primary Lending Institutions
PMAY	Pradhan Mantri Awas Yojana
PMLA	Prevention of Money Laundering Act, 2002
PSL	Priority Sector Lending
RAC	RESIDEX Advisory Committee
RBI	Reserve Bank of India
RC	Remuneration Committee of Directors
REITs	Real Estate Investment Trusts
RESIDEX	The Residential Property Price Index
RHF	Rural Housing Fund
RMAC	Risk Management Advisory Committee
RML	Reverse Mortgage Loan
RO	Regional Office
RRBs	Regional Rural Banks
RRY	Rajiv Rinn Yojana
SCBs	Scheduled Commercial Banks

SDR	Special Drawing Right
SGRL	Sewa Grih Rin Private Limited
SGSY	Swarnjayanti Gram Swarozgar Yojana
SLCC	State Level Coordination Committee
SLNA	State Level Nodal Agency
SMAC	Special Mention Accounts Committee
SPV	Special Purpose Vehicle
STR	Suspicious Transaction Report
TAG	Technical Advisory Group
TAT	Turn Around Time
TOLIC	Town Official Language Implementation Committee
UCBs	Urban Co-operative Banks
WEO	World Economic Outlook







2015-16

Annual Accounts
(July, 2015 To June, 2016)



S. N. NANDA & CO.
CHARTERED ACCOUNTANTS

**C-43, PAMPOSH ENCLAVE GREATER
KAILASH-I NEW DELHI-110 048**

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FAX: +91-11-26227853

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF NATIONAL HOUSING BANK

1. We have audited the accompanying financial statements of the National Housing Bank ('the Bank'), which comprises of the Balance Sheet as at 30th June, 2016 and the Profit and Loss Account 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 Financial Statements

2. The Management of the Bank is responsible for the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the bank in accordance with the National Housing Bank Act, 1987 ('the Act') and the Regulations framed there under for General Fund and for special fund in accordance with the provisions of National Housing Bank (Slum Improvements and Low Cost Housing Fund) Regulation, 1993, the accounting principles generally accepted in India, including the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and applicable RBI guidelines as issued from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank 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. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, give the information in accordance with the requirements of the Act and

the Regulations framed thereunder and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the state of affairs of the General Fund and Special Fund of the Bank as at 30th June, 2016
- ii) In the case of the Profit and Loss Account, of the profit for the year ended 30th June, 2016; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended 30th June, 2016.

Report on Other Legal and Regulatory Matters

7. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement have been drawn up in accordance with the provisions of the Act and the Regulations framed thereunder.

8. We report that :

- i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.
- ii) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.

9. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

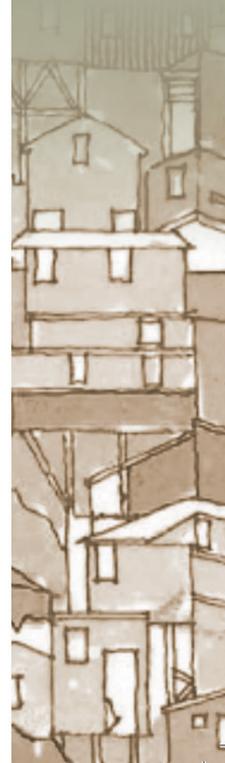
10. We further report that :

- i) The Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of accounts and the returns.
- ii) In our opinion, proper books of accounts as required by law have been kept by the Bank so far as appears from our examination of those books.

For S. N. Nanda & Co.
Chartered Accountants
FRN: 000685N

S. N. Nanda
Partner
M. No. 005909

Place: New Delhi
Date : 26th August, 2016





BALANCE SHEET

Previous Year ₹ in Crore	Liabilities	Schedules	Current Year ₹ in Crore
450.00	1. Capital	I	1,450.00
4,345.59	2. Reserves	II	5,139.56
0.00	3. Profit and Loss Account	III	0.00
8,830.02	4. Bonds and Debentures	IV	10,533.79
29,027.55	5. Deposits	V	31,271.13
6,006.96	6. Borrowings	VI	8,869.33
218.36	7. Deferred Tax Liability (net)		289.35
1,368.62	8. Current Liabilities and Provisions	VII	1,671.29
35.46	9. Other Liabilities	VIII	35.46
2.03	10. HLA deposits with banks and HFCs as per contra		2.03
50,284.59	TOTAL		59,261.94

Amit Sinha
Assistant General Manager

K. Chakravarthy
General Manager

R. S. Garg
Executive Director

Sriram Kalyanaraman
Managing Director & Chief Executive Officer

Directors

Dr. Urjit R. Patel

Pankaj Jain

Rajiv Ranjan Mishra

Malay Shrivastava

Sadakant

New Delhi, August 26, 2016

AS AT 30TH JUNE, 2016

Previous Year ₹ in Crore	Assets	Schedules	Current Year ₹ in Crore
1,864.42	1. Cash and Bank Balances	IX	2,111.05
2,951.00	2. Investments	X	2,908.83
44,737.27	3. Loans and Advances	XI	53,572.64
23.19	4. Fixed Assets	XII	29.07
706.68	5. Other Assets	XIII	638.32
2.03	6. HLA deposits with banks and HFCs -as per contra		2.03
50,284.59	TOTAL		59,261.94

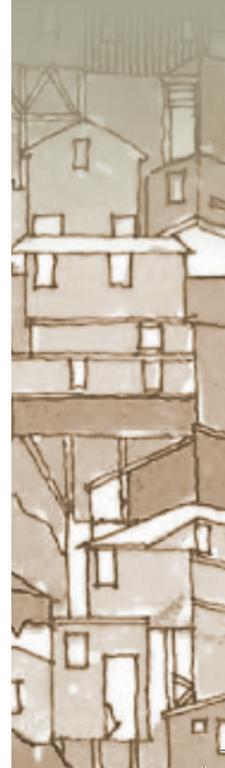
32.08	Contingent Liability	XIV	63.63
	Notes forming part of Accounts	XV	

Schedules I to XV form an integral part of accounts

As per our attached Report of even date

For S. N. Nanda & Co.
Chartered Accountants
Firm No. 000685N

(S. N. Nanda)
Partner
Membership No. 005909



**PROFIT & LOSS ACCOUNT**

Previous Year ₹ in Crore	Expenditure		Current Year ₹ in Crore
2,638.75	1. Interest		2,846.68
16.46	2. Staff Salaries, Allowances etc and Terminal Benefits		20.73
0.01	3. Directors' and Committee Members Fees and Expenses		0.01
0.11	4. Audit Fees		0.10
2.43	5. Rent, Taxes, Electricity and Insurance		2.33
0.46	6. Postage, Telegrams, Telex and Telephones		0.50
0.10	7. Law Charges		0.24
	8. Stationery, Printing Advertisement, etc.		
0.29	(i) Stationery and Printing	0.39	
0.46	(ii) Advertisement	0.44	0.83
3.59	9. Depreciation on Fixed Assets		1.75
7.73	10. Brokerage, Guarantee Fee and Other Expenditure on Borrowings		6.86
3.91	11. Stamp duty on Borrowings		2.12
1.15	12. Travelling Expenses		1.58
12.18	13. Other Expenditure		15.50
(62.59)	14. Loss/(Gain) on Revaluation of Foreign Deposits, Borrowings & Forward Contracts		20.15
0.30	15. Depreciation/Amortisation on investment		0.41
6.03	16. Provision for Non Performing Assets/ Restructured Account		(28.60)
18.10	17. Provision for Standard Assets		35.89
54.50	18. Provision for Bad & Doubtful Debts u/s 36(l)(vii)(c) of Income Tax Act, 1961		55.80
0.10	19. Wealth Tax		0.00
57.05	20. Deferred Tax		70.98
358.00	21. Income Tax		366.89
746.68	22. Profit carried to Balance Sheet (Refer Schedule III)		791.85
3,865.80	TOTAL		4,212.60

Amit Sinha
Assistant General Manager

K. Chakravarthy
General Manager

R. S. Garg
Executive Director

Sriram Kalyanaraman
Managing Director & Chief Executive Officer

Directors

Dr. Urjit R. Patel

Pankaj Jain

Rajiv Ranjan Mishra

Malay Shrivastava

Sadakant

New Delhi, August 26, 2016

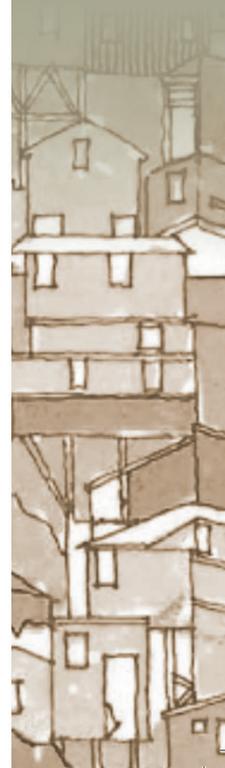
FOR THE YEAR ENDED 30TH JUNE, 2016

Previous Year ₹ in Crore	Income		Current Year ₹ in Crore
3,439.52	1. Interest and Discount:		
179.91	(i) Loans and Advances	3,853.97	3,953.44
	(ii) Bank Deposits	99.47	
228.33	2. Income from Investments		206.74
1.16	3. Profit on Sale of Investments		0.36
9.08	4. Profit on Purchase and Sale of Mutual Fund		44.12
0.01	5. Profit/ (Loss) on sale of Fixed Assets /demolition of Building		0.13
7.32	6. Other Income		7.01
0.47	7. Provisions no longer required written back		0.80
3,865.80	TOTAL		4,212.60

As per our attached Report of even date

For S. N. Nanda & Co.
Chartered Accountants
Firm No. 000685N

(S. N. Nanda)
Partner
Membership No. 005909





SCHEDULES TO THE BALANCE SHEET AS AT 30TH JUNE, 2016

SCHEDULE - I CAPITAL

Previous Year ₹ in Crore	Schedules	Current Year ₹ in Crore
450.00	1. Authorised	1,450.00
450.00	2. Issued and Paid-up (wholly subscribed by the Reserve Bank of India)	1,450.00
450.00		1,450.00

SCHEDULE - II RESERVES

(in ₹ crore)

Description	Balance as on 01.07.2015	Additions	Deductions	Balance as on 30.06.2016
1. Reserve Fund	3,243.39	586.94	0.00	3,830.33
2. Special Fund (Slum Improvement Low Cost Housing Fund)	341.29	17.38	0.00	358.67
3. Special Reserve in terms of Section 36(1)(viii) of Income Tax Act, 1961	707.63	179.78	0.00	887.41
4. Investment Fluctuation Reserve	20.08	0.00	0.00	20.08
5. Staff Benevolent Fund (SBF)	33.20	10.19#	0.32	43.07
Total	4,345.59	794.29	0.32	5,139.56

#Including interest earned on bank deposits of ₹2.45 crores

SCHEDULE - III PROFIT & LOSS ACCOUNT

Previous Year ₹ in Crore	Schedules	Current Year ₹ in Crore
746.68	Balance as per Profit and Loss Account	791.85
	<i>Less: Appropriations:</i>	
159.50	(a) Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	179.78
7.30	(b) Transfer to Staff Benevolent Fund	7.75
563.10	(c) Transfer to Reserve Fund	586.94
16.78	(d) Profit of Special Fund (Slum Improvement and Low Cost Housing Fund) transferred to Special Fund A/c	791.85
0.00		0.00

SCHEDULE - IV BONDS AND DEBENTURES

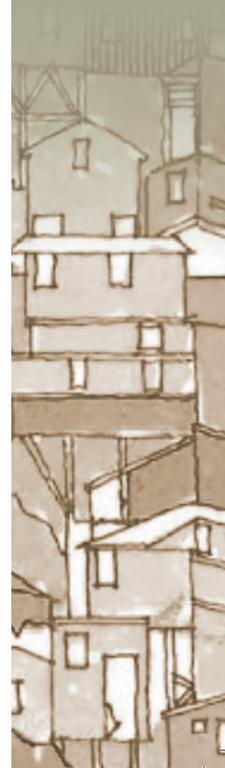
Previous Year ₹ in Crore	Schedules		Current Year ₹ in Crore
837.59	1. Zero Coupon Bonds		897.38
3,049.40	2. NHB Bonds		4,725.00
4,640.73	3. Priority Sector Bonds:		
302.30	(a) Tax-free Bonds	4,640.71	
	(b) Special Series Bonds	270.70	4,911.41
8,830.02			10,533.79

SCHEDULE - V DEPOSITS

Previous Year ₹ in Crore	Schedules		Current Year ₹ in Crore
22,778.18	1. Deposits from banks under Rural Housing Fund		25,016.81
6,000.00	2. Deposits from banks under Urban Housing Fund		6,000.00
249.37	3. Other Deposits from Public		254.32
29,027.55			31,271.13

SCHEDULE - VI BORROWINGS

Previous Year ₹ in Crore	Schedules		Current Year ₹ in Crore
10.52	1. From Reserve Bank of India: Line of Credit		7.88
	2. From Other Sources:		
	(a) In India		
1,040.00	(i) Borrowing against Term Deposits	1,181.00	
1,685.00	(ii) Borrowing through Term Loan	3,945.00	5,126.00
963.15	(b) Outside India		1,149.40
2,308.29	3. CBLO Borrowings		2,586.05
6,006.96			8,869.33





**SCHEDULE - VII
CURRENT LIABILITIES AND PROVISIONS**

Previous Year ₹ in Crore	Schedules		Current Year ₹ in Crore
	1. Interest Payable:		
1.48	(a) Unclaimed Interest	1.45	
275.75	(b) Interest Payable on Other Bonds and Debentures	294.93	
410.48	(c) Interest Payable on Deposits	457.16	
0.46	(d) Interest Payable on CBLO Borrowing	0.45	
31.31	(e) Interest Payable on Other Borrowings	36.30	790.29
	2. Provision for Retirement Benefits:		
0.86	(a) Medical Expense for Retired Officers	0.90	
3.24	(b) Leave Encashment	4.25	
2.81	(c) Gratuity	5.04	
1.01	(d) Leave Travel Concession	1.40	
4.46	(e) Sick Leave	6.19	
0.64	(f) Pension	2.89	20.67
	3. Other Provisions:		
0.00	(a) Provision for Loss on Forward Exchange Contracts	6.34	
178.40	(b) Contingent Provision against Standard Assets	214.29	
274.87	(c) Provision for Bad and Doubtful Debts u/s 36(1) (vii)(c) of Income Tax Act, 1961	330.67	
0.00	(d) Provision for Diminution in the Value of Restructured A/c	0.07	
10.00	(e) Provision for Contingencies	10.00	
0.22	(f) Provision for HLA Deposits	0.22	
0.10	(g) Other Provisions	0.01	561.60
0.75	4. Redemption Payable Account		0.76
4.64	5. Capital Gains Bonds Overdue Account		4.15
1.76	6. UN-HABITAT Revolving Fund for Water & Sanitation Projects		1.76
43.76	7. Amount received under 1% Interest Subvention Scheme		43.19
1.59	8. Amount received under Interest Subsidy Scheme for Housing the Urban Poor		1.15
47.70	9. Amount received under MNRE Subsidy Scheme		25.72
26.94	10. Amount received under Rajiv Rinn Yojana		28.74
1.01	11. Amount received under Gujarat Govt. Subsidy Scheme		1.01
0.00	12. Amount received under Credit Linked Subsidy Scheme (CLSS)		132.01
44.38	13. Other Liabilities		60.24
1,368.62			1,671.29

**SCHEDULE - VIII
OTHER LIABILITIES**

Previous Year ₹ in Crore	Schedules	Current Year ₹ in Crore
0.17	1. Unsettled transactions of 1991-92	0.17
35.29	2. Interest Payable on unsettled transactions	35.29
35.46		35.46

**SCHEDULE - IX
CASH AND BANK BALANCES**

Previous Year ₹ in Crore	Schedules	Current Year ₹ in Crore
@	1. Cash/ Cheques in Hand	@
0.08	2. Current Account with Reserve Bank of India	0.03
	3. Balance with other banks:	
	(a) In India	
130.68	(i) Current Accounts	253.09
1,300.03	(ii) Term Deposits with banks	1,435.04
24.01	(iii) Term Deposits with banks (Staff Benevolent Fund)	33.43
	(b) Outside India	
409.62	Term Deposits with banks	389.46
1,864.42		2,111.05

@amount less than ₹0.50 Lakh





**SCHEDULE - X
INVESTMENTS**

Previous Year ₹ in Crore	Schedules		Current Year ₹ in Crore
	1. Securities of Central and State Government at cost or market value whichever is less		
56.15	(a) Government Securities (Pledged with CCIL for CBLO operations)		217.04
2,531.00	(b) Treasury Bills (Pledged with CCIL for CBLO operations)		2,585.28
19.52	2. Stock, shares, bonds, debentures and securities of Housing Finance Institutions		24.51
	3. Stocks, Shares, Bonds, Debentures and Securities of other Institutions:		
250.00	(a) Investment in Liquid Fund	0.00	
15.00	(b) Subordinated Bonds	5.00	
71.30	(c) Shares of Other Institutions	77.00	
0.53	(d) Shares of Building Material Company	0.53	
0.53	Less: Depreciation	0.53	0.00
8.03	(e) Subscription to Special Rural Housing Debentures of ARDBs	0.00	82.00
2,951.00			2,908.83

**SCHEDULE - XI
LOANS AND ADVANCES**

Previous Year ₹ in Crore	Schedules		Current Year ₹ in Crore
	I Refinance		
	1. Housing Finance Institutions:		
24,442.90	(a) Housing Finance Companies	29,685.48	
19.06	(b) Co-operative Housing Finance Societies	8.78	29,694.26
	2. Scheduled Banks:		
18,941.09	(a) Commercial Banks	22,467.63	
988.87	(b) Regional Rural Banks	1,134.08	
140.32	(c) Urban Co-operative Banks	147.71	23,749.42
	II Direct Lending		
284.30	3. Housing Boards, Development Authorities, etc.		179.69
0.33	4. Water & Sanitation Projects under UN-HABITAT		0.20
44,816.87	Gross Loans and Advances		53,623.57
79.60	Less: Provisions for Non Performing Assets		50.93
44,737.27	Net Loans and Advances		53,572.64

**SCHEDULE - XII
FIXED ASSETS**

(in ₹ crore)

Description	COST BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.07.2015	Additions	Deletions	Transfer	As at 30.06.2016	As at 01.07.2015	Additions	Deletions	Transfer	As at 30.06.2016	As at 30.06.2015	
LEASEHOLD LAND	0.87	5.45	-	-	6.32	0.12	0.01	-	-	0.13	6.19	0.75
PREMISES	33.45	1.64	5.45	-	29.64	14.23	0.88	2.76	-	12.35	17.29	19.22
MOTOR VEHICLE	0.84	1.53	0.56	-	1.81	0.81	0.32	0.56	-	0.57	1.24	0.03
FURNITURE AND FIXTURE	2.35	0.17	0.72	-	1.80	1.84	0.11	0.69	-	1.26	0.54	0.51
OFFICE EQUIPMENTS	2.70	0.13	0.39	-	2.44	2.33	0.26	0.39	-	2.20	0.24	0.37
COMPUTER AND MICROPROCESSOR	12.67	2.25	2.61	@	12.31	11.30	1.68	2.61	@	10.37	1.94	1.37
COMPUTER SOFTWARE	5.65	1.92	-	@	7.57	4.82	1.21	-	@	6.03	1.54	0.83
ASSETS UNDER RESIDENCE FURNISHING SCHEME	0.23	0.02	@	-	0.25	0.12	0.04	@	-	0.16	0.09	0.11
Total	58.76	13.11	9.73	-	62.14	35.57	4.51	7.01	-	33.07	29.07	23.19
Previous year	57.12	2.15	0.51	-	58.76	32.44	3.58	0.45	-	35.57	23.19	24.68

@ amount less than ₹0.50 Lakh



**SCHEDULE - XIII
OTHER ASSETS**

Previous Year ₹ in Crore	Schedules		Current Year ₹ in Crore
94.16	1. Interest Receivable:		
83.70	(a) Bank Deposits	57.55	
	(b) Investments	88.98	146.53
	2. Advances, Receivable, Advance Tax & Prepaid Expenses:		
5.79	(a) Staff Loans and Advances	7.43	
238.59	(b) Advance Tax, FBT, TDS, etc.	239.81	
0.46	(c) Miscellaneous Recoverable Considered Doubtful	0.46	
0.46	Less : Provisions	0.46	0.00
4.84	(d) Prepaid Expenses	4.88	
13.19	(e) Deposit with CCIL including interest receivable	13.18	
45.30	(f) Amount recoverable from GOI against exchange loss on USAID Borrowing	50.80	
68.45	(g) Others	26.32	342.42
149.37	3. Unsettled transactions of 1991-92		149.37
3.29	4. Deferred Discount on Forward Exchange Contract		0.00
706.68			638.32

**SCHEDULE - XIV
CONTINGENT LIABILITIES**

Previous Year ₹ in Crore	Schedules	Current Year ₹ in Crore
31.86	1. Liability on account of Forward Exchange Contract	63.35
0.22	2. Performance Linked Incentives to ED's	0.28
32.08		63.63

SCHEDULE - XV**Notes forming parts of the accounts for the year ended 30th June, 2016****(A) Significant Accounting Policies****1. Basis of Preparation**

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, unless otherwise stated and are in accordance with the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) and regulatory norms prescribed by the Reserve Bank of India (RBI).

Balance Sheet and Profit and Loss Account are drawn in accordance with the requirements of the National Housing Bank Act, 1987 and National Housing Bank General Regulations, 1988 framed there under.

2. Use of Estimates

The preparation of financial statements requires that management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenue & expenses during the reporting period. Actual result could differ from those estimates. Any revision to the accounting estimates is recognized in accordance with the requirements of the respective accounting standards.

3. Income and Expenditure

- 3.1. Income and expenditure are accounted on accrual basis except the following, which are accounted on cash basis:
 - 3.1.1. Income by way of penal interest, over and above the normal rate of interest, charged due to delay receipt of loan dues or non-compliance with the terms of loan.
 - 3.1.2. Levy on pre-payment of loan
 - 3.1.3. Conversion charges for conversion of loan from floating to fixed rate of interest and vice-a-versa.
 - 3.1.4. Interest on non-performing assets
 - 3.1.5. Fee based income such as Trustee Fee and Guarantee Fee is recognized upfront in cases where such income does not exceed ₹25,000/- per transaction.
 - 3.1.6. Penalty imposed by NHB for non-compliance with the regulatory requirement is or the guidelines issued by NHB from time to time.
 - 3.1.7 Amount received from HFCs/ Banks on account of credit inspection charges.
 - 3.1.8. Other miscellaneous receipts, such as receipts from sale of scrap/ old news papers, receipts under RTI Act, etc.
- 3.2. Dividend on investments is accounted for when the right to receive the dividend is established.
- 3.3. Pre-paid expense not exceeding ₹10,000/- per transaction is charged to current period expenditure.
- 3.4. Prior period expense not exceeding ₹10,000/- per transaction is charged to current period expenditure.
- 3.5. Stamp duty and Issue expenses relating to flotation of bonds are recognized as expenditure in the year of issue of Bonds.





4. Investments

Investments are accounted for in accordance with the extant regulatory guidelines.

4.1. Classification

In accordance with the RBI guidelines, Investments are classified into as Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT). Under each of these categories, investments are further classified as

- (i) Government Security,
- (ii) Other Approved Securities,
- (iii) Shares,
- (iv) Debentures and Bonds,
- (v) Subsidiaries / Joint Ventures and
- (vi) Others.

4.2 Basis of classification:

4.2.1 Investments that the Bank intends to hold till maturity are classified as Held to Maturity.

4.2.2. Investments that are held principally for resale within 90 days from the date of purchase are classified as Held for Trading.

4.2.3. Investments, which are not classified in the above two categories, are classified as Available for Sale.

4.2.4. An investment is classified as Held to Maturity, Available for Sale or Held for Trading at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

4.3 Valuation:

4.3.1 In determining the acquisition cost of an investment:

- a) Brokerage and or commission received on subscriptions are reduced from the cost
- b) Brokerage, commission, securities transaction tax, etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
- c) Broken period interest paid / received on debt instruments is treated as interest expense/ income and is excluded from the cost/sale consideration.
- d) Cost is determined the weighted average cost method for investments under AFS and HFT category and on FIFO basis (first in first out) for investments under HTM category.

4.3.2. The transfer of a security from one category to another is accounted for at the least of acquisition cost/book value/ market value on the date of transfer, and the depreciation, if any, on such transfer is fully provided for.

4.3.3. Treasury Bills and Commercial Papers are valued at carrying cost.

4.3.4. Held to Maturity category:

Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized over the period remaining maturity on constant yield basis. Such amortization of premium is adjusted against income under the head "interest on

investments". Investments in subsidiaries, joint ventures and associates are valued at historical cost. A provision is made for diminution, other than Temporary, for each investment individually.

4.3.5. Available for Sale and Held for Trading categories:

Investments held under AFS and HFT categories are individually revalued at the market price or fair value determined as per RBI guidelines, and only the net depreciation of each group for each category is provided for and net appreciation, is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

4.3.6. Security Receipts (SRs) issued by an Asset Reconstruction Company (ARC) are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the security receipts issued by the ARC are limited to the actual realization of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the ARC, is reckoned for valuation of such investments.

5. Loans/ Advances and Provisions thereon

5.1. Loans and Advances are classified as performing and non-performing, based on the guidelines issued by RBI.

5.2. Non-performing Assets (NPAs) are classified into sub-standard, doubtful and loss assets, based on the guidelines issued by RBI.

5.3. Provisions for NPAs are made as per the extent guidelines prescribed by RBI.

5.4. The sale of NPA is accounted as per the guidelines prescribed by RBI. If the sale is at a price below the net book value (NBV), the shortfall is debited to the profit and loss account, and in case of sale for a value higher than NBV, the excess provision is retained and utilized to meet the shortfall / loss on sale of other financial assets.

5.5. In case of restructured / rescheduled assets, provisions are made in accordance with the guidelines issued by RBI.

5.6. In the case of loan accounts classified as NPAs, an account may be reclassified as a performing assets if it confirms to the guidelines prescribed by RBI.

5.7. Amount recovered against debts written off in earlier years are recognised as revenue in the year of receipt.

5.8. In addition to the specific provision on NPAs, general provisions are also made for standard assets. These provisions are reflected in Balance Sheet under the head 'Other Liabilities and Provisions' and are not considered for arriving at net NPAs.

5.9. Advances are stated in Balance Sheet net of provision for NPAs.

5.10. Refinance provided to Agriculture and Rural Development Banks (ARDB's) by way of Subscription to Special Rural Housing Debentures (SRHDs) deemed to be in the nature of advances are classified as Investments and is subject to the usual prudential norms applicable to loans and advances.

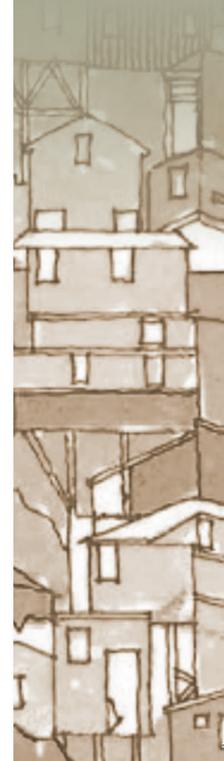
6. Derivative transactions

6.1. Interest rate swaps which hedge interest bearing assets or liability is accounted for on accrual basis except the swap designated with an asset or liability that is carried at market value or lower of cost in the financial statement.

6.2. Gain or losses on the termination of swaps are recognized over the shorter of the remaining contractual of the swap or the remaining life of the assets / liabilities.

7. Fixed Assets

7.1. Fixed assets are carried at historical cost less accumulated depreciation.





7.2. Depreciation on assets (including land where value is not separable) is provided on Straight Line Method based on estimated life of the asset. Depreciation on asset has been provided at the rates furnished below:

(a) Leasehold land	Over lease period
(b) Premises	
i) Constructed on free hold land and on lease land where lease period is above 40 years	2.50%
ii) Constructed on lease land where lease period is below 40 years	Over lease period
(c) Furniture and Fixtures	10.00%
(d) Computer and Microprocessors	33.33%
(e) Motor Vehicles	20.00%
(f) Office Equipments	20.00%
(g) Furniture acquired under Residential Furnishing Scheme	10.00%
(h) Electrical/electronic articles acquired under Residential Furnishing Scheme	20.00%

7.3. Fixed assets individually costing ₹10,000/- and below are to be fully expensed out in the year of acquisition (excluding assets purchased under RFS).

7.4. Depreciation on addition to assets is calculated for full period irrespective of the date of additions.

8. Employee Benefits

8.1. The Bank has a Provident Fund Scheme managed by RBI. Contribution to the fund is made on actual basis.

8.2. The employees, who have joined the services of the Bank on or after 1st April, 2010 are governed by a Defined Contributory Pension Scheme, which shall be governed by the provision of the Contributory Pension Scheme introduced for officers of the Central Government w.e.f. 1st January, 2004 and as modified from time to time.

8.3 Liability for Gratuity, Pension, Sick Leave, Leave Encasement, Medical Retirement Benefits and Leave Travel Concession is determined on the basis of actuarial valuation.

9. Taxes on Income

9.1. Tax on income for the current period is determined on the basis of taxable income and the tax credits computed in accordance with the provisions of the Income Tax act, 1961 and based on the expected outcome of assessments / appeals.

9.2. The deferred tax charge or credit is recognized, on timing difference, using the tax rates that have been enacted or substantially enacted as on balance sheet date. In terms of AS-22 issued by ICAI, provision for deferred tax liability is made on the basis of review at each balance sheet date and deferred tax assets are recognized only if there is virtual certainty of realization of such assets in future. Accordingly, Deferred tax liabilities or assets are reviewed at each balance sheet date based on development during the year.

9.3. Wealth Tax is provided in accordance with the provisions of the Wealth Tax Act, 1957

10. Foreign Currency Transactions

10.1. All assets and liabilities in foreign currency are translated in Indian Rupee equivalent at the exchange

rates notified by Foreign Exchange Dealers Association of India (FEDAI) prevailing at Balance Sheet date and the resulting gain or loss on the assets and liabilities, is credited or debited to Profit & Loss Account under the head 'Gain / Loss on revaluation of foreign Deposits and Borrowings'.

- 10.2. In respect of USAID borrowing, the exchange loss or gain is debited or credited to the head 'Amount Recoverable from GOI against USAID Borrowing' as the exchange loss on USAID borrowing is borne by the GOI.
- 10.3. Income and Expenditure items are translated at the exchange rates prevailing on the date of the transaction.
- 10.4. Foreign exchange forward contracts outstanding as at the balance sheet date and not intended for trading are valued at the closing spot rate as notified by FEDAI. The premium or discount arising at the inception of such forward exchange contract is amortized as expense or income over the life of the contract. The resultant gain/loss on revaluation is recognized in the Profit & Loss Account under the head 'Gain / Loss on revaluation of Forward Exchange Contract Account'.
- 10.5. Contingent liabilities on account of foreign exchange contract are reported at exchange rates notified by FEDAI at the Balance Sheet date.

11. Impairment of Assets

Impairment loss is recognised when the carrying amount of an asset exceed recoverable amounts.

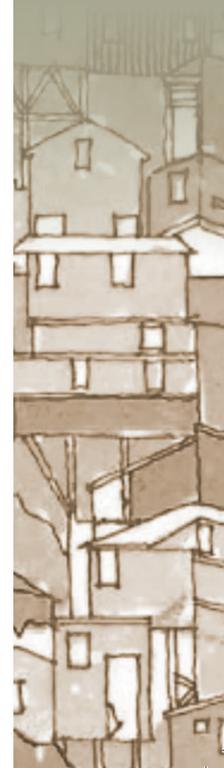
12. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are disclosed by way of schedules to Balance Sheets

(B) NOTES

13. Fixed Assets

- 13.1 Registration formalities are in progress in respect of office space situated at India Habitat Centre, Lodhi Road, New Delhi and residential property situated at Jangpura Extension, New Delhi having gross value (i.e., acquisition cost) of ₹23.99 crores.
- 13.2 In respect of the office space acquired at India Habitat Centre (IHC), Lodhi Road, New Delhi, the exact cost has not been apportioned by IHC among the different allottees. The tripartite agreement, in this respect, is yet to be executed between Land and Development Office, GOI, IHC and institution concerned (i.e. NHB). As such, on the basis of payments made to IHC, a sum of ₹14.85 crores had been capitalized by the Bank in Premises (₹14.44 crores) and Leasehold Land (₹0.41 crores).
- 13.3 During the year, based on the confirmation provided by IHC, an amount of ₹14.44 crores earlier shown under the head Premises was bifurcated into Leasehold Land (₹5.45 crores) and Premises (₹8.99 crores). This has resulted in reversal of accumulated depreciation and thereby increase in profit by ₹2.76 crores during the year.





14. External Borrowings

14.1 Under the Housing Guarantee Programme of USAID, the Bank had raised a loan of US \$25 million in the US Capital Market in the year 1990-91 for a tenure of 30 years. The loan is repayable in forty equal half yearly installments commencing from October, 2001. The outstanding balance of ₹42.72 crores (after revaluation) as on June 30, 2016 is included under the head "borrowings from other sources-outside India". Government of India (GOI) has guaranteed the loan.

As per letter received from Government of India in 1990, they would bear, exchange loss, if any on the repayments, as also the charges incurred like placement fee, guarantee fee etc. Further, GOI agreed to rupee-tie this loan at a notional interest rate. In case payment obligations to foreign lenders exceeds the payment obligation of the Bank to GOI due to exchange rate fluctuations, the difference will be borne by the GOI.

The exchange loss on account of revaluation amounting ₹29.84 crores (principal) and ₹0.52 crores (interest) is shown as amount recoverable from GOI under the head 'Other Assets'. The total amount recoverable from GOI towards above as on June 30, 2016, is ₹50.80 crores.

14.2 The Bank had borrowed USD 120 million (equivalent to ₹564 crores outstanding of which, ₹329.53 crores as on June 30, 2016) from Asian Development Bank (ADB) in two tranches of USD 100 million and USD 20 million during the year 1997 and 2002, respectively. These loans are guaranteed by the Government of India and repayable in half yearly installments by 2022 and 2025, respectively.

These dollar funds were placed as deposits with Bank of India (USD 50 million), Canara Bank & (USD 50 million) and EXIM Bank (USD 20 million) in the overseas branches in terms of agreements with these Banks. The deposits are amortized in half yearly installments maturing by 2022 and 2025, respectively and are utilized for repayment of loans from ADB. In lieu of the USD deposit, these banks have subscribed to Special Series Bonds issued by the Bank for ₹564 crores (₹270.70 crores is outstanding as on June 30, 2016). These Special Series Bonds are repayable in half yearly installments till 2022 and 2025, respectively.

14.3 The Bank has entered into agreements with KfW, Germany during the year 2010-11 for financing "Energy Efficient New Residential Housing" in India. The programme is under an agreement concluded in May, 2009 between the Government of the Federal Republic of Germany and Government of India on Financial Co-operation. The loan is guaranteed by Government of India.

The total line of credit under the programme is Euro 50 million. Under the agreement, there are two lines viz, Euro 38 million under Portion A (repayable in 18 half yearly installment beginning from June 30, 2014) and Euro 12 million under Portion B (repayable 60 half-yearly installment beginning from June 30, 2021). The Bank has drawn the entire amount of Euro 50 million (equivalent to ₹382.11 crores) and as on June 30, 2016, the outstanding borrowing stood at Euro 39.45 equivalent to ₹296.75 crores (after revaluation). The principle and interest is hedged against exchange risk.

14.4 Under the umbrella of India-UK bilateral development cooperation partnership agreed between the two countries in July 2011, the Bank has entered into a collaboration with Department for International Development, Government, U.K. for a project namely "Making affordable housing market work for faster and sustained economic growth" in eight low income states of the country. Under the programme, DFID will provide total assistance of £50 million. The loan is repayable in eight equated half yearly installments starting June, 2017. The Bank has drawn £29 million (equivalent ₹286.58 crore) from DFID till June 30, 2016. The outstanding borrowing as on June 30, 2016 stood at £29 million equivalent to ₹263.60 crore (after revaluation).

14.5 The Bank has entered into an Agreement with World Bank (WB) on August 14, 2013 followed by subsidiary loan agreement with Government of India on October 04, 2013 for low Income Housing Finance Project of SDR 66.1 million (USD 100 million equivalent). Under this line of credit, World Bank will make disbursements to Government of India and GOI in turn would on-lend the rupee

equivalent to the Bank. The amount on-lent to the Bank will be fully repaid by the Bank and also has committed to meet the entire liability, including that due to exchange rate variations, on the due dates, if any.

The Bank has submitted its claim to World Bank through Gol under the programme and accordingly World Bank has released eligible claims to the extent of ₹213.08 crores (equivalent to SDR 22.96 million/USD 32.87 million) to Government of India. Out of which, the Bank has received ₹190.00 crores on March 31, 2016 and the balance amount of ₹23.08 crores was shown in the books of the Bank as receivable from Government of India. As on June 30, 2016 the loan outstanding is ₹216.80 crores (after revaluation). The Bank has hedged USD 32.87 million.

15. Revaluation of Foreign Deposits and Borrowings/Forward Exchange Contracts

15.1 During the year 2015-16 (July-June) the Bank has recognized net profit of ₹7.04 crores on revaluation of foreign deposits and borrowings in the Profit and Loss Account and has been shown under head 'Loss/(Gain) on Revaluation of Foreign Deposits, Borrowings & Forward Contracts'.

15.2 In order to hedge forex risk on account of the excess inflow of USD from Exim Bank, the Bank has entered into forward exchange contracts. During the period ended June 30, 2016, forward exchange contract amounting USD 1.07 million was cancelled. As on June 30, 2016, the Bank has 16 outstanding contracts for an aggregate amount of USD 9.61 million. The total unhedged inflow amount as on June 30, 2016 was USD 2.10 million.

15.3 As on June 30, 2016, the Bank has an outstanding borrowing of Euro 39.45 million from KfW, Germany for financing "Energy Efficient New Residential Housing" in India. The borrowing is fully hedged.

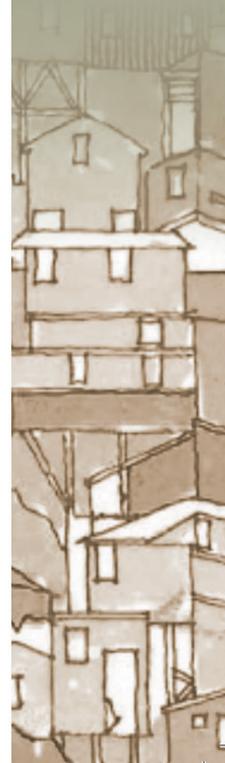
15.4 As on June 30, 2016 the Bank has an outstanding borrowing of GBP 29 million from DFID, UK a project namely "*Making affordable housing market work for faster and sustained economic growth*" in eight low income states of the country. The entire borrowing of GBP 29 million is hedged.

15.5 As on June 30, 2016 the Bank has shown an outstanding borrowing of SDR 22.96 million (equivalent to USD 32.87 million) (including an amount of SDR 2.48 million receivable from Government of India) from World Bank, under "Low Income Housing Finance" project. The Bank has hedged USD 32.87 million.

15.6 During the period July'15-June'16 Bank has booked loss on forward exchange contracts of ₹10.81 crores (net) in the Profit and Loss Account under the head 'Loss/(Gain) on Revaluation of Foreign Deposits and Borrowings' after adjusting gain of ₹1.28 crores on maturity of contracts.

16. Employee Benefits - AS 15 (revised 2005)

16.1 The Bank has provided the liability towards employee benefits for Gratuity, Leave Encashment, Medical Retirement Benefits, Sick Leave, Leave Travel Concession, and Pension on actuarial basis for





its permanent employees in accordance with the AS-15 (revised 2005) issued by Institute of Chartered Accountants of India.

16.2 The Bank is transferring contribution of provident fund to Reserve Bank of India in respect of employees who are on deputation from Reserve Bank of India. During the year ended June 30, 2016, the Bank has contributed ₹0.06 crores to Provident Fund and has charged the same to Profit and Loss Account under the head 'Staff Salaries, Allowances and Terminal Benefits'.

16.3 As per National Housing Bank (Employees') Pension Regulations, 2003, the Bank provides for pension, a defined benefit retirement plan covering all employees who have opted for pension plan. The scheme provides a monthly pension payment to employees on retirement or termination of employment as per Service Regulation. The scheme is managed by a separate trust and the liability for the same is recognized on the basis of actuarial valuation as on June 30, 2016 is ₹0.79 crores in addition to Bank's monthly contribution to the fund.

16.4 The employees, who have joined the services of the Bank on or after 1st April, 2010 are governed by a Defined Contributory Pension Scheme, which shall be governed by the provision of the Contributory Pension Scheme introduced for officers of the Central Government w.e.f. 1st January, 2004 and as modified from time to time. During the year, the employees have contributed ₹0.28 crores under the Scheme and the Bank has also provided for equivalent contribution for the same.

16.5 Defined benefit Obligations: Gratuity, Leave Encashment, Medical Retirement benefits, Sick Leave, Leave Travel Concession and Pension payable to employees as on 30th June, 2016. The liability, wherever, necessary has been accounted for on actuarial valuation.

a) Methodology used in actuary calculation: Actuary has used the Projected Unit Credit Method to assess the plan's liabilities including those related to death and service.

b) The Principal Actuarial assumptions used as at the Balance Sheet date:

Defined Benefits	Gratuity	Leave Encashment	Medical	Sick Leave	Leave Travel Concession	Pension
Discount Rate	7.60% p.a.					
Salary Escalation Rate	10% p.a.	10% p.a.	NA	10% p.a.	NA	10% p.a.
Expected return on plan assets	NA	NA	NA	NA	NA	8% p.a.
Mortality Rate	Indian Assured Lives Mortality (IALM) 2006-08 (modified) Ult.	Indian Assured Lives Mortality (IALM) 2006-08 (modified) Ult.	Indian Assured Lives Mortality (IALM) 2006-08 (modified) Ult.	Indian Assured Lives Mortality (IALM) 2006-08 (modified) Ult.	Indian Assured Lives Mortality (IALM) 2006-08 (modified) Ult.	Indian Assured Lives Mortality (IALM) 2006-08 (modified) Ult.

c) A reconciliation of opening and closing balances of present value of defined benefit obligation and the effects during the period attributable to each of the following:

(in ₹ crore)

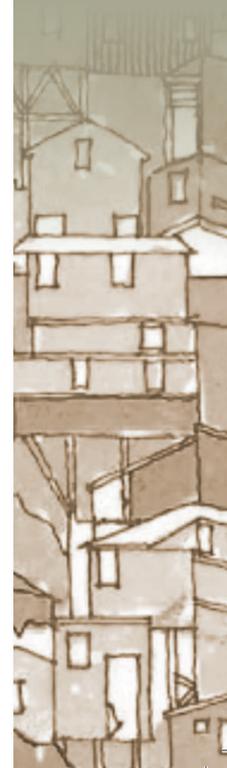
Change in benefit obligations	Gratuity	Leave Encashment**	Medical	Sick Leave**	Leave Travel Concession**	Pension
Present Value of Obligation at the beginning of the year	28,069,051	-	8,569,023	-	-	299,372,248
Current Service Cost	3,030,434	-	-	-	-	9,989,661
Interest cost	2,081,906	-	629,542	-	-	21,681,379
Prior Service cost	-	-	-	-	-	-
Actuarial (Gain)/ Loss on Obligations	23,960,776	-	795,740	-	-	32,206,119
Benefits paid	(6,769,773)	-	(997,849)	-	-	(18,783,155)
Present Value of Obligation at the end of the year	50,372,394	-	8,996,457	-	-	344,466,251

d) Investment details of plan assets:

The Bank has not funded the liability as on June 30,2016. As such there is no fair value of assets except for pension liability which is managed by a separate trust

e) Change in plan assets Amount recognized in the statement of Profit & Loss Account

Defined Benefits	Gratuity	Leave Encashment**	Medical	Sick Leave**	Leave Travel Concession**	Pension
Fair value of plan assets at the beginning of the year	NA	NA	NA	NA	NA	295,480,724
Expected return on plan assets	NA	NA	NA	NA	NA	23,638,458
Actuarial Gain/(Loss)	NA	NA	NA	NA	NA	8,372,333
Benefits paid	NA	NA	NA	NA	NA	(18,783,155)
Employer contributions	NA	NA	NA	NA	NA	6,879,910
Fair value of plan assets at the end of the year*	NA	NA	NA	NA	NA	315,588,270





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f) Amount recognized in Balance Sheet

(in ₹ crore)

Defined Benefits	Gratuity	Leave Encashment**	Medical	Sick Leave**	Leave Travel Concession**	Pension
Present Value of Obligation at the end of the year	50,372,394	-	8,996,457	-	-	344,466,251
Fair value of plan assets at the end of the year*	NA	NA	NA	NA	NA	315,588,270
Funded Status-deficit/(surplus)	50,372,394	-	8,996,457	-	-	28,877,981
Unrecognized actuarial gain/loss	-	-	-	-	-	-
Net Liability/(Asset) recognized in Balance Sheet	50,372,394	-	8,996,457	-	-	28,877,981

g) Amount recognized in the statement of Profit & Loss Accounts

(in ₹ crore)

Defined Benefits	Gratuity	Leave Encashment**	Medical	Sick Leave**	Leave Travel Concession**	Pension
Current Service Cost	3,030,434	-	-	-	-	9,989,661
Interest Cost	2,081,906	-	629,542	-	-	21,681,379
Prior Service cost	-	-	-	-	-	-
Expected return on plan assets	NA	NA	NA	NA	NA	(23,638,458)
Actuarial (Gain)/ Loss	23,960,776	-	795,740	-	-	23,833,786
Expenses/(Income)	29,073,116	-	1,425,282	-	-	31,866,368
Amount contributed by ex-employees		-	-	-	-	-
Expenses/(Income) recognized in the Statement of Profit and Loss Account	29,073,116	-	1,425,282	-	-	31,866,368

** As per paragraph 132 of the Accounting Standard 15 (revised) issued by Institute of Chartered Accountants of India, no specific disclosures are required for Other Long Term Benefits.

17. Security Transactions of 1991-92

- 17.1 Pursuant to the judgment of the Special Court, the Bank received ₹236.78 crores from State Bank of India (Formerly Sate Bank of Saurashtra). On appeal by State Bank of India in the Supreme Court, Hon'ble Supreme Court has set aside the judgment of the Special Court in toto. Consequently, the Bank paid a sum of ₹236.78 crores together with cost of ₹0.26 crores to State Bank of India and has lodged its claim for return of ₹94.20 crores with the Custodian, Special Court. The report of the Custodian was disposed off by the Special Court and an order was passed that "the Custodian has no locus to file this report and seek the reliefs as claimed by them in the report. If NHB is seeking any relief in terms of judgement and order passed by the Supreme Court they are at liberty to take out a separate application." An application has been directly lodged by the bank in the Special Court.
- 17.2 The disputes between NHB and State Bank of India and NHB and Grindlays Bank (since amalgamated with Standard Chartered Bank) have been settled and no claim exists between the parties against each other with regard to these disputes. However, any money released/recovered /to be recovered from the estate of legal heir of the late Sh. Harshad Mehta by State Bank of India and Standard Chartered Bank in accordance with the decrees passed in their favour by the Special Court will be shared by them with NHB in the agreed manner and will be accounted for on actual receipt.
- 17.3 As per the Terms of the Settlement agreed between State Bank of India and NHB on October 30, 2002, realization/recoveries if any, made in M.P. No.63 of 1992 was to be shared between State Bank of India and NHB in such proportion as may be determined by the Reserve Bank of India (RBI). The principal amount of the decree i.e. ₹706.97 crores in M.P. No.63 of 1992 has been satisfied in full. RBI has also determined the share and directed State Bank of India to share the amount of ₹706.97 crore in equal proportion less expenses and cost of litigation. NHB is yet to receive the amount from State Bank of India as determined by RBI and interest thereon.
- 17.4 As per the understanding between NHB and SCB, NHB is also entitled to share the amount realized by Standard Chartered Bank in the said decree. The amount will be shared in a proportion inverse to the proportion in which the amount of ₹1645.87 crores was shared between NHB and Standard Chartered Bank, after the same is received by Standard Chartered Bank. A sum of ₹345.76 crores is also to be released by the Custodian in favour of Standard Chartered Bank out of the principal amount of ₹506.54 in the decree passed in its favour in Suit No. 28 of 1995. These amounts will be accounted for on actual receipts.

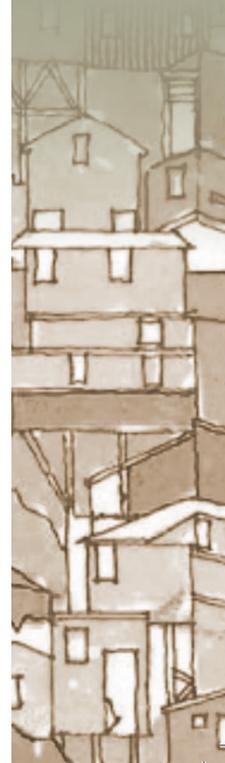
18. Segment Reporting

The Bank's operations predominantly comprise only one segment i.e. financial activities. Hence, there are no separate reportable segments as per the Accounting Standard on "Segment Reporting" (AS 17) issued by the Institute of Chartered Accountants of India.

19. Related Party Disclosures

a) List of Related Parties:

- i) Key Managerial Personnel: Shri Mohammad Mustafa & Shri Sriram Kalyanaraman
- ii) India Mortgage Guarantee Corporation Private Limited (IMGC)



**b) Transactions with Related Parties:**

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the year	Outstanding as on 30th June, 2016
Sh. Sriram Kalyanaraman (from 13.07.2015)	Key Management Personnel- Managing Director & Chief Executive Officer	Remuneration & benefits including perquisites	₹0.38 crores	Nil
Sh. Mohd Mustafa (Till 12.07.2015)	Key Management Personnel- Chairman & Managing Director	Remuneration & benefits including perquisites	Nil	Nil
IMGC	Substantial interest in the Share Capitalc	Equity Capital Contribution	₹5.70 crores	₹76.00 crores

*excluding other reimbursements

As the Bank is state controlled enterprise within the meaning of AS-18 'Related Party Disclosures', the related party relationship with other state controlled enterprises and transactions with such enterprises are not given.

20. Income tax

Additional demand of ₹130.56 crores raised by the Income Tax Department on imposing penalties in respect of disallowance of Bank's claim u/s 36(1)(viii) of the Income Tax Act, 1961 for assessment years (AYs) 2003-04 to 2006-07, 2008-09 and 2009-10, disallowance of business loss of ₹150.45 crores for AY2003-04 and additional demand of ₹91.05 crores for AY2010-11 due to certain additions and disallowances has been paid and contested. The management does not consider it necessary to make any provision in this regard in view of the legal opinion obtained by it

21. Deferred Tax

As on June 30, 2016, the Bank has recorded net deferred tax liability (DTL) of ₹289.35 crores. A composition of deferred tax assets and liabilities is given below:

(in ₹ crore)

Sr. No.	Particulars	June 30, 2016	June 30, 2015
Deferred Tax Assets:			
1	Provision for Medical aid to Retired Staff	0.31	0.29
2	Provision for Leave Encashment	1.47	1.11
3	Provision for Gratuity	1.74	0.97
4	Provision for Leave Travel Concession	0.49	0.34
5	Defined Contributory Pension Scheme	0.02	0.09
Total Deferred Tax Assets (A)		4.03	2.80
Deferred Tax Liabilities:			
1	Depreciation	5.97	3.41
2	Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	287.41	217.75
Total Deferred Tax Liabilities (B)		293.38	221.16
Net Deferred Tax Liability (B-A)		289.35	218.36

22. Home Loan Account Scheme

- 22.1 The Home Loan Account Scheme (HLAS) was launched by NHB with effect from July 1, 1989 all over the country and was operated through Scheduled Banks and Housing Finance Companies (HFCs). The HLAS has been discontinued effective from March 1, 2004.
- 22.2 The deposits under HLAS held by the banks/HFCs stood at ₹2.03 crores as per information received by NHB and the same has been disclosed as contra entries in the balance sheet.
- 22.3 India Housing Finance and Development Ltd., a housing finance company in the private sector, which was one of the participating HFC for mobilization of deposits under HLAS, was advised by NHB not to open new accounts/accept fresh deposits under HLAS with effect from 01.10.1994 due to serious financial problem faced by it. NHB being the principal under the scheme, was obliged to meet liability to pay account holders their dues. The Bank assessed the initial liability of ₹0.49 crores as against verifiable claimants of IHFD under HLAS and made provision of the equal amount in 2004-05. As per the approved procedure, claims for refund of ₹0.27 crores was paid till June 30, 2016 and balance of ₹0.22 crores stood as liability as on that date.

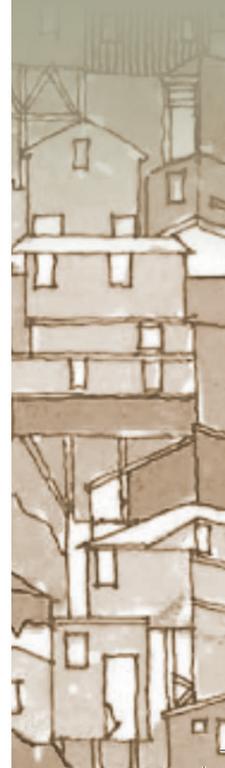
23. Other Expenditure

The break-up of other expenditure shown in the Profit and Loss Accounts is as under:

		(in ₹ crore)	
Particulars		2015-16	2014-15
1.	Repair and Maintenance	2.48	1.76
2.	Research and Development	0.03	0.00
3.	Service Tax Expense	0.61	0.43
4.	Prior Period Expense	0.04	0.06
5.	Conveyance Expense	0.95	0.51
6.	Professional Fee	0.29	0.36
7.	Conference Expense	0.27	0.02
8.	Hospitality Expense	0.02	0.04
9.	Expenses on IT related services	1.68	1.48
10.	Payment to outsourced services	2.58	1.77
11.	Security Service Expense	1.05	1.06
12.	Others	5.50	4.69
Total		15.50	12.18

24. Investment Fluctuation Reserve Account

As per RBI guidelines on prudential norms for classification, valuation and operation of investment portfolio for Fls, the provision required to be created on account of depreciation in the Available for Sale category in any year should be debited to the Profit & Loss Account and an equivalent amount (net of taxes) or balance available in the Investment Fluctuation Reserve (IFR) Account, whichever is less, shall be transferred from Investment Fluctuation Reserve Account to the Profit & Loss Account. In the event provisions created on account of depreciation in the available for sale category are found to be in excess of the required amount in any year, the excess is credited to the Profit & Loss Account and an equivalent amount (net of taxes, if any) is appropriated to the Investment Fluctuation Reserve Account. No amount has been transferred to IFR during the year and balance outstanding as on June 30, 2016 is ₹20.08 crores.





25. Impairment of assets

In the opinion of the management, there is no material impairment of any of the Assets of the Bank as per the Accounting Standards 28-Impairment of Assets.

26. Investment classification

26.1 As stated, investments are classified into “Held for trading”, “Available for ‘Sale” and “Held for Maturity” categories as per the following details:

(in ₹ crore)

Categories of investments	Investments	As on June 30, 2016	As on June 30, 2015
Held to Maturity (HTM)	a) GOI dated securities	55.75	56.15
	b) Subordinated Bonds	5.00	15.00
	Sub-total	60.75	71.15
Available for Sale (AFS)	a) GOI dated securities	161.29	0.00
	b) Treasury Bills	2,585.28	2,531.00
	c) Shares of Housing Finance Institutions	24.51	19.52
	d) Shares of Other Institutions#	77.00	71.30
	e) Building Material Company	0.53	0.53
	f) Mutual Fund	0.00	250.00
	Sub-total	2,848.61	2,872.35
	Gross Investments	2,909.36	2,943.50
Less:	Depreciations	0.53	0.53
	Net Investments	2,908.83	2,942.97

Investments in shares of other institutions includes ₹5.70 crores made on 12.02.2016 in the equity capital of India Mortgage Guarantee Corporation (IMGC).

26.2 In addition to the above, the Bank has also subscribed to the Special Rural Housing Debentures of ARDBs and outstanding subscription (net) as on June 30, 2016 is stood at ₹NIL crores (previous year ₹8.03 crores).

Pursuant to the directives of RBI, the refinance provided to Agriculture and Rural Development Banks by way of subscription to the Special Rural Housing Debentures (SRHDs) floated by these agencies, are treated as under:

- Classified as Investments and shown in Schedule-X under the head ‘Stocks, Shares, Bonds, Debentures and Securities of other Institutions’ which was hitherto shown as part of ‘Refinance’ in Schedule-XI.
- Interest earned on the same is shown as a part of ‘Interest received on Loans and Advances’ in the Profit and Loss Account, treating them as ‘deemed advances’.
- Deemed Advances for the purpose of Income recognition, Asset Classification, Provisioning, Capital Adequacy and computation of ratios, etc.

27. Contingent Liability

The movement in Contingent Liability as required in AS 29 is as under:

(in ₹ crore)

Particulars	June 30, 2016	June 30, 2015
Opening Balance as on July 1	32.08	54.10
Addition during the period	31.55	0.06
Reduction during the period	0.00	(22.08)
Closing Balance as on June 30	63.63	32.08

28. Rural Housing Fund

Rural Housing Fund was first established as per the announcement made by the Hon'ble Finance Minister, while presenting the budget for the year 2008-09. The fund was set up with contribution by Scheduled Commercial Banks not achieving their priority sector lending obligations. The fund was set up with the National Housing Bank to enhance its Refinancing Operations to the Rural Housing Sector. Till June 30, 2016, the Bank has received total amount of ₹26,778.18 crores under this fund and the Balance Outstanding as on June 30, 2016 is ₹25,017.00 crores. The same has been shown as 'Deposits from banks under Rural Housing Fund' in Schedule-V ('Deposits').

29. Urban Housing Fund

During 2013-14, Urban Housing Fund of ₹2000 crores with contributions from scheduled commercial banks, as allocated by Reserve Bank of India, was set up with NHB to augment its resources and improve credit availability. Further, In terms of RBI allocation, Urban Housing Fund of ₹4,000 crores was set up for Year 2014-15. This Fund will enhance refinancing operations to the urban housing sector and to meet the housing needs of the people in lower income segments residing in urban areas. Till June 30, 2016 the Bank has received total amount of ₹6,000 crores and the same has been shown as 'Deposits from banks under Urban Housing Fund' in Schedule-V ('Deposits').

30. Zero Coupon Bonds

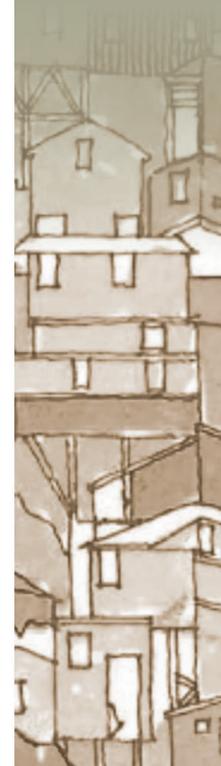
During the year 2008-09, the Bank had issued Zero Coupon Bonds (ZCBs) for a face value of ₹1,050 crores, discounted value being ₹453.39 crores. These bonds were issued for tenure of ten years. The discount is amortized over the tenure of the bonds. A sum of ₹59.79 crores has been amortized during the year ending 30th June 2016. The unamortized balance of discount as on 30th June, 2016 is ₹152.62 crores (as on June 30, 2015 ₹212.41 crores).

31. Loans and advances

Of the total principal outstanding loans and advances of ₹51,823.07 Crore (Gross), loans and advances amounting ₹13,364.49 Crore are secured by a charge on books debts, government guarantee, bank guarantee, equitable mortgage on fixed assets, hypothecation of movable assets and lien over bank deposits. Balance loans and advances amounting ₹38,458.58 Crore are unsecured of which ₹14,443.19 Crore covered under negative lien.

32. Tax Free Bonds

NHB had mobilized an aggregate amount of ₹4,640.13 crores (₹640.13 crores in 2012-13 and ₹4,000 crores in 2013-14) excluding premium thereon, through issuance of Tax Free Bonds. These Bonds are secured by way of Pari passu floating first charge on the specific book debts of NHB. As on June 30, 2016, the value of the hypothecated assets given as security for Tax-free Bonds was 5,208.82 crores.





33. Disclosures under SEBI (Listing obligations & disclosure requirements) Regulations 2015

- Credit rating - AAA/Stable ratings by CRISIL, A1+ by ICRA
- Asset cover available - 100%
- Debt equity ratio - 8.20 times
- Debt service coverage ratio - 1.69 times
- interest service coverage ratio - 1.43 times
- Net worth - ₹6,180 crores
- Net profit after tax - ₹792 crores
- Earnings per share - Not Applicable
- Previous due dates for payment of interest for NCDs and whether the same has been paid or not - Paid.

Details of interest paid are as below-

Sr No.	Nomenclature of Bond	Allotment Date	Rate of int	Amount	Last Interest Payment Date
1.	8.05% SS PS BOND 1997-98	31-Mar-98	11.12%	43,50,00,000.00	10-Jun-16
2.	8.05% SS PS BOND 1998-99	10-Feb-99	11.12%	64.10.00.000.00	10-Jun-16
3.	12.10% SS PS BOND 1999-00	16-Dec-99	9.79%	94,60,00,000.00	10-Jun-16
4.	9.75% SS PS BOND (EXIM BK-II)	28-Mar-02	9.45%	68,50,00,000.00	10-Mar-16
5.	ZCB SUMERU- 24.12.2018	24-Dec-08	8.65%	645,06,43,160.00	N.A.
6.	ZCB SUMERU- 31.03.2019	31-Mar-09	9.03%	252,31,44,747.00	N.A.
7.	7.19% NHB Tax Free Bonds 2022 Series-I	14-Dec-12	7.19%	126,00,00,000.00	14-Dec-15
8.	7.17% NHB Tax Free Bonds 2023 Series-II	1-Jan-13	7.17%	110,00,00,000.00	1-Jan-16
9.	6.87% NHB Tax Free Bonds 2023 Series-III	6-Feb-13	6.87%	125,00,00,000.00	6-Feb-16
10.	6.89% NHB Tax Free Bonds 2023 Series-1V	22-Mar-13	6.89%	82,90,00,000.00	22-Mar-16
11.	6.82% NHB Tax Free Bonds Public Issue 2012-13	26-Mar-13	6.82%	196,23,30,000.00	26-Mar-16
12.	8.01% NHB Tax Free Bonds 2023 Series-V	30-Aug-13	8.01%	17,00,00,000.00	30-Aug-15
13.	8.46% N HB Tax Free Bonds 2028 Series-V	30-Aug-13	8.46%	883,00,00,000.00	30-Aug-15
14.	NHB Tax Free Bonds 2014 Tranche-I	13-Jan-14	8.26% to 9.01 %	2100,00,00,000.00	13-Jan-16
15.	NHB Tax Free Bonds 2014 Tranche-II	24-Mar-14	8.25% to 8.93%	1000,00,00,000.00	28-Mar-16
16.	8.20% NHB Bonds	18-Feb-15	8.20%	375.00.00.000.00	18-Feb-16
17.	8% NHB Bonds	10-Apr-15	8.00%	500,00,00,000.00	11-Apr-16
18.	8.24% NHB Bonds	8-Mar-16	8.24%	1000,00,00,000.00	N.A.
19.	7.92% NHB Bonds	21-Mar-16	7.92%	1850,00,00,000.00	N.A.
20.	7.56% NHB Bonds	20-Apr-16	7.56%	1000,00,00,000.00	N.A.
			TOTAL	10,533,21,17,907	

All the bonds have been serviced on due dates

34. Debenture Trustee

In terms of SEBI circular dated October 29, 2013 the contact details of the Debenture trustee(s) for various Bonds issued by National Housing Bank is as given below-

Debenture Trustee for Tax-free Bonds-

Compliance Officer, IL&FS Trust Company Ltd.
The IL&FS Financial Center
Plot No. C-22, G Block, Bandra Kurla Complex
Bandra(E), Mumbai 400051
Phone: +91 22 2659 3612, Fax : +91 22 2653 3297
Email: itcl@iflfsindia.com, Web : www.itclindia.com

Debenture Trustee for Other Bonds-

Compliance Officer, IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17. R. Kamani Marg Ballard Estate, Mumbai Maharashtra - 400 001, India
Phone: +91 022 40807000, Fax: +91 022 66311776
Email: itsl@idbitrustee.com, Web : www.idbitrustee.com

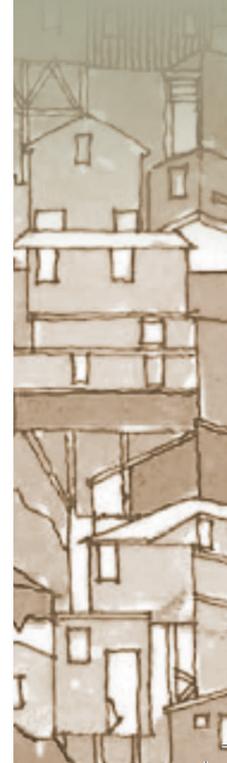
35. Consolidation of Special Fund with the General Fund

35.1 The Voluntary Deposits (Immunities and Exemptions) Act, 1991 was passed with the objectives of providing certain immunities and exemptions from direct taxes to persons making voluntary deposits with the National Housing Bank and exemptions from direct taxes in relation to such amounts. The amount so collected under the Voluntary Deposits Scheme is required to be kept in a Special Fund exclusively for the purpose of financing slum clearance and low cost housing for the poor. In terms of National Housing Bank (Slum Improvement & Low Cost Housing Fund) Regulations, 1993, Profit and Loss Account for the year ended 30th June and Balance Sheet as on that date are required to be prepared each year in respect of the Special Fund and audited by the Statutory Auditors appointed by the Reserve Bank of India under Section 40 (1) of the National Housing Bank Act, 1987

35.2 Accordingly, the Profit and Loss account and the Balance Sheet of the Special Fund have been prepared as per the provision of the National Housing Bank (Slum Improvement & Low Cost Housing Fund) Regulations, 1993 and attached as Annexure to these financial statements. The balance lying in the Special Fund is included under the schedule "Reserves & Surplus" in the Bank's consolidated Balance Sheet. Various assets and liabilities of the Special Fund have also been grouped in the consolidated Balance Sheet under the respective heads.

36. Regrouping

Figures for the previous year have been re-grouped, wherever necessary, so as to make them comparable with those of the current year.





37. Cash Flow Statement for the year ended June 30, 2016

Particulars	2015-16	2014-15
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per Profit & Loss Account	791.85	746.68
Adjustments for:		
Provision for Tax	366.89	358.00
Provision for Wealth Tax	0.00	0.10
Provision for Deferred Tax	70.98	57.05
Depreciation on Fixed Assets	1.75	3.59
Depreciation on investments & amortisation expense	0.41	0.30
Provision for Standards Assets	35.89	18.10
Provision for Non Performing Assets / Restructured Account	(28.60)	6.03
Loss/(Gain) on revaluation of Forward Exchange Contracts	11.96	(13.70)
Provision for Bad Debts u/s 36(1)(vii)(c) of Income Tax Act, 1961	55.80	54.50
(Profit)/ Loss on sale of Fixed Assets	(0.13)	(0.01)
(Gain)/ Loss on revaluation of Foreign Deposits & Borrowings	(5.86)	(53.30)
Provisions no longer required written back	(0.80)	(0.47)
Discount on Forward Exchange Contract	16.38	6.08
Income from Investments	(205.07)	(226.96)
Profit on purchase and sale of Mutual Funds	(44.12)	(9.08)
Dividend on Equity of Housing Finance Companies	(1.67)	(1.37)
Profit on sale of investments	(0.36)	(1.16)
(Operating Profit before working capital changes)	1,065.30	944.38
Adjustments for Working Capital		
(Increase)/Decrease in Deposits with Banks	(118.40)	201.07
(Increase)/Decrease in Loans & Advances	(8,806.77)	(4,811.69)
(Increase)/Decrease in Other Assets	424.39	281.73
Increase/ (Decrease) in Current Liabilities	(171.48)	(400.67)
Net cash from operating activities before taxes paid	(7,606.96)	(3,785.18)
Less: Income Taxes Paid	(368.00)	(417.08)
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE EXTRAORDINARY ITEMS	(7,974.96)	(4,202.26)
Extraordinary Items	0.00	0.00
NET CASH FLOW FROM OPERATING ACTIVITIES AFTER EXTRAORDINARY ITEMS (A)	(7,974.96)	(4,202.26)
B) CASH FLOW FROM INVESTING ACTIVITIES BEFORE EXTRAORDINARY ITEMS		
(Increase) / Decrease in Fixed Assets	(7.50)	(2.10)
(Increase)/ Decrease in Investments	41.76	(470.31)
Income from Investments	205.07	226.96

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Profit on purchase and sale of Mutual Funds	44.12	9.08
Dividend on Equity of Housing Finance Companies	1.67	1.37
Profit on sale of Investments	0.36	1.16
NET CASH GENERATED FROM INVESTING ACTIVITIES BEFORE EXTRA ORDINARY ITEMS	285.48	(233.84)
Extraordinary Items	0.00	0.00
NET CASH GENERATED FROM INVESTING ACTIVITIES AFTER EXTRAORDINARY ITEMS (B)	285.48	(233.84)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase in share capital	1,000.00	0.00
Net income under Staff Benevolent Fund	2.13	2.00
Increase/(Decrease)in Bonds & Debentures	1,703.76	(2,344.72)
Increase/(Decrease) in Deposits	2,243.58	10,476.29
Increase/ (Decrease) in Borrowings	2,862.37	(3,732.32)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	7,811.84	4,401.25
Net increase in cash and cash equivalents(A + B + C)	122.36	(34.85)
Cash and cash equivalents at the beginning of the year	130.76	165.61
Cash and cash equivalents at the end of the year	253.12	130.76
Schedule to Cash & Cash Equivalents		
Particulars	2015-16	2014-15
Balances with Reserve Bank of India	0.03	0.08
Balance with banks-Current Account	253.09	130.68
Cash and cash equivalent	253.12	130.76

38. Additional Disclosures as per Reserve Bank of India (RBI) Guidelines

38.1 Capital:

Particulars	30.06.2016	30.06.2015
a. (i) Capital to Risk Assets Ratio (CRAR)	18.52%	15.75%
(ii) Core CRAR	17.27%	14.50%
(iii) Supplementary CRAR	1.25%	1.25%

b. Amount of subordinated debt raised and outstanding as Tier II Capital: Nil (Previous Year-Nil)

c. Risk Weighted Assets:

(in ₹ crore)

Particulars	30.06.2016	30.06.2015
(i) On balance sheet items	35555.14	30198.67
(ii) Off balance sheet items	226.49	93.37

d. Share-holding pattern as on the date of the Balance Sheet:

Capital of the Bank is wholly subscribed by the Reserve Bank of India



**38.2 Asset Quality and Credit Concentration:**

e. Percentage of Net NPAs to Net Loans and Advances : 0.00% (Previous Year 0.32%)

f. Amount and percentage of Net NPAs under the prescribed asset classification categories :

(in ₹ crore)

Particulars	30.06.2016		30.06.2015	
	Amount	%age	Amount	%age
Sub-Standard	0.00	0.00%	33.84	23.44%
Doubtful	0.00	0.00%	110.53	76.56%
Loss	0.00	0.00%	0.00	0.00%
Total	0.00	0%	144.37	100%

g. Amount of provisions made during the year:

(in ₹ crore)

Particulars	30.06.2016	30.06.2015
- Standard Assets	35.89	18.10
- Bad Debts u/s 36(1)(viiia) of the IT Act, 1961	55.80	54.50
- Non Performing Assets	(28.60)	6.03
- Investments	0.41	0.30
- Wealth Tax	0.00	0.10
- Income Tax	366.89	358.00
- Deferred Tax	70.98	57.05

h. Amount is Net NPAs :

(in ₹ crore)

Particulars	2015-16	2014-15
Opening balance	144.37	111.23
Additions during the year	0.00	33.84
Reductions during the year	144.37	0.70
Closing balance	0.00	144.37

i. Credit exposure as percentage to capital funds and as percentage to Total Assets:

Particulars	30.06.2016		30.06.2015	
	% to Capital Fund	% to Total Assets	% to Capital Fund	% to Total Assets
- The largest single borrower	67.89%	7.59%	73.39%	6.97%
- The largest borrower group	108.16%	12.09%	97.20%	9.22%
- The 10 largest single borrowers	507.29%	56.73%	557.85%	52.94%
- The 10 largest borrower groups\$	438.41%	49.03%	478.80%	45.44%

\$ NHB has only Eight borrower groups

j. Credit exposure to the five largest industrial sector as percentage to total loan assets: Not Applicable

38.3 Liquidity:

k. Maturity Pattern of rupee assets and liabilities

l. Maturity Pattern of foreign currency assets and liabilities

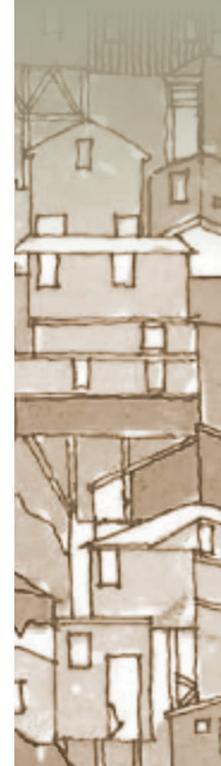
(in ₹ crore)

Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years	More than 5 years upto 7 years	More than 7 years	Total
Rupee Assets	17,039.09	18,110.01	12,644.16	4,790.64	6,288.58	58,872.48
Foreign Currency Assets	48.23	106.60	121.80	78.76	34.07	389.46
Total	17,087.32	18,216.61	12,765.96	4,869.40	6,322.65	59,261.94
Rupee Liabilities	14,291.99	7,582.36	9,694.77	15,212.62	11,330.80	58,112.54
Foreign Currency Liabilities	117.47	316.66	305.56	132.99	276.72	1,149.40
Total	14,409.46	7,899.02	10,000.33	15,345.61	11,607.52	59,261.94

Previous Year

(in ₹ crore)

Items	Less than or equal to 1 year	More than a year upto 3 years	More than 3 years upto 5 years	More than 5 years upto 7 years	More than 7 years	Total
Rupee Assets	14,250.71	13,849.92	11,969.24	4,771.66	5,033.44	49,874.97
Foreign Currency Assets	42.55	94.02	107.39	122.74	42.92	409.62
Total	14,293.26	13,943.94	12,076.63	4,894.40	5,076.36	50,284.59
Rupee Liabilities	9,403.79	5,715.17	8,054.75	16,107.72	10,040.01	49,321.44
Foreign Currency Liabilities	141.82	233.37	268.78	190.62	128.56	963.15
Total	9,545.61	5,948.54	8,323.53	16,298.34	10,168.57	50,284.59





38.4 Operating results:

Particulars	2015-16	2014-15
m. Interest Income as a percentage to average working funds	7.76%	8.12%
n. Non-interest income as a percentage to average working funds	0.10%	0.04%
o. Operating profit as a percentage to average working fund	2.43%	2.47%
p. Return on average assets	1.48%	1.58%
q. Net Profit per employee (₹ in Crores)	7.47	7.39

38.5 Movement in the provisions:

I. Provisions for Non Performing Assets (Loan Assets)

(in ₹ crore)

Particulars	2015-16	2014-15
Opening balance as at the beginning of the financial year	79.60	73.57
Add: Provisions made during the year	0.00	6.03
Less: Write off, write back of excess provision	28.67	0.00
Closing balance at the close of the year	50.93	79.60

II. Provisions for Depreciation in Investments

(in ₹ crore)

Particulars	2015-16	2014-15
Opening Balance at the beginning of the financial year	0.53	0.53
Add: i) Provisions made during the year	0.00	0.00
ii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year	0.00	0.00
Less: i) Write off during the year	0.00	0.00
ii) Transfer, if any, to Investment Fluctuation Reserve Account	0.00	0.00
Closing balance at the close of the financial year	0.53	0.53

38.6 Restructured Accounts:

(in ₹ crore)

Particulars	2015-16	2014-15
a) Total Amount of loan assets	46.50	181.05
Sub-standard assets	0.00	0.00
Doubtful assets	46.50	181.05



38.8 Financial Assets Sold to Secularisation Company / Reconstruction Company: (in ₹ crore)

Particulars	2015-16	2014-15
i) No. of Accounts	0	0
ii) Aggregative value (net of provisions) of accounts sold to SC/RC	0.00	0.00
iii) Aggregate consideration	0.00	0.00
iv) Additional consideration realized in respect of Accounts transferred in earlier years	0.00	0.00
v) Aggregate gain / loss over net book value	0.00	0.00

38.9 Forward Rate Agreements and Interest Rate Swaps: (in ₹ crore)

Particulars	2015-16	2014-15
a) Notional principal of swap agreements	NA	NA
b) Nature and terms of the swaps	NA	NA
c) Losses which would be incurred if the counter parties failed to fulfill their obligations under the agreements	NA	NA
d) Collateral required by the entity upon entering into swaps	NA	NA
e) Concentration of credit risk arising from the swaps	NA	NA
f) The "Fair" value of total swaps book	NA	NA

38.10 Interest Rate Derivatives: (in ₹ crore)

S No	Particulars	2015-16	2014-15
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	Nil	Nil
2	Notional principal amount of exchange traded interest rate derivatives outstanding as on 30th June	Nil	Nil
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	Nil	Nil
4	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective"	Nil	Nil

38.11 Investments in Non Government Debt Securities:

A. Issuer Categories in respect of investments made

Current Year

(in ₹ crore)

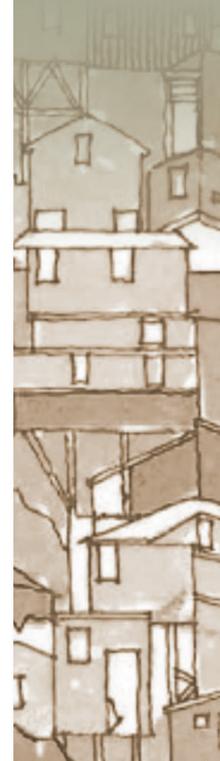
Sr. No.	Issuer	Amount	Amount of			
			investments made through private placement	' below investment grade' Securities held	'unrated' Securities held	'unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	0.00	0.00	0.00	0.00	0.00
2	FIs	0.00	0.00	0.00	0.00	0.00
3	Banks	5.00	5.00	0.00	0.00	0.00
4	Private Corporates	0.00	0.00	0.00	0.00	0.00
5	Subsidiaries/Joint Ventures	0.00	0.00	0.00	0.00	0.00
6	Others	0.00	0.00	0.00	0.00	0.00
7	Provisions held towards depreciation	0.00	0.00	0.00	0.00	0.00
	Total	5.00	5.00	0.00	0.00	0.00

Previous Year

(in ₹ crore)

Sr. No.	Issuer	Amount	Amount of			
			investments made through private placement	' below investment grade' Securities held	'unrated' Securities held	'unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	0.00	0.00	0.00	0.00	0.00
2	FIs	0.00	0.00	0.00	0.00	0.00
3	Banks	15.00	15.00	0.00	0.00	0.00
4	Private Corporate	0.00	0.00	0.00	0.00	0.00
5	Subsidiaries/Joint Ventures	0.00	0.00	0.00	0.00	0.00
6	Others	8.03	0.00	0.00	8.03	8.03
7	Provisions held towards depreciation	0.00	0.00	0.00	0.00	0.00
	Total	23.03	15.00	0.00	8.03	8.03

Note: Subscription to Special Rural Housing Debentures of ARDBs of ₹NIL Crore (PY- ₹8.03 Crore), which are in the nature of deemed advances, are classified as investments and is shown under 'Shares of other institutions'.





B. Non performing investments

Particulars	2015-16	2014-15
Opening balance	0.53	0.53
Additions during the year	0.00	0.00
Reductions during the year	0.00	0.00
Closing balance	0.53	0.53
Total Provisions held	0.53	0.53

38.12 Consolidated Financial Statements: NHB has no subsidiary

38.13 Disclosure on Risk Exposures in Derivatives:

a) Qualitative Disclosure

- The Bank has in-place derivative policy approved by the board which permits use of derivative products in line with business goals of the Bank. The policy has delegated powers to enter into swaps only at very senior level.
- Counter party exposure limits are within the overall limits set for each counter party. The credit equivalent of swaps are computed as per current exposure method as prescribed by RBI.
- The Bank has the necessary infrastructure where the functions are well defined i.e. Front Office, Back Office & Mid Office.
- The position of the swaps is continuously monitored. ALCO reviews the valuations of the outstanding positions on a monthly basis. Further, the Board is apprised of the position on a quarterly basis including the valuation of the swaps.
- The Bank uses financial derivative transactions predominantly for hedging its assets/liabilities and for reducing cost. The Bank currently deals only in plain vanilla over-the-counter (OTC) interest rate and currency derivatives, for managing interest rate risks. The Bank shall use such bench marks where pricing is transparent and that are permitted by RBI.
- The interest exchanged on the swaps is accounted on an accrual basis.

b) Quantitative Disclosure

(in ₹ crore)

Sl. No.	Particulars	Currency Derivatives		Interest Rate Derivatives	
		2015-16	2014-15	2015-16	2014-15
1	Derivatives (Notional Principal Amount)				
	a) For hedging	878.02	684.90	0.00	0.00
	b) For trading	0.00	0.00	0.00	0.00
2	Marked to Market Position				
	a) Asset (+)	(14.12)	(13.00)	0.00	0.00
	b) Liabilities (-)	(8.80)	12.40	0.00	0.00
3	Credit Exposure	63.35	31.86	0.00	0.00
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives	28.82	0.00	0.00	0.00
	b) on trading derivatives	0.00	0.00	0.00	0.00
5	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging				
	- Maximum	28.82	0.00	0.00	0.00
	- Minimum	12.87	0.00	0.00	0.00
	b) on trading				
	- Maximum	0.00	0.00	0.00	0.00
	- Minimum	0.00	0.00	0.00	0.00

38.14 Exposures where the FI had exceeded the prudential exposure limits during the year: Nil (Previous Year - Nil)

38.15 Additional Disclosures

I. Floating Provisions

(in ₹ crore)

Particulars	2015-16	2014-15
Opening balance as at the beginning of the financial year	0.00	0.00
Add: Provisions made during the year	0.00	0.00
Less: Amount of draw down made during the accounting year	0.00	0.00
Closing balance at the close of the year	0.00	0.00





Annual Report 2015-16

II. Complaints A. Customer Complaints

(in ₹ crore)

Particulars	2015-16	2014-15
(a) No. of complaints pending at the beginning of the year	1	0
(b) No. of complaints received during the year	136	31
(c) No. of complaints redressed during the year	136	30
(d) No. of complaints pending at the end of the year	1	1

- B. Awards passed by the Banking Ombudsman : Not Applicable
 III. Letters of Comfort (LoCs) issued by banks : Not Applicable
 IV. Provision Coverage Ratio 100.00% (Previous Year 35.54%)
 V. Bancassurance Business : Not Applicable
 VI. concentration of Deposits, Advances, Exposures and NPAs

(in ₹ crore)

	2015-16	2014-15
1. Concentration of Deposits (public)		
Total Deposits of twenty largest depositors	50.26	38.23
Percentage of Deposits of twenty largest depositors to Total Deposits	19.79%	15.33%
2. Concentration of Advances		
Total Advances to twenty largest borrowers	44957.56	36972.08
Percentage of Advances to twenty largest borrowers to Total Advances	83.84%	82.48%
3. Concentration of Exposures		
Total Exposure to twenty largest borrowers /customers	46,774.77	37706.34
Percentage of Exposure to twenty largest borrowers/customers to Total Exposure on borrowers/customers	82.83%	79.73%
4. Concentration of NPAs		
Total Exposure to top four NPA Accounts	46.50	221.92

VII. Sector-wise NPAs:

(in ₹ crore)

Sector	Percentage of NPAs to Total Advances in that Sector	
	2015-16	2014-15
1. Agriculture & Allied activities	Nil	Nil
2. Industry (Micro & Small, Medium & Large)	Nil	Nil
3. Services	Nil	Nil
4. Personnel Loan	Nil	Nil

Note: Bank's total exposure is towards housing sector and NPAs as on 30.06.2016 was ₹50.93 Crores. (PY- ₹223.96 Crores)

VIII. Movement of NPAs

(in ₹ crore)

Particulars	2015-16	2014-15
Gross NPAs (Opening Balance)	223.96	184.79
Additions (Fresh NPAs) during the year	0.00	39.81
Sub-total (A)	223.96	224.60
Less:		
(i) Upgradations	0.00	0.00
(ii) Recoveries (excluding recoveries made from upgraded accounts)	173.03	0.64
(iii) Write-offs	0.00	0.00
Sub-total (B)	173.03	0.64
Gross NPAs (Closing Balance) (A - B)	50.93	223.96

IX. Technical/ Prudential write - offs

(in ₹ crore)

Particulars	2015-16	2014-15
Opening balance of Technical / Prudential written - off accounts as at July 1	0.00	0.00
Add : Technical /Prudential write - offs during the year	0.00	0.00
Sub-total (A)	0.00	0.00
Less : Recoveries made from previously technical /prudential written - offs accounts during the year (B)	0.00	0.00
Closing balance as at June 30 (A-B)	0.00	0.00

X. Overseas Assets, NPAs and Revenue

(in ₹ crore)

Particulars	2015-16	2014-15
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

XI. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms

(₹ in Crores)

Name of SPV sponsor	
Domestic	Overseas
Nil	Nil





Annual Report 2015-16

- XII. Unamortized Pension and Gratuity Liability: Nil (PY-Nil)
- XIII. Disclosures relating to Securitisation : Not Applicable
- XIV. Credit Default Swaps : Not Applicable

38.16 Sale of Investments held under Held to Maturity (HTM) Category : Nil (PY-Nil)

Schedule I to XV form an integral part of accounts.

Signatures on schedules I to XV for identification.

Amit Sinha
Assistant General Manager

K. Chakravarthy
General Manager

R. S. Garg
Executive Director

Sriram Kalyanaraman
Managing Director & Chief Executive Officer

Directors

Dr. Urjit R. Patel

Pankaj Jain

Rajiv Ranjan Mishra

Malay Shrivastava

Sadakant

As per our attached Report of even date

For S. N. Nanda & Co.
Chartered Accountants
Firm No. 000685N

(S. N. Nanda)
Partner
Membership No. 005909

New Delhi, August 26, 2016



NATIONAL HOUSING BANK

**ANNUAL
ACCOUNTS**

2015-16

(July, 2015 To June, 2016)

(SPECIAL FUND)

**(Slum Improvement and
Balance Sheet**

Previous Year ₹ in Crore	Liabilities		Current Year ₹ in Crore
61.82	1. Special Fund (Slum Improvement and Low Cost Housing Fund)		61.82
	2. Reserves:		
47.74	(i) Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	49.24	
3.00	(ii) Investment Fluctuation Reserve	3.00	
279.47	(iii) Reserve Fund -VDS	296.85	349.09
	3. Profit & Loss Account:		
0.00	Balance as per last Balance Sheet	0.00	
16.78	Add: Profit transferred from the Profit and Loss A/c	17.38	
16.78	Less: Transfer to Reserve Fund -VDS	17.38	0.00
	4. Current Liabilities and Provisions:		
88.34	(i) Provision for Income Tax	98.05	
0.19	(ii) Provision for Standard Assets	0.50	
14.31	(iii) Provision for Bad and Doubtful Debts u/s 36(1)(viiia) (c) of Income Tax Act, 1961	15.91	
50.00	(iv) Others	50.00	164.46
15.18	5. Deferred Tax Liability		15.70
560.05	TOTAL		591.07

Profit & Loss Account

Previous Year ₹ in Crore	Expenditure	Current Year ₹ in Crore
(1.11)	1. Provision for Standard Assets	0.31
(0.03)	2. Provision for Non Performing Assets	0.41
1.50	3. Provision for Bad and Doubtful Debts u/s 36(1)(viiia)(c) of Income Tax Act, 1961	1.60
0.40	4. Deferred Tax	0.52
9.00	5. Provision for Income Tax	9.71
18.78	6. Balance of Profit carried down	18.88
28.54	TOTAL	31.43
2.00	7. Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	1.50
16.78	8. Balance Carried to Balance Sheet	17.38
18.78	TOTAL	18.88

Amit Sinha
Assistant General Manager

K. Chakravarthy
General Manager

R. S. Garg
Executive Director

Sriram Kalyanaraman
Managing Director & Chief Executive Officer

Directors

Dr. Urjit R. Patel

Pankaj Jain

Rajiv Ranjan Mishra

Malay Shrivastava

Sadakant

New Delhi, August 26, 2016

Low Cost Housing Fund)

As at 30th June, 2016

Previous Year ₹ in Crore	Assets		Current Year ₹ in Crore
	1. Cash and Bank Balances:		
0.04	(i) Current Account	0.04	
0.00	(ii) Term Deposit with Banks	0.00	0.04
	2. Investments(at cost or market value whichever is less):		
269.02	Treasury Bills		214.22
	3. Loans & Advance:		
49.63	Direct Lending	126.37	
0.31	Less: Provisions for Non Performing Assets	0.73	125.64
	4. Other Assets:		
0.01	(i) Interest Receivable on Bank Deposits	0.01	
18.72	(ii) Interest Receivable on Investments	9.38	
94.06	(iii) Advance Tax and TDS	94.07	
128.88	(iv) Amount Recoverable from General Fund	147.71	251.17
560.05	TOTAL		591.07

For the year ended 30th June, 2016

Previous Year ₹ in Crore	Income		Current Year ₹ in Crore
	1. Interest on Loans and Advances and Bank Deposits :		
3.96	(i) Loans and Advances	7.85	
3.02	(ii) Bank Deposits	0.00	7.85
21.56	2. Income from Investments		23.58
0.00	3. Other Income		@
28.54	TOTAL		31.43
18.78	4. Balance of Profit brought down		18.88
18.78	TOTAL		18.88

@ amounts less than ₹ 0.50 Lacs

Notes forming part of Accounts

- Balance Sheet and Profit & Loss Account of Special Fund have been drawn in accordance with the provisions of National Housing Bank (Slum Improvement and Low Cost Housing Fund) Regulation, 1993.
- NHB (Slum Improvement and Low Cost Housing Fund) represent 40% of the amounts deposited by any person voluntarily in accordance with the NHB Voluntary Deposit Scheme (VDS).
- The Bank do not charge staff expense or other operating expense to Special Fund Account.

As per our attached Report of even date

For S. N. Nanda & Co.
Chartered Accountants
Firm No. 000685N

(S. N. Nanda)
Partner
Membership No. 005909





MD & CEO, NHB with the Hon'ble President of India



Felicitating Dr. Urjit R Patel on his appointment as Governor, Reserve Bank of India

Managing Director & CEO and Executive Directors



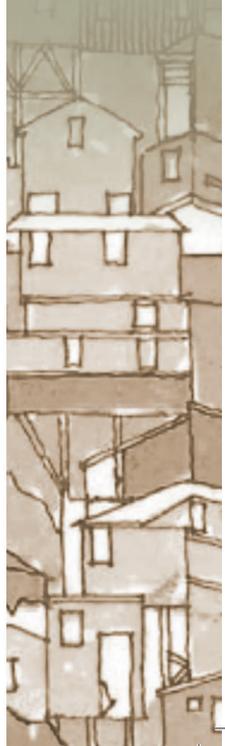
Sriram Kalyanaraman, MD & CEO



R.S. Garg, Executive Director



Dr Sanjeev Sharma, Executive Director





Senior Officers of the Banks



A.P. Saxena, General Manager



V. Rajan, General Manager



K. Chakravarthy, General Manager



Dr. A.K. Singh, General Manager & CVO



MD & CEO, Executive Director and Senior Executives of NHB

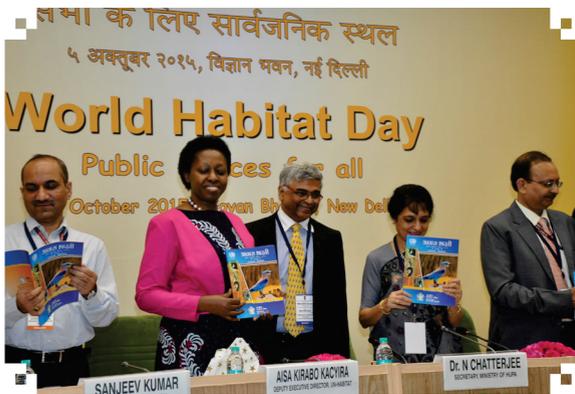
Key Events



NHB receiving the RBI Rajbhasha Award for Awas Bharti



Interface Meeting of FIU-India with Principal Officers of Housing Finance Companies



Release of the Special Edition of Awas Bharti on the occasion of World Habitat Day, 2015



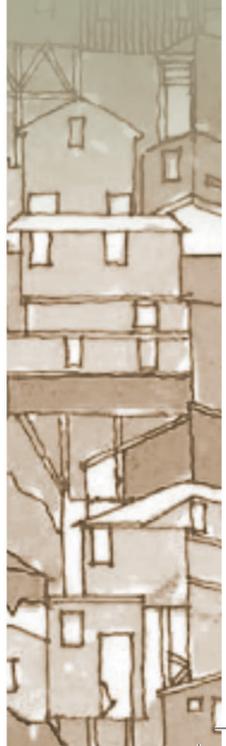
NHB receiving the Finnoviti 2016 award for GRIDS



National Summit on 'Housing for All' 2016



NHB receiving Rajbhasha TOLIC Award





PMAY - CLSS Workshops



Regional Workshop on PMAY-CLSS at Guwahati



Regional Workshop on PMAY-CLSS at Chennai



Regional Workshop on PMAY-CLSS at Bhopal



Regional Workshop on PMAY-CLSS at Hyderabad



Regional Workshop on PMAY-CLSS at Lucknow



Regional Workshop on PMAY-CLSS at Patna



Regional Workshop on PMAY-CLSS at Srinagar



Regional Workshop on PMAY-CLSS at Trivendrum

Skill Development Programmes undertaken by NHB



June 4, 2016 at Sagar



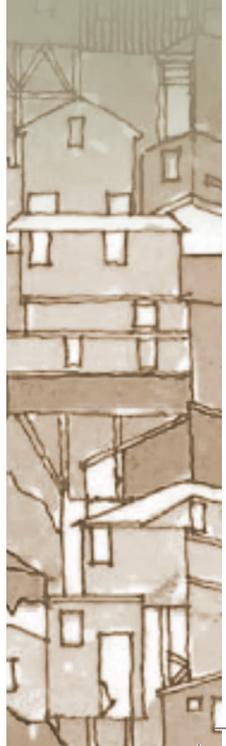
October 31, 2015 at Guwahati

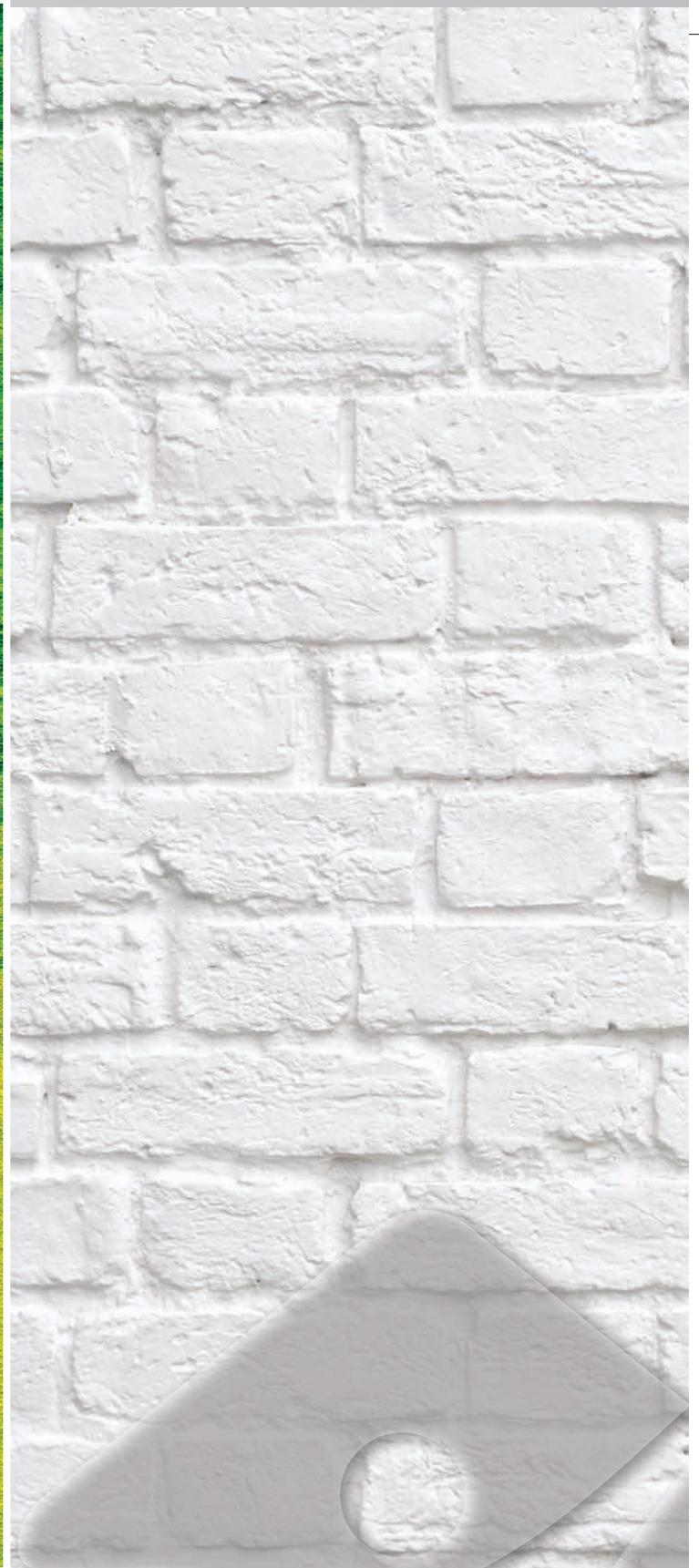
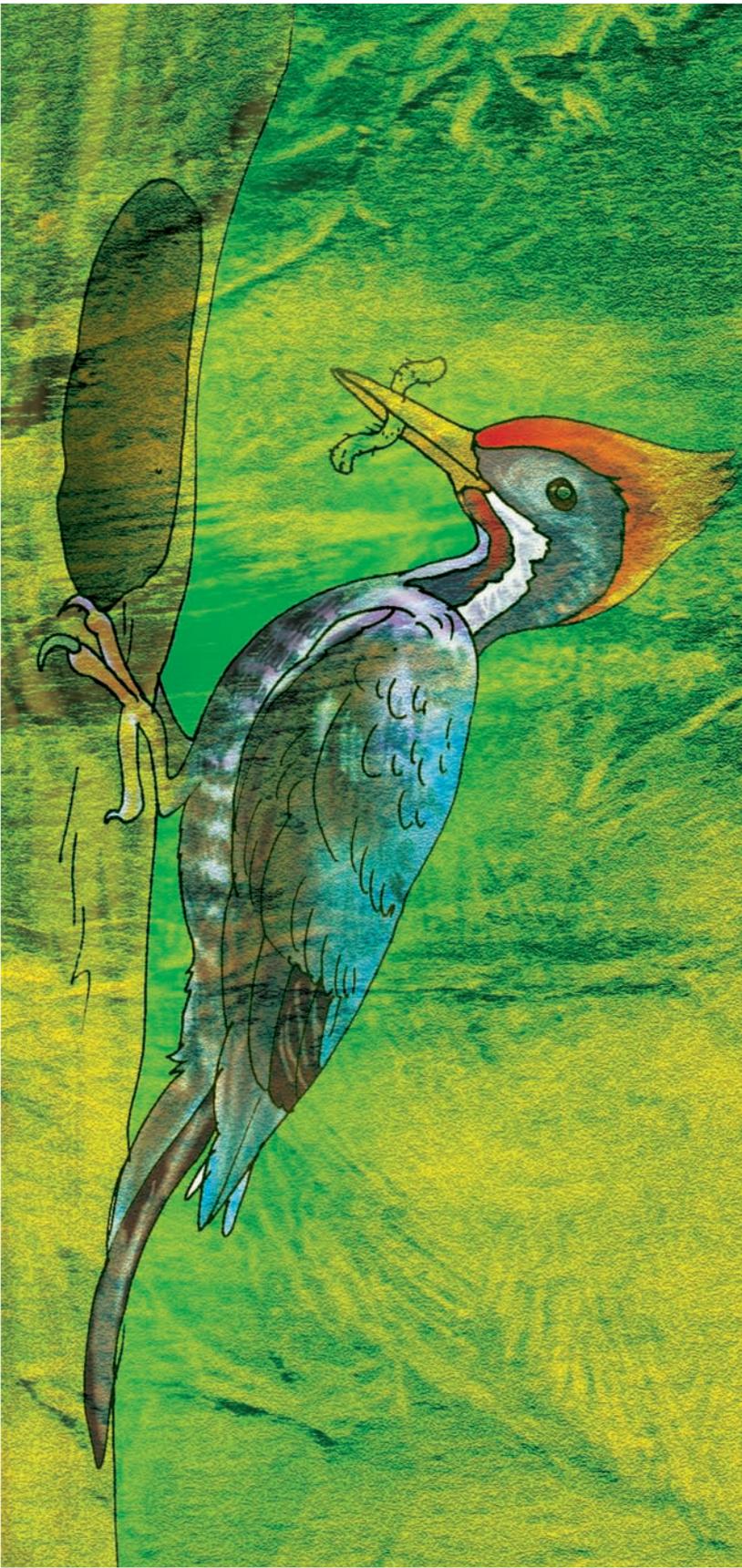


June 13-14, 2016 at Lonavla



June 17, 2016 at Kozhikode





कोर 5-ए, तृतीय-पंचम तल, भारत पर्यावास केन्द्र,
लोधी रोड, नई दिल्ली-110003
टेली: 011-24649031-35, फ़ैक्स: 011-24646988, 24649041
वेबसाइट: <http://www.nhb.org.in>



**राष्ट्रीय
आवास बैंक
NATIONAL
HOUSING BANK**

(Wholly owned by Reserve Bank of India)
(भारतीय रिजर्व बैंक के सम्पूर्ण स्वामित्व में)

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Website : <http://www.nhb.org.in>