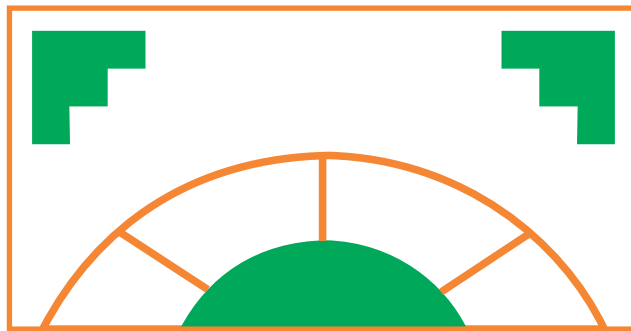


*Twenty Third
Annual General Meeting*

20th July 2013 at 14.30 Hours

Venue :

Corporate Office : No. 3, 8th A Main,
JVT Towers, Sampangirama Nagar
Bangalore - 560 027.



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BOARD OF DIRECTORS



Shri Kapil Wadhawan
CHAIRMAN



Shri R. Nambirajan
MANAGING DIRECTOR



Shri Bikram Sen



Shri G.P. Kohli



Shri Anil Sachidanand

Board of Directors

Shri. Kapil Wadhawan

Chairman

Shri. R. Nambirajan

Managing Director

Shri. Bikram Sen

Director

Shri G.P. Kohli

Director

Shri. Anil Sachidanand,

Director

President

Smt. Komala Nair

Company Secretary

Shri. M.S.L. Nathan

Solicitors

M/s Khetty & Co.

Auditors

M/s B.M. Chaturvedi & Co.,
32, Jolly Maker Chambers - II
Nariman Point,
Mumbai - 400 021.

Bankers

Bank of India
Bank of Maharashtra
Corporation Bank
HDFC Bank
ICICI Bank
IDBI Bank
ING Vysya Bank
Karur Vysya Bank
Oriental Bank of Commerce
South Indian Bank
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of Mysore
Syndicate Bank
United Bank of India

Registered Office

S-401, Brigade Plaza,
Ananda Rao Circle,
S.C. Road
Bangalore - 560 009.

Corporate Office

No. 3, 8th A Main,
JVT Towers,
Sampangirama Nagar,
Bangalore - 560 027.

DHFL VYSYA HOUSING FINANCE LIMITED

NOTICE OF TWENTYTHIRD ANNUAL GENERAL MEETING

Notice is hereby given that the TWENTYTHIRD ANNUAL GENERAL MEETING of the members of DHFL Vysya Housing Finance Limited, will be held at the Corporate Office of the Company, **No.3, 8th A Main, J.V.T. Towers, Sampangirama Nagar, Bangalore-560 027 on Saturday the 20th July, 2013 at 14.30 hours** to transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account of the Company for the year ended 31st March, 2013, together with the Report of Board of Directors' and Auditors' thereon.
2. To declare dividend on equity shares for the year ended 31st March 2013.
3. To appoint a Director in the place of Shri. G.P. Kohli, who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and fix their remuneration and for that purpose, to pass, the following resolution as an ordinary resolution:

"RESOLVED THAT M/s. B.M. Chaturvedi & Company, Chartered Accountants, Mumbai, be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be decided by the Board of Directors of the Company and reimbursement of actual traveling and other out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:

5. To Consider and if thought fit to pass, with or without modifications, the following Resolution as an Ordinary Resolution in respect of which notice as required under Section 257 of the Companies Act, 1956 has been received.

"RESOLVED THAT Shri. Anil Sachidanand, who was appointed as Additional Director on 4th May 2013 and whose term of office expires at this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. To consider and if though fit to pass the following Resolution as a Special Resolution:

"RESOLVED THAT after Clause 1 under Clause (A) Main Objects to be pursued by the Company on its Incorporation, the following Clause shall be inserted

" 2. To solicit and procure Insurance Business as Corporate Agent in respect of all classes of insurance and to undertake such other activities as are incidental or ancillary thereto."

7. To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution.

"RESOLVED THAT subject to approval of Members in the Annual General Meeting and pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment, modification, variation or re-enactment thereof, Shri. R. Nambirajan, be and is here by reappointed as the Managing Director of the Company for a period of two years with effect from 2nd July, 2013 on the terms and conditions, as detailed below:

1. Period of Reappointment: Two Years with effect from 2nd July 2013.

2. Remuneration: Rs.2,25,000/- per month.

3. Perquisites/Benefits:

In addition to the remuneration stated above, Shri. R. Nambirajan shall be entitled to the following perquisites/benefits, subject to a ceiling of an amount equal to his annual salary.

(i) Housing:

House Rent Allowance of Rs.25,000/- per month and furnished accommodation shall be provided by the Company (plus security deposit as applicable).

(ii) Medical:

Reimbursement of all hospital and medical expenses on declaration for self and family, subject to a ceiling of one month salary in a year in accordance with the Rules of the Company.

(ii) Leave Travel Concession:

For self and family, once in a year subject to a maximum of an amount equivalent to one month's salary.

(iii) Personal Accident Insurance:

Personal Accident Insurance of an amount premium which does not exceed Rs.4,000/- p.a.

(iv) Bonus:

Minimum one month salary per annum or such higher amount as may be decided by the Board.

4. Other Perquisites:

(i) Company's contribution to Provident Fund and Superannuation Fund/Annuity Fund

The Company shall contribute to the Provident Fund and Superannuation Annuity Fund in accordance with the Rules and Regulations of the Company. Such contribution shall be limited to the extent that they either singly or together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity:

Gratuity at a rate not exceeding ½ month's salary for each completed year of service.

(iii) Leave encashment:

Encashment of leave @ one month's salary per year subject to a maximum of eight months salary.

Others – Car & Telephone:

The Company shall provide a car with driver for the company's business and telephone\ facilities at the residence of Shri.R. Nambirajan, provided that personal long distance telephone calls and use of the car for private purpose shall be billed by the company to Shri.R. Nambirajan.

RESOLVED FURTHER THAT

In the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Shri R. Nambirajan, the remuneration payable to him by way of salary, allowances and perquisites shall not exceed the limits prescribed under the Companies Act, 1956 or any amendment, modification, variation or re-enactment thereof.

RESOLVED FURTHER THAT

The Board of Directors be and is hereby authorised to alter or vary any of the terms and conditions of the reappointment of the Managing Director, as well as remuneration, including salary and perquisites as per and in accordance with the provisions of the Companies Act, 1956, read with Schedule XIII thereto and/or Rules and Regulations framed thereunder as existing or as amended, modified or re-enacted from time to time by the Government of India and as may be agreed to between the Board and Shri R. Nambirajan.

"RESOLVED FURTHER THAT

The Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writing as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s), to give effect to the aforesaid resolutions or otherwise considered by it to be in the best interest of the Company."

By order of the Board

Registered Office : S 401, 4th Floor,
Brigade plaza,
Ananda Rao Circle,
Bangalore-560 009.

Place : Bangalore
Date : 4th May 2013.

M.S.L. Nathan
Company Secretary

NOTES

1. A member whose name appears in the Register of Members of the Company as on 8th July, 2013 is entitled to attend and vote at the Meeting. Such member is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member.

The proxies, to be valid, should be lodged with the Corporate Office of the Company at DHFL Vysya Housing Finance Ltd, No.3, 8th A Main Road, J.V.T. Towers, Sampangi Ramanagar, Bangalore - 560 027, not less than 48 hours before the commencement of the Meeting.

2. As a measure of economy, copies of Annual Report will not be distributed at the Meeting. Members are requested to bring their copies of Annual Report to the Meeting.
3. Members are requested to notify any change in their address to the Registered Office of the Company, at No. S.401, 4th Floor, Brigade plaza, Anand Rao Circle, Bangalore - 560 009.
4. Member Companies / Institutions are requested to send a copy of the resolution of their Board / Governing Body authorising their representative to attend and vote at the Meeting. .
5. Members are requested to quote their folio number(s) in all correspondence with the Company.
6. Members are requested to notify consolidation of their shareholding, if registered in identical name in more than one folio by sending a request letter to Corporate Office along with relative share certificates.
7. Subject to the provisions of Section 206A of the Companies Act, 1956 the dividend, if declared at the AGM, will be paid to those members entitled thereto whose names appear in the Register of Members at the closing hours of the of **8th July, 2013**.
8. The members desiring any information as regards accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
9. The shares of our Company were converted into the electronic form and the job of handling share transfers had been entrusted to our Share Transfer Agents viz., M/s. TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalakshmi, MUMBAI - 400 011.

Members who have not so far converted their holdings into the demat form are requested to kindly take advantage of this arrangement.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

SPECIAL BUSINESS – ITEM NO.5

Shri. Anil Sachidanand was appointed as an additional director at the Board Meeting held on 4th May, 2013 to hold office up to this Annual General Meeting as per the provisions of Section 260 of the Companies Act 1956, but he is eligible to be reappointed as Director, liable to retire by rotation.

Shri. Anil Sachidanand is the President of our parent Organisation DHFL. He is B.Com., ICWA & MBA (Marketing) and has rich experience in housing finance sector and the Board of Directors feel that his appointment as Director would be of great help in the company's growth.

As required under Section 257(i) of the Companies Act 1956, the Company has received a notice from one of the members signifying her intention to propose Shri. Anil Sachidanand for appointment as a Director liable to retire by rotation in the ensuing Annual General Meeting.

None of the Directors, except Shri. Anil Sachidanand, is interested in the said resolution.

ITEM NO. 6

The Company proposes to enter into insurance business as Corporate Agent so as to widen its activities and increase the profitability.

As per the IRDA notification dated 16th October, 2002 with respect to "INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY (LICENSING OF CORPORATE AGENTS) REGULATIONS, 2002", one of the Qualification specified by IRDA for acting as the Corporate Agents is that the applicant's Memorandum of Association shall contain as one of its main objects a clause mentioning "soliciting or procuring insurance business as a **Corporate Agent**".

Hence the proposed Special Resolution to amend/supplement the Object Clause of the Company.

None of the Directors is interested in the proposed Special Resolution.

ITEM NO. 7

Shri. R. Nambirajan was reappointed as Managing Director at the 21st Annual General Meeting held on 23rd July, 2011 for a tenure of two years as per the terms and conditions approved by shareholders in the said A.G.M.

Shri. Nambirajan was first appointed as Managing Director on 2nd July, 2003 when the management of the Company was taken over by DHFL Group, Mumbai, and he has surpassed a tenure of one decade as on date. During the past ten years, the performance of the Company as also its profitability grew steadily and substantially and the Company was able to ensure consistency in declaring a record of 25% dividend every year (which is proposed to 50% during the year under review) with a vision of declaring more percentage of dividend in the years ahead.

Shri. Nambirajan, born on 19-08-1942, has 40 years experience in banking and 15 years experience in housing finance sector. His last assignment was with PNB Housing Finance Limited as its Managing Director which led him to expose much to banking and housing finance sectors.

The Resolution set out under Special Business at Item No.5 is proposed to be passed as a Special Resolution under Section 198, 269, 309, 310 and relevant Clauses of Schedule XIII to the Companies Act, 1956.

None of the directors, except Shri.R. Nambirajan, is concerned or interested in the said Special Resolution.

Place : Bangalore
Date : 4th May 2013

M.S.L. Nathan
Company Secretary

DIRECTORS REPORT



DEAR MEMBERS,

Your Directors have great pleasure in presenting their Twenty-third Annual Report of your Company with audited accounts for the year ended 31st March 2013.

OPERATING RESULTS :

A comparative statement of the Financial Results of the Company for the year under review and the previous year are furnished below:

	Rs. In lakhs	Rs. In lakhs
Particulars	F.Y.2012-13	F.Y. 2011-12
Gross income	12362.01	9179.62
Profit before tax	2819.06	1688.44
Provision for tax	681.93	457.24
Profit after tax	2137.13	1231.20
APPROPRIATIONS		
Transfer to special reserve	500.00	350.00
Transfer to general reserve	500.00	175.00
Proposed dividend	554.04	110.81
Interim dividend	-	166.21
Carried over to B/S	2375.17	1886.23

Though we had good growth in the first three Quarters, the performance in the fourth Quarter was slow, since there was expectation of Repo rate cut by Reserve Bank of India and consequent reduction in Interest rates.

While the cost of properties as also cost of construction continued the increasing trends, the Telengana issue, which remained unresolved, affected the business in the State of Andhra Pradesh where we have seven branches and this made it difficult for the branches in that State to reach their allocated targets.

All these impediments posed challenges in reaching the targets during the year under report.

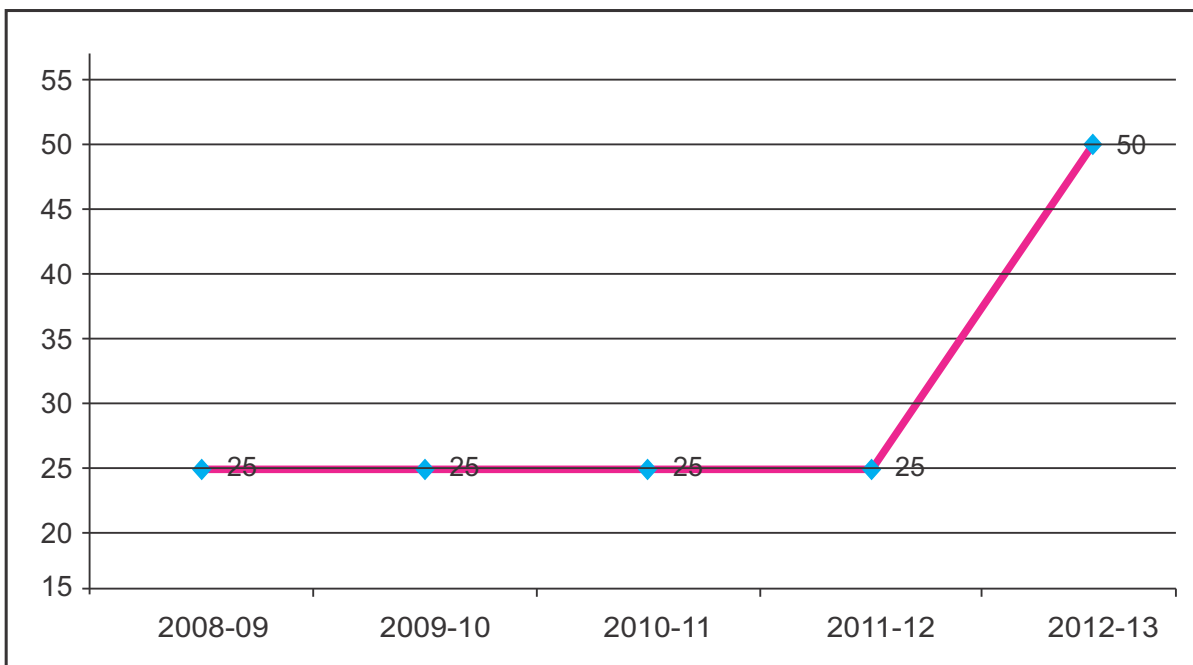
Despite these bottlenecks, your company witnessed a growth of 24.57% during the year under review. However, due to judicious deployment of funds and stringent economic measures, the profit of your Company during the year under review went up by 73.58%.

During the year under review, while sanctions went up to Rs.367.38 crores (Rs. 301.08 crores last year), the disbursements climbed to Rs.342.04 crores (compared to Rs. 274.57 crores last year), thus a growth of 22.02% and 24.57% respectively has been achieved during the year.

DIVIDENDS:

Your Directors have pleasure to place on record the excellent growth of profitability during the year under report which was 71.95% over the previous year.

Reaffirming their social responsibility towards the stakeholders of the Company with a happy note, your Directors have decided to double the rate of dividend, i.e. 50% (Rupees 5 on each equity share of Rs.10 each) on the paid capital during the year under review as appropriated from the profits of the Company for the year under review.



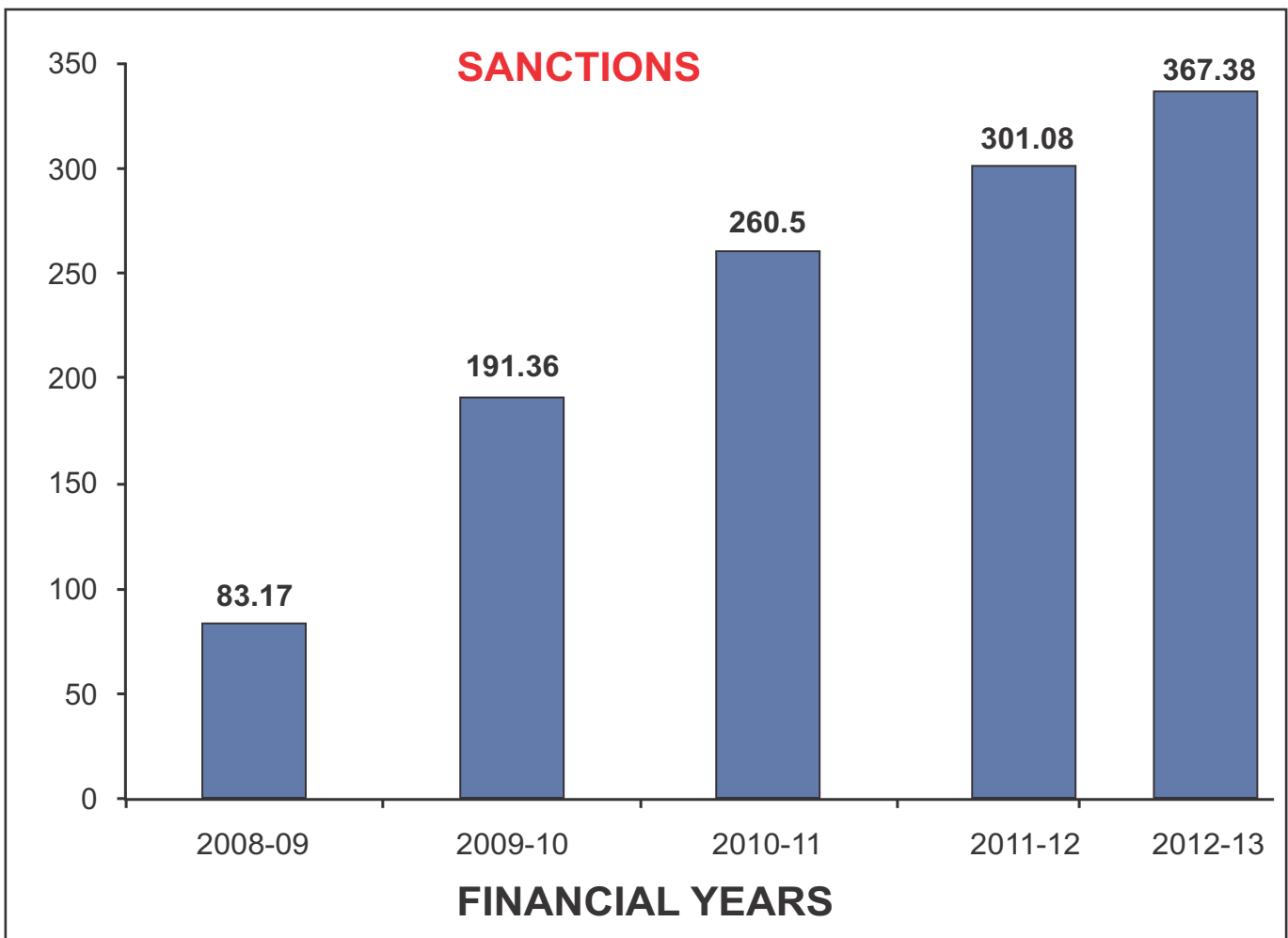
HOUSING FINANCE SECTOR SCENARIO AND FUTURE PROSPECTS:

The desire among sizeable masses to acquire comfortable accommodation and better living conditions in the country has improved Real Estate Business in the country and your company will go all out to utilize the opportunity in increasing its market share in the years ahead.

Your Company will continue its market strategy like appointing more Marketing Executives, regular visits to the Branches by the Executives from Corporate Office, organising motivation meetings to improve the morality of Market Executives, Credit Officers, Recovery Officers, etc. so as to enable them to render quality service to the borrowers and your company is optimistic that there will be a major surge in the business performance in the ensuing years.

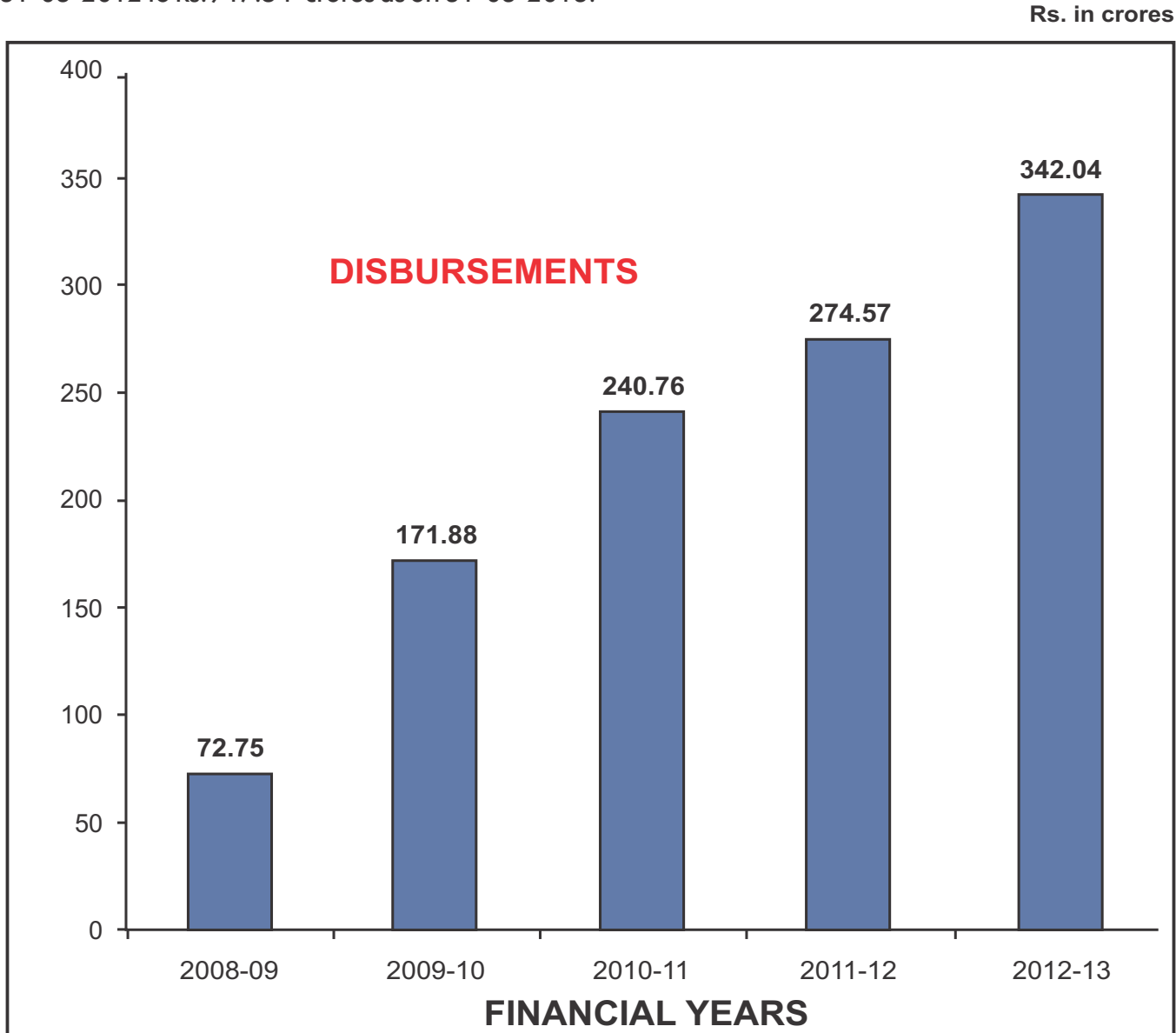
PERFORMANCE DURING THE YEAR:

Sanctions during the year has improved considerably when compared to that of previous year. It was Rs.367.38 as against Rs.301.08 crores relating to the previous year, thus a growth of 22.02%



Disbursements amounted to Rs.342.04 which was Rs.274.57 crores in the previous year, thus a notable growth of about 24.57%.

This has resulted in increase of total outstanding loans from Rs.749.52 crores as on 31-03-2012 to Rs.947.54 crores as on 31-03-2013.



RECOVERY

During the year under review, your company made all efforts to strengthen the recovery mechanism and enforced our rights under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 which resulted in substantial reduction in the aggregate of NPA as at the end of the year.

The Gross NPA at Rs.642.22 lakhs worked out to 0.68% of the outstanding portfolio and the Net NPA at 0.45%

RATIOS

	F.Y. 2012-13	F.Y. 2011-12
Earning per share	Rs.19.29	Rs.11.11
Dividend per share	50%	25%
Book value	85.31	Rs.72.01
Return on equity	192.87	111.12
Return on net worth	22.61%	15.43%

TERM LOANS AND REFINANCE FROM NATIONAL HOUSING BANK:

During the year, the company has availed term loan from various Banks to the extent of Rs.260 crores. The National Housing Bank sanctioned a refinance assistance of Rs.193.75 crores out of which, Rs.101.17 crores has been availed during the year. The Company drew a sum of Rs.16.37 crores from NHB which pertains to the refinance assistance sanctioned during the previous year.

RURAL HOUSING UNDER GOLDEN JUBILEE RURAL HOUSING FINANCE SCHEME

For the year under report, NHB fixed up an arduous target of 3700 cases under Rural Housing Scheme of which your Company achieved a major portion of 3091 cases, disbursing Rs.251.22 crores under the said Scheme which works out to 73.45% of our total disbursement.

DEPOSITS

The total deposits outstanding as on 31st March, 2013 is Rs.13.63 crores inclusive of accrued interest. The company has repaid matured deposits amounting to Rs.4.16 crores during the year under report and mobilised deposits at to the extent of Rs.6.17 crores (including renewal).

Unclaimed Deposits:

For the financial year ending 2012-2013, deposits amounting to Rs.50.31 lakhs, including accrued interest, remained unclaimed by the depositors. The Company regularly intimates the depositors about the maturity of the deposits with a request to either renew or claim the amount.

Out of the said unclaimed amount of deposits as on 31-03-2013, 12 deposits amounting to Rs. 8.35 lakhs have since been paid/renewed as a result of follow up action as at 30-04-2013.

Unpaid Dividends Transferred to Investor Education and Protection Fund

During the year, the Company transferred a total sum of Rs.40,820/- to the Investor Education and Protection fund, as they remained as Unclaimed Dividend for over a period of seven years under Sections 205A, 205B and 205C of the Companies Act, 1956

CREDIT RATING

The continued support from Dewan Housing Finance Corporation Ltd. has resulted in better ratings.

Consequent to disinvestment of shares by our Parent Unit under directions from NHB, CRISIL revised our F.D. rating from FAA to FA+ Stable and from AA to A stable for Rs.150 crore Bank Borrowings. ICRA has given A+ for Rs.240 crore Bank Borrowings and CARE awarded AA for Rs.200 crores Bank Borrowings under BASEL II Norms.

FAIR PRACTICE CODE, KYC NORMS AND ANTI MONEY LAUNDERING STANDARDS

During the year under review, the Company has fully implemented 'FAIR PRACTICE CODE, KYC NORMS AND ANTI MONEY LAUNDERING STANDARDS' as per the guidelines issued by the NHB from time to time.

TECHNOLOGY UPGRADATION:

Your Company has continued to efficiently manage inter-connectivity facilities at all levels of the Organisation duly adapting the latest technology and know-how from time to time.

CAPITAL ADEQUACY NORMS:

At the end of the year your, Company has maintained a capital adequacy ratio of 17.38% as against the requirement of 12%.

INTERNAL AUDIT COMPLIANCE:

During the year under report your Company ensured effective internal control system for which services of suitable Chartered Accountants/Firms were utilized at the branch level. To ensure adequate internal control system, your Company placed the Concurrent Audit Reports before the Audit Committee of Directors whose suggestions were implemented from time to time.

DISINVESTMENT OF SHARES HELD IN AADHAR HOUSING FINANCE P. LTD.

During year under review, as advised by NHB, your company divested its investment in the shares of M/s.Aadhar Housing Finance Pvt. Ltd., and sold the holding of 3 crore shares of Rs.10/- each at Rs.10.70 per share and earned a marginal capital gain of Rs.2.10 crore.

FUTURE PLANS:

Your Company has chalked out an ambitious plan of expansion of its market wings and in this direction, during March 2013, it has already opened up three new branches at Chinchwad (Pune, Maharashtra), Bommanahalli and K.R. Puram (both in Bangalore, Karnataka). There is a proposal to open up more and more branches during the current year which are expected to considerably supplement the business of the company in the years to come. The performance of a few Service Centres are being watched closely to explore their conversion into Branches.

CORPORATE GOVERNANCE:

Despite the fact that your Company is an unlisted Company, voluntary disclosure about the Corporate Governance of the Company are made to the shareholders, customers, Government agencies, employees, lenders, etc.

The company has the following Committees:

1. Board of Directors:

The Board is headed by Shri. Kapil Wadhawan, as its Chairman and the other members on the Board are Shri. R. Nambirajan as Managing Director and experts from various fields like housing sector, banking, legal, company affairs, etc. are part of the Board.

The Company proposes to widen its activities by entering in to Insurance Business. Therefore, a suitable amendment to the Object Clause in the Memorandum of Association of the Company is being proposed through a Special Resolution at this meeting for approval by Members.

With deep sorrow and shock, your Directors regret to place on record the sudden and sad demise of Shri.R.S. Hugar, one of the Directors, on 30th January, 2013. Shri. Hugar was on the Board of your Company for over a decade and we place on record the valuable service and guidance given by him as a Director and also as Chairman of Audit Committee of the Board.

The Board of Directors, at its meeting held on 4th May 2013, has coopted Shri.Anil Sachidanand as an additional director to hold his office until this Annual General Meeting. However, he, being eligible offers himself for reappointment at this meeting.

Shri. G.P. Kohli , Director, retires by rotation and being eligible, offers himself for reappointment.

The Board of Directors recommends his reappointment so as to continue to receive expert opinion from Shri. G.P. Kohli.

During the year under report, the Board met seven times.

NAME OF THE MEMBER MR.	DATE OF BOARD MEETING							NUMBER OF GS ATTENDED MEETING
	02/05/12	15/06/12	16/07/12	15/09/12	20/10/12	19/12/12	29/01/13	
Kapil Wadhawan	Yes	Yes	No	Yes	No	Yes	Yes	5
R S Hugar	Yes	No	Yes	No	Yes	No	Yes	4
R Nambirajan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7
Bikram Sen	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7
Shri.G.P. Kohli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7

2. Audit Committee:

- Shri. Bikram Sen, Shri. Shri.R. Nambirajan, Shri. G.P. Kohli / Shri.Anil Sachidanand are members of the committee. Shri. B.M. Chaturvedi, the company's Statutory Auditor is the permanent invitee, who renders expert opinion to the Committee.
- During the financial year 2012- 13 the Audit Committee met four times.
- After a review of matters relating to Recovery, Assets Liability Management, accounts, inspection, etc. the Committee makes suitable recommendation to the Board from time to time.
- The Committee met four times during the year under report.

NAME OF THE MEMBER MR.	DATE OF AUDIT COMMITTEE MEETING				NUMBER OF MEETINGS ATTENDED
	02/05/2012	16/07/2012	20/10/2012	29/01/2013	
R S Hugar	Yes	Yes	Yes	Yes	4
R Nambirajan	Yes	Yes	Yes	Yes	4
Bikram Sen	Yes	Yes	Yes	Yes	4
G.P. Kohli	Yes	Yes	Yes	Yes	4

3. Asset & Liability Committee. (ALCO)

ALCO Committee comprises of the Managing Director, President, Executive Vice-President, Company Secretary, V.P.(Accounts), V.P.(I.T.) and senior employees. The Committee met six times during the year under review.

The Committee meets frequently to ensure ways and means to conform to the norms of NHB. It also specifies measures to efficiently manage short term and long term liquidity. The Audit Committee constituted by the Board of Directors periodically reviews the deliberations of ALCO.

4. Treasury Committee:

The members of the Committee are Managing Director, President, Vice President (Accounts) & Chief Manager. It supervises matters pertaining to sale and purchase of instruments and take suitable measures keeping in view the Investment Policy of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

As required by Sec 217 (2AA) of the Companies Act, 1956, The Board of Directors confirm that:

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- Accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view on the state of affairs of the company as on 31st March 2013, and profit and loss account of the company for the year ended as above.
- Proper and sufficient care has been taken for maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a 'going concern' basis.

AUDITORS:

The term of appointment of M/s. B.M Chaturvedi & Co, Chartered Accountants, Mumbai, as Statutory Auditors expires at the conclusion of the current meeting. As they have expressed their willingness to be reappointed, a resolution proposing their reappointment will be placed before the members for their consideration at the Twenty-third AGM.

HUMAN RESOURCES:

H.R. Policies of the Company are being reviewed regularly to ensure fair working conditions to employees and to keep cordial and harmonious relationship with them. Employees in key posts are subjected to in-house training programmes of NHB, many other Professional Institutions as also by the Company itself.

REMUNERATION TO EMPLOYEES

No employee was paid remuneration in excess of the limits specified sub section (2A) of section 217 of the Companies Act, 1956 and as such, particulars under the said Section are not disclosed.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

The Company being a non-manufacturing company, the requirement for disclosure of particulars regarding conservation of energy as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable.

There were neither foreign exchange earnings nor outflow during the year under review.

ACKNOWLEDGEMENT

Your Directors have immense pleasure to place on record its appreciation of the patronization and support rendered by the parent Company DHFL, appreciation of the cooperation and support received from customers, NHB, Bankers, Depositors, Shareholders etc.

Your Directors well acclaim the competence and hard work as also commitment of the employees at all levels who had contributed their might to the growth of the Company so far.

Registered Office: S401, 4th Floor, Brigade Plaza,
Ananda Rao Circle,
Bangalore-560 009.

Place: Mumbai,
Date: 4th May 2013.

For and on behalf of the Board
Kapil Wadhawan
CHAIRMAN

Auditor's Report

To the Members,

DHFL Vysya Housing Finance Limited.

We have audited the accompanying financial statements of **DHFL Vysya Housing Finance Limited**, which comprise the Balance Sheet as at **31st March 2013**, the Profit & Loss Account, the Cash Flow Statement of the company for the year then ended, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

- i) in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2013;
- ii) in the case of Profit & Loss Account, of the profit for the year ended on that date; and
- iii) in the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account, as required by law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us. The Branch Auditor's Reports have been forwarded to us and have been appropriately dealt with.
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the Audited Returns from the branches and with the return received from branches not visited by us.
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representation received from the directors of the company as on 31st March 2013, and taken on record by the Board, we report that none of the directors is disqualified as at 31st March 2013 from being appointed as a director under Section 274 (1) (g) of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: MUMBAI
Date: 4th May, 2013

For **B.M. CHATURVEDI & Co.**
Chartered Accountants
ICAI FRN: 114317W

(Animesh Kumar Dutta)
Partner
ICAI M N: 132389

Annexure to the Auditor's Report

The annexure referred to in our report to the members of DHFL Vysya Housing Finance Limited ("the company") for the year ended 31st March 2013. We report that:

- i) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. There is no material disposal of fixed assets during the year.
- ii) The company does not have any inventory due to nature of its business of housing finance. Therefore provisions of clause 4(ii) are not applicable to the company.
- iii) The company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Act. However, it has taken unsecured loan of Rs.1000 lacs from parties covered in the register maintained under section 301 of the Act and has repaid full amount along with interest thereon during the year and leaving no balance at the year end. The rate of interest and other terms and conditions of such loan are, in our opinion prime facie not prejudicial to the interest of the company and the loan was repaid along with interest as per the stipulation.
- iv) In our opinion and according to the information given to us, there exist adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and sale of services. Company has no purchase or sale of goods.
- v) There are no transactions, other than mentioned in paragraphs (iii) above recorded in the register maintained in pursuance of section 301 of the Act.
- vi) The company has accepted deposits from the public. In our opinion and according to the information and explanations given to us, the company has, during the year, complied with the directives issued by the National Housing Bank under the Housing Finance Companies (NHB) Directions, 2010 with regard to deposits accepted from the public and the Rules framed there under and provisions of section 58A, 58AA and other relevant provisions of the Companies Act.
- vii) In our opinion and according to the information given to us, the company has as internal audit system commensurate with its size and nature of its business implemented by in-house department and supported by various independent professional firms of chartered accountants appointed as the concurrent internal audit for all branches of the company including head office.
- viii) Central Government has not prescribed maintenance of cost records in respect of the business of the company .
- ix) According to the records of the company, it is regular in depositing undisputed statutory dues such as Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax and any other statutory dues whichever is applicable to the company with the appropriate authorities. The company has also deposited full amount Rs. 117.36 lacs of disputed income tax

demands which are pending in Appeal (read with note no. 32) before various tax authorities.

- x) The company has positive net worth, which is more than its equity capital and has neither any accumulated losses nor it has incurred any cash losses in this financial year.
- xi) The Company has not defaulted in repayment of dues to any financial institutions or bank.
- xii) The company has maintained adequate documents and records for the loans and advances granted by it on the basis of security by way of residential houses and properties and other securities.
- xiii) The company is not engaged in any Chit fund business / nidhi / mutual benefit fund or society.
- xiv) The company is maintaining proper records of the transactions and contracts about the dealing in securities & investments and has made timely entries in records. The securities, debentures and other investments have been held by the company in its own name.
- xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The company has generally applied the amount raised by it by way of term loans for the purpose for which those loans were obtained, other than temporary deployment pending application of those funds.
- xvii) The company is engaged in the housing finance business and is governed by National Housing Bank [NHB] guidelines for raising and its deployment of its funds in its business and the company has followed the NHB guidelines for fund raising and its deployment and adhering to the ALCO Management guidelines prescribed by NHB and accordingly based on above we report that company has generally not used its short term funds in long term investments.
- xviii) During the year the company has not made preferential allotment of any shares / securities.
- xix) The company has not issued any Debentures in the year.
- xx) The company has not raised any money by way of public issues during the year.
- xxi) According to the information and explanation given to us, no material fraud on or by company has been noticed or reported during the year.

Place: MUMBAI
Date: 4th May, 2013

For **B.M. CHATURVEDI & Co.**
Chartered Accountants
ICAI FRN: 114317W

(Animesh Kumar Dutta)
Partner
ICAI M N: 132389

DHFL VYSYA HOUSING FINANCE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2013

(₹ Lacs)

	Note No.	As at 31.03.2013	As at 31.03.2012
EQUITY & LIABILITIES			
Shareholders' Fund			
Share Capital	3	1,108.07	1,108.07
Reserves & Surplus	4	8,437.39	6,948.45
Total Shareholders' Funds		9,545.46	8,056.52
Non Current Liabilities			
Long term Borrowings	5	73,908.06	54,721.98
Other Long term Liabilities	6	62.06	50.24
Long Term Provisions	7	634.21	559.03
Total Non-Current Liabilities		74,604.33	55,331.24
Current Liabilities			
Short Term Borrowings	8	-	2,563.07
Trade Payables	9	14.88	70.44
Other Current Liabilities	10	17,712.40	13,751.50
Short Term Provisions	7	710.74	196.01
Total Current Liabilities		18,438.02	16,581.02
TOTAL		102,587.81	79,968.78
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	105.70	95.00
Intangible Assets	11	7.93	13.19
		113.63	108.19
Non Current Investments	12	550.47	3,687.62
Deferred Tax Assets (net)	13	93.11	77.64
Long Term Housing & Property Loans	14	88,084.89	69,958.01
Other Long Term Loans & Advances	15	143.03	97.55
Other Non Current Assets	16	80.00	80.00
Total Non-Current Assets		89,065.13	74,009.01
Current Assets			
Current Investments	17	299.37	123.12
Trade Receivables	16	252.85	183.25
Cash & Bank Balance	18	6,121.32	424.96
Short Term portion of Housing & Property Loans	14	6,718.61	5,069.50
Short Term Loans & Advances	19	106.23	99.19
Other Current Assets	16	24.30	59.75
Total Current Assets		13,522.68	5,959.77
TOTAL		102,587.81	79,968.78

Notes forming part of the Financial Statements

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

For B M CHATURVEDI & CO.,
Chartered Accountants
ICAI FRN : 114317W

KAPIL WADHAWAN
Chairman

R NAMBI RAJAN
Managing Director

(Animesh Kumar Dutta)
Partner
ICAI M N : 132389

ANIL SACHIDANAND
Director

G P KOHLI
Director

BIKRAM SEN
Director

M S L NATHAN
Company Secretary

Place: MUMBAI

Dated: 4th May, 2013

DHFL VYSYA HOUSING FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(₹ Lacs)

	Note No.	Year Ended 31.03.2013	Year Ended 31.03.2012
INCOME			
Revenue from operations	20	12,362.01	9,179.62
Total Revenue		12,362.01	9,179.62
Expenses			
Interest & Other Charges	21	8,430.81	6,341.49
Employees Remuneration & Benefits	22	648.61	584.51
Administrative & Other Expenses	23	377.15	406.20
Provision for contingencies	7	59.71	130.61
Depreciation & Amortisation Expenses	11	26.67	28.37
Total Expenses		9,542.95	7,491.18
Profit Before Tax		2,819.06	1,688.44
Tax Expense:			
Current Tax		697.40	487.68
Deferred Tax	13	(15.47)	(30.44)
Profit for the Year		2,137.13	1,231.20
Earnings per Equity Share:			
Basic ₹	24	19.29	11.11
Diluted ₹		19.29	11.11

Notes forming part of the Financial Statements

This is the statement of profit & loss referred to in our report of even date.

For B M CHATURVEDI & CO.,
Chartered Accountants
ICAI FRN : 114317W

KAPIL WADHAWAN
Chairman

R NAMBIRAJAN
Managing Director

(Animesh Kumar Dutta)
Partner
ICAI M N : 132389

ANIL SACHIDANAND
Director

G P KOHLI
Director

BIKRAM SEN
Director

M S L NATHAN
Company Secretary

Place: MUMBAI
Dated: 4th May, 2013

DHFL VYSYA HOUSING FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(₹ Lacs)

	Year ended 31.03.2013		Year ended 31.03.2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		2,819.06		1,688.44
Adjustments for:				
Depreciation	26.67		28.37	
Provision for contingencies	59.71		130.61	
		86.38		158.98
Operating profit before working capital changes		2,905.44		1,847.42
Adjustments for:				
Current Assets	(60.84)		(35.42)	
Current Liabilities	(46.31)		(25.00)	
		(107.15)		(60.42)
Cash generated from operations during the year		2,798.30		1,787.00
Tax paid		(697.40)		(487.68)
Net Cash Flow from Operating activities [A]		2,100.90		1,299.32
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition / Deduction to investments	2,983.75		(123.12)	
Addition to fixed assets	(32.69)		(39.31)	
Reduction in fixed assets	0.59		3.14	
Net cash used in investing activities [B]		2,951.65		(159.29)
C. CASH FLOW FROM FINANCING ACTIVITIES				
ICD received from Parent Organisation	1,000.00		5,600.00	
Loans received from Banks/Institutions	37,754.00		27,613.00	
Commercial Paper Issued	-		3,822.61	
Fixed Deposits received	617.36	39,371.36	446.01	37,481.62
Loans repaid to Banks/Institutions	(15,017.95)		(12,757.74)	
Fixed Deposits repaid	(415.91)		(655.06)	
Commercial Paper Repaid	(2,363.07)		(1,459.53)	
NCD Redemption			(1,000.00)	
ICD repaid to Parent Organisation	(1,000.00)		(5,600.00)	
		(18,796.93)		(21,472.33)
Loans disbursed	(34,204.35)		(27,462.35)	
Loans repayments	14,402.51	(19,801.84)	10,353.65	(17,108.70)
Dividend Paid		(110.81)		(277.02)
Tax paid on Dividend		(17.98)		(44.94)
Net cash from financing activities [C]		643.81		(1,421.37)
Net increase / decrease(-) in cash & cash equivalents [A+B+C]		5,696.36		(281.33)
Cash & cash equivalents at the beginning of the year		424.96		706.29
Cash & cash equivalents at the close of the year		6,121.32		424.96

Negative figures (-) represent cash outflows

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

For B M CHATURVEDI & CO.,
Chartered Accountants
ICAI FRN : 114317W

KAPIL WADHAWAN
Chairman

R NAMBI RAJAN
Managing Director

G P KOHLI
Director

(Animesh Kumar Dutta)
Partner
ICAI M N : 132389

ANIL SACHIDANAND
Director

BIKRAM SEN
Director

M S L NATHAN
Company Secretary

Place: MUMBAI
Dated: 4th May, 2013

DHFL VYSYA HOUSING FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

1. CORPORATE INFORMATION

DHFL Vysya Housing Finance Limited 'the Company' was incorporated in India in the name of Vysya Bank Housing Finance Limited on 26th November 1990 and is carrying business of providing loans to retail customers for construction or purchase of residential property and loans against property. The Company is registered with National Housing Bank under section 29A of the National Housing Bank Act, 1987.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of Financial Statements

- a) The financial statements have been prepared under the historical cost convention on an accrual basis to comply in all material aspects with applicable accounting principles in India including accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions 2010 issued by National Housing Bank to the extent applicable.
- b) The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reported years. The actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

2.2 Revenue Recognition

Repayment of housing and property loan is by way of Equated Monthly Installments (EMIs) comprising principal and interest. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month on the loan that has been disbursed. Interest is calculated either on annual rest or on monthly rest basis in terms of financing scheme opted by the borrower. Revenue from interest on non-performing assets is recognised on receipt basis.

Processing fee is recognised in the year in which the loan is sanctioned and accepted by the applicant.

Prepayment and delayed payment charges are recognized on receipt basis.

Revenue in respect of dividend income is recognized when the right to receive is established. Income from services and interest bearing investment income is accounted on accrual basis.

2.3 Tangible Fixed Assets

Fixed assets are capitalized at cost inclusive of expenses incidental thereto. Cost of acquisition is inclusive of all directly attributable costs of bringing the assets to their working condition for intended use and is net of CENVAT credits, where applicable.

2.4 Intangible Assets

Intangible assets including software are capitalized where it is expected to provide future enduring economic benefits. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

2.5 Depreciation/Amortization

Depreciation is provided on written down value method at the rates specified and in the manner specified in Schedule XIV to the Companies Act, 1956.

2.6 Investments

Investments are either classified as current or long term based on management's intention at the time of purchase. On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and stamp duty.

Long term investments are carried at cost less provision for diminution, other than temporary, in the value of investments. Current investments are stated at lower of cost and fair value determined on an individual investment basis.

2.7 Retirement Benefits

Provident Fund contributions are made to recognized provident fund and are charged to statement of profit and loss. In respect of gratuity contributions by way of premium made to an insurance company under group gratuity policy are charged to Statement of Profit & Loss. Leave Encashment in respect of retiring employees is charged to Statement of Profit & Loss as and when paid if not provided earlier. The Company has started providing for leave encashment payable to employees above 50 years of age.

2.8 Interest & other related Borrowing Cost

Interest accrued on cumulative fixed deposit and payable at the time of maturity is clubbed with the principal amount on the date of periodical rest when interest is credited in Fixed Deposit account in accordance with the particular deposit scheme. Interest and related financial charges are recognised as an expense in the period for which they are incurred as specified in Accounting Standard (AS 16) on "Borrowing Costs".

2.9 Provisions for Non-Performing Assets and Standard Assets

Provisions for non-performing assets and standard assets are made in accordance with the guidelines on prudential norms specified in The Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank, as amended from time to time.

2.10 Taxation

Tax expense comprises of current tax and deferred taxes.

Current tax is determined based on the liability computed in accordance with relevant tax rates and tax laws.

Deferred tax is recognized for all timing differences arising between taxable income and accounting income based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date and its effect for the year is reflected in the statement of profit and loss and cumulative effect thereof is shown in the balance sheet. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on carry forward of unabsorbed depreciation and tax losses are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

2.11 Earnings per Share

The earnings per share has been computed in accordance with Accounting Standard (AS-20) on, "Earnings per Share" and is shown in the statement of profit and loss.

2.12 Provisions and Contingencies

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of obligation cannot be made.

2.13 Impairment of Assets

An asset is treated as impaired when the carrying cost of Asset exceeds its recoverable value. An impairment loss is charged to the statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting periods is reversed if there has been a change in the estimate of recoverable amount as specified in Accounting Standard (AS 28) on "Impairment of Assets".

2.14 Special Reserve

The company creates special reserve every year out of its profits in terms of section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

2.15 Prepaid Expenses

Financial Expenses & Other Expenses incurred during the year which generate benefit in several accounting years have been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro rata basis in the future accounting years.

2.16 Interest on Housing & Property Loans

Repayment of housing loan is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest is calculated each year on the outstanding balance at the beginning of the Company's financial year or on monthly reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI interest is payable.

2.17 Housing & Property Loans

Housing Loans include outstanding amount of Housing Loan disbursement directly or indirectly to individual and other borrowers. Property loans include mortgage against residential / commercial property, loan against the lease rental income from properties and project loan given to builders in accordance with the directions of National Housing Bank. EMI receivable from borrowers less than 3 months against the above loans are shown under Trade Receivables.

2.18 Cash and Cash Equivalents

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

3. Share Capital

	31.03.2013 (₹ Lacs)	31.03.2012 (₹ Lacs)
Authorized Share Capital		
2,00,00,000 Nos. of (P. Y. 2,00,00,000) Equity shares of ₹10 each	2,000.00	2,000.00
	2,000.00	2,000.00
Issued Share Capital		
1,10,80,705 Nos. of (P. Y. 1,10,80,705) Equity shares of ₹10 each	1,108.07	1,108.07
Subscribed and Paid up Capital 1,10,80,705 Nos. of (P.Y. 1,10,80,705) Equity shares of ₹10 each fully paid	1,108.07	1,108.07

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	31.03.2013		31.03.2012	
	No. Lacs	₹ Lacs	No. Lacs	₹ Lacs
Equity Shares				
At the beginning of the year	110.81	1,108.07	110.81	1,108.07
Issued during the year	-	-	-	-
Outstanding at the end of year	110.81	1,108.07	110.81	1,108.07

3.2 The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

3.3 During the year ended 31st March, 2013, the company has proposed dividend to be paid @ ₹ 5.00 per share (P.Y. Dividend ₹ 2.50) to the equity shareholders.

3.4 Details of shareholders holding more than five percent shares in the company are as under:

	31.03.2013		31.03.2012	
	No lacs	% holding in the class	No Lacs	% holding in the class
Equity Shares ₹ 10 each fully paid				
Dewan Housing Finance Corporation Ltd	10.49	9.47%	10.49	9.47%
Kapilkumar Wadhawan	26.63	24.03%	26.33	23.76%
Dheeraj Rajeshkumar Wadhawan	26.36	23.79%	26.36	23.79%
Aruna Rajeshkumar Wadhawan	41.57	37.51%	41.57	37.51%

4. Reserves and Surplus

	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Securities Premium Account:	1,304.04	1,304.04
Special Reserve:		
[In terms of Section 36(1)(viii) of the Income Tax Act, 1961]		
As per last Balance Sheet	3,145.16	2,795.16
Add transferred from surplus in Profit & Loss	500.00	350.00
	3,645.16	3,145.16
General Reserve:		
As per last Balance Sheet	613.02	742.05
Add transferred from surplus in Profit & Loss	500.00	175.00
Less Transferred to contingency provision on Standard assets	-	304.03
	1,113.02	613.02
Surplus in statement of Profit & Loss:		
As per last Balance Sheet	1,886.23	1,501.99
Add: Profit for the year	2,137.14	1,231.20
Less Appropriations:		
Transfer to Special Reserve	500.00	350.00
Interim Dividend	-	166.21
Proposed dividend*	554.04	110.81
Dividend Distribution Tax	94.16	44.94
Transfer to General Reserve	500.00	175.00
Surplus closing balance	2,375.17	1,886.23
Total Reserves and Surplus	8,437.39	6,948.45

*The Board of Directors in its meeting held on 4th May, 2013 has recommended a final dividend of ₹ 5.00 per equity share read with note no.3.3 above.

5. Long Term Liabilities

	Non Current Portion		Current Portion	
	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Secured				
Term Loan from Banks:				
From National Housing Bank	33,899.49	29,189.95	6,873.48	6,030.28
From other Banks	39,372.43	24,920.79	9,909.16	6,977.49
Total Secured long term liabilities (A)	73,271.92	54,110.74	16,782.64	13,007.77
Unsecured				
Deposits:				
Fixed Deposits	636.14	611.24	564.94	413.18
Total Unsecured long term liabilities (B)	636.14	611.24	564.94	413.18
Total Long Term Liabilities (A+B)	73,908.06	54,721.98	17,347.58	13,420.95
Amount disclosed under the head "other current liabilities" [Note 10]	-	-	(17,347.58)	(13,420.95)
Net Amount	73,908.06	54,721.98	-	-

5.1 Secured term loan from National Housing Bank are repayable as per the contracted terms in one or more installments between April 2013 and December 2027.

These loans from National Housing Bank (current and non-current portion) are secured / to be secured by way of first charge to and in favour of NHB and other banks and jointly ranking pari passu inter-se, on the Company's book debts, housing loans and the whole of the present and future movable & immovable assets wherever situated excluding SLR assets [read with note no.30 hereinafter] and are also guaranteed by some of the promoters and directors.

5.2 The secured term loans from all other banks are availed from various scheduled banks. These loans are repayable as per the individual contracted terms in one or more installments between April 2013 and March 2024.

These loans (current and non-current portion) are secured / to be secured by way of jointly ranking pari passu inter-se charge, along with NHB, on the Company's book debts, housing loans and the whole of the present and future movable & immovable assets of the Company wherever situated.

5.3 Fixed Deposits, including short term fixed deposits are repayable as per individual contracted maturities ranging upto 12 months and 84 months from the date of deposit. The interest is payable on monthly, quarterly, half yearly or annual basis or cumulatively at the time of principal maturity depending upon the scheme opted by the depositor.

6. Other Long Term Liabilities

	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Interest accrued but not due on Deposits	62.06	50.24
Total Other long term liabilities	62.06	50.24

7. Provisions

	Long term provision		Short term provision	
	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Provision for employee benefits	9.51	16.89	39.62	37.27
Other Provisions				
Provision for Contingencies:				
on Standard Assets	402.61	304.03	-	-
on Non Performing Assets	222.09	238.10	-	-
on diminution in value of investment	70.62	93.47	-	-
Less: shown as diminution in value of investment separately [note no.12 & 17]	(70.62)	(93.47)	-	-
Provision for Proposed Dividend	-	-	554.04	110.81
Provision for Dividend Distribution tax on Proposed Dividend	-	-	94.16	17.97
Provision for Taxation [net of adv. tax & TDS]	-	-	21.40	28.96
Other Provisions	-	-	1.52	1.00
	624.70	542.13	671.12	158.74
Total Provisions	634.21	559.02	710.74	196.01

7.1 Provision for Non Performing Housing & Property loans

Provision in respect of above standard, sub standard, doubtful and loss assets including recoverable expenses* [read with note no.14] are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank and are as follows:

	31.03.2013		31.03.2012	
	Portfolio ₹ Lacs	Provisions ₹ Lacs	Portfolio ₹ Lacs	Provisions ₹ Lacs
Standard Assets				
Housing Loans	84,559.92	338.24	68,640.39	274.56
Other Property loans	9,551.85	64.37	5,399.55	29.47
	94,111.77	402.61	74,039.94	304.03
Sub Standard Assets				
Housing Loans	294.28	44.46	387.09	58.06
Other Property loans	4.89	0.73	120.65	18.10
	299.17	45.19	507.74	76.16
Doubtful Assets				
Housing Loans	210.33	95.77	166.01	73.94
Other Property loans	168.69	66.89	301.08	75.27
	379.02	162.66	467.09	149.21
Loss Assets				
Housing Loans*	13.54	14.24	12.74	12.72
Other Property loans	-	-	-	-
	13.54	14.24	12.74	12.72
Total	94,803.50	624.70	75,027.51	542.12
Housing Loans	85,078.07	492.71	69,206.23	419.30
Other Property loans	9,725.43	131.99	5,821.28	122.83
Total	94,803.50	624.70	75,027.51	542.13

Property loans consists of non housing loans such as mortgage loans, project loans, commercial loans, plot loans & lease rental finance and other loans which are all against real estate properties and which are not covered under the housing loan criteria of NHB.

7.2 The Company has de-recognized interest income on Non Performing Assets as on 31st March 2013 of Rs. 163.18lacs (P.Y. 62.27lacs) in terms of the requirement of the National Housing Bank.

7.3 Provision for Contingencies [including provision for diminution in investment]

	As at 31.03.2013 ₹ Lacs	As at 31.03.2012 ₹ Lacs
As per last Balance Sheet	635.60	200.96
Add: Provision during the year	59.71	130.61
Add: Transfer from General Reserve	-	304.03
	695.31	635.60
Less: Utilised during the year	-	-
Balance provision at the end of the year	695.31	635.60
Less: shown as diminution in investment separately	(70.62)	(93.47)
Net contingency provision against housing & property loans	624.69	542.13

8. Short Term Borrowings

	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Secured		
Loans repayable on demand		
From Banks	-	200.00
Secured Short term borrowing (A)	-	200.00
Unsecured		
Other short term loans and advances		
Commercial paper	-	2,363.07
Unsecured short term borrowing (B)	-	2,363.07
Total Short term borrowings	-	2,563.07

8.1 Loans repayable on demand from banks are secured / to be secured by way of jointly ranking paripassu inter-se charge, along with NHB, on the Company's book debts, housing loans and the whole of the present and future movable & immovable assets of the Company wherever situated.

8.2 The Company has redeemed Commercial Paper of ₹2,363.07 lacs issued to Andhra Bank.

9. Trade Payables

Trade Payables consist of creditors for expenses amounting to ₹14.88lacs [P.Y. ₹70.44lacs].

There are no amounts due and payable to 'suppliers' registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year. No interest has been paid/ is payable by the company during / for the year to these 'suppliers'.

10. Other Current Liabilities

	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Current maturities of borrowings (refer note 5)	17,347.58	13,420.95
Interest accrued but not due on borrowings	32.32	24.15
Current Interest Accrued but not due on Deposits	55.11	50.54
Unclaimed matured deposits and interest accrued thereon	44.88	36.50
Other payables		
Advance from Customers	138.97	147.34
Unclaimed Dividends	2.48	7.37
Other current liabilities	91.06	64.65
Total Other current liabilities	17,712.40	13,751.50

10.1 During the year Company has transferred to Central Government Investor Education and Protection Fund under section 205A, 205B and 205C of the Companies Act, 1956, a sum of ₹ 0.41 lacs being Unclaimed Dividends.

11. Fixed Assets

11.1 Tangible Assets

(₹ Lacs)

	Computers	Office equipments	Furniture & Fixtures	Vehicles	Total
Gross Block					
As at 01.04.2011	136.64	46.66	110.64	14.01	307.95
Additions	5.71	9.35	2.35	16.83	34.24
Deductions/ Adjustments	-	(2.73)	-	(7.75)	(10.48)
As at 31.03.2012	142.35	53.28	112.99	23.09	331.71
Additions	25.00	4.56	3.13	-	32.69
Deductions/ Adjustments	(11.45)	(0.89)	-	-	(12.34)
As at 31.03.2013	155.90	56.95	116.12	23.09	352.06
Depreciation					
Upto 01.04.2011	116.52	23.96	70.60	10.85	221.93
Charge for the year	9.04	3.70	7.43	1.95	22.12
Deductions/ Adjustments	-	(1.85)	-	(5.49)	(7.34)
Upto 31.03.2012	125.56	25.81	78.03	7.31	236.71
Charge for the year	6.81	4.03	6.48	4.08	21.41
Deductions/ Adjustments	(11.10)	(0.65)	-	-	(11.75)
Upto 31.03.2013	121.27	29.19	84.51	11.39	246.37
Net Block					
As at 31.03.2012	16.79	27.47	34.96	15.78	95.00
As at 31.03.2013	34.63	27.76	31.61	11.70	105.70

11.2 Intangible Assets

	Gross Block ₹ Lacs	Amortization ₹ Lacs	Net Block ₹ Lacs
Software			
As at 01.04.2011	44.88	30.50	14.38
Additions	5.05	6.24*	(1.19)
Deductions/ Adjustments	-	-	-
As at 31.03.2012	49.93	36.74	13.19
Charge for the year	-	5.26	(5.26)
Deductions/ Adjustments	-	-	-
As at 31.03.2013	49.93	42.00	7.93

* including depreciation on opening balance.

11.3 Depreciation & Amortization :

	2012-13 ₹ Lacs	2011-12 ₹ Lacs
Charge for the year		
Tangible Assets	21.41	22.13
Intangible Assets	5.26	6.24
Total Depreciation & Amortization	26.67	28.37

12. Non Current Investments

	No.	Face Value ₹	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Investment in quoted equity shares				
Reliance Power Ltd.	222	10	0.62	0.62
Capital First Ltd.	172	10	1.32	1.32
MRPL	3000	10	3.11	3.11
			5.05	5.05
Investment in quoted Bonds				
9.81% GOI Bonds	160000	100	-	197.24
6.25% GOI Bonds	100000	100	95.80	95.80
6.05% GOI Bonds	500000	100	483.00	483.00
			578.80	776.04
Investment in unquoted equity instruments				
Nil (P.Y. 300 lacs) equity shares of ₹10 each fully paid up in Aadhar Housing Finance Pvt. Ltd.			-	3,000.00
			583.85	3,781.09
Less: Provision for diminution in value of investment			33.38	93.47
Total Non Current Investments			550.47	3,687.62
Aggregate amount of quoted investments			583.85	781.09
Market value of quoted investments			550.47	687.62

- 12.1 Investment in Government Securities aggregating to ₹ 289.80 lacs (Previous year ₹ 289.80 lacs) carry a floating charge in favour of depositors of Fixed Deposits read with note no.30.

13. Deferred Tax

	As at 31.03.2012 ₹ Lacs	Movement during the year ₹ Lacs	As at 31.03.2013 ₹ Lacs
Deferred Tax Assets:			
Provision for Contingencies	75.71	15.84	91.55
Depreciation	1.93	(0.37)	1.56
Net Deferred Tax Assets	77.64	15.47	93.11

14. Housing and Property Loans

	Non-Current portion		Current portion	
	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Secured and considered good unless otherwise stated				
Housing Loans				
Standard Loans	79,906.49	64,991.75	4,653.44	3,648.65
Sub-standard loans	38.37	63.35	255.90	323.74
Doubtful Loans	210.33	166.01	-	-
Loss Assets	13.54	12.73	-	-
	80,168.73	65,233.84	4,909.34	3,972.39
Other property Loans				
Standard Loans	7,747.47	4,423.09	1,804.38	976.46
Sub-standard loans	-	-	4.89	120.65
Doubtful Loans	168.69	301.08	-	-
Loss Assets	-	-	-	-
	7,916.16	4,724.17	1,809.27	1,097.11
Total Housing and Property Loans	88,084.89	69,958.01	6,718.61	5,069.50

- 14.1 As certified by the Management, Loans granted by the company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or undertaking to create a security and/or assignment of Life Insurance Policies and/or personal guarantees and/or hypothecation of assets and are considered appropriate and good.
- 14.2 Total Housing and Property Loans include ₹ 49.50lacs [P.Y. ₹ 75.34lacs] on account of EMI receivable / due for more than 6months.

15. Other Long term Loans and Advances

	Non Current Portion		Current portion	
	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Unsecured and considered good unless stated otherwise				
Capital Advances	-	6.45	-	-
Security Deposits	64.65	54.51	-	-
Loans to Employees	9.62	5.01	3.58	2.50
Others	68.76	31.58	102.65	96.69
Total Long term Loans & advances	143.03	97.55	106.23	99.19
Current portion disclosed under "short term loans and advances" (refer Note 19):				
Unsecured and considered good	-	-	(106.23)	(99.19)
Net Amount	143.03	97.55	-	-

16. Trade Receivable and Other Assets

16.1 Trade Receivable

	Current portion	
	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Secured and considered good		
EMI / PEMI Receivable due for less than 3 months	246.83	174.03
Others	6.02	9.22
Total	252.85	183.25

16.2 Other Assets

	Non Current Portion		Current portion	
	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Unsecured, considered good				
Non-current portion of balance with banks in deposit account (refer note 18 & 30)	80.00	80.00	-	-
Interest accrued on Investments	-	-	15.36	19.46
Income Receivable	-	-	8.94	40.29
Total	80.00	80.00	24.30	59.75

16.3 Non Current portion of balance with Banks in Deposit Accounts ₹80 lacs (Previous Year ₹80 lacs) carrying a floating charge in favour of depositors of Fixed Deposit [read with note no.30].

17. Current Investment

	No.	Face Value ₹	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Investment in quoted Bonds				
9.81% GOI Bonds	160000	100	197.24	-
			197.24	-
Less: Provision for diminution in value of investment			37.24	-
Current Investments in Bonds			160.00	-
Investment in Properties *			139.37	123.12
Total			299.37	123.12

*The Company has purchased properties auctioned under SARFAESI Act being non banking asset amounting to ₹ 139.37 lacs (Previous year ₹ 123.12 lacs) for sale and is holding it as investment with short term perspective.

18. Cash and bank balances

	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Cash and cash equivalents		
Balances with banks:		
In current accounts	3,109.75	415.99
Cash on hand	11.57	8.97
Total cash & cash equivalent	3,121.32	424.96
Fixed Deposit less than 3 months	3,000.00	-
Fixed Deposit more than 3 months	80.00	80.00
Less: Disclosed under Other Assets [non-current assets] (refer Note 16)	(80.00)	(80.00)
Total Net Cash and bank balances	6,121.32	424.96

19. Short term loans and advances

	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Unsecured and considered good		
Loans to employees	3.58	2.50
Others [read with note no.15]	102.65	96.69
Total short term loans & advances	106.23	99.19

20. Revenue from Operations

	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Revenue from Interest		
Interest on Housing and property loans	11,204.78	8,309.64
Interest on Bonds & Deposits	123.27	92.44
Other interest	1.58	1.22
	11,329.63	8,403.30
Revenue from other financial services		
Loan processing fee	460.47	398.49
Prepayment fee	37.32	106.78
Other operating income*	534.59	271.05
	1,032.38	776.32
Total Revenue from Operations	12,362.01	9,179.62

* Other operating income ₹ 534.59 lacs includes ₹ 210 lacs on account of profit on divestment of shares held in M/s Aadhar Housing Finance Limited.

21. Interest and Finance charges

	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Interest on Loans	8,152.56	5,882.91
Interest on Deposits	121.53	124.99
Interest on Others	122.65	302.99
Finance Charges	34.06	30.60
Total Interest & Finance Charges	8,430.80	6,341.49

22. Employee Remuneration and Benefits

	2012-13 ₹ Lacs	2011-12 ₹ Lacs
Salaries and Wages	536.73	480.57
Contribution to Provident Fund and other funds	77.59	74.63
Staff Welfare expenses	34.29	29.31
Total Employee remuneration and benefits	648.61	584.51

23. Administrative and other expenses

	2012-13 ₹ Lacs	2011-12 ₹ Lacs
Rent	86.71	74.43
Rates & Taxes	0.41	1.07
Conveyance & Motor Car Expenses	18.64	20.10
Travelling Expenses	24.55	20.46
Printing & Stationery	18.02	19.30
Advertisement & Business Promotion	7.88	10.81
Insurance	9.43	22.35
Legal & Professional Charges (including audit fees)	45.51	49.37
Postage, Telephone & Telegram	86.76	82.95
General Repairs & Maintenance	15.76	12.67
Bad Debts written off	8.94	46.59
Electricity Charges	12.90	11.70
Directors sitting fees	4.16	3.30
Brokerage	0.54	0.39
Credit Rating Charges	15.80	12.74
Other Expenses	21.14	17.97
Total Administrative and other expenses	377.15	406.20

24. Earnings per Share

The following is the computation of earnings per share on basic and diluted earnings per equity share:

	2012-13	2011-12
a) Net Profit after Taxation attributable to Equity Shareholders (₹lacs)	2,137.14	1,231.20
b) Number of equity shares outstanding (Nos. Lacs)	110.81	110.81
c) Basic/ Diluted Earnings in Shares of ₹10 each (a/b)*	19.29	11.11
*there are no dilutive potential shares		

25. Remuneration to Managing Director (Cost to Company Basis):

	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Basic Pay	21.00	19.48
Reimbursement of Rent	3.00	3.00
Perquisites & Other Allowances	11.56	10.23
	35.56	32.71

Remuneration to Managing Director is within the limits prescribed under sections 198,269,309,310 & schedule XIII of the companies act 1956.

26. Auditor's Remuneration

	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
Audit Fees & Fees for certification [Including payment to Branch Auditors]	11.28	7.69
	11.28	7.69

27. Employee Benefits

- i. The company makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.
- ii. Employees are allowed to encash the unavailed leave during the year or encashment of accumulated unavailed leave at the time of retirement. The Company provides for leave encashment payable to employees above 50 years of age. During the year a sum of ₹4.24lacs (Previous Year ₹ 10.71 lacs) has been provided for leave encashment.
- iii. The Company has made full provision for future gratuity liability payable at the time of retirement as on 31.03.2013 on the basis of actuarial valuation report of company liabilities based on Accounting Standard 15 (AS -15 revised) and had taken group gratuity liability insurance and is paying requisite premiums.
- iv. The details of post retirement benefits for the employees [excluding key management personnel] as mentioned hereunder are based on the actuarial valuation using the projected unit credit method and as certified by the actuary and relied upon by the Company and the auditors.
- v. Post retirement benefits for key management personnel has been worked out separately and provided for.

The information relating to defined benefit gratuity plan (funded) is given below:

	2012-13 ₹ Lacs	2011-12 ₹ Lacs
Changes in the present value of the defined benefit obligation:		
Opening defined benefit obligation	47.97	40.86
Interest Cost	4.08	3.27
Past service cost (vested benefit)	-	-
Current service cost	6.67	6.72
Benefits paid	(3.03)	(15.38)
Actuarial (gains)/losses on obligation	0.96	12.50
Closing defined benefit obligation	56.65	47.97
Changes in the fair value of plan assets:		
Opening fair value of plan assets	44.55	39.26
Expected return	3.79	3.14
Contributions	29.76	20.18
Benefits paid	(3.03)	(15.37)
Actuarial gains/(losses)	1.70	(2.66)
Closing fair value of plan assets	76.77	44.55
Actuarial (gains) / losses on obligation for the period	0.96	12.51
Actuarial (gains) / losses on Asset for the period	(1.70)	2.66
Total Actuarial gain / (loss) to be recognised in income and expense statement	(0.74)	15.17

	2012-13 ₹ Lacs	2011-12 ₹ Lacs
Liability recognized in Balance Sheet:		
Defined Benefit Obligation	(56.65)	47.97
Fair Value of plan assets	76.77	44.55
Asset/(Liability) recognized	20.12	(3.42)
Expense recognized in Profit and Loss:		
Current service cost	6.67	6.71
Interest cost on benefit obligation	4.08	3.27
Expected return on plan assets	(3.79)	(3.14)
Past service cost (vested benefit recognized)	-	-
Net actuarial (gain)/loss recognized in the year	(0.74)	15.17
Net (benefit)/expense	6.22	22.01
Actual Return on Plan Assets:		
Expected return on plan assets	3.79	3.14
Actuarial gain / (loss) on plan assets	1.70	(2.66)
Actual return on plan assets	5.49	0.48
Reconciliation of the liability recognized in the balance sheet:		
Opening net liability	3.42	1.59
Expense recognized	6.22	22.01
Employer's contribution	(29.76)	(20.18)
Amount recognized in the balance sheet under provision for gratuity	(20.12)	3.42
Actuarial assumptions:		
	2012-13 (lacs)	2011-12 (lacs)
Mortality Table Indian Assured Lives (LIC)	2006-08 (ultimate)	1994-96 (ultimate)
Discount Rate (P.A.)	8.25%	8.50%
Rate of escalation in salary(P.A)	5.50%	5.50%
Rate of Return on plan assets	8.25%	8.50%
Attrition Rate	1.00%	2.00%

28. Segment Reporting

The Company operates under a single (primary) business segment viz. "Providing loans to retail customers for construction or purchase of residential property and loan against properties". Further, the Company is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard on Segment Reporting (AS-17) notified u/s 211(3C) of the Companies Act, 1956 are not applicable to the Company.

29. Related Party Transactions

List of Related Parties and their relationship:

- a) Associate : Dewan Housing Finance Corporation Limited
 b) Key Managerial Personnel : Mr. R Nambirajan

29.1 Details of related party transactions in the ordinary course of business:

Particulars	Associate / Joint Venture		Key Management Personnel	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
EXPENDITURE				
Remuneration to Mr.R Nambirajan	-	-	35.56	32.71
Reimbursement of Expenses	4.50	9.50	-	-
Interest paid	10.85	107.26	-	-
ASSETS				
Investments	-	3,000.00	-	-
LIABILITIES				
ICD Received	1,000.00	5,600.00	-	-
ICD Repaid	1,000.00	5,600.00	-	-

29.2 During the year, the company has participated in joint syndication of Housing loans aggregating to ₹ 7,202.33lacs (Previous Year ₹ 1,279.75lacs) out of which the company's share is ₹ 3,601.17 (Previous Year ₹ 639.88lacs). The loans have been originated and processed by Dewan Housing Finance Corporation Limited as a lead syndicator. The outstanding amount of the share of the company in such joint syndicated loans as at 31st March, 2013 amounted to ₹ 3,084.46lacs (Previous Year ₹ 628.65lacs).

30. As the National Housing Bank Directives require all HFCs, accepting public deposits, to create a floating charge on the statutory liquid assets maintained in favour of the depositors through the mechanism of a Trust Deed. The Company has appointed SEBI approved Trustee Company i.e. GDA Trustee & Consultancy Ltd., as a Trustee for the above by executing a trust deed on 19.04.2010.

31. Commitments and Contingencies

Contingent liability in respect of income tax demand of earlier years amounting to ₹ 26.94lacs (Previous Year ₹ 21.92lacs) although deposited in the financial year 2009-10 & 2012-13 but not provided for in view of the legal advice that the tax claim is untenable [refer note no.32].

32. The company's income tax assessment has been completed upto assessment year 2008-09 read with details given hereinafter:
- i) An appeal for the Assessment Year 2005-06 against IT demand of ₹ 90.42 lacs against which our appeal is pending before Hon'ble High Court. The Company has paid the above demand under protest pending its appeal.
 - ii) An Appeal is pending before ITAT regarding Assessment Year 2004-05 against levy of additional tax demand ₹ 21.92 lacs as directed U/s 263 of the IT Act 1961. The Company has paid the above demand under protest pending its appeal. The Company has been legally advised that the tax claim is untenable, hence no provision has been made for contingent liability on that account.
 - iii) An Appeal is pending before CIT regarding Assessment Year 2010-11 against levy of additional demand ₹ 5.02lacs as directed U/s 143 (3) of IT Act 1961. The Company has paid the above demand under protest pending its appeal. The Company has been legally advised that the tax claim is untenable, hence no provision has been made for contingent liability on that account.
33. Company has disinvested its equity investment in the joint venture company [Aadhar Housing Finance Limited] during the year to comply with the NHB requirement.
34. As required under NHB regulations additional disclosures are given below:

34.1 Capital to Risk Asset Ratio (CRAR)

		31.03.2013 ₹ Lacs		31.03.2012 ₹ Lacs
CRAR		17.38%		13.53%
CRAR-Tier I Capital		9,452.35		5,776.77
CRAR- Tier II Capital		402.61		304.03

34.2 Maturity pattern of certain items of assets and liabilities as per Asset Liability Management system of the company as of 31st March, 2013 is as under:

	Liabilities		Assets		
	Borrowing from bank and other financial institutions	Borrowing from money and debt market	Housing and Other Loans	Investments	Cash & Bank Balances
1 day to 1 Month		136.41	730.10		6,121.32
1 to 2 Months		38.74	531.40		
2 to 3 Months	4,347.75	53.77	534.74	160.00	
3 to 6 Months	4,273.36	107.06	1,617.79		
6 Months to 1 Year	8,161.54	328.95	3,289.34	139.37	
1 to 3 Years	28,737.86	589.71	14,535.32	1.90	
3 to 5 Years	22,909.61	79.64	13,540.07	93.37	
5 to 7 Years	11,993.72	28.86	12,882.92	455.20	
7 to 10 Years	5,425.35		17,821.12		
10 Years and Above	4,205.37		29,271.20		
EMI NPA Accounts			49.50		
Total	90,054.56	1,363.14	94,803.50	849.84	6,121.32
Long Term	73,271.92	698.20	88,084.89	550.47	
Short Term	16,782.64	664.94	678.61	229.37	6,121.32
[refer note no.5,6,8,10,12,14,17,18]					
Total	90,054.56	1,363.14	94,803.50	849.84	6,121.32

34.3 Exposure to Real Estate Sector

	31.03.2013 ₹ Lacs	31.03.2012 ₹ Lacs
A.DIRECT EXPOSURE		
(a)(i) Residential Mortgages –		
• Individual housing loans up to ₹15 lakh	69,948.88	57,455.26
• Others	2,456.00	15,721.87
(ii) Commercial Real Estate		
• Funds Based	4,644.79	1,775.04
• Non fund Based	-	-
b. Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
a) Residential	-	-
b) Commercial Real Estate	-	-
B.INDIRECT EXPOSURE		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	3,000.00

- 35. In the opinion of the Board, the assets of the Company have a value on realization in the ordinary course of business atleast equal to the amount at which they are stated net of contingency provisions.
- 36. Previous year's figures have been regrouped/re-classified wherever necessary to conform to current year's classification. Accordingly, amounts and other disclosures for the P.Y. are included as an integral part of the current year's financial statement and are to be read in relation to the amounts and other disclosures relating to the current year.
- 37. Figures in brackets represent previous year [P.Y.] figures.

In terms of our report of even date.

For B M CHATURVEDI & CO.

Chartered Accountants

ICAI FRN:114317W

KAPIL WADHAWAN
Chairman

R NAMBIRAJAN
Managing Director

(Animesh Kumar Dutta)

Partner

G P KOHLI
Director

BIKRAM SEN
Director

ICAI M N : 132389

Place: Mumbai

Date: 4th May, 2013

ANIL SACHIDANAND
Director

M S L NATHAN
Company Secretary

HIGHLIGHTS OF PERFORMANCE AT A GLANCE

(Rs. In Lakhs)

Particulars/Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Share Capital	708.07	708.07	708.07	708.07	708.07	708.07	1108.07	1108.07	1108.07	1,108.07
Reserves & Surplus	2417.38	2941.96	3178.02	3501.79	3757.46	4151.83	5454.81	6343.23	6948.45	8,437.39
Loans Funds	11403.07	11030.26	16758.95	23035.24	28929.35	29968.66	37868.28	54833.99	70843.27	91,417.70
Total Assets	14528.52	14680.29	20645.03	27245.10	33394.88	34828.57	44431.17	62285.29	79968.78	102,857.81
Fixed Assets	47.00	47.63	42.20	70.06	67.80	88.13	90.89	100.41	108.19	113.63
Total Income	2175.59	1780.77	1944.17	2546.42	3459.93	4364.47	4988.12	6737.04	9179.62	12,362.01
Cum. Approvals	44455.00	50349.00	60161.00	71503.00	83301.00	91619.00	110754.95	136804.95	166912.95	203,651.02
O/s Loans	13238.61	14083.90	19802.88	25120.84	31097.09	32922.41	42291.07	57869.78	75027.51	94,754.00
Profit before tax	405.86	587.37	590.82	691.85	704.96	887.12	1192.77	1680.45	1688.44	2,819.06
Profit after tax	318.88	443.88	468.67	550.29	523.64	631.76	855.70	1211.02	1231.2	2,137.13
Special Reserve	1218.70	1443.70	1673.70	1942.76	2072.28	2249.16	2489.16	2795.16	3145.16	3,645.16
General Reserve	167.04	227.04	302.04	377.04	452.04	527.04	617.04	742.04	613.02	1,113.02
Dividend	15%	20%	25%	25%	25%	25%	25%	25%	25%	50%
Book value/share	44.14	51.55	54.88	56.56	60.87	66.93	77.64	66.82	72.01	85.31
EPS	4.50	6.27	6.62	7.77	7.40	8.92	10.17	10.93	11.11	19.29
Return on Equity	45%	62.69%	66.19%	77.68%	73.87%	89.27%	101.78%	109.30%	111.12%	192.87%
Return on networth	10%	12.16%	12.06%	13.73%	12.13%	13.34%	13.10%	16.36%	15.43%	22.61%
Credit Rating	AAA-	AAA-Stable	AAA-Stable	AAA-Stable	AAA-Stable	AAA-Stable	AAA- Positive	AAA Stable	AAA Positive	FA+ / Stable
No. of Branches	13	13	13	15	15	18	17	22	23	26



DHFL VYSYA HOUSING FINANCE LIMITED

Regd. Office :A 401, Brigade Plaza, Ananda Rao Circle, S.C. Road, BANGALORE - 560 009.

Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall.

ATTENDANCE SLIP

I HEREBY RECORD MY PRESENCE AT THE TWENTY THIRD ANNUAL GENERAL MEETING OF THE COMPANY HELD ON SATURDAY 20TH JULY, 2013 AT THE CORPORATE OFFICE, NO. 3, 8TH A MAIN, JVT TOWERS, SAMPANGIRAMNAGAR, BANGALORE - 560 027.

REG FOLIO NO. _____ NO. OF SHARES _____

NAME OF THE SHAREHOLDER (IN BLOCK CAPITALS) : _____

NAME OF THE PROXY / REPRESENTATIVE ATTENDING FOR MEMBER : (IN BLOCK CAPITALS) _____

SIGNATURE OF THE SHAREHOLDER OF PROXY _____



DHFL VYSYA HOUSING FINANCE LIMITED

Regd. Office :A 401, Brigade Plaza, Ananda Rao Circle, S.C. Road, BANGALORE - 560 009.

PROXY FORM

REG FOLIO NO. _____ NO. OF SHARES _____

I/We _____ of _____ being a member/s of the DHFLVYSYA HOUSING FINANCE LIMITED

hereby appoint _____ of _____ or failing him _____ of _____

my / our Proxy to attend and vote for me/us and my/our behalf at the Twenty third Annual General Meeting of the Company to be held on Saturday 20th July 2013 and at any adjournments hereof.

AS WITNESS my/our hand(s) this _____ day of _____ 2013

Signed by the said _____

1. The proxy must be deposited at the Corporate Office of the Company not less than 48 hours before the time fixed for holding the Meeting
2. The form should be signed across the stamp as per the specimen signature registered with the Company.

Affix 1 Rs. Revenue Stamp



During the year 2012-13 a new Branch at Bommanahalli, Bangalore Rural was opened



A new Branch at Devasandra, Krishnarajapuram Village, Bangalore Rural was opened during the year 2012-13



A new Branch at Chinchwad, Pune, Maharashtra, was opened during the year 2012-13

During the year, the Company financed Rs.251.22 crores for construction of 3091 houses in rural areas under the Golden Golden Jubilee Rural Housing Scheme



Andrihalli, Bangalore Rural
Karnataka.



Madhavaram, Tiruvallur Dist.
Chennai, Tamil Nadu.



Pilankaali, Azhagiyamandapam
Village, Nagercoil.



Kollegal, Chamrajnagar,
Mysore, Karnataka.