

*Twenty Fourth
Annual General Meeting*

20th June 2014 at 14.30 Hours

Venue :

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



CONTENTS

Board of Directors	4
Notice	6
Director's Report	10
Auditor's Report	19
Financial Statements	23
Performance Highlights	48



Born : 16-04-1949 Died : 30-09-2000

**Shri. Rajesh Kumar Wadhawan, Founder Chairman
DHFL Group**

“No country could expect to progress sustainably, where a large proportion of population continue to be excluded financially”

- Rajesh Kumar Wadhawan



Shri. Kapil Wadhawan, Chairman
DHFL Vysya Housing Finance Limited

MAKING HIS FATHER'S DREAM A REALITY

It was the dream of the founder Chairman of DHFL Group, Shri. Rajesh Kumar Wadhawan, to provide financial accessibility for home buying to every Indian, to achieve inclusive growth.

BOARD OF DIRECTORS



Shri Kapil Wadhawan
CHAIRMAN



Shri R. Nambirajan
MANAGING DIRECTOR



Shri Bikram Sen



Shri G.P. Kohli

Board of Directors

Shri. Kapil Wadhawan

Chairman

Shri. R. Nambirajan

Managing Director

Shri. Bikram Sen

Director

Shri G.P. Kohli

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

Andhra Bank
Bank of India
Bank of Maharashtra
Corporation Bank
DCB 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

Financial Institution

National Housing Bank (NHB)

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 TWENTY-FOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the TWENTY FOURTH 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 Friday the 20th June 2014 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, 2014 and Profit and Loss Account of the Company for the year ended 31st March, 2014, together with the Report of Board of Directors' and Auditors' thereon.
2. To declare final dividend on equity shares for the year ended 31st March 2014.
3. To appoint Auditors and fix their remuneration and for that purpose, to pass, the following resolution as an ordinary resolution:

"RESOLVED THAT in terms of Section 139 of the Companies Act 2013 and The Companies (Audit and Auditors) Rules 2014, M/s. B.M. Chaturvedi & Company, Chartered Accountants, Mumbai, be and are hereby reappointed as Statutory Auditors of the Company to hold office **for a period of three years** from the conclusion of this 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:

4. To consider and if thought fit to pass, with or without modifications, the following Resolution as an Ordinary Resolution:
"RESOLVED that in terms of Section 149(1)), read with Section 152 of the Companies Act, 2013, Shri.G.P. Kohli be and is hereby appointed as an Independent Directors for a consecutive term of five years from the conclusion of this meeting and subject to retirement in terms of Section 152 of the Companies Act, 2013.
5. To consider and if thought fit to pass, with or without modifications, the following Resolution as an Ordinary Resolution:
"RESOLVED that in terms of Section 149(1)), read with Section 152 of the Companies Act, 2013, Shri.Bikram Sen be and is hereby appointed as an Independent Directors for a consecutive term of five years from the conclusion of this meeting and subject to retirement in terms of Section 152 of the Companies Act, 2013.
6. To Consider and if thought fit to pass, with or without modifications, the following Resolution as a Special Resolution.
"RESOLVED THAT after Clause 1 under Clause (B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS shall be substituted with the following Clause:

“To do any activity as may be permitted by Reserve Bank of India/National Housing Bank from time to time and also to undertake carrying on the business which is explicit or implicit in the furtherance of the main objects.”

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

“RESOLVED THAT in supersession of all resolutions passed at the earlier statutory meetings and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, from time to time, such sum or sums of money as it may consider fit and proper for the purpose of business of the Company, notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the banks and/or financial institutions in their ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves not set apart for any specific purposes, provided, however that the total amount borrowed by the Board and outstanding at any time, shall not exceed the sum of Rs.3000 Crores (Rupees three thousand crores only).”

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

“RESOLVED that approval of the members be and is hereby given to the Company to enter into a service agreement with Dewan Housing Finance Corporation Limited, for receiving System Support from the latter on the terms and conditions that the Board of Directors may deem fit from time to time.”

Registered Office:

S 401, 4th Floor, Brigade plaza,
Anand Rao Circle, Bangalore - 560 009.

By order of the Board

M.S.L. Nathan
Company Secretary

Place : Bangalore.

Date : 28th April, 2014.

NOTES

1. A member whose name appears in the Register of Members of the Company as on 6th June, 2014 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 0560 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.
6. Members are requested to quote their folio number (s) in all correspondence with the Company.
7. 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.
8. 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 6th June, 2014
9. 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.
10. 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 102(1) (a) OF THE COMPANIES ACT, 1956.

SPECIAL BUSINESS – ITEM NO.4 & 5

Appointment of Independent Directors:

Section 149 of the Companies Act 2013, requires that every Company shall have one third of the total number of directors as Independent Directors. Therefore, Shri.G.P. Kohli and Shri. Bikram Sen are being proposed to be appointed as Independent Directors with effect from this Annual General Meeting. Hence the proposed Ordinary Resolutions.

None of the Directors , none of the Key Mangerial Personnel and the relatives of the persons mentioned in sub-clauses (1)(ii) of the said Section has any concern or interest, financial or otherwise, if any, in respect of the above said Ordinary Resolutions.

ITEM NO. 6

During the course of its Inspection, the NHB Team has suggested that since NHB is the regulatory authority, its name may be included in Clause No.1 under Clause (B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS.

Hence, in addition to the name of Reserve Bank of India, the name of NHB is being added in the said clause through the proposed Special Resolution.

None of your directors is interested in the Resolution.

ITEM NO.7

At the Extraordinary General Meeting held on 20th October 2012, the borrowing powers of the Board of Directors was enhanced from Rs.1000 crore to Rs.3000 crores in terms of Section 293(1)(d) of the erstwhile Companies Act, 1956. The said Act has now been revised significantly and a new Special Resolution need to be passed under Section 180(1)(c) of the new Companies Act, 2013 to retain the said borrowing power up to Rs.3000 crores. Hence the Special Resolution.

None of your directors is interested in the Resolution.

ITEM NO. 8

Our parent Organisation, Dewan Housing Finance Corporation is rendering System Support to the Company with regard to maintenance of server, internet, intranet facilities, application support, inclusion of new software requirements, etc. on an annual basis.

In terms of Section 188 of the Companies Act 2013 and Rules made thereto, since the paid up capital of the Company is more than Rs. One crore, approval of the members is sought by way of a Special Resolution.

Shri. Kapil Wadhawan, Chairman of the Company is officially, but not personally, interested in the Resolution in as much as he is the Chairman & Managing Director of Dewan Housing Corporation Ltd., Mumbai.

M.S.L. Nathan
Company Secretary

DIRECTORS REPORT



DEAR MEMBERS,

Your Directors have great pleasure in presenting their Twenty-fourth Annual Report of your Company with audited accounts for the year ended 31st March 2014.

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.2013-14	F.Y. 2012-13
Gross income	15023.22	12362.01
Profit before tax	3613.32	2819.06
Provision for tax	988.43	681.93
Profit after tax	2624.90	2137.13
APPROPRIATIONS		
Transfer to special reserve	1000.00	500.00
Transfer to general reserve	500.00	500.00
Proposed dividend	277.02	554.04
Interim dividend	277.02	-
Dividend Tax	94.16	94.16
Retained Surplus	476.70	488.93

During the year under review, while sanctions went up to Rs.418.45 crores (Rs. 367.38 crores last year), the disbursements went up to Rs.363.31 crores (compared to Rs. 342.04 crores last year), thus a growth of 13.90% and 6.21% respectively has been achieved during the year. The growth was less due to negative performance of our 9 branches in Andhra State, which witnessed agitations and bandhs for major part of the year on account of Telengana issue.

Further, though the RBI in the beginning of the year reduced the repo rate on two occasions, it could not result in banks reducing interest rate as a result. Since the inflation could not be brought down to the expected level, RBI resorted to a marginal increase in Repo rate in 2013 and thereafter took a firm stand to maintain the higher interest rate level due to the higher inflation rate. As a result, the HIGH INTEREST RATE REGIM CONTINUED THROUGHOUT THE YEAR AND AT THE SAME TIME, banks in order to build up Retail port folio, continued to offer Housing Loans at a very low rate (9.90% - 10.15%) and were very aggressive in taking over the loans from HFCs and other banks.

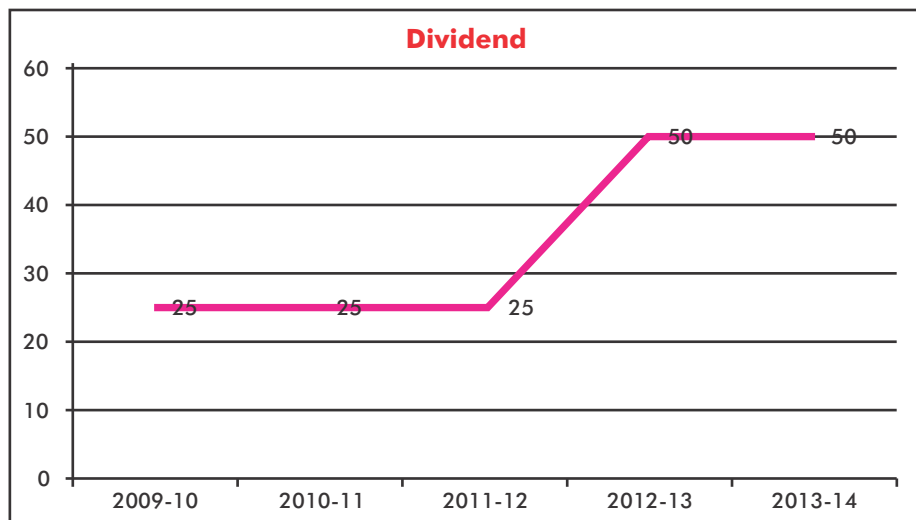
The level of inflation continuing beyond the expected level, the higher interest rate Regim will continue during the first half of the year 2014-15 also.

Profitability: We have not compromised on the profitability and due attention was paid to control the expenditure and maintain the spread as a result, the net profit of your company after tax during the year under review increased to Rs.26.25 crores as against Rs.21.37 corres during the previous year.

However, the Rural Housing Scheme introduced by NHB during the year, had given an impetus to the growth in performance by the Company. Since the scheme was introduced during the third quarter of the year, your Company made all out efforts to implement the same vigorously and a sizeable amount of business was done during the last two months of the year under this scheme.

DIVIDENDS:

Taking note of the substantial growth of profitability during the year under report, the Directors have recommend a final dividend of 25% (Rupees 2.5 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. This is in addition to the interim dividend of 25% declared and paid earlier during the year.



HOUSING FINANCE SECTOR SCENARIO AND FUTURE PROSPECTS:

Interest rate ruling higher, inclination amongst masses to have more comfortable accommodation with better living conditions has augmented improved Real Estate business in India, and your Company will endeavour its best to utilise this situation to increase its market share with the help of the Rural Fund Scheme for Women introduced by NHB with competitive rate of interest under the scheme.

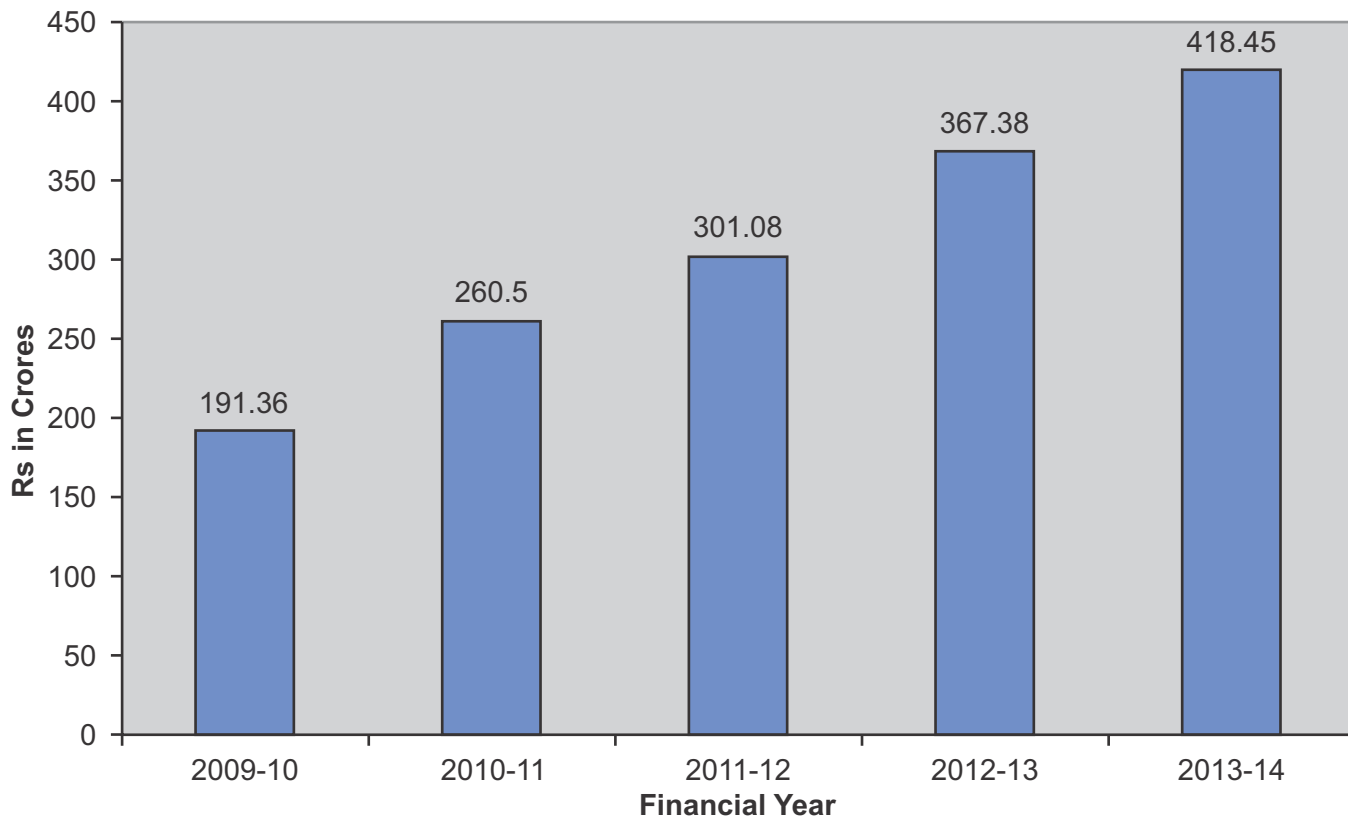
To inculcate a positive team spirit at the Branch level, your Company will continue to chalk out its market strategy duly organizing Road Shows, Branch Managers Conferences, interactive meetings with Marketing Executives and also by visit of Corporate Office Executives to the branches at regular intervals. This is expected to imbibe a sense of quality service by the Branch personnel to the customers and we are confident of better performance in 2014-15.

PERFORMANCE DURING THE YEAR

Sanctions during the year has improved considerably when compared to that of previous year. It was Rs.418.45 as against Rs.367.38 crores relating to the previous year, thus a growth of 13.90%

Rs. in Crores

Sanctions

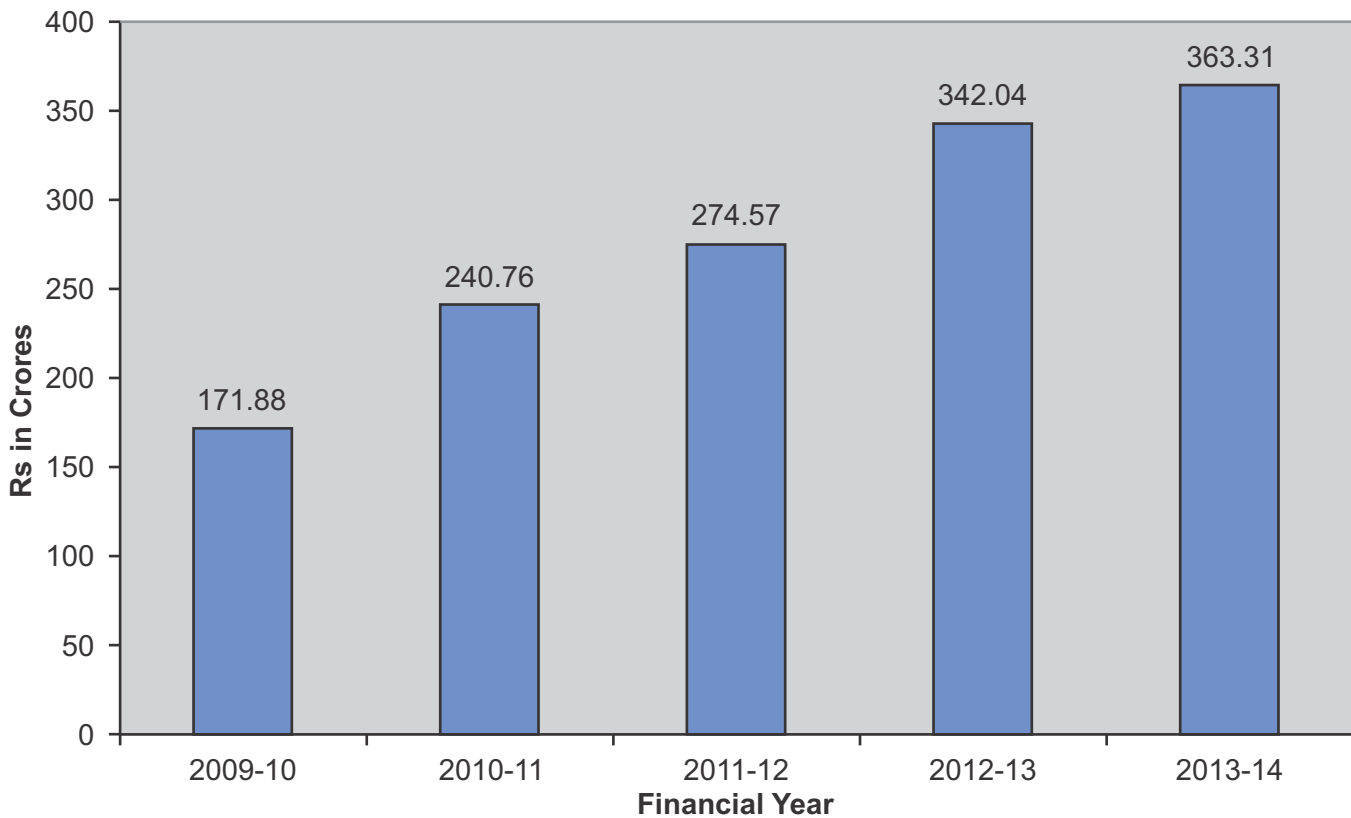


Disbursements amounted to Rs.361.31 which was Rs.342.04 crores in the previous year, thus a notable growth of about 6.31%.

This has resulted in increase of total outstanding loans from Rs.947.54 crores as on 31-03-2013 to Rs.1,125.21 crores as on 31-03-2014.

Rs. in Crores

Disbursements



RECOVERY

Special focus was made during the year under review to curtail Overdues and NPA accounts considerably. Recovery mechanism was reviewed regularly to strengthen the process under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The Gross NPA at Rs.784.98 lakhs worked out to 0.70% of the outstanding portfolio and the Net NPA at 0.43%

RATIOS

	F.Y. 2013-14	F.Y. 2012-13
Earning per share	23.69	Rs.19.29
Dividend per share	50%	50%
Book value	103.99	85.31
Return on equity Capital	236.91	192.87
Return on net worth	22.78	22.61

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 crore. The National Housing Bank sanctioned a refinance assistance of Rs.100.00 crores which will be drawn during the current year. The Company drew a sum of Rs.92.58 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 4600 cases under Rural Housing Scheme of which your Company achieved a major portion of 2786 cases, disbursing Rs.257.94 crores under the said Scheme which works out to 60.57% of our total disbursal.

DEPOSITS

The total deposits outstanding as on 31st March, 2014 is Rs.15.55 crores, (1563 depositors) inclusive of accrued interest. The company has repaid matured deposits amounting to Rs.6.33 crores during the year under report and mobilised deposits at to the extent of Rs.7.99 crores (including renewal).

Unclaimed Deposits:

For the financial year ending 2013-2014, 98 deposits amounting to Rs.89.90 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 31-03-2014, 30 deposits amounting to Rs.8.35 lakhs have since been paid/renewed as a result of follow up action as at 30-04-2014.

Unpaid Dividends Transferred to Investor Education and Protection Fund

During the year, the Company transferred a total sum of Rs.31,950/- 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.

In terms of the directives from the Ministry of Corporate Affairs, your Company has also furnished the details of unpaid/unclaimed dividends and deposits on its web site so as to enable the respective shareholders to approach the company for payment.

CREDIT RATING

The patronage of Dewan Housing Finance Corporation Ltd. has resulted in better ratings. CRISIL, which had reviewed our F.D. rating last year has now reaffirmed its rating at FA+Stable and A Stable for

Rs.150 crore Bank Borrowings. ICRA has given A+ for Rs.200 crore Bank Borrowings and CARE awarded AA for Rs.400 crores Bank Borrowings under BASEL II Norms.

FAIR PRACTICE CODE, KYC NORMS AND ANTI MONEY LAUNDERING STANDARDS

The company continued to ensure that 'FAIR PRACTICE CODE, KYC NORMS AND ANTI MONEY LAUNDERING STANDARDS' as per the guidelines issued by the NHB from time to time are invariably adhered to.

TECHNOLOGY UPGRADATION:

During the year under review the company had efficiently managed inter-connectivity facilities at all levels of the Organisation duly adapting the latest technology and know-how from time to time provided by our Associate Company, DHFL.

CAPITAL ADEQUACY NORMS:

At the end of the year your, Company has maintained a capital adequacy ratio of 18.24% as against the requirement of 12%.

INTERNAL AUDIT COMPLIANCE:

During the year under report your Company periodically reviewed internal auditing system through qualified Chartered Accountants/Firms at the branch level to ensure that adequate internal control system is prevalent. To ensure adequate internal control system, The Concurrent Audit Reports were periodically before the Audit Committee of Directors who also rendered suitable suggestions from time to time.

FUTURE PLANS:

Continuing its ambitious plan to expand its market wings three new branches at Yelahanka (Bangalore), Secunderabad (Andhra Pradesh) and Dindigul (Tamil Nadu) were opened during the year under report. Proposal to open up few more branches and to convert a few Service Centres into full fledged branches are also under active consideration of your company.

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.

Appointment of Independent Directors:

As per Section 149 (10) of the Companies Act 2013, Shri. Bikram Sen and Shri. G.P. Kohli are being proposed to be appointed as Independent Directors, for a term of five years and accordingly separate Ordinary Resolutions are being moved in the ensuing Annual General Meeting scheduled on 20th June, 2014.

Mr.Anil Sachidanand, ceased to be a director with effect from 2nd September 2013 due to his resignation.

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

NAME OF THE MEMBER MR.	DATE OF BOARD MEETING						NUMBER OF MEETINGS ATTENDED
	04/05/13	20/07/13	02/09/13	24/10/13	20/12/13	16/01/14	
Kapil Wadhawan	Yes	No	Yes	Yes	Yes	Yes	5
R Nambirajan	Yes	Yes	Yes	Yes	Yes	Yes	6
Bikram Sen	Yes	Yes	Yes	Yes	Yes	Yes	6
Shri.G.P. Kohli	Yes	No	Yes	Yes	Yes	Yes	5

COMMITTEES OF THE BOARD:

Composition of Audit Committee:

- a) While Shri.G.P. Kohli, director is the Chairman of the Audit Committee, Shri. Bikrum Sen, Shri. Shri.R. Nambirajan are other members of the committee. Shri. B.M. Chaturvedi, the company's Statutory Auditor is the permanent invitee, who renders expert opinion to the Committee.
- b) During the financial year 2013-14 the Audit Committee met four times.

The Committee makes suitable recommendation to the Board from time to time after careful consideration of matters related to recovery, accounts, inspection, audit, etc.

NAME OF THE MEMBER MR.	DATE OF AUDIT MEETING				NUMBER OF MEETINGS ATTENDED
	04/05/2013	20/07/2013	24/10/2013	16/01/2014	
G.P. Kohli	Yes	No	Yes	Yes	3
R Nambirajan	Yes	Yes	Yes	Yes	4
Bikram Sen	Yes	Yes	Yes	Yes	4

Nomination and Remuneration Committee of the Board

As various new Rules under the Companies Act 2013 have come into effect from 1st April 2014, Constitution of a Nomination and Remuneration Committee as per Rule 6 of the Companies (Meetings of Board and its Powers) Rules 2014 are being constituted by the Board.

Similarly, a Vigil Mechanism for the directors and employees to report their genuine concerns or grievances is being set up the Board during the current year.

Other Committees:

1. Asset & Liability Committee. (ALCO)

ALCO Committee. Which consists of the Managing Director, President, Executive Vice-President, Company Secretary, V.P.(Accounts), V.P.(I.T.) and senior employees from Accounts and Computer Planning Department met four times during the year under review.

The committee analyses the modalities to adhere to the norms of NHB and initiates measures to

efficiently manage short term and long term liquidity. It also make a review of deliberations made at ALCO meetings.

2. Treasury Committee:

The Treasury Committee comprising of the Managing Director, President, chief Manager, Vice President (Accounts), meets frequently to oversee sale and purchase of instruments and take suitable measures keeping in view the Investment Policy of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

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

- (a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) Accounting policies have been selected and applied consistently and judgement and estimates that are reasonable and prudent have been made, so as to give a true and fair view of the state of affairs of the company, as on 31st March, 2014 and profit and a loss account of the company for the year ended as above.
- (c) Proper and sufficient care has been taken for maintenance of accounting standards 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.
- (d) The annual accounts have been prepared on a 'going concern' basis.

Disinvestment of the shareholding by the Promoters of the Company:

As permitted under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, and Section 55(A)(b) of Companies Act 1956, the Promoters of the Company viz., Shri.Kapil Wadhawan, Shri. Dheeraj Wadhawan and Smt.Aruna Wadhawan have transferred 92,95,941 (83.89%) equity shares of the company in favour of M/s.Wadhawan Housing Private Limited, Mumbai. The three promoters are the only three shareholders in the transferee company holding 100% of its shares.

As the transfer was made on 21-03-2014 your Company has become a Subsidiary of M/s.Wadhawan Housing Private Limited from that date.

Corporate Social Responsibility:

In terms of Section 135 of the Companies Act 2013, your Directors have evolved a Policy on Corporate Social Responsibility and have constituted a Committee in this regard. We are glad to announce that the various activities enumerated in the said Policy will be undertaken by the company during the current year.

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 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 to the Company as it is a non-manufacturing company. Also there was no foreign exchange earnings and / or expenditure during the year under report.

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

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. They have expressed their willingness to be reappointed. In terms of Rule 6 of the Companies (Audit and Auditors) Rules 2014, a resolution proposing their reappointment for a period of three years is being placed before the members for their consideration at the Twenty-fourth AGM and the term of reappointment will be five years as per the new Companies Act, 2013.

HUMAN RESOURCES:

To strengthen the H.R. Policy and to ensure fair working conditions to the employees, key posts officials are exposed to in-house training programmes of NHB and the company's and also other professional institutions.

ACKNOWLEDGEMENT

Your Directors have great pleasure to acknowledge the impeccable patronization and support it received from the Promoters, Parent Organization DHFL and also wish to place on record its appreciation of cooperation and support received from customers, NHB, Bankers, Depositors, Shareholders etc.

Your Directors are happy to recognize the competence, hard work and commitment of the employees at all levels which had gone a long way in improving the performance of the company year after year.

REGISTERED OFFICE:

S401, 4th Floor, Brigade Plaza,
Ananda Rao Circle, Bangalore-5609 009.

Place : Mumbai,
Date : 28th April, 2014.

For and on behalf of the Board,

Kapil Wadhawan
CHAIRMAN

Auditors' 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 2014, 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") read with General Circular 15/2013 dated 13th September 2013, issued by Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013 and in accordance with accounting principles generally accepted in India. 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 statements, 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 procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates 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, 2014;
- 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. The report on the accounts of the branches offices audited under section 228 by a person other than the company's auditor has been forwarded to us as required by clause (c) of subsection (3) of section 228 and have been dealt with in preparing our report in the manner considered necessary by us.
 - 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 subsection (3C) of Section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of written representations received from the directors of the company as on 31st March 2014, and taken on record by the Board, we report that none of the directors is disqualified as at 31st March 2014 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 : 28th April, 2014.

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

(Animesh Kumar Dutta)
ICAI M N: 132389
Partner

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 2014. We report that:

- i) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The 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 and received any loans to/from companies, firms or other parties listed in the register maintained under section 301 of the Act.
- 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 from parties covered in 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 thereunder 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 an 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. 31) 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 dealings 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 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, except one instances of fraud on company by way of misrepresentation by borrower of loan by fabrication of property document which were taken in earlier year, involving an amount of Rs. 6.36 lacs and as reported to NHB by the company.

Place : MUMBAI
Date : 28th April, 2014.

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

(Animesh Kumar Dutta)
ICAI M N: 132389
Partner

DHFL VYSYA HOUSING FINANCE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2014

(₹ Lacs)

	Note No.	As at 31.03.2014	As at 31.03.2013
EQUITY & LIABILITIES			
Shareholder's Fund			
Share Capital	3	1,108.07	1,108.07
Reserves & Surplus	4	10,414.10	8,437.39
Total Shareholder's Funds		11,522.17	9,545.46
Non Current Liabilities			
Long Term Borrowings	5	90,048.46	73,908.06
Other Long Term Liabilities	6	61.75	62.06
Long Term Provisions	7	817.28	634.21
Total Non-Current Liabilities		90,927.49	74,604.33
Current Liabilities			
Trade Payables	8	21.96	14.88
Other Current Liabilities	9	19,417.48	17,712.40
Short Term Provisions	7	1,503.11	710.74
Total Current Liabilities		20,942.55	18,438.02
TOTAL		123,392.21	102,587.81
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	10	111.39	105.70
Intangible Assets	10	9.58	7.93
		120.97	113.63
Non Current Investments	11	539.50	550.47
Deferred Tax Assets (net)	12	148.01	93.11
Long Term Housing & Property Loans	13	103,457.01	88,084.89
Other Long Term Loans & Advances	14	180.91	143.03
Other Non Current Assets	15	80.00	80.00
Total Non-Current Assets		104,526.40	89,065.13
Current Assets			
Current Investments	16	139.37	299.37
Trade Receivables	15	301.43	252.85
Cash & Bank Balance	17	9,075.64	6,121.32
Short Term portion of Housing & Property Loans	13	9,155.09	6,718.61
Short Term Loans & Advances	18	163.37	106.23
Other Current Assets	15	30.91	24.30
Total Current Assets		18,865.81	13,522.68
TOTAL		123,392.21	102,587.81

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 NAMBIRAJAN
Managing Director

(Animesh Kumar Dutta)
Partner
ICAI M N : 132389

G P KOHLI
Director

BIKRAM SEN
Director

M S L NATHAN
Company Secretary

Place: MUMBAI
Dated: 28th April, 2014.

DHFL VYSYA HOUSING FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014

(₹ Lacs)

	Note No.	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
INCOME			
Revenue from operations	19	15,023.22	12,362.01
Total Revenue		15,023.22	12,362.01
Expenses			
Interest & Other Charges	20	9,906.77	8,422.60
Employees Remuneration	21	811.60	648.61
Administrative & Other Expenses	22	457.93	385.36
Provision for Contingencies	7	196.89	59.71
Depreciation & Amortisation Expenses	10	36.71	26.67
Total Expenses		11,409.90	9,542.95
Profit Before Tax		3,613.32	2,819.06
Tax Expense:			
Current Tax		1,043.32	697.40
Deferred Tax	12	(54.90)	(15.47)
Profit for the Year		2,624.90	2,137.13
Earnings per Equity Share			
Basic ₹	23	23.69	19.29
Diluted ₹		23.69	19.29

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

(Animesh Kumar Dutta)
Partner
ICAI M N : 132389

KAPIL WADHAWAN
Chairman

G P KOHLI
Director

R NAMBIRAJAN
Managing Director

BIKRAM SEN
Director

M S L NATHAN
Company Secretary

Place: MUMBAI
Dated: 28th April, 2014.

DHFL VYSYA HOUSING FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

(₹ Lacs)

	Year ended 31.03.2014		Year ended 31.03.2013	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		3,613.32		2,819.06
Adjustments for:				
Depreciation	36.71		26.67	
Provision for Contingencies	196.89		59.71	
		233.60		86.38
Operating profit before working capital changes		3,846.92		2,905.44
Adjustments for:				
Current Assets	(191.59)		(60.84)	
Current Liabilities	1,154.99		(46.31)	
		963.40		(107.15)
Cash generated from operations during the year		4,810.32		2,798.29
Tax paid		(1,043.32)		(697.40)
Net Cash Flow from Operating activities [A]		3,767.00		2,100.89
B. CASH FLOW FROM INVESTING ACTIVITIES				
Addition / Deduction to investments	160.00		2,983.75	
Addition to fixed assets	(44.06)		(32.69)	
Reduction in fixed assets	0.01		0.59	
Net Cash used in investing activities [B]		115.95		2,951.65
C. CASH FLOW FROM FINANCING ACTIVITIES				
ICD received from Parent Organisation	-		1,000.00	
Loans received from banks/Institutions	9,258.26		37,754.00	
Fixed Deposits received	798.67	10,056.93	617.36	39,371.36
Loans repaid to Banks/Institutions	8,359.96		(15,017.95)	
Fixed Deposits repaid	(606.01)		(415.91)	
Commerical Paper repaid	-		(2,363.07)	
ICD repaid to Parent Organisation	-	7,753.95	(1,000.00)	(18,796.93)
Loans disbursed	(36,330.63)		(34,204.35)	
Loans repayments	18,563.41	(17,767.22)	14,402.51	(19,801.84)
Dividend paid		(831.05)		(110.81)
Tax paid on Dividend		(141.24)		(17.98)
Net Cash from financing activities [C]		(928.63)		643.80
Net increase / decrease (-) in cash & cash equivalents [A+B+C]		2,954.32		5,696.36
Cash & cash equivalents at the beginning of the year		6,121.32		424.96
Cash & cash equivalents at the close of the year		9,075.64		6,121.32

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 NAMBIRAJAN
Managing Director

(Animesh Kumar Dutta)
Partner
ICAI M N : 132389

G P KOHLI
Director

BIKRAM SEN
Director

M S L NATHAN
Company Secretary

Place: MUMBAI
Dated: 28th April, 2014.

DHFL VYSYA HOUSING FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31" MARCH, 2014

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.

The Promoters of the Company have consolidated their share holding in the Company into Wadhawan Housing Private Limited which has now become our Holding Company since 21st March 2014.

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 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect Section 133 of the Companies Act, 2013 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

- a) Provident Fund contributions are made to recognized provident fund and are charged to statement of profit and loss.
- b) Gratuity Fund Scheme is considered as defined benefit plans. The Company liability is determined on the basis of an actuarial valuation using the projected credit unit method as at Balance Sheet date. Actuarial Gains / Losses are recognized immediately in the statement of Profit & Loss in the year on which they arise.
- c) Leave Encashment in respect of retiring employees is charged to Statement of Profit & Loss as and when paid if not provided earlier. The Company is 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 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

	31.03.2014 (₹Lacs)	31.03.2013 (₹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:

	31.03.2014		31.03.2013	
	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 the 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, 2014, the company has paid interim dividend @ ₹2.50 and proposed final dividend to be paid @ ₹2.50 per share (P.Y. Dividend ₹5.00) to the equity shareholders.

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

	31.03.2014		31.03.2013	
	No. Lacs	% holding in the class	No. Lacs	% holding in the class
Equity Shares ₹ 10 each fully paid				
Wadhawan Housing Pvt. Ltd (Holding Company)	92.96	83.89%	-	-
Dewan Housing Finance Corporation Ltd	10.49	9.47%	10.49	9.47%
Kapil Kumar Wadhawan	0.50	0.45%	26.63	24.03%
Dheeraj Rajeshkumar Wadhawan	0.50	0.45%	26.36	23.79%
Arun Rajeshkumar Wadhawan	0.60	0.54%	41.57	37.51%

4. Reserves and Surplus

	31.03.2014 (₹Lacs)	31.03.2013 (₹Lacs)
Securities Premium Account:	1,304.04	1,304.04
Statutory Reserve [As per Section 29C of National Housing Bank Act, 1987 & Section 36(1)(viii) of the Income Tax Act, 1961]		
Opening Balance	3,645.16	3,145.16
Additions during the year	1,000.00	500.00
Closing Balance	4,645.16	3,645.16
General Reserve		
As per last Balance Sheet	1,113.02	613.02
Add transferred from surplus in Profit & Loss	500.00	500.00
	1,613.02	1,113.02
Surplus in Statement of Profit & Loss:		
As per last Balance Sheet	2,375.17	1,886.23
Add: Profit for the year	2,642.90	2,137.14
Less Appropriations:		
Transfer to Statutory Reserve	1,000.00	500.00
Interim Dividend	277.02	-
Proposed Dividend*	277.02	554.04
Dividend Distribution Tax	94.15	94.16
Transfer to General Reserve	500.00	500.00
Surplus closing balance	2,851.88	2,375.17
Total Reserves and Surplus	10,414.10	8,437.39

4.1 Details of Statutory Reserve:

Balance at the beginning of the year		
a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	77.21	56.23
b. Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	3,567.95	3,088.83
c. Total	3,645.16	3,145.16
Addition during the year		
Add: a. Amount transferred u/s 29C of the NHB Act, 1987	259.04	20.88
b. Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	740.96	479.12
c. Total	1,000.00	500.00
Balance at the end of the year		
a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	336.25	77.21
b. Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	4,308.91	3,567.95
c. Total Statutory Reserve	4,645.16	3,645.16

*The Board of Directors in its meeting held on 28th April, 2014 has recommended a final dividend of ₹2.50 per equity share read with note no.3.3 above.

5. Long Term Liabilities

	Non Current Portion		Current Portion	
	31.03.2014 ₹ Lacs	31.03.2013 ₹ Lacs	31.03.2014 ₹ Lacs	31.03.2013 ₹ Lacs
Secured				
Term Loan from Banks:				
From National Housing Bank	37,823.15	33,889.49	6,407.33	6,873.48
From other Banks	51,405.75	39,372.43	12,036.55	9,909.16
Total Secured long term liabilities (A)	89,228.90	73,271.92	18,443.88	16,782.64
Unsecured				
Deposits:				
Fixed Deposits	819.56	636.14	516.12	564.94
Total Unsecured long term liabilities (B)	819.56	636.14	516.12	564.94
Total Long Term Liabilities (A+B)	90,048.46	73,908.06	18,960.00	17,347.58
Amount disclosed under the head "other current liabilities" [Note 9]	-	-	(18,960.00)	(17,347.58)
Net Amount	90,048.46	73,908.06	-	-

5.1 Secured term loan from National Housing Bank are repayable as per the contracted terms in one or more installments between April 2014 and October 2028.

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.29 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 2014 and March 2029.

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

	31.03.2014 (₹Lacs)	31.03.2013 (₹Lacs)
Interest accrued but not due on Deposits.	61.75	62.06
Total Other long term liabilities	61.75	62.06

7. Provisions

	Long Term Provision		Short Term Provision	
	31.03.2014 ₹ Lacs	31.03.2013 ₹ Lacs	31.03.2014 ₹ Lacs	31.03.2013 ₹ Lacs
Provision for employee benefits [A]	6.67	9.51	67.53	39.62
Other Provisions				
Provision for Contingencies:				
on Standard Assets	510.03	402.61	-	-
on Non Performing Assets	300.58	222.09	-	-
on diminution in value of investment	44.35	70.62	-	-
Less: shown as diminution in value of investment separately [note no 11 & 16]	(44.35)	(70.62)	-	-
Provision for Proposed Dividend	-	-	277.02	554.04
Provision for Dividend Distribution tax on Proposed Dividend	-	-	47.08	94.16
Provision for Taxation [net of adv tax & TDS]	-	-	103.80	21.40
Other Provisions	-	-	1,007.68	1.52
Total Other Provisions [B]	810.61	624.70	1,435.58	671.12
Total Provisions [A+B]	817.28	634.21	1,503.11	710.74

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.13] are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank and are as follows:

	31.03.2014		31.03.2013	
	Portfolio ₹ Lacs	Provisions ₹ Lacs	portfolio ₹ Lacs	Provisions ₹ Lacs
Standard Assets				
Housing Loans	1,03,639.10	439.26	87,042.17	358.75
Other Property Loans	8,097.14	70.77	7,069.60	43.85
	1,11,736.24	510.03	94,111.77	402.60
Sub Standard Assets				
Housing Loans	386.51	58.38	299.16	45.20
Other Property Loans	-	-	-	-
	386.51	58.38	299.16	45.20
Doubtful Assets				
Housing Loans	475.88	228.04	379.02	162.66
Other Property Loans	-	-	-	-
	475.88	228.04	379.02	162.66
Loss Assets				
Housing Loans*	13.47	14.16	13.54	14.24
Other Property Loans	-	-	-	-
	13.47	14.16	13.54	14.24
Total	112,612.10	810.61	94,803.50	624.70
Housing Loans	104,514.96	739.84	87,733.90	580.85
Other Property Loans	8,097.14	70.77	7,609.60	43.85
Total	112,612.10	810.61	94,803.50	624.70

7.2 Property loans consists of non housing loans such as mortgage 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.

7.3 The Company has de-recognized total interest income on Non Performing Assets upto 31st March 2014 of Rs. 199.09 lacs (upto P.Y. 163.18 lacs) in terms of the requirement of the National Housing Bank.

7.4 Provision for Contingencies

[including provision for diminution in investment]

	As at 31.03.2014 (₹Lacs)	As at 31.03.2013 (₹Lacs)
As per last Balance Sheet	695.31	635.60
Add: Provision during the year	196.89	59.71
	892.20	695.31
Less: Utilised during the year	(37.24)	-
Balance provision at the end of the year	854.96	695.31
Less: shown as diminution in investment seperately	(44.35)	(70.62)
Net contingency provision against housing & property loans	810.61	624.69

7.5 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 Trade Payables

Trade Payables consist of creditors for expenses amounting to ₹21.96 lacs [P.Y. ₹14.88 lacs].

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'.

9 Other Current Liabilities

	31.03.2014 (₹Lacs)	31.03.2013 (₹Lacs)
Current maturities of borrowings (refer note 5)	18,960.00	17,347.58
Interest accrued but not due on borrowings	29.75	32.32
Current Interest Accrued but not due on Deposits	68.85	55.11
Unclaimed matured deposits and interest accrued thereon	89.52	44.88
Other payables		
Advance from Customers	145.06	138.97
Unclaimed Dividends	3.40	2.48
Other current liabilities	120.90	91.06
Total Other Current Liabilities	19,417.48	17,712.40

9.1 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 ₹0.32 lacs being Unclaimed Dividends.

10 Fixed Assets

10.1 Tangible Assets

(₹ Lacs)

	Computers	Office Equipments	Furniture & Fixtures	Vehicles	Total
Gross Block					
As at 01.04.2012	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
Additions	3.57	7.41	25.79	-	36.77
Deductions/Adjustments	(0.52)	-	-	-	(0.52)
As at 31.03.2014	158.95	64.36	141.91	23.09	388.31
Depreciation					
Upto 01.04.2012	125.56	25.81	78.03	7.31	236.71
Charge for the year	6.81	4.03	6.48	4.08	21.40
Deductions/Adjustments	(11.10)	(0.65)	-	-	(11.75)
Upto 31.03.2013	121.27	29.19	84.51	11.39	246.36
Charge for the year	14.38	4.64	9.03	3.02	31.07
Deductions/Adjustments	(0.51)	-	-	-	(0.51)
Upto 31.03.2014	135.14	33.83	93.54	14.41	276.92
Net Block					
As at 31.03.2013	34.63	27.76	31.61	11.70	105.70
As at 31.03.2014	23.81	30.53	48.37	8.68	111.39

10.2 Intangible Assets

	Gross Block ₹Lacs	Amortization ₹Lacs	Net Block ₹Lacs
Software			
As at 01.04.2012	49.93	36.74	13.19
Additions	-	5.26*	(5.26)
Deductions/Adjustments	-	-	-
As at 31.03.2013	49.93	42.00	7.93
Additions / Charge for the year	7.29	5.64	1.65
Deductions/Adjustments	-	-	-
As at 31.03.2014	57.22	47.64	9.58

*including depreciation on opening balance.

10.3 Depreciation & Amortization

	2013-14 ₹Lacs	2012-13 ₹Lacs
Charge for the year		
Tangible Assets	31.07	21.41
Intangible Assets	5.64	5.26
Total Depreciation & Amortization	36.71	26.67

11 Non Current Investments

			31.03.2014 ₹Lacs	31.30.2013 ₹Lacs
Investment in quoted equity shares	No.	Face Value ₹		
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				
6.25% GOI Bonds	100000	100	95.80	95.80
6.05% GOI Bonds	500000	100	483.00	483.00
			578.80	578.80
			583.85	583.85
Less: Provision for diminution in value of investment			44.35	33.38
Total Non Current Investments			539.50	550.47
Aggregate amount of quoted investments			583.85	583.85
Market value of quoted investments			539.50	550.47

11.1 Investment in Government Securities aggregating to Rs. 289.90 (Previous Year Rs. 289.80 lakhs) carry a floating charge in favour of depositors of Fixed Deposits read with note no.29.

12 Deferred Tax

	As at 31.03.2013 ₹Lacs	Movement during the year ₹Lacs	As at 31.03.2014 ₹Lacs
Deferred Tax			
Provision for Contingencies	91.55	53.87	145.42
Depreciation	1.56	1.03	2.59
Net Deferred Tax Assets	93.11	54.90	148.01

13 Housing and Property Loans

	Non Current Portion		Current Portion	
	31.03.2014 ₹ Lacs	31.03.2013 ₹ Lacs	31.03.2014 ₹ Lacs	31.03.2013 ₹ Lacs
Secured and considered good unless otherwise stated				
Housing Loans				
Standard Loans	96,184.39	81,786.59	7,454.71	5,255.58
Sub-Standard Loans	50.41	38.37	336.10	260.79
Doubtful Loans	475.88	379.02	-	-
Loss Assets	13.47	13.54	-	-
	96,724.15	82,217.52	7,790.81	5,516.37
Other property Loans				
Standard Loans	6,732.86	5,867.37	1,364.28	1,202.24
Sub-Standard Loans	-	-	-	-
Doubtful Loans	-	-	-	-
Loss Assets	-	-	-	-
	6,732.86	5,867.37	1,364.28	1,202.24
Total Housing and Property Loans	103,457.01	88,084.89	9,155.09	6,718.61

- 13.1 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.
- 13.2 Total Housing and Property Loans include ₹90.88 lacs [P.Y. ₹49.50 lacs] on account of EMI receivable / due for more than 91 days.
- 13.3 Housing Loan outstanding includes loan portion amounting to ₹ 1847.70 lacs to cover the insurance premium to secure the borrower's life and thereby further secure by way of risk mitigating method, the Company's Housing Loan portfolio against any eventuality.

14 Other Long Term Loans and Advances

	Non Current Portion		Current Portion	
	31.03.2014 ₹ Lacs	31.03.2013 ₹ Lacs	31.03.2014 ₹ Lacs	31.03.2013 ₹ Lacs
Unsecured and considered good unless stated otherwise				
Security Deposits	84.70	64.65	-	-
Loans to Employess	9.25	9.62	5.72	3.58
Others	86.96	68.76	157.65	102.65
Total Long term Loans & advances	180.91	143.03	163.37	106.23
Current portion disclosed under "short term loans and advances" (refer Note 18): Unsecured and considered good			(163.37)	(106.23)
Net Amount	180.91	143.03	-	-

15 Trade Receivable and Other Assets

15.1 Trade Receivable

	Current Portion	
	31.03.2014 ₹ Lacs	31.03.2013 ₹ Lacs
Secured and considered good		
EMI / PEMI Receivable due for less than 91 days	286.08	246.83
Others	15.35	6.02
Total	301.43	252.85

15.1 Other Assets

	Non Current Portion		Current Portion	
	31.03.2014 ₹ Lacs	31.03.2013 ₹ Lacs	31.03.2014 ₹ Lacs	31.03.2013 ₹ Lacs
Unsecured, considered good				
Non-current portion of balance with banks in deposit account (refer note 17 & 29)	80.00	80.00	-	-
Interest accrued on Investments	-	-	30.91	15.36
Income Receivable	-	-	-	8.94
Total	80.00	80.00	30.91	24.30

15.3 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.29].

16 Current Investment

			31.03.2014 ₹Lacs	31.30.2013 ₹Lacs
Investment in quoted equity shares	No.	Face Value ₹		
9.81% GOI Bonds	160000	100	-	197.24
			-	197.24
Less: Provision for diminution in value of investments			-	37.24
Current Investments in Bonds			-	160.00
Investment in Properties*			139.37	139.37
Total			139.37	299.37

* The Company has purchased properties auctioned under SARFAESI Act being non banking asset amounting to ₹ 139.371 lacs (Previous Year ₹139.37 lacs) for sale and is holding it as investment with short term perspective.

17 Cash and Bank Balances

	31.03.2014 (₹Lacs)	31.03.2013 (₹Lacs)
Cash and cash equivalents		
Balances with banks:		
In current accounts	6,052.59	3,109.75
In deposit accounts with original maturity of less than 3 months	1,999.00	3,000.00
Cash on Hand	24.05	11.57
Total cash & cash equivalent	8,075.64	6,121.32
Fixed Deposits less than 12 months	1,000.00	-
Fixed Deposits more than 12 months	80.00	80.00
Less: Disclosed under Other Assets [non-current assets] (refer Note 15)	(80.00)	(80.00)
Total Net Cash & bank balances	9,075.64	6,121.32

18 Short term loans and advances

	31.03.2014 (₹Lacs)	31.03.2013 (₹Lacs)
Unsecured and considered good		
Loans to employees	5.72	3.58
Others [read with note no. 14]	157.65	102.65
Total short term loans & advances	163.37	106.23

19 Revenue from Operations

	2013-14 (₹Lacs)	2012-13 (₹Lacs)
Revenue from Interest		
Interest on Housing and property loans	13,895.48	11,204.78
Interest on Bonds & Deposits	238.41	123.27
Other interest	2.18	1.58
	14,136.07	11,329.63
Revenue from other financial services		
Loan processing fee	650.36	460.47
Prepayment fee	44.22	37.32
Other operating income*	192.57	534.59
	887.15	1,032.38
Total Revenue from Operations	15,023.22	12,362.01

*In the last financial year, Other Operating Income of ₹534.59 lacs includes ₹210 lacs on account of profit on divestment of shares held in M/S. Aadhar Housing Finance Limited.

20 Interest and Finance charges

	2013-2014 (₹Lacs)	2012-13 (₹Lacs)
Interest on Loans	9,726.35	8,152.56
Interest on Deposits	148.43	121.53
Interest on Others	-	122.66
Finance Charges	31.99	25.85
Total Interest & Finance Charges	9,906.77	8,422.60

21 Employee Remuneration and Benefits

	2013-2014 (₹Lacs)	2012-13 (₹Lacs)
Salaries and Wages	729.69	545.11
Contribution to Provident Fund and other funds	68.55	77.59
Staff Welfare expenses	13.36	25.91
Total Employee remuneration and benefits	811.60	648.61

22 Administrative and other expenses

	2013-2014 (₹Lacs)	2012-13 (₹Lacs)
Rent	110.31	86.71
Rates & Taxes	0.64	0.41
Conveyance & Motor Car Expenses	16.52	18.64
Travelling Expenses	24.24	24.55
Printing & Stationery	11.95	18.02
Advertisement & Business Promotion	14.27	7.88
Insurance	15.34	9.43
Legal & Professional Charges (including Audit Fees)	61.30	45.51
Postage, Telephone & Telegram	91.64	86.76
General Repairs & Maintenance	19.62	15.76
Bad Debts written off	6.36	8.94
Electricity Charges	15.46	12.90
Directors sitting fees	2.72	4.16
Brokerage	1.57	0.54
Credit Rating Charges	29.19	15.80
Other Expenses	36.80	29.35
Total Administrative and other expenses	457.93	385.36

23 Earnings per share

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

	2013-2014	2012-13
a) Net Profit after Taxation attributable to Equity Shareholders (₹ lacs)	2,624.90	2,137.14
b) Number of equity shares outstanding (Nos. Lacs)	110.81	110.81
c) Basic / Diluted Earnings in Shares of ₹ 10 each (a/b)*	23.69	19.29
*there are no dilutive potential shares		

24 Remuneration to Managing Director (Cost to Company Basis):

	31.03.2014 (₹Lacs)	31.03.2013 (₹Lacs)
Basic Pay	25.48	21.00
Reimbursement of Rent	3.00	3.00
Perquisites & Other Allowances	21.44	11.56
	49.92	35.56

Remuneration to Managing Director is within the limits prescribed under sections 198, 269, 309, 310 and Schedule XIII of the Companies Act 1956.

25 Auditor's Remuneration

	31.03.2014 (₹Lacs)	31.03.2013 (₹Lacs)
Audit Fees & Fees for certification [Including payment to Branch Auditors]	16.57	11.28
	16.57	11.28

26 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 ₹1.72 lacs (Previous Year ₹4.24 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 31.03.2014 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:

Changes in the present value of the defined benefit obligation:

	2013-2014 (₹Lacs)	2012-13 (₹Lacs)
Opening defined benefit obligation	56.65	47.97
Interest Cost	4.67	4.08
Past service cost (vested benefit)	-	-
Current service cost	6.80	6.67
Benefits paid	(2.35)	(3.03)
Actuarial (gains)/losses on obligation	(5.61)	0.96
Closing defined benefit obligation	60.16	56.65

Changes in the fair value of plan assets:

	2013-2014 (₹Lacs)	2012-13 (₹Lacs)
Opening fair value of plan assets	76.77	44.55
Expected return	6.33	3.79
Contributions	-	29.76
Benefits paid	(2.35)	(3.03)
Actuarial gains/(losses)	(2.78)	1.70
Closing fair value of plan assets	77.97	76.77
Actuarial (Gains)/Losses on Obligation for the period	(5.61)	0.96
Actuarial (Gains)/Losses on Asset for the period	2.78	(1.70)
Actuarial (Gains) / Losses Recognized in Income & Exp Statement	(2.83)	(0.74)

Liability recognized in Balance Sheet:

	2013-2014 (₹Lacs)	2012-13 (₹Lacs)
Defined Benefit Obligation	(60.17)	(56.65)
Fair Value of plan assets	77.97	76.77
Asset/(Liability) recognized	17.80	20.12

Expense recognized in Profit and Loss:

	2013-2014 (₹Lacs)	2012-13 (₹Lacs)
Current service cost	6.80	6.67
Interest cost on benefit obligation	4.67	4.08
Expected return on plan assets	(6.33)	(3.79)
Past service cost (vested benefit recognized)	-	-
Net actuarial (gain)/loss recognized in the year	(2.83)	(0.74)
Net (benefit)/expense	2.31	6.22

Actual Return on Plan Assets:

	2013-2014 (₹Lacs)	2012-13 (₹Lacs)
Expected return on plan assets	6.33	3.79
Actuarial gain / (loss) on plan assets	(2.78)	1.70
Actual return on plan assets	3.55	5.49

Reconciliation of the liability recognized in the balance sheet:

	2013-2014 (₹Lacs)	2012-13 (₹Lacs)
Opening net liability	(20.12)	3.42
Expense recognized	2.32	6.22
Employer's contribution	-	(29.76)
Amount recognized in the balance sheet under provision for gratuity	(17.80)	(20.12)

Actuarial assumptions:

	2013-2014 (₹Lacs)	2012-13 (₹Lacs)
Mortality Table Indian Assured Lives (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (PA.)	9.29%	8.25%
Rate of escalation in salary(PA)	5.50%	5.50%
Rate of Return on plan assets	9.29%	8.25%
Attrition Rate	9.58%	1.00%

27. 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.

28. Related Party Transactions

List of Related Parties and their relationship:

- a) Holding Company : Wadhawan Housing Private Limited
- b) Associate* : Dewan Housing Finance Corporation Limited
- c) Key Managerial Personnel : Mr. R Nambirajan

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

₹ Lacs

Particulars	Associate / Joint Venture		Key Management Personnel	
EXPENDITURE				
Remuneration to Mr. Nambirajan	-	-	49.67	35.56
Services*	4.50	4.50	-	-
Interest paid	-	10.85	-	-
Dividend	78.67	10.49		
ASSETS				
Investments	-	-	-	-
LIABILITIES				
ICD Recieved	-	1,000.00	-	-
ICD Repaid	-	1,000.00	-	-

28.2 During the year, the company has participated in joint syndication of Housing loans aggregating to ₹2796.40 lacs (Previous Year ₹7,202.33 lacs) out of which the company's share is ₹1398.20 (Previous Year ₹3,601.17 lacs). 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, 2014 amounted to ₹2,624.38 lacs (Previous Year ₹3,084.46 lacs).

29 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.

30 Commitments and Contingencies

Contingent liability in respect of income tax demand of earlier years amounting to ₹26.94 lacs (Previous Year ₹26.94 lacs) 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.31].

31 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 I T demand of ₹90.42 lacs (P.Y. ₹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 of ₹21.92 lacs (P.Y. ₹21.92 lacs) as per order 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 (A) regarding Assessment Year 2010-11 against levy of additional tax demand of ₹5.02 lacs (P.Y. ₹5.02 lacs) as per order 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.

32 As required under NHB regulations additional disclosures are given below:

32.1 Capital to Risk Asset Ratio (CRAR)

	31.03.2014 (₹Lacs)	31.03.2013 (₹Lacs)
CRAR	18.24%	17.38%
CRAR-Tier I Capital	11,522.17	9,452.35
CRAR-Tier II Capital	510.03	402.61

32.2 Maturity pattern of certain items of assets and liabilities as per Asset Liability Management system of the company as of 31st March, 2014 is as under:

₹ Lacs

	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	1,708.93	133.72	975.02		9,075.64
1 to 2 Months		25.13	713.92		
2 to 3 Months	3,074.73	27.91	719.38		
3 to 6 Months	4,642.23	162.58	2,192.51		
6 Months to 1 Year	9,017.99	325.14	4,528.86	139.37	
1 to 3 Years	34,151.00	743.06	20,269.94	1.89	
3 to 5 Years	25,084.88	100.08	16,854.15	537.61	
5 to 7 Years	14,210.23	38.18	15,746.27		
7 to 10 Years	7,537.85		21,046.30		
10 Years and Above	8,244.93		29,474.88		
EMI NPA Accounts			90.88		
Total	107,672.78	1,555.80	112,612.10	678.87	9,075.64
Long Term	89,228.89	881.32	103,457.10	539.50	
Short Term	18,443.89	674.48	9,155.09	139.37	9,075.64
[refer note no. 5,6,9,11,13,17]					
Total	107,672.78	1,555.80	112,612.10	678.87	9,075.64

32.3 Exposure to Real Estate Sector

	31.03.2014 (₹Lacs)	31.03.2013 (₹Lacs)
A. DIRECT EXPOSURE		
(I) Residential Mortgages -		
• Individual housing loans up to ₹ 15 lakh	77,910.79	69,948.88
• Others	26,513.29	17,735.52
(ii) Commercial Real Estate		
• Funds Based	1,394.79	1,988.96
• Non fund Based	-	-
• Others	6,702.35	5,080.64
(b) Investments in Mortgages 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)	-	-

- 33 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.
- 34 Previous year's figures have been regrouped/re-classified wherever necessary to confirm 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.
- 35 Figures in brackets represent previous year [P.Y.] figures. In terms of our report of even date.
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
ICAI M N : 132389

G P KOHLI
Director

BIKRAM SEN
Director

M S L NATHAN
Company Secretary

Place: MUMBAI
Dated: 28th April, 2014.

HIGHLIGHTS OF PERFORMANCE AT A GLANCE

(Rs. in Lakhs)

Particulars/Year	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Share Capital	708.07	708.07	708.07	708.07	708.07	1108.07	1108.07	1108.07	1,108.07	1,108.07
Reserves & Surplus	2941.96	3178.02	3501.79	3757.46	4151.83	5454.81	6343.23	6948.45	8,437.39	10,414.10
Loans Funds	11030.26	16758.95	23035.24	28929.35	29968.66	37868.28	54833.99	70843.27	91,417.70	109,228.59
Total Assets	14680.29	20645.03	27245.10	33394.88	34828.57	44431.17	62285.29	79968.78	102,857.81	123,392.21
Fixed Assets	47.63	42.20	70.06	67.80	88.13	90.89	100.41	108.19	113.63	120.97
Total Income	1780.77	1944.17	2546.42	3459.93	4364.47	4988.12	6737.04	9179.62	12,362.01	15,023.22
Cum. Approvals	50349.00	60161.00	71503.00	83301.00	91619.00	110754.95	136804.95	166912.95	203,651.02	245,496.18
O/s Loans	14083.90	19802.88	25120.84	31097.09	32922.41	42291.07	57869.78	75027.51	94,754.00	112,521.22
Profit before tax	587.37	590.82	691.85	704.96	887.12	1192.77	1680.45	1688.44	2,819.06	3,613.32
Profit after tax	443.88	468.67	550.29	523.64	631.76	855.70	1211.02	1231.2	2,137.13	2,624.90
Special Reserve	1443.70	1673.70	1942.76	2072.28	2249.16	2489.16	2795.16	3145.16	3,645.16	4,645.16
General Reserve	227.04	302.04	377.04	452.04	527.04	617.04	742.04	613.02	1,113.02	1,613.02
Dividend	20%	25%	25%	25%	25%	25%	25%	25%	50%	50%
Book value/share	51.55	54.88	56.56	60.87	66.93	77.64	66.82	72.01	85.31	103.99
EPS	6.27	6.62	7.77	7.40	8.92	10.17	10.93	11.11	19.29	23.69
Return on Equity Capital	62.69%	66.19%	77.68%	73.87%	89.27%	101.78%	109.30%	111.12%	192.87%	236.91%
Return on networth	12.16%	12.06%	13.73%	12.13%	13.34%	13.10%	16.36%	15.43%	22.61%	22.78%
Credit Rating	FAA-Stable	FAA- Stable	FAA- Stable	FAA- Stable	FAA- Stable	FAA- Positive	FAA Stable	FAA Positive	FA+ / Stable	FA+ / Stable
No. of Branches	13	13	15	15	18	17	22	23	26	29



Group photo taken on the eve of Branch Managers' Conference held on 7th-8th March, 2014



Group discussion held at the Credit Officers Meeting held on 7th-8th March, 2014



Deliberations at the Credit Officers Meeting held on 7th-8th March, 2014



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 FOURTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON FRIDAY 20TH JUNE, 2014 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 fourth Annual General Meeting of the Company to be held on Friday 20th June 2014 and at any adjournments hereof.

AS WITNESS my/our hand(s) this _____ day of _____ 2014

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, the Company financed Rs. 257.94 crore for construction of 2786 houses in rural areas under the Golden Jubilee Rural Housing Scheme



Thiruthuraipoondi,
Tanjore Dist., Tamil Nadu



Othakal Mandabam,
Cimbatores Dist., Tamil Nadu



Kengeri, Bangalore Rural,
Karnataka



Yeola Taluk, Nasik,
Maharashtra



Gollapura,
Kakinda Dist., Andhra Pradesh



Kodavanpalayam Village,
Coimbatore, Tamil Nadu