



2nd Annual Report 2012



आधार
हाउसिंग फाइनेंस प्रा. लि.



Aadhar
Housing Finance Pvt. Ltd.

Board of Directors



Shri Kapil Wadhawan



Shri Bikram Sen



Shri V. Sridar



Shri M.S. Sundara Rajan



Shri M. K. Chouhan

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Message from the Chairman

Dear Shareholders,

The world economic scenario is ever changing. Many large economies globally have been impacted by financial crises in the recent times. While India hasn't escaped unscathed by this global turmoil, it continues to move forward with cautious optimism drawing strength from its strong domestic consumption demand.

India's growth momentum is driven by improved affordability, rising disposable income, increasing urbanisation and favourable demographics with close to 60% of India's population below 30 years of age. Despite India's growth story, owning a house still remains a major worry for a large proportion of Indian demographic. According to the Census, Housing shortage is estimated at 24.7 million units in urban and rural India. Rising property costs and scarcity of affordable housing further exacerbates the problem.

Over the last 27 years DHFL has been transforming the lives of Indian households by enabling access to home ownership. Aadhar Housing Finance Pvt. Ltd (AHFL) was launched with a similar objective, that of providing access to home ownership to the Indian low income earning population with specific focus on the low income states.

I feel really proud and happy in acknowledging the successful completion of the 1st year of operation of AHFL and would like to congratulate every employee of AHFL on the accomplishments of this past year. AHFL has managed to establish its presence in 15 locations covering six states across Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Bihar, Jharkhand and Orissa. Taking this further, this year AHFL is stepping into West Bengal with marking its presence in Asansol and Howrah. AHFL has achieved another noteworthy milestone, its loan book crossing Rs.100crs in FY 2012. I am confident that it will continue to grow the loan book in the coming years guided by the robust and stringent business principles adopted by DHFL over years, and cautiously build its business brick by brick, loan by loan.

I also appreciate the support and contribution of our regulator National Housing Bank, our partner International Finance Corporation, our bankers and most importantly our shareholders and employees for their trust in us. The empowered start that AHFL has got will drive the company towards many milestones that it has set for itself this coming year.

Sincerely,

Kapil Wadhawan

Chairman



Message from the CEO

AHFL got formulated jointly by DHFL & IFC with an objective to enable housing loans to the lower & middle income group in specific geographies where access to formal credit to this segment is a challenge. The challenge was to give loans & be operationally sustainable and profitable in the segment and in geographies where KYC and income documentation is a perennial question mark, the cost of operations and servicing remain high and finding skilled manpower to deliver this is a bigger problem.

However, not deterred by all these challenges AHFL stood tall & marked its presence by setting footprint of 15 operational branches in six designated states of Bihar, Jharkhand, Orissa, Chattisgarh, Madhya Pradesh and Uttar Pradesh within one year of its operations.

Some of the key milestones we have crossed in the FY 2011-2012 –

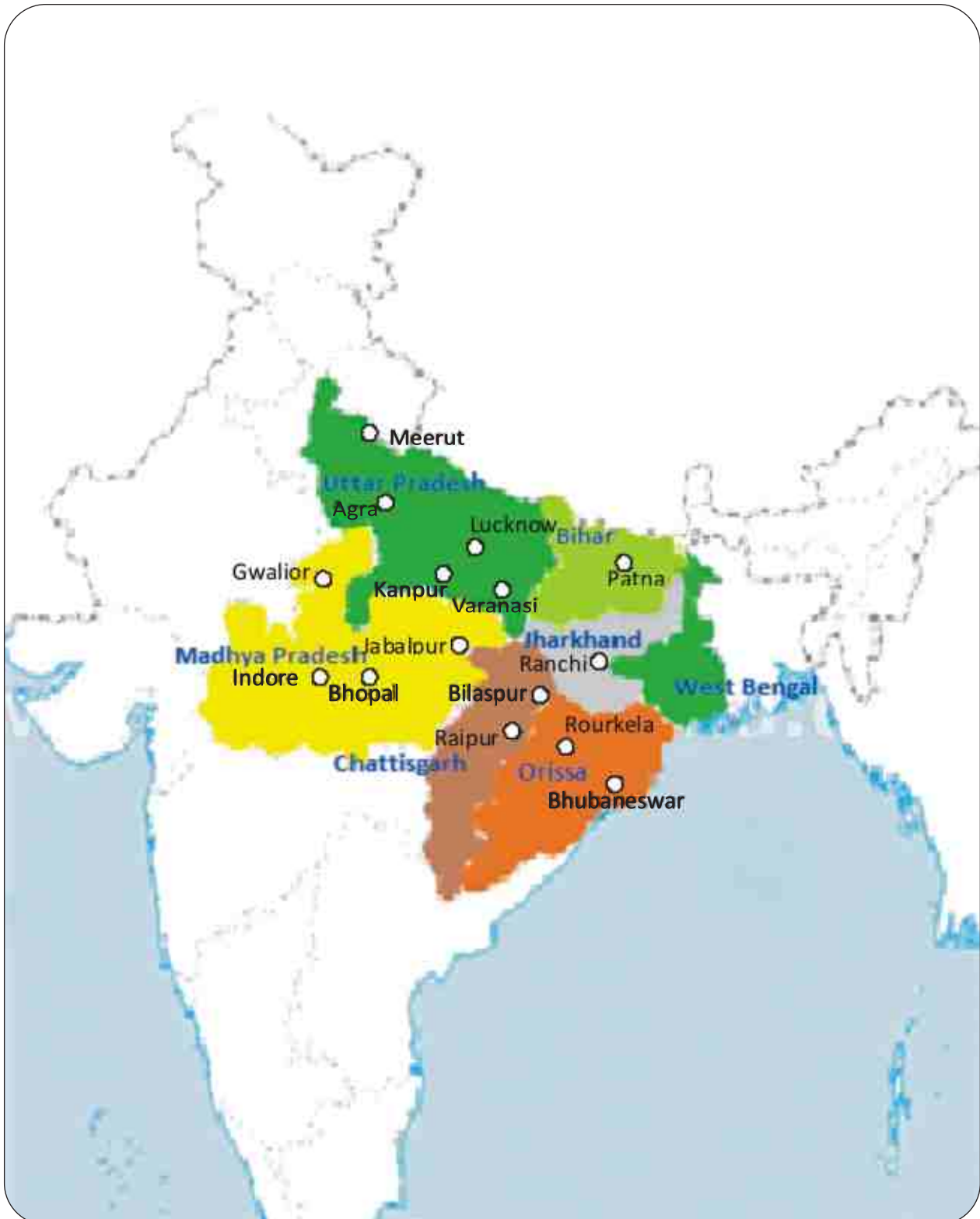
- Aadhar achieved 114% of its budgeted disbursement target for the year.
- As a responsible lender, covered 93 % of its customers by insurance attachment and offering security.
- Nil delinquent cases on the portfolio generated.
- 15 operational branches in 1st year of operations covering total 40 locations
- Sourcing team of 113 executives and 122 channel partners inducted in 15 Branches with dedicated team of 85 employees at branch level.
- Aadhar organized its first Homes and Home Loans exhibition ‘AadharAawas Mela’ along with developers at Indore & Lucknow- The exhibition received great response participation from local builders, brokers and customers.
- KYC and AML program completed by all Aadhar Staff across the corporate office and branches.
- Legal training program developed and conducted across all locations for better understanding of local legal nuances.
- Developed & conducted an in house 2 days induction program for all employees.

The immediate plans on the cards for this year are establishing operations in West Bengal at Asansol & Howrah, Localised credit underwriting at branch level, Disbursement authority at branch level for branches which have gone through the credit underwriting delegation, Cheque printing at local level & 100% spoke activation.

We express our gratitude to our Regulators, National Housing Bank, Members of the board, DHFL, IFC, Bankers, Shareholders & Employees for their continuous support & cooperation.

Harshil Mehta,
Chief Executive Officer

Our Reach



Hubs & Spoke Locations

REGION	HUB	SPOKES 2011-12
MP	Indore	Mhow- Pithampur-Dhar-Dhamnod Ujjain-Dewas
	Bhopal	Sehore - Mandideep
	Gwalior	-
	Jabalpur	Katni
	Agra	-
UP	Lucknow	Barabanki - Raebareli
	Kanpur	Unnao
	Meerut	Ghaziabad - Hapur
	Varanasi	-
CG & OR	Raipur	Durg – Bhilai - Rajnandgaon
	Bilaspur	Korba - Raigarh
	Bhubneswar	Cuttack – Angul – Puri - Khurda
	Rourkela	Sambalpur - Jharsuguda
JHARKHAND & BIHAR	Ranchi	-
	Patna	-

○ Proposed in West Bengal – Howrah & Asansol

Branch Openings



- In the FY 2011-2012 AHFL has opened & made all its planned 15 branches operational & running which marks its footprint all across six states of India. 2 branches in Asansol & Howrah in West Bengal are on the anvil.

Aadhar in Media

Cutting Red Tape to Make Affordable Homes

THE OBSERVER



THOMAS DAVENPORT
Regional Director,
South Asia, IFC

Rampiyari Bai Hotele's family previously had no way of accessing home loans or related financial services. The family needed about ₹4.5 lakh, or \$10,000, an amount too small for a bank to service, to acquire land on which they hoped to retire. Rampiyari Bai works as a matron in a government hospital in Gwalior in Madhya Pradesh for the last 20 years.

The family's tiny pension, Rampiyari's humble earnings and those of her son Vishnu, who is a clerk at a private college, were not enough to make the purchase without additional resources.

A loan from IFC client Aadhar Housing, a housing finance company, assisted in meeting the gap to help the family's dream become reality. Aadhar is a newly-formed company that provides home loans to under-served populations in India's low-income states like Uttar Pradesh, Orissa, and Madhya Pradesh.

Rampiyari is just one example of the over one billion people around the world that live in inadequate housing and have limited options of obtaining affordable home loans.

Access to housing and affordable home financing has important multiplier effects. According to an estimate accepted by the National Housing Bank, India's urban housing shortage is almost 25 million units. A majority of this is among the

URBAN HOUSING SHORTAGE IN INDIA IS ALMOST 25 MILLION

कम आय वालों के लिए आधार



Priya Nair
Executive Officer, Aadhar Housing Finance

have come up, adequate supply of for those remains a challenge. The Government and the National Housing Bank have made great strides in creating a supportive environment for this sector. Needs to be done.

Encourage PPPs

State government build in larger affordable prices approach. If turn can be kept low, 30-40%, a high floor even in the affording delays in

Lessons from el

India can also look replicating or cu from elsewhere. With positive efforts, developers, tators/ multilateral stand the impediments enormous opportunities proposition gest a roadmap.

Aadhar Housing may tie up with banks to expand reach

Mumbai, Sept 7
Aadhar Housing Finance, which caters solely to the low-income group, is exploring tie-ups with public and private banks to push home loans in six low-income States.

While the banks' network could provide the HPC (housing finance company) the reach to expand its business, the latter could help banks meet priority sector requirements, said Mr Harshil Mehta, Chief Executive Officer, Aadhar Housing Finance.

"We plan to initiate talks with banks. We are looking for opportunities in those locations where banks are not lending very aggressively," Mr Mehta said, in an interview with Business Line.

JV HOLDINGS

Aadhar Housing is a joint venture in which Dewan Housing Finance Ltd and its subsidiary DHFL Vyasa Housing Finance Ltd have 80 per cent equity stake and International Finance Corporation, the remaining 20 per cent. It was launched in February 2011 and is currently operational in six locations in Uttar Pradesh and Madhya Pradesh.

The mandate that Aadhar has from IFC is to lend to the low-income group, with monthly incomes between Rs 2,000 and Rs 20,000. So, it plans to focus on the six low-income States - Madhya Pradesh, Uttar Pradesh, Chhattisgarh, Odisha, Jharkhand and Bihar.

The company plans to open 15 branches in these six States by March 2012 and service more than 45 locations through the hub-and-spoke model.

LOAN SIZE

As the average ticket size of the loans in the low-income group is Rs 4 lakhs, all loans given by Aadhar would qualify for priority sector loans.

"Some of the locations we lend to may be rural, strictly going by the definition of the Government. So, some of our loans may even qualify for schemes of rural housing finance," Mr Mehta pointed out. This, too, could help banks meet their regulatory requirements.

Since inception, Aadhar has sanctioned 600-700 loans, and disbursements are in progress. "Most of our customers take loans for self-construction. In such cases disbursements will take time," Mr Mehta said.

This year Aadhar is looking at sanctioning 2,000-2,500 loans. At an average ticket size of Rs 4 lakh, this works out to about Rs 80-100 crore worth of sanctions.

"The demand is huge. In the six States that we plan to have our operations, we are looking at a demand of 60 lakh units," Mr Mehta said.

आधार हाउसिंग फाइनेंस ने छत्तीसगढ़ में अपनी उपस्थिति मजबूत की

छत्तीसगढ़ के मुख्यमंत्री भूपेश बघेल ने आधार हाउसिंग फाइनेंस लिमिटेड के सीईओ हार्शल मेहता को राज्य की पहली वीपीएन (विकास प्रोत्साहन निदेशिका) पुरस्कार से सम्मानित किया।

मेहता ने कहा कि आधार हाउसिंग फाइनेंस लिमिटेड का उद्देश्य है कि हम छत्तीसगढ़ के निवासियों को आसानी से घर के लिए ऋण प्राप्त कर सकें।

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Economy

Dewan Housing Arm Sets ₹100-cr Disbursement Target

NAGESHWAR PATHAK
CHHATTISGARH

Aadhar Housing Finance (AHFL), a sister concern of Dewan Housing Finance Corporation Ltd (DHFL), said on Wednesday it targeted to disburse ₹100 crore to the lower income group for homes by end of the current fiscal.

Addressing reporters here on the sidelines of opening its

first branch in the city, Aadhar CEO Harshil Mehta said, "In the past eight months, the company has received and processed over 2000 applications and disbursed around ₹50 crore so far." The response to our products in Uttar Pradesh, Madhya Pradesh and Chhattisgarh is quite encouraging. We are planning to expand to Jharkhand and Bihar in the near future," Mehta said, adding,

AHFL has targeted a total disbursement of ₹100 crore by the end of current fiscal.

Saying that Aadhar was envisaged to reach out to the lower income segment with monthly incomes ranging from ₹500 to ₹20,000, the company would enable common people to access housing finance and will provide loans up to ₹4 lakh. Aadhar will offer an array of products, including home

loans, home improvement and extension loans, plot purchase loans, self-construction loans and gradually extend products such as mortgage loan, lease rental finance and non-residential property loans. Regarding Chhattisgarh, the CEO said the company would open its second branch in December and disburse ₹10 crore by the end of March 2012.

The Bhubaneswar branch will

it survive Outback, Part A, Angad, Behnampur and Preetip. Its "hub-and-spoke" model, Mehta added. "Bhubaneswar has strongly emerged as the IT/ITES hub in eastern India with a record margin of 42.2% in total employment among the Tier II cities. One of the first planned cities of modern India, this temple city has a growing population of over 19 lakh," Mehta observed.

- AHFL is recognized as a role model by regulators, stakeholders & media. The article published in Economic times by Thomas Davenport, Regional Director, South Asia, International Finance Corporation mentions the work being done by Aadhar.

Aadhar with Customers



- AHFL believes in staying close to its customers to the grass root level , that's why we keep on designing different information and awareness activities to let our segment know which products & services benefit them the most.

Aadhar Awaas Mela



- 'Aadhar Awaas Mela' - Conceptualised to provide all property solutions under one roof to prospective customers (property info, technical & legal info, finance & insurance info etc.).
- Conducted first phase in Indore & Lucknow which saw enthusiastic participation from customers & developers, soon to be replicated in other locations.

Employee skill development & Training programme



- Aadhar leaves no stones unturned in arming its employees with requisite skills and knowledge for empathizing and providing housing loan to its segment. We developed an in house training programme of 2 days that not only developed skills (sourcing, underwriting, valuation, legal etc.) for providing mortgages but also sensitized the team on the values, mission and objectives of the organisation. Thus building a strong character. 100% of the branch level employees have gone through it.
- Aadhar has also Conducted 2 days advance credit training program for the credit team at branches as well as corporate office to empower them with all aspects of Credit underwriting.

Some of our customers



Directors' Report for the financial year 2011-12

Your Directors have great pleasure in presenting the 2nd Annual Report together with the audited Financial Statements of the Company for the year ended 31st March, 2012.

Business Overview & Operations of the Company

The Company, Aadhar Housing Finance Pvt. Ltd. (AHFL) was incorporated on 3rd May, 2010 with equity participation from Dewan Housing Finance Corporation Ltd. (DHFL), DHFL Vysya Housing Finance Ltd. and also from International Finance Corporation (IFC), USA. The company received Certificate of Registration under Section – 29A of the National Housing Bank (NHB) Act, 1987 on 11th August, 2010 to carry on the business of housing finance institution without accepting public deposits.

AHFL's mission is to strive to be first choice of financier in the 7 states in India, such as U.P., M.P., Odissa, Bihar, Jharkhand, Chhattisgarh and West Bengal, catering to low and middle income segment which is aimed to be achieved through innovative credit underwriting and focussed approach in providing financial assistance to borrowers and add value to the stakeholders. AHFL has already opened 15 Branches and they became fully operational at all locations, in addition to Registered & Corporate Office located at Mumbai and a representative office at New Delhi. The Company has planned for commencing one more Branch in West Bengal during Q-2 of FY 2012-13.

This review has been prepared in accordance with the provisions of the Companies Act, 1956 which requires the Company to set out a fair review of the business of the Company during the financial year, including an analysis of the financial position of the at the end of the financial year 2011-12.

Financials

A summary of financial statements and profitability for the year ended 31st March, 2012 are given below for the information of shareholders of the Company:

(Rs. In Lacs)

Particulars	For the year ended 31-03-2011	For the ended 31-03-2012
Total income from Operations	326.79	1,304.62
Less:		
Total Expenditures	279.09	1,175.41
Profit before Taxes	47.70	129.21
Provision for Taxes	Nil	(129.74)
Profit after Taxes	47.70	258.95
Appropriations:		
Transfer to Special Reserve under NHB Act	9.55	51.79
Retained Profits	38.15	245.31
Earning per share-Basic/ Diluted	0.10	0.26

Fixed Deposits from Public

The Company did not accept any amount of Fixed Deposit from Public during the financial year 2011 – 12 and also passed as resolution at the Board Meeting to this effect for submission to NHB.

Dividend

The Directors do not recommend any dividend for the year ended 31st March, 2012 in order to retain the profits during the year under report for future business expansion programme.

Directors

During last year, three directors namely, Shri Kapil Wadhawan and Shri Bikram Sen were appointed as first Directors as per the Articles of Association on 3rd May, 2010 and Shri V. Sridar was appointed as Independent & Additional Director of the company on 19th August, 2010. All these three Directors mentioned above had retired at the last Annual General Meeting (AGM) held on 4th July, 2011.

During the year under report, the Board has appointed Shri M.S. Sundara Rajan and Shri M.K. Chouhan as Additional Directors of the company on 3rd June, 2011 & 25th July, 2011 respectively and their term of office expire at this AGM. These two directors retire at this AGM as per the provisions of Section – 260 of the Companies Act, 1956 and being eligible, offer themselves for re-appointment.

Retirement of Directors at the AGM

The Company's Articles require that at every Annual General Meeting one-third of the Directors, or if their number is not three or multiple of three, the number nearest to one-third, shall retire from office. The Directors to retire by rotation are those who have been longest in office since appointment. At this AGM, two directors viz. Shri M.S. Sundara Rajan and Shri M.K. Chouhan appointed as Additional Directors during the year under report are retiring and being eligible offer themselves for reappointment.

Buy-back of the Company's Own Shares

During the year under report, the Company did not bought back any of its shares.

Directors' Responsibility Statement

Each Director further confirms, to the best of their knowledge:

- That in the preparation of the annual financial statements, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for that period;
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the directors had prepared the annual accounts on a going concern basis.

Reappointment of Auditors

The retiring auditors appointed at the last AGM, M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai have given their consent to act as statutory auditors and given their confirmation under the Companies Act, 1956 for reappointment as auditors of the company, which will be placed before the members at the 2nd AGM.

Their appointment has been recommended by the Audit Committee and confirmed by the Board, subject to the approval of members and the authority to approve their remuneration and reimbursement of other expenses, if any may be delegated to the Board by the shareholders, at the forthcoming 2nd AGM.

Particulars of conservation of Energy, technology absorption, foreign exchange earnings and outgo

Particulars of conservation of Energy, technology absorption, foreign exchange earnings and outgo etc. As per the provisions of the Companies Act, 1956 are not applicable to the company during the year under report.

Particulars of employees in receipt of remuneration above the limits of Section – 217 (2A) of the Act

The Particulars of employees, who are employed during the year and in receipt of remuneration as per the limits prescribed under the Section – 217 (2A) of the Act is attached as Annexure to the report.

Acknowledgement

Your directors would like to place on record their sincere gratitude to the Regulators, National Housing Bank, Registrar of Companies; Bankers, Group companies Dewan Housing Finance Corporation Ltd., DHFL Vysya Housing Finance Ltd., International Finance Corporation, other stake-holders, customers and all other business associates for their continued support during the year under report.

The Directors also place on record their appreciation for the contributions made by the employees at all levels in the organisation.

By the Order of Board of Directors


Kapil Wadhawan
Director


Bikram Sen
Director

Place: Mumbai

Date : 17th July, 2012



AUDITORS' REPORT

CHATURVEDI & SHAH
Chartered Accountants

To the Members of Aadhar Housing Finance Private Limited

We have audited the attached Balance Sheet of **Aadhar Housing Finance Private Limited** as at 31st March 2012, and also Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date. Preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 (as amended) (the 'Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 1 above, we state 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, the Company, as required by law, has kept proper books of account, so far as appears from our examination of such books.
 - c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d) In our opinion the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the mandatory Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors of the Company as on 31st March, 2012 and taken on record by the Board, we report that none of the directors is disqualified as at 31st March, 2012 from being appointed as a director under section 274 (1) (g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to explanations given to us, the said Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;



Main Office: 714-715, Tulsiani Chambers, 212, Nariman Point, Mumbai - 400 021, India. Tel.: +91 22 3021 8500 • Fax: +91 22 3021 8595
www.cas.mn.in

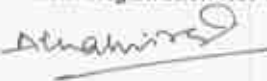
Branches: Ahmedabad | Bangalore | Delhi | Jamnagar | Kolkata

CHATURVEDI & SHAH
Chartered Accountants

- (ii) In the case of Statement of Profit and Loss, of the Profit of the Company for the year ends as on that date; and
- (iii) In the case of Cash Flow statement, of the cash flow for the year ended on that date.



For **CHATURVEDI & SHAH**
Chartered Accountants
Firm Registration No: 101720W



AMIT CHATURVEDI
(Partner)
Membership No: 103141

Place: Mumbai
Date: 30th April, 2012

ANNEXURE TO AUDITOR'S REPORT

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, this being the first year of operations management is in the process of adopting a physical verification programme, which is reasonable, having regard to the size of the Company and nature of its assets.
 - c. In our opinion, the Company has not disposed of a substantial part of fixed assets during the year.
2. As the Company does not have inventory, clause (ii) of paragraph 4 of Order is not applicable to the Company.
3. The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties as listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provision of clause (iii) (b) to (iii) (d) of paragraph 4 of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. According to information and explanation given to us, the contracts or arrangements referred to in section 301 of the Companies Act, 1956.
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanation given to us, transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regards to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of the Order, 2003 are not applicable to the Company.
7. 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.



8. We have been informed by the Management that the Central Government has not prescribed maintenance of cost records for the Company under section 209(1) (d) of the Company Act 1956.
9. In respect of statutory dues:-
 - a. According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income-Tax, Service Tax, and any other statutory dues as applicable, with the appropriate authorities. During the year there are no arrears of outstanding statutory dues as at the last day of the financial year concerned, for a period of more than six months from the date they became payable.
 - b. According to the information and explanation given to us, there are no dues of Provident Fund, Income-Tax and Service Tax which have not been deposited on account of any dispute.
10. The Company has been registered for a period of less than five years and hence the provisions of clause (x) of the Order, 2003 are not applicable to the Company.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to Financial Institutions and Banks. Company has not issued debentures.
12. In our opinion, the Company has maintained adequate documents and records in the cases where the Company has granted loans and advances on the basis of security by way of residential houses and properties and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provision of clause (xiii) of paragraph 4 of the Order, are not applicable to the Company.
14. The Company is maintaining proper records of the transactions and contracts about the dealings in securities and investments and has made timely entries in records. The securities, debentures and other investments have been held by the Company in its own name.
15. According to the information and explanation given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, on an overall basis; the term loans have been applied for the purposes for which they were obtained.



CHATURVEDI & SHAH
Chartered Accountants

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued secured debentures hence the question of creation of security does not arise.
20. The Company has not raised any money by way of public issues during the year.
21. According to the information and explanation given to us, no fraud on/or by the Company has been noticed or reported during the year that causes the financial statement to be materially misstated.

For **CHATURVEDI & SHAH**
Chartered Accountants
Firm Registration No. : 101720W



Amit Chaturvedi

AMIT CHATURVEDI
(Partner)
Membership No: 103141

Place: Mumbai
Date: 30th April, 2012

Auditors' Report to the Board of Director of Aadhar Housing Finance Private Limited on the compliance of Directors / Regulations of National Housing Bank for the year ended 31st March, 2012 under the Housing Finance Companies (NHB), Directions, 2010.

To,
The Board of Directors,
Aadhar Housing Finance Private Limited

As required by Chapter IV of the Housing Finance Companies (NHB) Directions, 2010 ('the Directions') we give below, a statement on the matters specified in paragraphs 35 and 36 of the said Directions, to the extent applicable to Aadhar Housing Finance Private Limited ('the Company'), for the year ended 31st March, 2012.

1. The Company was incorporated on 3rd May, 2010 and hence clause (i) of Para 35 of the said directions is not applicable to the Company.
2. The Company had applied for registration as required under Section 29A of the National Housing Bank Act, 1987 and has been granted a certificate of registration dated 11th August, 2010.
3. As the Company is not accepting/holding public deposits and hence clause (iii) of Para 35 of the said directions is not applicable to the Company.
4. The Company has complied with Section 29C of the National Housing Bank Act, 1987.
5. To the best of our information and belief the Company has complied with the provisions of the Directions.
6. The capital adequacy ratio as disclosed in the return submitted to the National Housing Bank has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio as prescribed by the National Housing Bank in these Directions.
7. The Company is not accepting/holding public deposits and hence clause (vii) of Para 35 of the said directions is not applicable to the Company.



Head Office: 714-715, Taurus Chambers, 212, Nariman Point, Mumbai - 400 021, India. Tel.: +91 22 3021 8500 • Fax: +91 22 3021 8595
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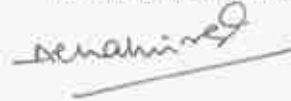
CHATURVEDI & SHAH
Chartered Accountants

8. The Company is not accepting/holding public deposits and the board of directors has passed the resolution for non acceptance of any public deposits in its meeting held on 9th May, 2011. The Company has not accepted any public deposits during the year and complied with prudential norms.

Place: Mumbai
Date: 30th April, 2012



For **CHATURVEDI & SHAH**
Chartered Accountants
Firm Registration No. : 101720W



AMIT CHATURVEDI
(Partner)
Membership No: 103141

AADHAR HOUSING FINANCE PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at March 31, 2012 Amt. in ₹	As at March 31, 2011 Amt. in ₹
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	3	1,00,00,00,000	1,00,00,00,000
(b) Reserves and Surplus	4	3,06,65,335	47,70,175
2. Non-current liabilities			
(a) Long-term borrowings	5	20,00,00,000	-
(b) Long-term provisions	6	67,66,213	3,01,932
3. Current liabilities			
(a) Other Current liabilities	7	7,31,31,449	63,16,748
(b) Short-term provisions	8	1,85,39,071	72,867
TOTAL		1,32,91,82,868	1,91,14,61,722
II. ASSETS			
1. Non-Current assets			
(a) Fixed Assets	9		
(i) Tangible assets		2,60,95,441	72,58,694
(ii) Intangible assets		7,80,456	-
(b) Deferred tax assets (net)	10	1,29,73,756	-
(c) Housing and other loans	11	1,00,23,21,730	7,19,801
(d) Long-term loans and advances - Others	12	53,67,321	36,39,729
(e) Other non-current assets	13	56,89,034	73,34,117
2. Current assets			
(a) Current investments	14	-	99,03,14,798
(b) Housing and other loans	11	3,79,52,785	26,584
(c) Trade receivables	15	45,25,239	-
(d) Cash and cash equivalents	16	22,42,11,103	19,81,336
(e) Other current assets	17	91,85,204	1,66,663
TOTAL		1,32,91,82,868	1,91,14,61,722
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

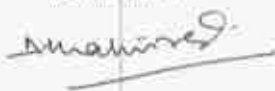
For and on behalf of the Board of Directors

For Chaturvedi & Shah
Chartered Accountants
(ICAI FIRM: 30172008)

Kapil Wadhawan
(Director)

Bilwanta Sen
(Director)

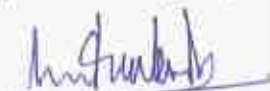
V. Seider
(Director)



Amit Chaturvedi
Partner
(ICAI No. 301141)



Harshit Mehta
(Chief Executive Officer)



V.N. Sreekanta
(Company Secretary)

Mumbai
Date: 30th April, 2012



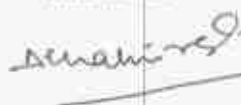
AADHAR HOUSING FINANCE PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note No.	For the Year ended March 31, 2012	For the Year ended March 31, 2011
		Amt. in ₹	Amt. in ₹
I Revenue from Operations	18	6,46,50,595	1,87,962
II Other Income	19	6,58,03,209	3,24,91,628
III Total Revenue (I + II)		13,04,62,884	3,26,79,590
IV Expenses :			
Finance costs	20	7,02,193	-
Employee benefits expense	21	5,45,52,064	44,96,454
Other operating expenses	22	5,39,03,237	2,23,68,605
Provision for contingencies		44,55,533	-
Depreciation		22,63,368	73,057
Amortisation of expenses		16,65,084	9,71,299
Total Expenses		11,75,41,480	2,79,89,415
V Profit Before Tax		1,29,21,404	47,70,175
VI Tax Expense:			
(1) Current tax		-	-
(2) Deferred tax		(1,29,73,756)	-
Total Tax Expense		(1,29,73,756)	-
VII Profit/(loss) for the period from Continuing Operations (V - VI)		2,58,95,160	47,70,175
VIII Earnings per equity share:			
(1) Basic		0.26	0.10
(2) Diluted		0.26	0.10
2.1			
Summary of significant accounting policies			
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah
Chartered Accountants
(ICAI FIRM : 10122065)



Amit Chaturvedi
Partner
(ICAI M.F.No. 103141)

Mombhai
Date : 30th April, 2012




Kapil Wadhawan
(Director)


Harshil Mehta
(Chief Executive Officer)


Bharan Sen
(Director)


V. Sridar
(Director)


V.N. Sreekanth
(Company Secretary)



AADHAR HOUSING FINANCE PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2012

(In ₹)

	For the year ending on 31st March, 2012		For the year ending on 31st March, 2011	
1 CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxes from continuing operations		1,29,23,494		47,90,125
Non cash adjustments to reconcile profit before tax to net cash flows				
Amortisation from continuing operations	16,55,584		5,72,209	
Depreciation from continuing operations	22,63,368		32,057	
Provision for doubtful debts	44,55,337			
Other operational income	-4,91,23,302	-3,17,41,402	-3,18,14,798	-3,07,70,042
Operating Profit before working capital changes		-1,88,28,003		-2,68,00,267
Movement in working capital				
Decrease / (Increase) in flow current Housing and other loans	-1,00,06,21,929		-2,19,803	
Decrease / (Increase) in Current Housing and other loans	-1,78,36,201		-30,384	
Decrease / (Increase) in long term loans and advances	1,85,634		-35,72,130	
Decrease / (Increase) in Trade receivables	-43,23,239			
Decrease / (Increase) in other current assets	-90,18,541		-1,06,063	
Increase / (Decrease) in long term provisions	20,08,748		3,01,932	
Increase / (Decrease) in short term provisions	4,84,06,295		22,867	
Increase / (Decrease) in other current liabilities	6,68,54,701		83,10,748	
Cash generated from operations during the year		-96,54,36,824		22,06,289
Taxes paid		-38,43,56,826		-2,27,51,898
NET CASH FLOW FROM OPERATING ACTIVITIES		-98,63,29,852		-2,10,61,497
2 CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed assets (including Capital work in progress)	-2,18,00,172		-73,11,751	
Other operational treasury income (Dividend)	4,01,23,392		3,18,14,798	
Purchase of current investments	-87,62,31,784			
Purchase/Redemption of current investments	1,36,65,66,582	1,00,85,19,518	-99,02,14,798	-86,58,31,751
Net cash used in investing activities		2,22,29,744		-88,96,91,348
3 CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity share capital	-		1,00,00,00,000	
Share issue expenses	-		-43,21,416	
Proceed from Long term borrowing	20,00,00,000			79,16,74,184
Net cash flow from financing activities		20,00,00,000		80,16,74,184
Net Increase / (Decrease) in cash and cash equivalents		22,22,29,747		19,81,336
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR,		19,81,336		-
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		22,42,11,183		19,81,336

	As at 31st March, 2012	As at 31st March, 2011
Components of cash and cash equivalents		
Cash on Hand	7,90,183	11,209
With banks - on current account	34,70,920	19,70,037
With banks - on deposit account	22,00,00,000	
Total cash and cash equivalents (Note 18)	22,42,11,183	19,81,336

As per our report of even date

For and on behalf of the Board of Directors

For Chartered & Shah
Chartered Accountants
(Firm No. 107286)

Amrit Chaturvedi

Amrit Chaturvedi
Partner
(ICR No. 0004)

Kapil Wadhawan
(Director)

Harshil Mehta

Harshil Mehta
(Chief Executive Officer)

V. S. Sarda

V. S. Sarda
(Director)

V. N. Sreekant

V. N. Sreekant
(Company Secretary)



Mumbai
Date: 10th April, 2012

AADHAR HOUSING FINANCE PRIVATE LIMITED

Schedule annexed to and forming part of the Balance sheet as at March 31, 2012 and Statement of Profit and Loss account for the year ended March 31, 2012.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

Aadhar Housing Finance Private Limited (the "Company") was incorporated on 3rd May 2010. The main object of the Company, inter alia, are to carry on the business of providing long term finance to individuals, companies, corporations, societies or association of person for purchase / construction / repair and renovation of new/existing flats/house for residential purpose and provide property related services. The Company has received certificate of registration, under Section 29A of the National Housing Bank (NHB) Act, 1987, from the NHB on 11th August, 2010 to carry on the business of long term finance for housing.

2. Basis for preparation of accounts

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the generally accepted accounting principles in India (Indian GAAP) and in compliance with the relevant provisions of the Companies Act, 1956. Further, the Company follows the Directions issued by the National Housing Bank (NHB) for Housing Finance Companies (HFC).

2.1 Presentation and disclosure of financial statement

During the year ended 31st March 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2.3 Revenue recognition

i. Income on Loan transactions

Repayment of housing loans 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 monthly interest is payable.

Interest on performing assets is recognised on accrual basis and on non - performing assets on realisation basis as per the guidelines prescribed by the national housing bank. The interest income (payment) is adjusted for gain (loss) on corresponding hedge contracts / interest swap derivatives, wherever executed.

ii. Income from Current and Long-term Investments

Income from dividend on shares of corporate bodies and units of mutual funds is accounted on accrual basis when the Company's right to receive dividend is established.



2.4 Provisions for Standard/Non Performing Assets and Doubtful Debts

The Company provides an allowance for loan receivables based on the prudential norms issued by the NHB relating to income recognition, asset classification and provisioning for non-performing assets.

In addition to this the Company provides for provision on Standard Assets as required by the directions issued by the NHB.

2.5 Investments

i. Long term investments

Long term investments are stated at cost as per Accounting Standard (AS 13) on "Accounting for Investments" and the guidelines issued by the National Housing Bank. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

ii. Current investments

Current investments comprising investments in mutual funds are stated at the lower of cost or market value.

2.6 Fixed Assets

i. Tangible:

Fixed Assets are stated at Cost includes amounts added on Revaluation less accumulated depreciation and impairment loss, if any. All Costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts & adjustments arising from exchange rate variations attributable to the Fixed Assets are capitalized.

ii. Intangible:

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses if any. Intangible assets are amortized on a straight line basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

2.7 Depreciation

Depreciation on tangible fixed assets is provided on a straight-line basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

All capital assets with individual value less than Rs 5,000 are depreciated fully in the month in which they are purchased.

2.8 Lease

Leases are classified as operating lease where significant portion of risks and reward of ownership of assets acquired under lease are retained by the lessor. Lease rentals for such leases are charged to Profit and Loss account on accrual basis.

2.9 Foreign Exchange

(i) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

(ii) Monetary items denominated in foreign currencies at the year-end rates. In case of monetary item which are covered by forward exchange contracts, the difference between the year end rate and rate on the contract is recognized as exchange difference and the premium paid on forward has been recognized over the life of contract.

(iii) Non-Monetary foreign currency items are carried at cost.

(iv) Any income or Expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in case of long term liabilities, where they related to acquisition of fixed assets, in which they are adjusted to the carrying cost of such assets.



2.10 Borrowing Cost

Borrowing cost that is attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit & Loss Account.

2.11 Miscellaneous expenditure

Share issue expenses is amortised over a period of 60 months from the month in which the Company has incurred the expenditure.

2.12 Special Reserve

Company creates Special Reserve every year out of its profit in terms of Section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

2.13 Employee Benefits

The Company provides for gratuity and leave encashment, a defined benefit retirement plan covering eligible employees. Liability with regard to gratuity and leave encashment (defined benefit retirement plan) is accrued based on actuarial valuation conducted as on the balance sheet date.

Short term employee benefits are recognized as expenses of an undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expenses in profit and loss account of the year in which the related service is rendered. The expenses is recognised at the present value of the amount payable determined using the actuarial valuation technique as per IJC. Actuarial gains and losses in respect of post employment and other long term benefit are charged to the profit and loss account.

2.14 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but disclosed in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

2.15 Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.16 Income Tax

Income Tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS-22) on "Accounting for Taxes on Income". The cumulative effect thereof is shown in the Balance sheet. The deferred tax assets, if any, are recognised only if there is a reasonable certainty that the assets will be realised in future.

2.17 Earning Per Share

The earnings per share has been computed in accordance with Accounting Standards (AS - 20) on, "Earnings Per Share" and is also shown in the Profit & Loss account.



B. NOTES TO THE ACCOUNTS

3. SHARE CAPITAL

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Amt. in ₹	Amt. in ₹
AUTHORISED SHARES		
10,00,00,000(31st March 2011: 10,00,00,000) Equity Shares of Rs.10 each	1,00,00,00,000	1,00,00,00,000
	1,00,00,00,000	1,00,00,00,000
ISSUED , SUBSCRIBED AND FULLY PAID UP SHARES		
10,00,00,000(31st March 2011: 10,00,00,000) Equity Shares of Rs.10 each	1,00,00,00,000	1,00,00,00,000
TOTAL ISSUED , SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL.	1,00,00,00,000	1,00,00,00,000

3(a). Reconciliation of number of shares outstanding at the beginning and at the end of reporting period

Particulars	As at March 31, 2012	As at March 31, 2011
Opening Share Capital :		
Equity Face Value Rs. 10 fully paid up	10,00,00,000	-
Issued during the year		
Equity		
a) Subscription		10,00,00,000
Closing Share Capital as on March 31, 2012		
Equity Face Value Rs. 10 fully paid up	10,00,00,000	10,00,00,000

3(b). Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3(c). List of Shareholders holding more than 5% shares as at

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dewan Housing Finance Corporation Ltd	5,00,00,000	50.00%	5,00,00,000	50.00%
DHFL Vryya Housing Finance Ltd	3,00,00,000	30.00%	3,00,00,000	30.00%
International Finance Corporation (IFC Washington)	2,00,00,000	20.00%	2,00,00,000	20.00%



4. RESERVES AND SURPLUS

PARTICULARS	As at March 31, 2012 Amt. in ₹	As at March 31, 2011 Amt. in ₹
Special Reserve (of 29C of National Housing Bank Act, 1987)		
Balance as per the last financial statement	9,55,000	-
Add : amount transferred from surplus balance in statement of profit and loss	51,79,030	9,55,000
Less : amount utilized during the year	-	-
	61,34,030	9,55,000
Surplus / (Deficit) in the statement of profit and loss		
Balance as per the last financial statement	38,15,175	-
Profit for the year	2,58,95,160	47,70,175
Less : Appropriations		
Transfer to Special Reserve	51,79,030	9,55,000
Total Appropriations	51,79,030	9,55,000
Net Surplus in the statement of profit and loss	2,45,31,305	38,15,175
Total reserve and surplus	3,06,65,335	47,70,175

5. LONG TERM BORROWINGS

PARTICULARS	As at March 31, 2012 Amt. in ₹	As at March 31, 2011 Amt. in ₹
(a) Term loans		
Secured		
(i) From Banks (Refer Note No. 3.2 below)	20,00,00,000	-
Total	20,00,00,000	-

3.2. Terms loan from Bank is repayable in 24 quarterly instalments. Starting from 30th June, 2013. The loan is secured by hypothecation of Housing loan receivables of the company.

6. LONG TERM PROVISIONS

PARTICULARS	As at March 31, 2012 Amt. in ₹	As at March 31, 2011 Amt. in ₹
(a) Provision for employee benefits	23,10,680	3,01,932
(b) Contingent Provisions against Standard Assets	44,55,533	-
Total	67,66,213	3,01,932



7. OTHER CURRENT LIABILITIES

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Amt. in ₹	Amt. in ₹
(a) Payable to Then Holding Company		17,08,845
(b) EMI/PEMI Received in Advance	22,34,383	-
(c) Bank overdraft as per books	6,80,65,488	-
(d) Other payables		
(i) Statutory Dues	20,73,011	6,08,523
(ii) Sundry Creditors	6,72,470	52,843
(iii) Others	86,097	39,46,537
Total	7,31,31,449	63,16,748

8. SHORT TERM PROVISIONS

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Amt. in ₹	Amt. in ₹
(a) Provision for employee benefits	85,26,700	72,867
(b) Provision for expenses	1,00,12,371	-
Total	1,85,39,071	72,867

10. DEFERRED TAX ASSET

Particulars	As at March 31, 2012	As at March 31, 2011
Deferred Tax Asset (net)	1,29,73,756	-

(a) . The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

Particulars	As at March 31, 2012	As at March 31, 2011
Deferred Tax Asset		
Deferred tax assets on account carry forward business loss	1,17,76,777	-
On Standard Asset Provisioning	14,45,598	-
Other deferred tax assets	7,49,699	-
Deferred Tax Liability		
Deferred tax liabilities on account of depreciation on fixed assets	(773220)	-
Deferred tax liabilities on account of share issue expenses	(225098)	-
Net Deferred Tax Asset	1,29,73,756	-



9. FIXED ASSETS

Particulars	Gross Block				Accumulated depreciation and amortisation			Net Carrying Value	
	Opening balance as at April 1, 2011	Additions	Deletions	Closing balance as at March 31, 2012	Opening balance as at April 1, 2011	Depreciation/Amortisation for the period	Deletions	As at March 31, 2012	As at March 31, 2011
TANGIBLE FIXED ASSETS									
Furniture & Fixtures	52,78,464	1,25,34,180	-	1,78,12,644	50,370	14,74,780	-	1,62,87,494	32,38,094
Computer Hardware	4,52,844	18,84,141	-	23,37,195	11,169	2,34,037	-	20,91,989	4,41,675
Office Equipment	(6,00,445)	31,77,186	-	47,77,629	11,518	1,72,716	-	48,93,395	15,88,925
Vehicles	-	34,29,265	-	34,29,265	-	3,06,696	-	31,22,563	-
TANGIBLE FIXED ASSETS - TOTAL	73,31,751	2,10,24,977	-	2,83,56,728	73,057	21,88,229	-	2,60,95,441	72,58,694
INTANGIBLE FIXED ASSETS									
Software	-	8,55,595	-	8,55,595	-	75,139	-	7,80,456	-
INTANGIBLE FIXED ASSETS - TOTAL	-	8,55,595	-	8,55,595	-	75,139	-	7,80,456	-
Total	73,31,751	2,18,80,572	-	2,92,12,323	73,057	22,63,368	-	2,68,75,897	72,58,694
Previous financial year	-	73,31,751	-	73,31,751	-	73,057	-	73,057	72,58,694



11. HOUSING AND OTHER LOANS

PARTICULARS	As at March 31, 2012 Amt. in ₹	As at March 31, 2011 Amt. in ₹
NON-CURRENT		
(a) Housing Loans Secured (considered good unless otherwise stated)		
(i) Individual	88,50,39,979	7,19,801
(ii) Corporate bodies	4,57,33,370	-
	93,07,73,349	7,19,801
Less: Provision for Doubtful loans	-	-
	93,07,73,349	7,19,801
(b) Home Equity Loans Secured (Considered good unless otherwise stated)		
(i) Individual	7,15,48,381	-
(ii) Corporate bodies	-	-
	7,15,48,381	-
Less: Provision for Doubtful loans	-	-
	7,15,48,381	-
TOTAL	1,00,23,21,730	7,19,801
CURRENT		
(a) Housing Loans Secured (considered good unless otherwise stated)		
(i) Individual	3,24,79,037	26,584
(ii) Corporate bodies	34,55,770	-
	3,59,34,807	26,584
Less: Provision for Doubtful loans	-	-
	3,59,34,807	26,584
(b) Home Equity Loans Secured (Considered good unless otherwise stated)		
(i) Individual	23,51,265	-
Less: Provision for Doubtful loans	-	-
	23,51,265	-
TOTAL	3,79,52,785	26,584
TOTAL - HOUSING AND OTHER LOANS	1,04,02,74,515	7,46,385

12. LONG-TERM LOANS AND ADVANCES

PARTICULARS	As at March 31, 2012 Amt. in ₹	As at March 31, 2011 Amt. in ₹
(a) Security Deposits (Unsecured - considered good)	30,51,230	19,87,930
(b) Capital Advance	1,75,466	15,84,200
(c) Others		
(i) Income tax deducted at source	21,40,625	67,599
Total	53,67,321	36,39,729



13. OTHER NON-CURRENT ASSETS

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Amt. in ₹	Amt. in ₹
(i) Unamortised share issue expenses (to the extent not written off or adjusted)		
Opening Balance as per last balance sheet	73,54,118	-
Add : Expenses incurred during the year	-	83,25,416
Less : Written off during the year	16,63,084	9,71,299
Closing balance carried forward	56,89,034	73,54,117
Total	56,89,034	73,54,117

14. CURRENT INVESTMENTS

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Amt. in ₹	Amt. in ₹
Unquoted :		
Investment in Units of Mutual Funds	-	99,03,14,798
Nil (31st March 2011 : 990103 Units of UTI Liquid Fund - Cash Plan)		
Total	-	99,03,14,798
Book value of Unquoted investments	-	99,03,14,798

15. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Amt. in ₹	Amt. in ₹
(i) Unsecured, considered good	45,25,239	-
(ii) Doubtful	-	-
Less: Provision for doubtful loans	-	-
Total	45,25,239	-

16. CASH AND CASH EQUIVALENTS

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Amt. in ₹	Amt. in ₹
(a) Balances with banks	22,34,20,920	19,70,037
In Current accounts	34,20,920	19,70,037
In Deposit accounts	22,00,00,000	-
(b) Cash on hand	2,90,183	11,299
Total	22,42,11,103	19,81,336

17. OTHER CURRENT ASSETS

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Amt. in ₹	Amt. in ₹
(a) Advances receivable in cash or in kind or for value to be received	72,88,968	83,677
(b) Interest receivable	11,92,168	-
(c) Prepaid Expenses	7,04,068	82,986
Total	91,85,204	1,66,663



18. REVENUE FROM OPERATIONS

PARTICULARS	For the Year ended March 31, 2012	For the Year ended March 31, 2011
	Amt. in ₹	Amt. in ₹
(a) Interest Income	4,04,53,824	3,393
(b) Income from loan related services	2,42,05,771	1,84,367
Total	6,46,59,595	1,87,962

19. OTHER INCOME

PARTICULARS	For the Year ended March 31, 2012	For the Year ended March 31, 2011
	Amt. in ₹	Amt. in ₹
(a) Dividend Income on current investment	2,59,36,986	3,18,14,798
(b) Income from other services	1,07,93,270	-
(c) Interest Income on Fixed Deposits	1,48,84,627	6,76,830
(d) Other investment income	53,05,497	-
(e) Profit on sale of investment	88,82,910	-
Total	6,58,03,289	3,24,91,628



20. FINANCE COSTS

PARTICULARS	For the Year ended March 31, 2012	For the Year ended March 31, 2011
	Amt. in ₹	Amt. in ₹
Interest expense on fixed period loans	7,02,193	-
Total	7,02,193	-

21. EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the Year ended March 31, 2012	For the Year ended March 31, 2011
	Amt. in ₹	Amt. in ₹
(a) Salaries, wages and bonus	5,17,80,220	39,63,293
(b) Contribution to provident fund and other funds	17,45,515	4,80,626
(c) Staff welfare expenses	10,26,329	52,535
Total	5,45,52,064	44,96,454

22. OTHER OPERATING EXPENSES

PARTICULARS	For the Year ended March 31, 2012	For the Year ended March 31, 2011
	Amt. in ₹	Amt. in ₹
Advertisement and Publicity and Business Promotion	40,19,331	57,39,773
Payment to Auditors	8,00,000	5,00,000
Bank charges	6,43,434	67,037
Computer hire charges	14,85,200	22,000
Insurance	7,86,061	27,662
Legal and professional fees	79,23,977	90,35,781
Office expenses	5,77,645	-
Brokerage expenses	1,64,455	-
Other expenses	6,55,628	10,92,216
Postage, Telephone and courier expenses	24,06,605	2,32,000
Landline Expenses	14,27,605	87,474
Electricity Charges	17,14,580	1,14,322
Printing and stationery expenses	13,84,877	1,29,036
Rent	75,55,633	18,06,075
General Repairs and maintenance expenses	48,96,324	13,47,997
Business Sourcing Expenses	99,88,164	1,42,643
Travelling and conveyance	76,73,719	20,24,586
Total	5,39,03,237	2,23,68,664



B. NOTES TO THE ACCOUNTS

23. Contingent liabilities and commitments

Estimated amount of contract remaining to be executed on capital account and not provided for as at 31st March, 2012 Rs. 101,000 (31st March, 2011 Rs. 450,000)

24. Transaction with supplier registered under Micro, small and medium enterprise development Act, 2006

The Company has not received the required information from its "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest payable as required under the said act have not been made.

25. Operating Leases

The Company is obligated under non cancellable leases for office space that are renewable on a periodic basis at the option of both lessee and lessor. These leases have an average life between two year to five years.

Future minimum lease payment under non cancellable operating lease as at 31st March, 2012 are as follows:

PERIOD :	As at March 31, 2012	As at March 31, 2011
	Amt. in ₹	Amt. in ₹
Not later than 1 Year:	18,32,200	12,29,460
Later than 1 Year and not later than 5 years	56,86,010	17,76,420
More than 5 Years	24,01,318	

26. Earning per share

Reconciliation of basic and diluted share used in computing earning per share:

	As at March 31, 2012	As at March 31, 2011
Profit after taxation	2,48,95,160	47,70,173
Number of weighted average shares considered for calculation of basic and diluted earning per share	10,00,00,000	5,00,74,027
Earning per share	0.20	0.10

27. Auditors remuneration (Excluding service tax)

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Amt. in ₹	Amt. in ₹
Audit fees	7,00,000	4,50,000
Tax audit fees	10,000	10,000
Certification fees	10,000	
TOTAL	8,00,000	5,00,000



15. Employee Benefits

a) The Company makes contributions to Regional Provident Fund, Contributions to defined contribution plan, recognised as expenses for the year as under:

PARTICULARS	As at March 31, 2012	As at March 31, 2011
	Am. in ₹	Am. in ₹
Employee's contribution to provident fund	11,30,362	1,32,839
Employee's contribution to pension fund	4,23,894	35,239
TOTAL	15,54,256	1,68,078

ii) The company provides gratuity and leave encashment benefits to its employees which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which is recognised each period of services giving rise to additional cost of employee benefit entitlement and measures such cost separately to build up the final obligation.

Reconciliation of the projected benefit obligations

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
	Gratuity (Unfunded)	Gratuity (Unfunded)	Leave Liability (Unfunded)	Leave Liability (Unfunded)
A. Changes in Defined Benefit Obligations				
Liability at the beginning of the year	27,994	-	2,73,938	-
Current service cost	1,72,497	27,994	7,33,828	2,73,938
Interest cost	2,340	-	20,780	-
Actuarial (gain) losses	99,894	-	10,07,983	-
Benefits paid	-	-	28,374	-
Liability at the end of the year	1,02,423	27,994	20,08,255	2,73,938
B. Fair Value of Plan Assets	-	-	-	-
C. Actual Return on Plan Assets	-	-	-	-
D. Amount recognised in Balance Sheet				
Liability at the end of the year	1,02,423	27,994	20,08,255	2,73,938
Fair value of Plan Assets at the end of the year	-	-	-	-
Amount recognised in the Balance Sheet	1,02,423	27,994	20,08,255	2,73,938
E. Expenses recognised in Profit and Loss Account				
Current Service Cost	1,72,497	27,994	7,33,828	2,73,938
Interest Cost	2,340	-	20,780	-
Expected Return on Plan Assets	-	-	-	-
Plan Actuarial Gain/(Loss) to be recognised	99,894	-	10,07,983	-
Expenses recognised in the profit and loss account under employee expenses	2,74,731	27,994	17,62,691	2,73,938
F. Reconciliation of liability recognised in the Balance Sheet				
Opening Net Liability	27,994	-	2,73,938	-
Expenses Recognised	2,74,731	27,994	17,62,691	2,73,938
Benefits Paid	-	-	28,374	-
Liability Recognised in the Balance Sheet	1,02,423	27,994	20,08,255	2,73,938
G. Actuarial Assumptions				
Mortality Table	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate	8.4% p.a.	8% p.a.	8.4% p.a.	8% p.a.
Salary Escalation Rate	5%	5%	5%	5%



29. Related Party Transaction

List of related parties with whom Transactions have taken place during the period and it's relationship

Related Party	Relationship
Dewan Housing Finance Corporation Ltd	Associate Company *
DHFL Vyysa Housing Finance Ltd	Associate Company **
International Finance Corporation, Washington	Associate Company
Key Managerial Person	
Shri Harish Mehra	Chief Executive Officer

Sr. No.	Name of the Party	As at March 31, 2012	As at March 31, 2011
		Am. in ₹	Am. in ₹
1	Dewan Housing Finance Corporation Ltd		
a.	Equity Shares issued during the year	-	50,00,00,000
b.	Expenditure		
- Rent		40,43,213	12,32,500
- Maintenance Charges		37,39,904	10,00,000
- Legal and Professional Fees		30,38,683	-
- Other Expenses		2,07,782	-
c.	Reimbursement of Expenses	12,13,913	1,01,02,300
d.	Security Deposit Paid	-	9,00,000
e.	Portfolio Purchase and loan syndication	31,75,89,418	-
f.	Balance Receivable/(Payable)	41,91,952	(17,00,845)
g.	Balance Receivable - Security Deposit	9,00,000	9,00,000
2	DHFL Vyysa Housing Finance Limited		
a.	Equity Shares issued during the year	-	30,00,00,000
3	International Finance Corporation, Washington		
a.	Equity Shares issued during the year	-	20,00,00,000
4	Shri Harish Mehra		
a.	Remuneration Paid	81,25,000	15,39,198

- * Dewan Housing Finance Corporation Ltd was a holding company of Aadhar Housing Finance Private Ltd, till 30th March 2012.
** DHFL Vyysa Housing Finance Ltd was a fellow subsidiary of Aadhar Housing Finance Private Ltd, till 30th March 2012.



36. Additional Disclosures as per NHB Directives, 2019 revised on 11th October, 2019

I. Capital to Risk Asset Ratio

Sr. No.	Particulars	As at March 31, 2012	As at March 31, 2011
1	CRAR (%)	112.52%	99.025%
2	CRAR - Tier I Capital	1,01,12,98,479	90,74,16,059
3	CRAR - Tier II Capital		

II. Exposure to Real Estate Sector

Sr. No.	Particulars	As at March 31, 2012	As at March 31, 2011
A.	Direct Exposure		
(i)	Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by borrower or that is rented	98,94,33,054	7,46,385
	Individual Housing loans upto Rs. 15 Lakh	90,30,04,294	7,46,385
(ii)	Commercial Real Estate		
	Lending fully secured by mortgages on commercial sector (Office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisition, development and construction etc. Exposure would also include any fixed Asset (FFA) limits	5,06,64,367	Nil
(iii)	Investment in Mortgage Backed Securities (MBS) and other structured exposures -		
	a. Residential	Nil	Nil
	b. Commercial	Nil	Nil
B.	Indirect Exposure		
	Fixed Asset and non-fixed Asset exposures on National Housing Bank (NHB) and Housing Finance Corporation (HFC)	Nil	Nil

III. Asset Liability Management

	Liability	Assets
	Bank Borrowing	Advances Bank Deposits
1 Day to 30-11 Days (One month)	-	29,76,347
Over one month to 3 months	-	70,15,789
Over 3 months to 6 months	-	30,48,423
Over 6 months to 1 year	-	83,40,864
Over 1 year to 3 years	10,60,66,664	1,95,70,163
Over 3 years to 5 years	10,34,86,664	8,80,64,417
Over 5 years to 7 years	16,34,86,672	10,12,97,636
Over 7 years to 10 years	-	11,27,76,395
Over 10 years	-	15,80,53,704
		53,91,97,138

37. Previous year figures

Previous year figures has been regrouped i.e. from the date of incorporation in 21st March, 2011. To this extent the figures are not comparable.

As per our report of even date

For and on behalf of the Board of Directors

For Chartered & Shah,
Chartered Accountants
(Firm No. 100208)

Kapil Wadhawan
(Director)

Harshad Shah
(Director)

V. Sekhar
(Executive)

Anita Chaturvedi
(Partner)
(Firm No. 100181)

Harshad Shah
(Chief Executive Officer)

V.N. Sreedhar
(Company Secretary)



Mumbai
Date: 30th April 2012

Registered Office : Warden House, 2nd floor, Sir P. M. Road, Fort Mumbai – 400001.

PROXY FORM

I/We,.....

ofbeing a member(s) of **Aadhar Housing Finance Private Limited**, hereby appoint

..... or failing him/her.....

..... as my/our proxy to attend and vote for me/us and on my/our behalf at the Second Annual General Meeting of the Company to be held at the Registered Office on Friday, 17th August, 2012 and/or at any adjournment thereof.

Ledger Folio/

No. of Shares held.....

Signed thisday of....., 2012.

Note : The proxy form duly stamped, completed and signed and must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the aforesaid meeting.

ATTENDANCE SLIP

(to be presented at the entrance)

I/We hereby record my/our presence at the **Second Annual General Meeting** of the Company held at the Registered Office on Friday, 17th August, 2012 at 3.00 p.m. and/or at any adjournment thereof.

Name :

Ledger Folio. :

No. of Shares: Equity Shares of Rs. 10/- each

Signature.....

Note : Only shareholder/proxy/authorized representative is allowed to attend the meeting.

Senior Management Team

Shri Harshil Mehta, Chief Executive Officer

Shri Swarnpal Singh Bais, Business Head

Shri Praveen Chaturvedi, Head – Credit Policy & Risk

Shri Yogesh Udhoji, Head – Finance & Accounts

Shri Sreekanth V.N., Company Secretary

Shri Amit S. Shah, AVP – Operations

Shri Himanshu Shekhar Ojha – AVP – HR & Admin.

Auditors

Chaturvedi & Shah Chartered Accountants

714-715, Tulsiani Chambers,
212, Nariman Point,
Mumbai 400021.

Registered Office

Warden House, 2nd Floor,
Sir P.M Road, Fort,
Mumbai 400 001.

Corporate Office

Raheja Point – 1, 2nd Floor,
Near Shamrao Vittal Bank,
Nehru Road, Vakola,
Santacruz (East) , Mumbai 400 055
Phone : 022-39509900
Fax : 022-39509934

Branches

Lucknow - Branch 206-206B, Ratan Square, 2nd Floor, 20A-Vidhan Sabha Marg, Lucknow - 226001 (U.P.) Tel.: 0522-302 0756 Fax: 0522-302 0757	Kanpur - Branch 14/144B, Ratan Square, 1st Floor, 104 & 108, Chunniganj, Kanpur - 208001 (U.P.) Tel.: 0512-301 8165 Fax: 0512-301 8164	Jabalpur - Branch Kartar Niwas, 1st floor, Plot No. 866,869, Russel Chowk, 325 Napier Town, Jabalpur 482001 (M.P.) Tel.: 0761-3058390 Fax: 0761-3058394
Indore - Branch 206 & 207, 2nd Floor, Megapolis Square, Above Tanishq Showroom, 579, MG Road, Indore - 452001 (M.P.) Tel.: 0731-392 2255 Fax: 0731-3922253	Meerut - Branch 1st Floor, Aryan Square, Near PVS Mall, Yojna No. -3, Plot no. IS 190, Shastri Nagar, Meerut - 250002 (U.P.) Tel.: 0121-3003309 Fax: 0121-3003313	Raipur - Branch 302 & 303 A, 3rd Floor, Lalganga Midas, Fafadih, Raipur -492009 (Chhattisgarh) Tel.: 0771-3058200 Fax: 0771-3058204
Bhopal - Branch 2nd floor, Alankar Complex, Plot No.-10 & 11, MP Nagar Zone-II, Bhopal- 462001 (M.P.) Tel.: 0755-3912300 Fax: 0755-3912304	Gwalior - Branch 2nd Floor, Plot No.-102/103/104, Mayur Mkt., Gandhi Road, Gwalior - 474011 (M.P.) Tel.: 0751-3053000 Fax: 0751-3053004	Bilaspur - Branch 1st floor, Krishna, Sonchhatra Compound, Near R.N.T Square, Shiv Talkies-Tarbhar Road, Bilaspur – 495004 (Chattisgarh) Tel.: 07752-308700 to 04
Varanasi - Branch D-63/11-1, 02nd Floor, Bindal Complex, 2 Mehmoorganj , Varanasi - 221010 Tel.: 0542-3276444	Bhubaneswar - Branch 2nd floor, 45-46, Ashok Nagar, Janpath, Bhubaneswar - 751 009 (Orissa) Tel.: 0674 - 3015310 to 14	Patna - Branch Office No 302 , 3rd Floor , Shyam Center , Exhibition Road , Opp L.I.C Building , Patna - 800001 (Bihar) Tel.: 0612 - 2323012.
Rourkela - Branch Opposite City Super Bazaar, 2nd Floor, Kacheri Road, Udit Nagar, Rourkela - 769012 (Orissa) Tel.: 0661 - 3242220 - 21	Agra - Branch Shop No.14, 1st Floor, Deepshikha Bldg, Block-114, Sanjay Talkies, Sanjay Place, Agra - 282001 (UP) Tel : 0562 - 4002001 & 3001.	Ranchi - Branch Office No. 5, 3rd Floor, Shreesai Towers, Burdman Compound, Ialpur, Ranchi-834001 (Jharkhand) Tel.: 0651 - 3036595 - 99