



संख्या / No. : MAB-D/CAI/98-1/2014-15/73
भारतीय लेखा तथा लेखापरीक्षा विभाग
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-II
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF
COMMERCIAL AUDIT & EX-OFFICIO MEMBER,
AUDIT BOARD - II, NEW DELHI

दिनांक / DATE 30/5/2014

सेवा में,

अध्यक्ष,
पी.एन.बी. हाउसिंग फाईनेन्स लि0
9वीं मंजिल, अंतरिक्ष भवन,
22, कस्तूरबा गाँधी मार्ग,
नई दिल्ली-110002

विषय- कंपनी अधिनियम 1956 की धारा 619 (4) के अधीन 31 मार्च 2014 को समाप्त वर्ष के लिए पी.एन.बी. हाउसिंग फाईनेन्स लिमिटेड, के लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं कम्पनी अधिनियम 1956 की धारा 619 (4) के अधीन 31 मार्च 2014 को समाप्त हुए वर्ष के लिए पी.एन.बी. हाउसिंग फाईनेन्स लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रोषित करती हूँ। इन टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए।

भवदीया,

न. अ. कुमार
(नयना अ. कुमार) 30/5/14

प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य, लेखा परीक्षा बोर्ड-II
नई दिल्ली

संलग्नक:- यथोपरि

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF PNB HOUSING FINANCE LIMITED FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of PNB Housing Finance Limited for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 29 April 2014.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of PNB Housing Finance Limited for the year ended 31 March 2014 and as such have no comments to make under section 619(4) of the Companies Act, 1956.

**For and on behalf of the
Comptroller and Auditor General of India**



(Naina A. Kumar)

**Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi**

Place: New Delhi

Date: 30.5.2014



B.R. MAHESWARI & CO.

CHARTERED ACCOUNTANTS

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Independent Auditors' Report

To

The Members

PNB Housing Finance Limited

Revised Auditor Report

This audit report is being issued to revise our Audit Report dated March 29th, 2014 for the year ended March 31st, 2014. This report incorporates the amendment announced on February 7th, 2014 to the paragraph on "Auditors' Responsibility". It also corrects the heading from Auditors' Report to "Independent Auditors' Report".

Report on the Financial Statements

We have audited the accompanying financial statements of **PNB HFL ("Company")**, which comprise the Balance Sheet as at March 31st, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") read with General Circular 15/2013 dated September 13th, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' 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 procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2014;
- in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows 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") 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 purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") read with General Circular 15/2013 dated September 13th, 2013 of the 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 as on March 31st, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **B. R. Maheswari & Co.**

Chartered Accountants

FRN: 001035N

Akshay Maheshwari

Partner

Membership No. 504704

Place: New Delhi

Date: 11/06/2014



ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of section 227(4A) of Companies Act, 1956 on the basis of such checks as we considered appropriate and report that:

- 1) (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, the fixed assets were physically verified by the management in a phased manner during the year which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. The discrepancies noticed were not significant and have been properly dealt with in the accounts.
- (c) In our opinion, the Company has not disposed of a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- 2) The provisions of paragraph (ii) (a) to (c) of the order are not applicable to the Company, as the Company is engaged in the financial services sector.
- 3) In respect of the loans, secured or unsecured, granted or taken by the Company to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - (a) As informed, the Company has not granted any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and accordingly paragraph (iii) (b) to (d) of the order are not applicable for the FY 2013-14.
 - (b) As informed, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore the clauses (e), (f) & (g) of paragraph (iii) of the order are not applicable.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size and nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls system.
- 5) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) The service contract for procurement of loan business to DEPL who is holding 27.46% shareholding in the Company was given in previous year. The terms of the agreement with the party are prima facie reasonable having regard to the prevailing market price in the view of the fact that the party is not using any facility of the Company for the business development.
- 6) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A, section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 to the extent applicable and The Housing Finance Companies (NHB) Directions, 2010 with regard to acceptance of deposits from the public.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- 9) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, income tax, service tax, etc. have generally been regularly deposited with the appropriate authorities during the year. Considering the business of the Company ESI, Excise Laws, etc are not applicable to the Company at present.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31.3.2014 for the period of more than six months from the date they become payable except as mentioned below:

Particulars	Nature of dues	Financial Year	Amount (in ₹)	Forum where dispute is pending
Income Tax	Allocation of common expenses for computation of deduction u/s 36(i)(viii) of the Act	2008-09	43,41,393	Commissioner of Income Tax (Appeals)
		2009-10	51,95,570	
		2010-11	1,20,72,496	
		2011-12	96,39,830	
TOTAL			3,12,49,289	

- 10) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or banks.
- 12) (a) The Company grants loans and advances for housing inter alia on the main security of the equitable mortgage of properties, its own deposits, other securities besides other collateral securities/ guarantees as stated in **Note No.22**. Adequate documents and records have been maintained.
- (b) The Company does not give any loans/advance against pledge of shares, debentures or the other securities as primary security.
- (c) The demand loan granted by the Company under Public Deposit Scheme complies with requirements of the NHB Guidelines & that of section 58A & section 58AA of the Companies Act, 1956.
- 13) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to this Company.
- 14) In our opinion, the Company's transactions for sale/purchase of securities and other investments, held as investment proper records of the transactions have been maintained and timely entries have been made therein. We confirm that Company's investments are held in its own name.
- 15) According to information given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) In our opinion, the term loans have been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us , with a view to bring down the overall cost of funds, we observe that funds raised from Overdraft / Term Loans from the Banks etc. have been used to finance Housing/Non- Housing loans, the average repayment of which ranges from 3 to 10 years. Further, we have been explained that generally the short-term funds are not used for long-term investments.
- 18) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to the parties covered in the register maintained under section 301 of the Act. However, the Company has made a rights issue during the year. (refer note 22.18 for details).
- 19) According to the information and explanations given to us, during the period covered by our audit report, the Company has issued secured bonds amounting ₹ 1,500 crores. The charge in respect of the bonds has been properly created.
- 20) During the year under audit, the Company has not raised money by public issue.
- 21) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For B. R. Maheswari & Co.

Chartered Accountants

FRN: 001035N

Akshay Maheshwari

Partner

Membership No. 504704

Place: New Delhi

Date: 18/06/2014



Balance Sheet as at March 31st, 2014

	Notes	As at March 31st, 2014	(₹ in Lacs) As at March 31st, 2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	6,569.22	5,000.00
Reserves and Surplus	3	86,895.13	57,079.59
		93,464.35	62,079.59
Non-Current Liabilities			
Long-term borrowings	4	7,94,718.06	5,32,802.59
Other long-term liabilities	5	2,800.65	1,487.65
Long-term provisions	6	4,866.92	2,830.81
		8,02,385.63	5,37,121.05
Current Liabilities			
Short-term provisions	6	23,745.99	17,589.84
Trade payables	7	1,651.35	642.09
Other current liabilities	8	2,51,446.45	1,69,148.71
		2,76,843.79	1,87,380.64
TOTAL		1,172,693.77	7,86,581.28
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	2,276.61	1,256.88
Capital work-in-progress		302.09	359.06
Non-current investments	10	23,240.99	7,379.36
Deferred tax assets (net)	11	1,468.02	1,233.01
Loans & advances	12	8,64,064.79	5,38,816.14
Other non-current assets	13	6,089.44	2,855.95
		8,97,441.94	5,51,900.40
Current assets			
Current investments	14	52,673.60	71,882.12
Cash and cash equivalents	15	2,475.34	18,848.87
Short-term loans and advances	16	215,643.99	1,38,930.65
Other current assets	17	4,458.90	5,019.24
		2,75,251.83	2,34,680.88
TOTAL		1,172,693.77	7,86,581.28
Significant Accounting Policies	1		
Notes '2' to '17' and '22' annexed hereto form part of the Balance Sheet			

(Krishan Gopal)
Sr. Manager-Finance & Accounts

(Sanjay Jain)
Co. Secretary & Chief Finance

For and on behalf of the Board

(Sanjaya Gupta)
Managing Director

(Vivek Vig)
Director

(K. R. Kamath)
Chairman

In terms of our report of even date
For B.R. Maheswari & Co.
Chartered Accountants

(Akshay Maheshwari)
Partner

PLACE : NEW DELHI
DATED: 29/04/2014

M No : 504704
FR No : 001035N

Profit and Loss Statement for the year ended March 31st, 2014

	Notes	For the Year Ended March 31st, 2014	For the Year Ended March 31st, 2013
(₹ in Lacs)			
REVENUE FROM OPERATIONS	18		
Interest and Other Charges		1,07,756.80	64,243.18
Other Income		3,830.68	1,900.81
TOTAL REVENUE		1,11,587.48	66,143.99
EXPENSES			
Finance Cost	19	80,115.16	46,227.25
Employee Benefit Expense	20	4,040.08	2,597.39
Other Expenses	21	6,325.65	3,302.14
Depreciation Expense	9	489.25	166.00
Provision for Doubtful Debts & Contingencies		2,244.41	991.70
Bad Debts Written Off/Business Loss		798.69	255.02
TOTAL EXPENSES		94,013.24	53,539.50
Profit Before Tax		17,574.24	12,604.49
Less: Provision for Tax	- Current	5,000.00	3,455.00
	- Earlier years (Net)	65.00	-
	- Deferred tax (Net)	(235.01)	(1.66)
Profit After Tax		12,744.25	9,151.14
Earning per equity share: (Refer Note 22.11)			
	- Basic (in ₹)	25.42	22.30
	- Diluted (in ₹)	25.42	22.30
Significant Accounting Policies	1		
Notes '18' to '21' annexed hereto form part of the Profit & Loss Statement			

(Krishan Gopal)
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(Sanjay Jain)
Co. Secretary & Chief Finance

For and on behalf of the Board

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Managing Director

(Vivek Vig)
Director

(K. R. Kamath)
Chairman

In terms of our report of even date
For B.R. Maheswari & Co.
Chartered Accountants

(Akshay Maheshwari)
Partner

PLACE : NEW DELHI
DATED: 29/04/2014

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Cash Flow Statement (Indirect Method)

		(₹ in Lacs)	
		YEAR ENDED ON	
		March 31st, 2014	March 31st, 2013
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		17,574.24	12,604.48
Adjustment for non-cash item/items, to be disclosed separately			
Add : Depreciation	489.25		166.00
Loss/(Profit) on sale of Fixed Assets	14.45		0.87
Provision for Doubtful Debts & Contingencies	2,244.41		991.70
Bad Debts written off/ Business Loss	798.69		255.02
		3,546.80	1,413.59
		21,121.04	14,018.08
Less : Interest income	4,360.32		2,556.05
Dividend	1,154.08		369.22
Profit/ (loss) on sale of Investment	949.55		425.08
		6,463.95	3,350.35
Operating Profits before Changes in Working Capital		14,657.09	10,667.72
Adjustment for Changes in Working Capital and Provisions			
Loans	(3,97,955.62)		(2,65,121.61)
Trade and other receivables	(2,242.93)		(4,624.61)
Trade payables	5,167.32		8,270.85
Provisions	323.89		15.25
		(3,94,707.34)	(2,61,460.12)
Cash Generated from Operations		(3,80,050.25)	(2,50,792.40)
(Income/Interest Tax Paid)/ Refunds during the year (Net)	(4,875.57)		(3,710.73)
		(4,875.57)	(3,710.73)
A. NET CASH FROM OPERATING ACTIVITIES		(3,84,925.82)	(2,54,503.13)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed Assets:			
Purchase	(1,476.55)		(1,067.19)
Sale/Discarded	10.09		9.96
	(1,466.46)		(1,057.23)
Interest received	4,000.61		2,556.05
Dividend received	1,154.08		369.22
Investments:			
Purchase	(11,68,549.29)		(7,18,851.03)
Sale	11,72,845.73		6,77,843.54
B. NET CASH USED IN INVESTING ACTIVITIES		7,984.67	(39,139.46)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings			
-Bonds	1,50,000.00		90,000.00
-Banks	2,64,240.00		2,33,169.00
-Unsecured Loans (net)	59,406.37		85,979.38
Repayment of borrowings			
-Bonds	(15,000.00)		(21,600.00)
-Banks	(1,17,278.22)		(75,432.63)
Proceeds from issue of share capital	1,569.22		
Share premium	18,830.74		
Dividend paid (including dividend distribution tax)	(1,200.49)		(767.07)

		(₹ in Lacs)	
		YEAR ENDED ON	
		March 31st, 2014	March 31st, 2013
C. NET CASH USED IN FINANCING ACTIVITIES		3,60,567.62	3,11,348.68
NET CHANGES IN CASH & CASH EQUIVALENTS			
	(A+B+C)	(16,373.53)	17,706.10
Cash or Cash equivalents (Opening Balance)		18,848.87	1,142.77
Cash or Cash equivalents (Closing Balance)		2,475.34	18,848.87
NET INCREASE OF CASH OR CASH EQUIVALENTS DURING THE YEAR		(16,373.53)	17,706.10
NOTE : Minus (-) denotes application of cash			

(Krishan Gopal)
Sr. Manager-Finance & Accounts

(Sanjay Jain)
Co. Secretary & Chief Finance

For and on behalf of the Board

(Sanjaya Gupta)
Managing Director

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Director

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In terms of our report of even date
For B.R. Maheswari & Co.
Chartered Accountants

(Akshay Maheshwari)
Partner

PLACE : NEW DELHI
DATED: 29/04/2014

M No : 504704
FR No : 001035N



Notes to Financial Statements for the year ended March 31st, 2014

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES

1. General Method and System of Accounting

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with accounting principles generally accepted in India. The Financial Statements comply in all material aspects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, the relevant provisions of the Companies Act, 1956, the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.

2. Use of Estimates

The preparation of financial statements require the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

3. Revenue Recognition

(a) Fee and other Charges

Income from log in fee, other charges and Penal Interest on Overdues / Additional Interest on Defaults, Pre-payment charges etc. is recognized on receipt basis. Income on loan processing/management fees is recognized over the average tenure of the loan being the consideration received for continuing obligation over the life of loan.

(b) Income from Investment

Interest income on Bonds and Government Securities is recognized on accrual basis. Dividend income is accounted for in the year in which the same is received. The gain / loss on account of long term Investment at discount / premium in Debentures/Bonds and Government Securities, is amortised over the life of the security on a pro-rata basis.

(c) Other Income

Interest on tax refunds and other incomes are accounted for on receipt basis.

(d) Interest on Loans

Interest Income is recognized on accrual basis except in case of non-performing assets where interest is accounted on realization. In loans, the repayment is received by way of Equated Monthly Installments (EMIs) comprising principal and interest. Interest is calculated on the outstanding balance at the beginning of the month. EMIs generally commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is charged every month. Income on loans purchased through direct assignment is recognized on accrual basis.

Recovery in case of Non-Performing Loans is appropriated first towards interest portion of overdue EMIs and thereafter towards principal portion of overdue EMIs.

4. Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Costs include all expenses incidental to the acquisition of the fixed assets.

5. Intangible Assets

Intangibles are recognized where it is possible that the future economic benefit attributable to the asset will flow to the Company and its cost can be reliably measured. Intangibles are stated at cost of acquisition less accumulated amortization.

6. Depreciation/Amortization

(i) Depreciation on Fixed Assets is provided on the Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 on prorata basis, except the following items on which higher rates of depreciation have been charged:

- ◆ Intangible Assets are amortized over a period of five years except website development costs which are amortized over a period of three years.
- ◆ Networking Equipments and Mobile phone instruments are depreciated over a period of five years.
- ◆ Leasehold Improvements are depreciated over a period of five years.

(ii) Assets costing upto ₹ 5,000/- are charged to revenue.

7. Investments

Investments are capitalized at cost inclusive of brokerage and stamp charges excluding interest/dividend accruing till the date of purchase. The difference between the carrying amount and disposal proceeds of investments, net of expenses, is recognized in the Profit & Loss Account. Investments are classified as long-term investments (Non Current Investment) and current investments and are valued in accordance with guidelines of National Housing Bank and Accounting Standard on Accounting for Investments (AS-13), issued by The Institute of Chartered Accountants of India. Long-term investments are valued at cost net of amortization of premium / discount. However, when there is a decline, other than temporary, in the value of long-term investment, the carrying amount is reduced to recognize the decline. Current investments are valued at lower of cost or market value determined on individual investment basis.

8. Employee Benefits

- (i) The Company has taken LIC Policy to cover the accumulated gratuity liability till 31.03.2014 of its employees as Defined Contribution Plan. LIC has made actuarial valuation on renewal date i.e. 01-01-2014. The premium on this policy has been accounted for on accrual basis in line with the Accounting Standard on Accounting for Employee Benefits (AS-15)-Revised, issued by the Institute of Chartered Accountants of India.
- (ii) Provision for leave encashment is made on the basis of actuarial valuation as on 31.03.2014.
- (iii) Retirement benefits of employees on deputation from Punjab National Bank are borne by the Bank and hence no provision is considered necessary by the Company.
- (iv) Provident Fund Contribution paid to recognized Provident Fund Trust and Govt. Provident Fund is debited to the Profit and Loss Account on accrual basis.
- (v) Incentive paid to employees in terms of performance linked incentive scheme is charged to Profit & Loss Account on accrual basis.

9. Transaction Involving Foreign Exchange

- (i) Foreign currency monetary liabilities are translated at the rate which reflects the liability of the Company in Indian Rupee which is likely to be repaid at the balance sheet date.
- (ii) Income and expenditure items are accounted for at the exchange rate prevailing on the date of transaction.

- (iii) Generally Exchange differences arising on Foreign Currency transactions are recognized as income or expense as the case may be in the period in which they arise. However, in case of forward exchange contracts, the Exchange difference between the forward rate and the exchange rate at the date of transaction is recognized as an income or expense over the life of the forward contract in line with Accounting Standard on Accounting for the Effects of Changes in Foreign Exchange Rates (AS-11) issued by The Institute of Chartered Accountants of India.

10. Borrowing Costs

Borrowing costs are recognized as an expense in the year in which they are incurred. Expenditure incurred on issue of shares/bonds is charged to Statement of Profit and Loss in the year on accrual basis except brokerage costs directly attributable to a borrowing which are amortized over the period of borrowing.

11. Operating Leases

Lease payments for assets taken on operating lease are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

12. Earnings Per Share

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

13. Taxes on Income

Taxes on Income are accounted for in accordance with Accounting Standard (AS) –22–“Accounting for taxes on income”, issued by the The Institute of Chartered Accountants of India. Income tax comprises both current and deferred tax.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.



The tax effect of timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

14. Provisions, Contingent Liabilities and Contingent Assets (AS-29)

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent Assets are neither recognized nor disclosed.

15. Possession of Secured Assets

- (i) As per the National Housing Bank Directions 2010, the land and buildings, including Assets/ Properties acquired from NPA Advances in settlement of Loans, are held as 'Other Current Assets' till their disposal. These assets are required to be disposed of within 3 years from the date of acquisition (if it exceeds 10% of net owned funds of the Company) unless and until extended by the NHB. All the expenses incurred on the upkeep of the property

including safeguarding, insurance, rates & taxes etc are charged to Profit & Loss Account in the year of incurrence.

- (ii) Where the possession of the secured assets has been taken by the Company under SARFAESI Act, 2002 such assets are classified in 'Current Assets' at cost or market price (as per valuation report), whichever is less till its final disposal. The diminution in value is provided as 'Provision for Doubtful Debts & Contingencies'. The loss, if any, is ascertained and accounted for in the year of its disposal.

16. Loan Origination / Acquisition Cost

All direct costs incurred for the loan origination are amortized over the average tenure of the loan.

17. Unclaimed Deposits

Deposits, which have become due but have not been presented for payment or renewal, are transferred to unclaimed deposits. Interest for the period from last maturity date till the date of renewal of unclaimed deposits is accounted for during the year of its renewal.

18. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

NOTE : 2
SHARE CAPITAL

	As at March 31st, 2014	As at March 31st, 2013
(₹ in Lacs)		
a. Authorized share capital		
15,00,00,000 (March 31st, 2013 : 5,00,00,000) Equity Shares of ₹ 10/- each	15,000.00	5,000.00
b. Equity Share Capital		
Issued, subscribed and paid-up capital		
5,00,00,000 Equity Shares of ₹ 10/- each fully paid up (Previous year 5,00,00,000)	5,000.00	5,000.00
3,92,30,700 partly paid-up Equity Shares of ₹ 10/- each (Refer note no. 22.18)		
Amount called and paid up ₹ 4 per share (Previous year ₹ Nil)	1,569.22	-
Total issued, subscribed and paid-up Shares capital	6,569.22	5,000.00

c. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at March 31st, 2014 Numbers	As at March 31st, 2014 ₹ in Lacs	As at March 31st, 2013 Numbers	As at March 31st, 2013 ₹ in Lacs
(₹ in Lacs)				
Equity shares				
At the beginning of the year	50,000,000	5,000.00	30,000,000	3,000.00
Issued during the year*	39,230,700	1,569.22	20,000,000	2,000.00
Outstanding at the end of the year	89,230,700	6,569.22	50,000,000	5,000.00

* Equity Shares of ₹ 10 each. ₹ 4 called and paid up. (Refer note no. 22.18)

d. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31st, 2014		As at March 31st, 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Punjab National Bank (PNB) (Holding Company)	64,730,700	72.54%	25,500,000	51.00%
Destimoney Enterprises Pvt. Ltd. (DEPL)	24,500,000	27.46%	24,500,000	49.00%

e. Description of the rights, preferences and restrictions attached to each class of shares:

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.

f. Rights issue of equity shares during the year:

The Company has allotted 3,92,30,700 equity shares of ₹ 10 each (amount called and paid up ₹ 4 per share) along with premium of ₹ 120 per share (proportionate share premium called and paid up ₹ 48 per share) aggregating to ₹ 20,399.96 lacs to PNB on March 29th, 2014. (Refer note 22.18)

**g. Conversion of Compulsory Convertible Debentures (CCDs) in to equity shares during previous year:**

The Company had allotted 1,35,29,411 equity shares of ₹ 10 each on conversion of 1,35,29,411 CCDs at a premium of ₹91.50 per share on 08.06.2012 to DEPL.

h. Issue of Bonus Shares during previous year:

The Company had issued 64,70,589 equity shares of ₹ 10 each as fully paid up Bonus shares after capitalization of General Reserves of ₹ 6,47,05,890 on March 30th, 2013 to existing shareholders in proportion of their shareholding (PNB-33,00,000 equity shares and DEPL 31,70,589 equity shares)

NOTE : 3**RESERVES AND SURPLUS**

	As at March 31st, 2014	As at March 31st, 2013
		(₹ in Lacs)
a. Special Reserve/ Statutory Reserve		
i) Created under Section 36(1) (viii) of the Income Tax Act,1961 for deduction admissible to HFCs		
As per the last Balance Sheet	13,150.81	11,600.81
Add: Additions during the period	1,875.00	1,550.00
	15,025.81	13,150.81
ii) As per Section 29 C of National Housing Bank Act, 1987 (Refer note 22.16)		
As per the last Balance Sheet	839.00	489.00
Add: Additions during the period	680.00	350.00
Less: Appropriation during the year	-	-
	1,519.00	839.00
b. General Reserve		
As per the last Balance Sheet	29,489.66	24,136.72
Less: Issuance of Bonus Shares	-	647.06
Add: Amount transferred from the Statement of Profit and Loss	8,500.00	6,000.00
	37,989.66	29,489.66
c. Securities Premium Reserve		
Balance as per the last financial statements	12,379.41	-
Add: Premium on issue of equity shares (Refer note 2)	18,830.74	12,379.41
	31,210.15	12,379.41
d. Surplus/(deficit) in the statement of profit and loss		
As per the last Balance Sheet	1,220.71	1,170.06
Profit for the year	12,744.25	9,151.14
Total	13,964.96	10,321.20
Appropriations		
- Special Reserve-Under Section 36(1)(viii) of the Income Tax Act, 1961	1,875.00	1,550.00
- Special Reserve-Under Section 29C of NHB Act, 1987	680.00	350.00
- General Reserve	8,500.00	6,000.00
- Proposed Dividend	1,503.87	1,026.10
- Dividend Distribution Tax	255.58	174.39
Net surplus in the statement of profit and loss	1,150.51	1,220.71
	13,964.96	10,321.20
Total Reserves and Surplus (a to d)	86,895.13	57,079.59

NOTE : 4
LONG-TERM BORROWINGS

	(₹ in Lacs)			
	Non-Current Maturities		Current Maturities	
	As at March 31st, 2014	As at March 31st, 2013	As at March 31st, 2014	As at March 31st, 2013
A. SECURED				
1. Bonds				
i) 9.48% Secured Redeemable Bonds 2024 (Redeemable at par on 31.01.2024)	30,000.00	-	-	-
ii) 8.58% Secured Redeemable Bonds 2023 (Redeemable at par on 16.05.2023)	60,000.00	-	-	-
iii) 9.20% Secured Redeemable Bonds 2023 (Redeemable at par in five equal annual installments from 16.01.2019 to 16.01.2023)	15,000.00	15,000.00	-	-
iv) 9.00% Secured Redeemable Bonds 2022 (Redeemable at par on 21.12.2022)	20,000.00	20,000.00	-	-
v) 9.15% Secured Redeemable Bonds 2022 (Redeemable at par on 14.09.2022)	20,000.00	20,000.00	-	-
vi) 9.25% Secured Redeemable Bonds 2022 (Redeemable at par on 29.06.2022)	30,000.00	30,000.00	-	-
vii) 9.55% Secured Redeemable Bonds 2021 (Redeemable at par on 12.09.2021)	20,000.00	20,000.00	-	-
viii) 9.50% Secured Redeemable Bonds 2021 (Redeemable at par on 26.07.2021)	20,000.00	20,000.00	-	-
ix) 8.85% Secured Redeemable Bonds 2019 (Redeemable at par on 09.11.2019)	12,500.00	12,500.00	-	-
x) 9.53% Secured Redeemable Bonds 2019 (Redeemable at par on 31.01.2019)	30,000.00	-	-	-
xi) 9.59% Secured Redeemable Bonds 2017 (Redeemable at par on 20.07.2017)	30,000.00	-	-	-
xii) 9.25% Secured Redeemable Bonds 2017 (Redeemable at par on 30.03.2017 with a put & call option exercisable on 30.07.2014)	10,000.00	10,000.00	-	-
xiii) 8.70% Secured Redeemable Bonds 2016 (Redeemable at par on 09.08.2016)	10,000.00	10,000.00	-	-
xiv) 8.55% Secured Redeemable Bonds 2014 (Redeemable at par on 09.11.2014)	-	7,500.00	7,500.00	-
xv) 10.79% Secured Redeemable Bonds 2013 (Fully Redeemed on 30.09.2013)	-	-	-	15,000.00

[Bonds at serial nos. (i),(ii), (iv) to (viii), (x) and (xi) are secured by hypothecation of book debts to the extent of 1.10 times of outstanding amount and rest of the Bonds are secured by hypothecation of book debts to the extent of 1.25 times of outstanding amount. In addition, all the Bonds are also secured by mortgage of buildings of ₹ 77.23 Lacs (Refer Note 9)]



	Non-Current Maturities		Current Maturities	
	As at	As at	As at	As at
	March 31st, 2014	March 31st, 2013	March 31st, 2014	March 31st, 2013
(₹ in Lacs)				
2. INR Term loans (detail terms are given at the end)*				
i) Term Loan from Punjab National Bank (Secured by hypothecation of book debts and negative lien on properties charged to/guarantees obtained by the Company against Loans disbursed)	1,11,000.00	95,999.99	54,999.99	33,666.67
ii) Refinance from National Housing Bank	87,749.27	70,926.74	11,807.20	19,106.30
iii) Term Loan from HDFC Bank	17,916.50	18,750.00	19,166.67	15,833.33
iv) Term Loan from Union Bank of India	30,000.00	34,000.00	12,000.00	20,000.00
v) Term Loan from Vijaya Bank	10,000.00	14,000.00	4,000.22	4,000.00
vi) Term Loan from ICICI Bank	9,614.20	11,657.60	2,185.80	2,914.40
vii) Term Loan from Central Bank of India	14,000.00	18,000.00	4,000.00	2,000.00
viii) Term Loan from United Bank of India	10,000.00	-	26,666.67	-
ix) Term Loan from HUDCO	25,924.93	-	1,785.36	-
x) Term Loan from Dena Bank	32,000.00	-	8,000.00	-
xi) Term Loan from Bank of Baroda	10,000.00	-	-	-
xii) Term Loan from State Bank of India	3,750.00	-	1,250.00	-
Total (Secured borrowings)	6,69,454.90	4,28,334.33	1,53,361.91	1,12,520.70
(Loans at serial nos. (ii) to (xii) are secured by hypothecation of specific loans/book debts against which refinance/ term loans has been availed)				
B. UNSECURED				
Fixed Deposit				
Non-cumulative	8,160.84	8,383.72	22,980.25	11,248.91
Cumulative [Non Current & Current Fixed Deposits are secured by floating charge on SLR securities of ₹ 23,240.99 Lacs (Previous year ₹ 7,379.36 Lacs) as per NHB Directions (Refer note 10)]	87,102.32	66,084.54	38,774.88	11,894.75
Tier II Subordinated Bonds				
- 9.10% Unsecured Redeemable Bonds, 2022 (Redeemable at par on 21.12.2022)	20,000.00	20,000.00	-	-
- 9.25% Unsecured Redeemable Bonds, 2016 (Redeemable at par on 22.03.2016)	10,000.00	10,000.00	-	-
Total (Unsecured borrowings)	1,25,263.16	1,04,468.26	61,755.13	23,143.66
	7,94,718.06	5,32,802.59	2,15,117.04	1,35,664.36
Current Maturity of Long-term Borrowings disclosed under the head "Other current liabilities" (Refer Note 8)				
- Secured	-	-	(1,53,361.91)	(1,12,520.70)
- Unsecured	-	-	(61,755.13)	(23,143.66)
	7,94,718.06	5,32,802.59	-	-

* Detail of INR Term Loans

Nature of Facility	Loan Outstanding March 31st, 2014	Remaining Period	Installment Amount	(₹ in Lacs)
				Installment Frequency
Punjab National Bank				
Term Loan-I	20,000.00	1 Year	10,000.00	Annual
Term Loan-II	12,000.00	1 Year	6,000.00	Annual
Term Loan-III	12,999.99	1 Year	4,333.33	Half Yearly
Term Loan-IV	16,000.00	4 Years	2,000.00	Half Yearly
Term Loan-V	45,000.00	4 Years	5,000.00	Half Yearly
Term Loan-VI	30,000.00	5 Years	3,000.00	Half Yearly
Term Loan-VII	30,000.00	5 Years	3,000.00	Half Yearly
Union Bank of India				
Term Loan-II	18,000.00	3 Years	3,000.00	Half Yearly
Term Loan-III	24,000.00	4 Years	3,000.00	Half Yearly
HDFC Bank				
Term Loan -IV (A)	13,750.00	1 Year	4,583.33	Half Yearly
Term Loan -IV (B)	5,000.00	1 Year	1,666.67	Half Yearly
Term Loan -V (A)	8,334.17	2 Years	1,666.83	Half Yearly
Term Loan -V (B)	9,999.00	3 Years	1,666.50	Half Yearly
Vijaya Bank				
Term Loan	14,000.22	3 Years	2,000.00	Half Yearly
ICICI Bank				
Term Loan	11,800.00	5 Years	2,185.80	Annual
Central Bank of India				
Term Loan	18,000.00	4 Years	2,000.00	Half Yearly
United Bank of India				
Term Loan 1	20,000.00	6 Months	20,000.00	Repayable on Sep. 30th, 2014
Term Loan 2	16,666.67	3 Years	3,333.33	Half Yearly
HUDCO				
Term Loan	27,710.29	10 Years	380.86	EMI
Dena Bank				
Term Loan	40,000.00	5 Years	3,333.33	Half Yearly
Bank of Baroda				
Term Loan	10,000.00	4 Years	1,666.67	Half Yearly
State Bank of India				
Term Loan	5,000.00	4 Years	1,250.00	Yearly
National Housing Bank				
Refinance	2,098.35	4 Years	131.15	Quarterly
Refinance	85.26	4 Years	5.34	Quarterly
Refinance	2.96	4 Years	0.19	Quarterly
Refinance	107.75	4 Years	6.75	Quarterly



Nature of Facility	Loan Outstanding March 31st, 2014	Remaining Period	Installment Amount	(₹ in Lacs)
				Installment Frequency
Refinance	920.40	4 Years	57.60	Quarterly
Refinance	426.00	5 Years	22.50	Quarterly
Refinance	413.33	5 Years	20.67	Quarterly
Refinance	1,464.39	5 Years	73.23	Quarterly
Refinance	311.08	5 Years	14.82	Quarterly
Refinance	448.48	2 Years	64.11	Quarterly
Refinance	448.48	2 Years	64.11	Quarterly
Refinance	1,546.00	2 Years	195.00	Quarterly
Refinance	1,198.00	2 Years	152.00	Quarterly
Refinance	870.60	8 Years	26.40	Quarterly
Refinance	1,483.96	8 Years	47.88	Quarterly
Refinance	2,761.00	8 Years	87.00	Quarterly
Refinance	174.26	8 Years	5.29	Quarterly
Refinance	279.80	9 Years	8.24	Quarterly
Refinance	1,615.36	9 Years	46.16	Quarterly
Refinance	181.20	9 Years	4.90	Quarterly
Refinance	1,104.00	2 Years	158.00	Quarterly
Refinance	728.00	2 Years	106.00	Quarterly
Refinance	1,425.30	2 Years	158.37	Quarterly
Refinance	2,556.00	8 Years	82.50	Quarterly
Refinance	3,934.56	8 Years	119.24	Quarterly
Refinance	10,150.40	8 Years	307.60	Quarterly
Refinance	73.56	8 Years	2.24	Quarterly
Refinance	2,792.35	9 Years	82.13	Quarterly
Refinance	2,615.35	9 Years	76.93	Quarterly
Refinance	19,294.80	9 Years	551.30	Quarterly
Refinance	4,487.16	9 Years	128.21	Quarterly
Refinance	1,743.55	9 Years	51.29	Quarterly
Refinance	3,452.60	4 Years	215.80	Quarterly
Refinance	715.78	4 Years	44.74	Quarterly
Refinance	17,020.00	9 Years	460.00	Quarterly
Refinance	4,743.40	9 Years	128.30	Quarterly
Refinance	624.00	2 Years	93.00	Quarterly
Refinance	165.00	10 Years	4.25	Quarterly
Refinance	94.00	7 Years	3.50	Quarterly
Refinance	5,000.00	10 Years	129.00	Quarterly
Grand Total	5,07,816.81			

NOTE : 5
OTHER LONG-TERM LIABILITIES

	(₹ in Lacs)	
	As at March 31st, 2014	As at March 31st, 2013
Unearned Revenue		
Unamortized Processing Fees: (Refer Note 1.3 (a))		
Processing Fees	1,785.18	2,082.71
Add: Earned during the year	3,329.31	
Less: Amortised during the year	1,557.25	297.53
Closing Balance	3,557.24	1,785.18
Less: To be amortized during next year (Refer Note 8)	756.59	297.53
Closing balance	2,800.65	1,487.65

NOTE : 6
PROVISIONS

	Long-term		Short-term		(₹ in Lacs)
	As at March 31st, 2014	As at March 31st, 2013	As at March 31st, 2014	As at March 31st, 2013	
a. Provision for employee benefits					
Provision for Leave Encashment	189.29	147.35	64.15	30.83	
Provision for Performance Linked Incentive	-	-	510.00	265.30	
	189.29	147.35	574.15	296.13	
b. Other provisions					
Provision for					
- Doubtful Debts & Contingencies	4,677.63	2,683.46	1,735.64	1,481.47	
- Taxation	-	-	19,676.75	14,611.75	
(Includes ₹ 5,065.00 Lacs provision made during current year. Previous year ₹ 3,455.00 Lacs)					
- Proposed Dividend	-	-	1,503.87	1,026.10	
- Tax on Proposed Dividend	-	-	255.58	174.39	
	4,677.63	2,683.46	23,171.84	17,293.71	
	4,866.92	2,830.81	23,745.99	17,589.84	



NOTE : 7

TRADE PAYABLES

	As at March 31st, 2014	As at March 31st, 2013
		(₹ in Lacs)
Sundry Creditors for expenses	1,651.35	642.09
	1,651.35	642.09

NOTE : 8

OTHER CURRENT LIABILITIES

Other Current Liabilities	As at March 31st, 2014	As at March 31st, 2013
		(₹ in Lacs)
Current Maturity of Long-Term borrowings		
- Secured	1,53,361.91	1,12,520.70
- Un secured	61,755.13	23,143.66
Total (Refer Note 4)	2,15,117.04	1,35,664.36
Unclaimed Deposits (Including unclaimed interest accrued and due ₹ 279.53 Lacs; Previous Year ₹ 243.95 Lacs)	1,210.70	1,313.81
Interest Accrued & Due on Deposits	2,370.57	1,232.85
Interest Accrued But Not Due:		
- Deposits	10,626.75	4,924.52
- Bonds/Loans	1,538.08	2,794.25
Book overdraft	18,096.91	20,768.77
Statutory dues payable:		
-Service Tax payable	1.05	-
-TDS payable	576.91	367.92
Unamortized Processing Fees (Refer Note 1.3(a) and Note 5)	756.59	297.53
Other Liability	1,151.85	1,784.70
	2,51,446.45	1,69,148.71

NOTE : 9
TANGIBLE ASSETS

(₹ in Lacs)

	Buildings*	Furniture & Fixtures	Vehicles	Computers	Office Equipments- Others	Intangibles	Leasehold Improvements	Total
Cost or valuation								
At April 1st, 2012	108.88	283.39	7.02	31.19	144.89	-	-	575.37
Additions	-	166.35	-	212.41	304.40	8.93	375.09	1,067.18
Disposals	-	20.10	0.43	-	12.05	-	-	32.58
At March 31st, 2013	108.88	429.64	6.59	243.60	437.24	8.93	375.09	1,609.97
Additions	-	219.81	-	275.00	327.47	98.97	612.27	1,533.52
Disposals	-	39.51	-	1.59	23.47	-	-	64.57
As at March 31st, 2014	108.88	609.94	6.59	517.01	741.24	107.90	987.36	3,078.92
Depreciation								
At April 1st, 2012	46.62	115.65	3.84	18.89	23.85	-	-	208.85
Charge for the year	3.11	50.39	0.82	39.64	37.68	0.32	34.04	166.00
Disposals	-	19.56	0.31	-	1.89	-	-	21.76
At March 31st, 2013	49.73	146.48	4.35	58.53	59.64	0.32	34.04	353.09
Charge for the year	2.96	79.48	0.58	148.32	91.57	11.53	154.81	489.25
Disposals	-	29.24	-	1.45	9.34	-	-	40.03
As at March 31st, 2014	52.69	196.72	4.93	205.40	141.87	11.85	188.85	802.31
Net Block								
At March 31st, 2013	59.15	283.16	2.24	185.07	377.60	8.61	341.05	1,256.88
As at March 31st, 2014	56.19	413.22	1.66	311.61	599.37	96.05	798.51	2,276.61

*Includes Buildings of ₹ 77.23 Lacs (Previous Year ₹ 77.23 Lacs) mortgaged for securing secured redeemable bonds (Refer Note 4).



NOTE : 10

NON-CURRENT INVESTMENTS

	As at March 31st, 2014	(₹ in Lacs) As at March 31st, 2013
OTHER INVESTMENTS (NON TRADE) (Refer Note 1.7)		
QUOTED-(FULLY PAID)		
Investments in Government Securities		
8.07% GOI Stock 2017 of Face Value of ₹ 3,005.00 Lacs (Previous Year ₹ 3,000.00 Lacs)	3,085.38	3,109.04
10.25% GOI Stock 2021 of Face Value of ₹ 1,005.00 Lacs (Previous Year ₹ 1,000.00 Lacs)	1,185.73	1,205.25
8.97% GOI Stock 2030 of Face Value of ₹ 50.00 Lacs (Previous Year ₹ Nil)	56.46	-
8.30% GOI Stock 2040 of Face Value of ₹ 30.00 Lacs (Previous Year ₹ Nil)	30.68	-
8.33% GOI Stock 2036 of Face Value of ₹ 26.00 Lacs (Previous Year ₹ Nil)	28.12	-
8.32% GOI Stock 2032 of Face Value of ₹ 25.00 Lacs (Previous Year ₹ Nil)	26.85	-
8.28% GOI Stock 2032 of Face Value of ₹ 19.00 Lacs (Previous Year ₹ Nil)	20.18	-
7.50% GOI Stock 2034 of Face Value of ₹ 18.00 Lacs (Previous Year ₹ Nil)	17.92	-
8.08% GOI Stock 2022 of Face Value of ₹ 15.00 Lacs (Previous Year ₹ Nil)	15.47	-
8.15% GOI Stock 2022 of Face Value of ₹ 14.00 Lacs (Previous Year ₹ Nil)	14.59	-
8.26% GOI Stock 2027 of Face Value of ₹ 10.00 Lacs (Previous Year ₹ Nil)	10.62	-
8.13% GOI Stock 2022 of Face Value of ₹ 10.00 Lacs (Previous Year ₹ Nil)	10.13	-
5.69% GOI Stock 2018 of Face Value of ₹ 10.00 Lacs (Previous Year ₹ Nil)	9.20	-
10.71% GOI Stock 2016 of Face Value of ₹ 8.00 Lacs (Previous Year ₹ Nil)	8.40	-
7.94% GOI Stock 2021 of Face Value of ₹ 7.90 Lacs (Previous Year ₹ Nil)	8.09	-
10.03% GOI Stock 2019 of Face Value of ₹ 7.00 Lacs (Previous Year ₹ Nil)	7.62	-
9.72% Kerala SDL 2023 of Face Value of ₹ 4,000.00 Lacs (Previous Year ₹ Nil)	4,145.39	-
9.79% Maharashtra SDL 2023 of Face Value of ₹ 1,500.00 Lacs (Previous Year ₹ Nil)	1,549.73	-
9.60% Maharashtra SDL 2023 of Face Value of ₹ 1,400.00 Lacs (Previous Year ₹ Nil)	1,401.73	-
8.25% Rajasthan SDL 2020 of Face Value of ₹ 30.00 Lacs (Previous Year ₹ Nil)	30.67	-

	(₹ in Lacs)	
	As at March 31st, 2014	As at March 31st, 2013
8.89% West Bengal SDL 2022 of Face Value of ₹ 25.00 Lacs (Previous Year ₹ Nil)	26.72	-
8.53% Maharashtra SDL 2020 of Face Value of ₹ 25.00 Lacs (Previous Year ₹ Nil)	25.96	-
8.93% Haryana SDL 2022 of Face Value of ₹ 22.20 Lacs (Previous Year ₹ Nil)	23.75	-
8.39% U.P. SDL 2020 of Face Value of ₹ 20.00 Lacs (Previous Year ₹ Nil)	20.57	-
7.79% Punjab SDL 2016 of Face Value of ₹ 16.80 Lacs (Previous Year ₹ Nil)	16.81	-
8.73% M.P. SDL 2022 of Face Value of ₹ 12.00 Lacs (Previous Year ₹ Nil)	12.66	-
8.66% A.P. SDL 2021 of Face Value of ₹ 10.00 Lacs (Previous Year ₹ Nil)	10.48	-
8.40% M.P. SDL 2019 of Face Value of ₹ 10.00 Lacs (Previous Year ₹ Nil)	10.25	-
8.55% U.P. SDL 2017 of Face Value of ₹ 10.00 Lacs (Previous Year ₹ Nil)	10.24	-
7.53% U.P. SDL 2015 of Face Value of ₹ 10.20 Lacs (Previous Year ₹ Nil)	10.17	-
8.30% Gujarat SDL 2017 of Face Value of ₹ 10.00 Lacs (Previous Year ₹ Nil)	10.14	-
7.77% Gujarat SDL 2015 of Face Value of ₹ 9.80 Lacs (Previous Year ₹ Nil)	9.80	-
7.77% A.P. SDL 2015 of Face Value of ₹ 9.00 Lacs (Previous Year ₹ Nil)	9.00	-
7.85% U.P. SDL 2016 of Face Value of ₹ 8.00 Lacs (Previous Year ₹ Nil)	8.01	-
7.91% Maharashtra SDL 2016 of Face Value of ₹ 5.00 Lacs (Previous Year ₹ Nil)	5.01	-
7.79% Tamilnadu SDL 2016 of Face Value of ₹ 1.20 Lacs (Previous Year ₹ Nil)	1.20	-
Investment in Bonds		
6.85% India Infrastructure Finance Corporation Tax Free Bond 2014 of Face Value of ₹ Nil (Previous Year ₹ 1,500.00 Lacs)	-	1,492.93
OTHERS		
Fixed Deposit- Union Bank of India of Face Value of ₹ 7,994.00 Lacs (Previous Year ₹ 1,500.00 Lacs)	8,678.13	1,572.14
Fixed Deposit- Vijaya Bank of Face Value of ₹ 2,500.00 Lacs (Previous Year ₹ Nil)	2,689.13	-
Aggregate value of investments	23,240.99	7,379.36
Cost of Quoted investments	11,873.73	5,807.22
Market Value	11,635.08	5,636.13



NOTE : 11

DEFERRED TAX ASSETS (NET)

	(₹ in Lacs)	
	As at March 31st, 2014	As at March 31st, 2013
Deferred Tax Assets		
Depreciation on Fixed Assets	10.74	18.21
Provision for leave encashment	86.14	60.56
Provision for performance linked incentive	173.35	90.17
Provision for doubtful debts and contingencies	2,203.54	1,415.66
De-recognition of Interest	10.63	41.73
Unearned Revenue	1,209.11	606.78
Total Deferred Tax Assets -A	3,693.51	2,233.11
Deferred Tax Liabilities		
Unamortized Expenditure	2,225.49	1,000.10
Total Deferred Tax Liabilities- B	2,225.49	1,000.10
Deferred Tax Assets (Net A-B)	1,468.02	1,233.01

NOTE : 12

LOANS AND ADVANCES

	(₹ in Lacs)			
	Non-Current		Current Portion	
	As at March 31st, 2014	As at March 31st, 2013	As at March 31st, 2014	As at March 31st, 2013
Loans-Secured (Refer note 22.03)				
Housing Loans	5,96,563.35	3,92,646.84	1,35,307.79	88,318.93
Non-Housing Loans	2,65,325.61	1,45,169.17	56,630.17	32,583.75
Loans to Employees	2,175.83	1,000.13	480.81	221.01
Current portion of Long-term Loans & Advances disclosed under the head Current "Loans & Advances" (Refer Note 16)	-	-	(1,92,418.77)	(1,21,123.69)
	8,64,064.79	5,38,816.14	-	-

NOTE : 13
OTHER NON CURRENT ASSETS

	As at March 31st, 2014	As at March 31st, 2013
		(₹ in Lacs)
Security Deposits		
Unsecured, Considered Good	281.26	95.61
Unamortized Expenditures:		
a. Unamortized Loan Acquisition Cost (Refer Note 1.16)	2,942.35	-
Add: Expenses incurred during the year	4,778.13	3,432.74
Less: Amortized during the year	1,172.98	490.39
Closing balance	6,547.50	2,942.35
Less: To be amortised during next year (Current Portion- Refer Note 17)	1,172.98	490.39
	5,374.52	2,451.96
b. Unamortized Brokerage on Borrowings (Refer Note 1.10)	529.07	-
Add: Expenses incurred during the year	877.08	743.93
Less: Amortized during the year	528.50	214.86
Closing balance	877.65	529.07
Less: To be amortized during next year (Current Portion- Refer Note 17)	443.99	220.69
	433.66	308.38
	6,089.44	2,855.95

NOTE : 14
CURRENT INVESTMENTS

	As at March 31st, 2014	As at March 31st, 2013
		(₹ in Lacs)
QUOTED-OTHER THAN TRADE (FULLY PAID)		
Bonds and Debentures		
8.80% Food Corporation of India Limited 2028 of Face Value of ₹ 7,780.00 Lacs (Previous Year ₹ Nil)	8,422.16	-
7.98% Infrastructure Development Finance Company Limited 2023 of Face Value of ₹ 7,160.00 Lacs (Previous Year ₹ Nil)	7,181.34	-
8.69% Damodar Valley Corporation Bonds 2028 of Face Value of ₹ 4,560.00 Lacs (Previous Year ₹ 7,000.00 Lacs)	4,764.59	7,000.00
8.83% Indian Railway Finance Corporation Bonds 2023 of Face Value of ₹ 1,030.00 Lacs (Previous Year ₹ 2,500.00 Lacs)	1,052.45	2,500.00
8.94% Power Finance Corporation Limited 2028 of Face Value of ₹ 1,000.00 Lacs (Previous Year ₹ Nil)	1,027.20	-



	As at March 31st, 2014	(₹ in Lacs) As at March 31st, 2013
9.24% Rural Electrification Corporation Limited 2018 of Face Value of ₹ 1,000.00 Lacs (Previous Year ₹ Nil)	1,003.60	-
7.93% Power Grid Corporation of India Limited 2019 of Face Value of ₹ 1,000.00 Lacs (Previous Year ₹ Nil)	997.56	-
7.93% Power Grid Corporation of India Limited 2021 of Face Value of ₹ 1,000.00 Lacs (Previous Year ₹ Nil)	997.31	-
7.93% Power Grid Corporation of India Limited 2018 of Face Value of ₹ 1,000.00 Lacs (Previous Year ₹ Nil)	997.13	-
7.93% Power Grid Corporation of India Limited 2028 of Face Value of ₹ 1,000.00 Lacs (Previous Year ₹ Nil)	988.35	-
7.93% Power Grid Corporation of India Limited 2027 of Face Value of ₹ 1,000.00 Lacs (Previous Year ₹ Nil)	987.75	-
7.93% Power Grid Corporation of India Limited 2020 of Face Value of ₹ 900.00 Lacs (Previous Year ₹ Nil)	897.20	-
7.93% Power Grid Corporation of India Limited 2023 of Face Value of ₹ 500.00 Lacs (Previous Year ₹ Nil)	502.95	-
7.93% Power Grid Corporation of India Limited 2022 of Face Value of ₹ 500.00 Lacs (Previous Year ₹ Nil)	502.55	-
7.93% Power Grid Corporation of India Limited 2017 of Face Value of ₹ 500.00 Lacs (Previous Year ₹ Nil)	501.40	-
7.93% Power Grid Corporation of India Limited 2025 of Face Value of ₹ 500.00 Lacs (Previous Year ₹ Nil)	495.00	-
7.93% Power Grid Corporation of India Limited 2024 of Face Value of ₹ 500.00 Lacs (Previous Year ₹ Nil)	495.00	-
7.93% Power Grid Corporation of India Limited 2026 of Face Value of ₹ 500.00 Lacs (Previous Year ₹ Nil)	495.00	-
9.45% State Bank of India 2021 of Face Value of ₹ 400.00 Lacs (Previous Year ₹ Nil)	401.96	-
9.41% Indian Infrastructure Finance Company Limited Bonds 2037 of Face Value of ₹ 100.00 (Previous Year ₹ 2,740.00 Lacs)	108.59	2,959.70
8.70% National Hydroelectric Power Corporation Limited 2015 of Face Value of ₹ 100.00 Lacs (Previous Year ₹ Nil)	100.17	-
8.82% Rural Electrification Corporation Limited 2023 of Face Value of ₹ 80.00 Lacs (Previous Year ₹ Nil)	81.42	-
8.57% Mahanagar Telephone Nigam Limited Bonds 2023 of Face Value of ₹ Nil (Previous Year ₹ 11,500.00 Lacs)	-	11,500.00
9.03% Gujarat State Petroleum Corporation Bonds 2022 of Face Value of ₹ Nil (Previous Year ₹ 5,000.00 Lacs)	-	5,000.00
10.07% Nuclear Power Corporation Bonds 2019 of Face Value of ₹ Nil (Previous Year ₹ 2,850.00 lacs)	-	2,946.90
9.45% Gujarat State Petroleum Corporation Bonds 2022 of Face Value of ₹ Nil (Previous Year ₹ 2,500.00 Lacs)	-	2,584.25
10.00% Reliance Capital Ltd Bonds 2017 of Face Value of ₹ Nil (Previous Year ₹ 2,000.00 Lacs)	-	2,000.00

	As at March 31st, 2014	(₹ in Lacs) As at March 31st, 2013
9.02% Rural Electrification Corporation Limited 2022 of Face Value of ₹ Nil (Previous Year ₹ 1,000.00 Lacs)	-	1,021.20
8.85% Power Grid Corporation Bonds 2026 of Face Value of ₹ Nil (Previous Year ₹ 1,000.00 Lacs)	-	1,011.07
7.18% Indian Railway Finance Corporation Limited Bonds 2023 of Face Value of ₹ Nil (Previous Year ₹ 800.00 Lacs)	-	801.84
8.70% Rural Electrification Corporation Limited 2018 of Face Value of ₹ Nil (Previous Year ₹ 700.00 Lacs)	-	700.30
8.85% Power Grid Corporation of India Bonds 2025 of Face Value of ₹ Nil (Previous Year ₹ 500.00 Lacs)	-	505.29
8.85% Power Grid Corporation of India Bonds 2024 of Face Value of ₹ Nil (Previous Year ₹ 500.00 Lacs)	-	505.02
8.85% Power Grid Corporation of India Bonds 2023 of Face Value of ₹ Nil (Previous Year ₹ 500.00 Lacs)	-	504.78
8.85% Power Grid Corporation of India Bonds 2022 of Face Value of ₹ Nil (Previous Year ₹ 500.00 Lacs)	-	502.90
8.85% Power Grid Corporation of India Bonds 2020 of Face Value of ₹ Nil (Previous Year ₹ 500.00 Lacs)	-	502.70
7.34% Indian Railway Finance Corporation Bonds 2028 of Face Value of ₹ Nil (Previous Year ₹ 500.00 Lacs)	-	502.10
8.78% Power Finance Corporation of India Bonds 2020 of Face Value of ₹ Nil (Previous Year ₹ 500.00 Lacs)	-	501.90
8.85% Power Grid Corporation of India Bonds 2027 of Face Value of ₹ Nil/- (Previous Year ₹ 500.00 Lacs)	-	501.47
8.90% Power Finance Corporation Bonds 2018 of Face Value of ₹ Nil (Previous Year ₹ 500.00 Lacs)	-	500.15
8.00% Indian Overseas Bank Bonds 2016 of Face Value of ₹ Nil/- (Previous Year ₹ 500.00 Lacs)	-	491.50
7.41% Indian Infrastructure Finance Company Ltd. Bonds 2032 of Face Value of ₹ Nil (Previous Year ₹ 500.00 Lacs)	-	464.51
7.45% Bank of Baroda Tier-II Bonds 2015 of Face Value of ₹ Nil (Previous Year ₹ 180.00 Lacs)	-	175.10
8.00% Indian Railway Finance Corporation Ltd. Bonds 2022 of Face Value of ₹ Nil (Previous Year ₹ 100.00 Lacs)	-	104.20
UNQUOTED-OTHER THAN TRADE (FULLY PAID)		
Certificate of Deposit of Allahabad Bank of Face Value of ₹ 10,000.00 Lacs (Previous Year ₹ Nil)	9,837.75	-
Certificate of Deposit of IDBI Bank Ltd. of Face Value of ₹ 10,000.00 Lacs (Previous Year ₹ Nil)	9,835.17	-
Certificate of Deposit of State Bank of Hyderabad of Face Value of ₹ Nil (Previous Year ₹ 10,000.00 Lacs)	-	9,816.46
Certificate of Deposit of Corporation Bank of Face Value of ₹ Nil (Previous Year ₹ 10,000.00 Lacs)	-	9,234.16
Certificate of Deposit of IDBI Bank Ltd. of Face Value of ₹ Nil (Previous Year ₹ 5,000.00 Lacs)	-	4,606.18



	As at March 31st, 2014	(₹ in Lacs) As at March 31st, 2013
Certificate of Deposit of Indian Bank of Face Value of ₹ Nil (Previous Year ₹ 2,500.00 Lacs)	-	2,438.44
Total	52,673.60	71,882.12
Aggregate value of quoted investments	33,000.68	45,786.88
Market value of quoted investments	33,341.06	45,919.17
Aggregate value of unquoted investments	19,672.92	26,095.24

NOTE : 15

CASH AND CASH EQUIVALENTS

	As at March 31st, 2014	(₹ in Lacs) As at March 31st, 2013
Cash and cash equivalents		
Cash in Hand	113.35	117.97
Balances with banks:		
- in Current Accounts	2,361.64	6,109.68
- in Fixed Deposits	-	5,004.11
Cheques on Hand	-	7,611.98
Stamps in Hand	0.35	5.13
	2,475.34	18,848.87

NOTE : 16

SHORT-TERM LOANS AND ADVANCES

	As at March 31st, 2014	(₹ in Lacs) As at March 31st, 2013
Current Maturities of Long-Term Loans & Advances (Refer Note 12)		
Secured (Refer note 22.03)		
Housing Loans	1,35,307.79	88,318.93
Non-Housing Loans	56,630.17	32,583.75
Loans to Employees	480.81	221.01
	1,92,418.77	1,21,123.69
Installments Due from Borrowers *	2,637.23	2,024.03
Demand Loan against Deposits	117.56	163.39
Advances recoverable in cash or kind		
Unsecured, Considered Good	106.16	123.26
Other Short-Term Loans and Advances		

	As at March 31st, 2014	As at March 31st, 2013
		(₹ in Lacs)
TDS and Advance Income Tax (Includes ₹ 4,875.57 Lacs for current year; Previous year ₹ 3,710.73 Lacs)	20,342.28	15,466.71
Advance Fringe Benefit Tax	11.75	11.75
Prepaid expenses	10.24	17.82
	2,15,643.99	1,38,930.65

* Net of interest de-recognized ₹ 263.37 Lacs (Previous Year ₹ 278.33 Lacs)

NOTE : 17

OTHER CURRENT ASSETS

	As at March 31st, 2014	As at March 31st, 2013
		(₹ in Lacs)
Assets acquired in extinguishment of loans (Held for sale or disposal)	1,446.21	3,272.15
Less: Provision for diminution in value	69.65	69.65
	1,376.56	3,202.50
Interest Accrued on Investments	1,465.37	1,105.66
Unamortized Loan Acquisition Cost (Refer Note 13)	1,172.98	490.39
Unamortized Brokerage on Borrowings (Refer Note 13)	443.99	220.69
	4,458.90	5,019.24

NOTE : 18

REVENUE FROM OPERATIONS

	For the year ended March 31st, 2014	For the year ended March 31st, 2013
		(₹ in Lacs)
INTEREST INCOME		
i) on Loans		
- Housing Loans	68,011.67	43,209.71
- Non-Housing Loans	32,099.70	17,422.95
(TDS ₹ 619.95 Lacs Previous Year ₹ 313.00 Lacs)	1,00,111.37	60,632.66
ii) on Demand Loans	4.43	12.34
	1,00,115.80	60,645.00
iii) on Deposits	1,114.67	259.22
(TDS ₹ 91.85 Lacs; Previous Year ₹ 8.02 Lacs)		
iv) on Investments		
(TDS ₹ 3.00 Lacs; Previous Year ₹ 1.69 Lacs)		
- Long Term	694.23	383.42
- Current	3,666.09	2,172.64
	1,05,590.79	63,460.28
Fees & Other Charges (Refer Note 1.3(a) and Note 5)	2,166.01	782.90
	1,07,756.80	64,243.18



	(₹ in Lacs)	
	For the year ended March 31st, 2014	For the year ended March 31st, 2013
OTHER INCOME		
Dividend Income	1,154.08	369.22
Profit / (Loss) On Sale of Investment		
- Long Term	-	-
- Current	949.55	425.08
Other Charges Recovered	88.43	92.02
Miscellaneous Income	1,653.07	1,015.36
(TDS ₹ 58.64 Lacs; Previous Year ₹ 17.94 Lacs)		
Profit / (Loss) on sale of Fixed Assets	(14.45)	(0.87)
	1,727.05	1,106.51
	3,830.68	1,900.81
	1,11,587.48	66,143.99

**NOTE : 19
FINANCE COST**

	(₹ in Lacs)	
	For the year ended March 31st, 2014	For the year ended March 31st, 2013
Interest on Loans	66,069.28	39,713.74
Interest on Deposits	13,238.44	6,001.70
Bank Charges	18.98	81.61
Fee and other expenses	259.96	215.34
Brokerage and Incentive (Refer Note 1.10)	528.50	214.86
	80,115.16	46,227.25

**NOTE : 20
EMPLOYEE BENEFIT EXPENSE**

	(₹ in Lacs)	
	For the year ended March 31st, 2014	For the year ended March 31st, 2013
Salaries and Allowances	3,736.52	2,371.37
Contribution towards Group Gratuity	40.77	39.45
Contribution to Provident Fund	161.81	115.54
Staff Welfare Expenses	100.98	71.03
	4,040.08	2,597.39

NOTE : 21
OTHER EXPENSES

	(₹ in Lacs)	
	For the year ended March 31st, 2014	For the year ended March 31st, 2013
Office Running Expenditure		
Rent	704.09	457.83
Repairs & Maintenance-building	71.38	10.19
Repairs & Maintenance-others	52.54	128.46
Rates & Taxes	10.45	11.23
Registration and Filing Fees	78.98	34.45
Electricity and Water Charges	196.13	120.11
General Office Expenses	750.17	431.03
Insurance	2.51	4.64
Travelling	205.03	191.56
Conveyance	95.15	90.41
Printing & Stationery	108.48	81.38
Postage & Telephone	272.24	120.13
	2,547.15	1,681.42
Others		
Director's Sitting Fee	6.69	4.73
Legal Expenses	241.10	355.32
Professional Charges	1,178.60	529.55
Auditors Remuneration		
- Audit Fee	11.15	9.03
- Tax Audit Fee	4.25	3.19
- Out of Pocket Expenses	4.78	5.78
- Other Certifications	5.84	4.78
Advertisement & Publicity	545.98	184.21
Cost of Loan Acquisition (Refer Note 1.16)	1,687.51	490.39
Miscellaneous	92.60	33.74
	3,778.50	1,620.72
	6,325.65	3,302.14

**NOTE: 22****OTHER NOTES ON ACCOUNTS**

1. The age-wise analysis of loans in respect of which the installments (including interest) have become due are as under:

	For the year ended March 31st, 2014	For the year ended March 31st, 2013
	(₹ in Lacs)	
Outstanding for over six months	1,659.71	528.65
Outstanding for six months or less	977.52	1,495.38
	2,637.23	2,024.03

2. Loans and installments due from borrowers shown under Loans and Advances are secured wholly or partly by any one or all of the below as applicable:
- Equitable Mortgage of Property.
 - Pledge of shares, units, NSCs, other securities, assignment of life insurance policies.
 - Bank guarantee, corporate guarantee, government guarantee or personal guarantee.
 - Undertaking to create a security.
3. Advances are classified as performing and non-performing assets in accordance with directions on prudential norms issued by National Housing Bank (NHB). Provisions on standard assets, sub-standard assets, doubtful assets and loss assets have been made as per NHB Directions, 2010 as amended from time to time. Details are given hereunder:

	(₹ in Lacs)				
Loans	Standard	Sub Standard	Doubtful	Loss	Total
Housing Loans					
(including installments due from borrowers)	7,43,870.61	376.49	1,564.75	300.40	7,46,112.25
(Previous Year)	(4,80,822.43)	(841.74)	(1,755.54)	(59.28)	(4,83,478.99)
Provisions made	3,189.01	56.47	923.13	300.40	4,469.01
(Previous Year)	(2,037.15)	(126.26)	(804.26)	(59.28)	(3,026.95)
Non-Housing Loans					
(including installments due from borrowers)	3,11,878.14	268.14	862.28	-	3,13,008.56
(Previous Year)	(1,77,411.26)	(266.44)	(786.15)	-	(1,78,463.84)
Provisions made	1,488.62	40.22	411.49	-	1,940.33
(Previous Year)	(758.64)	(39.97)	(339.37)	-	(1,137.98)
Total Loans	10,55,748.75	644.63	2,427.03	300.40	10,59,120.81
(Previous Year)	(6,58,233.69)	(1,108.18)	(2,541.68)	(59.28)	(6,61,942.83)
Total Provisions	4,677.63	96.69	1,334.62	300.40	6,409.34
(Previous Year)	(2,795.79)	(166.23)	(1,143.63)	(59.28)	(4,164.93)

Non-Housing loans includes portfolio purchased during the FY 2011-12 (Current year ₹ Nil) through direct assignment by true sale from other institutions amounting to ₹ 34,004 Lacs (Outstanding balance as on 31.03.2014 ₹ 14,192 Lacs (Previous years ₹ 22,962 Lacs).

4. Interest on non-performing assets is recognized on realization basis as per the NHB Directions. Accordingly, total interest de-recognized as at the Balance Sheet date is summarized as under:

	(₹ in Lacs)	
	For the year ended March 31st, 2014	For the year ended March 31st, 2013
Cumulative interest B/F from last Balance Sheet	278.33	292.50
Less: Recovered/ written back/ written off during the year	150.17	117.13
Add: Interest de-recognized for the year on		
- Sub Standard Assets (Net)	8.41	85.46
- Doubtful/ Loss Assets	126.80	17.49
Total interest de-recognized as on 31.03.2014	263.37	278.33

5. Capital to Risk Assets Ratio (CRAR)

	(₹ in Lacs)	
	As at March 31st, 2014	As at March 31st, 2013
i. CRAR (%)	13.39	14.40
ii. CRAR – Tier I Capital (%)	10.38	9.78
iii. CRAR – Tier II Capital (%)	3.01	4.62

6. Exposure to Real Estate Sector

	(₹ in Lacs)	
Category	For the year ended March 31st, 2014	For the year ended March 31st, 2013
a. Direct Exposure		
i. Residential Mortgages (including loan against residential property) - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Out of which Individual Housing Loans up to ₹ 15 lacs – ₹ 1,052.53 crores; Previous Year ₹ 1,208.44 crores)	9,579.29*	6350.10*
ii. Commercial Real Estate - Lending secured by mortgages on commercial real estates. Exposure would also include non-fund based (NFB) limits	1,011.91*	269.33*
iii. Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
A. Residential	Nil	Nil
B. Commercial Real Estate	Nil	Nil
b. Indirect Exposure		
Fund-based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

*in addition, there are loans sanctioned but not disbursed of ₹ 903.28 crores (previous year ₹ 406.06 crores)



7. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(₹ in Crores)

	Liabilities			Assets			
	Bank Borrowings A	Market Borrowings B	Contractual Outflows A+B	*Net Advances C	Investments D	Net Interest Inflow E	Inflows C+D+E
1 day to 30-31 days (one month)	204.75	75.02	279.77	182.10	213.21	57.61	452.92
Over 1 month to 2 months	21.43	15.41	36.84	171.87	26.89	58.16	256.92
Over 2 months to 3 months	151.44	16.87	168.31	169.04	165.00	56.75	390.79
Over 3 months to 6 months	516.26	94.71	610.97	490.56	165.00	158.92	814.48
Over 6 months to 1 year	564.73	490.55	1,055.28	910.62	-	287.55	1,198.17
Over 1 year to 3 years	1,960.73	1,045.77	3,006.50	2,855.71	101.84	1,094.38	4,051.93
Over 3 years to 5 years	1,117.94	927.15	2,045.09	1,915.58	0.40	934.84	2,850.82
Over 5 years to 7 years	252.44	201.35	453.79	1,284.94	0.85	673.88	1,959.67
Over 7 years to 10 years	288.44	2,295.30	2,583.74	1,179.77	85.95	594.84	1,860.56
Over 10 years	-	0.15	0.15	1,431.02	-	-	1,431.02
Total	5,078.16	5,162.28	10,240.44	10,591.21	759.14	3,916.93	15,267.28

*Based upon past experience loans gets amortized in 7-8 years

8. Related Party Transactions

In view of the exemption available to the Company under para 9 of Accounting Standard on Related Party Disclosures (AS-18), related party relationships with other state controlled enterprises and transactions with such enterprises are not being disclosed. However, the Company has identified all other related parties having transactions during the year as given below:

a) Key Management Personnel:

S. No.	Name of transacting related party		(₹ in Lacs)	
			2013-14	2012-13
1.	Sh Sanjaya Gupta & Relatives Managing Director	Salary, Allowances	55.44	55.57
		Cont. to PF	2.60	2.31
		Reimbursements	6.09	6.27
		Variable Pay	20.00	20.26

b) Other Entities:

S. No.	Name of transacting related party		(₹ in Lacs)	
			2013-14	2012-13
1.	Destimoney Enterprises Pvt Ltd	DMA Commission	526.10	511.83
		Interest on CCDs	-	185.48
		Dividend	470.66	171.60
		Reimbursements	2.00	2.66
		Conversion of CCDs	-	13,732.35
		Issue of Bonus Shares	-	317.05

- c) The Company has paid a sum of ₹ 6.69 lacs (Previous ₹ 4.73 lacs) to independent directors for attending Board/ Committee meetings towards sitting fees.
9. The Company has not created any deferred tax liability on Special Reserves created and maintained u/s 36(1)(viii) of the Income Tax Act,1961 in view of the resolution passed by the Board on December 15th, 2011 resolving for non-withdrawal of existing Special Reserve and also any sum that might be transferred to Special Reserve from time to time in future. Moreover, as per prevalent practice amongst Housing Finance Companies, the Company has not created any deferred tax liability on Special Reserves maintained u/s 36(1)(viii) of the Income Tax Act,1961.
10. The Future minimum lease payments in respect of premises taken under non-cancellable operating lease are as follows:

Period	(₹ in Lacs)	
	As at March 31st, 2014	As at March 31st, 2013
Not later than one year	520.27	257.26
Later than one year but not later than 5 years	618.77	335.48

11. Earning per share (EPS) calculation (basic and diluted)

	Unit	(₹ in Lacs)	
		2013-14	2012-13
a. Amount used as the numerator for basic EPS Profit after tax	(₹ in Lacs)	12,744.25	9,151.14
b. Weighted average number of equity shares for Basic EPS	Number	5,01,28,978	4,10,44,318
c. Weighted average number of equity shares for Diluted EPS	Number	5,01,28,978	4,10,44,318
d. Nominal value per share	(in ₹)	10	10
e. Earning per share			
-Basic (a/b)	(in ₹)	25.42	22.30
-Diluted (a/c)	(in ₹)	25.42	22.30

12. Segment Reporting: The Company's prime business is to provide loans against/for purchase, construction, repairs & renovations of Houses/ Flats/Commercial Properties etc. There are no business operations located "Outside India". Hence all the activities are considered as a "Single business/Geographical Segment" for the purposes of Accounting Standard on Segment Reporting (AS-17), issued by The Institute of Chartered Accountants of India.

13. Details of movement in provisions (AS-29)

Provision for Doubtful Debts & Contingencies	Opening as on April 1, 2013	Net Addition	(₹ in Lacs)
			Closing as on March 31st, 2014
-On Loans	4,164.93	2,244.41	6,409.34
-Others	69.65	3.93	73.58

Outflow in respect of above provisions would depend on developments/outcome of these events.



14. The provision for Income Tax has been made on the basis of the accounting practices consistently followed by the Company after allowing benefits under section 36(1)(viii) of the Income Tax Act, 1961. The method of bifurcation of income & expenses for long-term housing finance is the same as that of past years.
15. As per the information available with the Company, there are no amounts payable to Micro, Small and Medium Enterprises.
16. Statutory reserves as per Section 29C of National Housing Bank Act, 1987:

	As at March 31st, 2014	As at March 31st, 2013
(₹ in Lacs)		
Balance at the beginning of the year		
a) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	839.00	489.00
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	13,150.81	11,600.81
c) Total	13,989.81	12,089.81
Addition/ Appropriation/ Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	680.00	350.00
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	1,875.00	1,550.00
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	1,519.00	839.00
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	15,025.81	13,150.81
c) Total	16,544.81	13,989.81

17. During the year, the Company has increased its authorized capital from ₹ 50.00 crores to ₹ 150.00 crores divided in to 15.00 crore equity shares of ₹ 10 each. (Refer Note 2)
18. The Company had made Rights Issue of 7,69,23,000 equity shares of ₹ 10 each at a premium of ₹ 120 per equity share on October 28th, 2013 to the existing shareholders PNB and DEPL aggregating to ₹1,000.00 crores. The Board had called a sum of ₹ 4 per share along with proportionate premium of ₹ 48 per share towards application money. Pursuant to the Rights Offer, PNB has subscribed 3,92,30,700 equity shares offered to it. DEPL is seeking statutory approvals to subscribe to 3,76,92,300 equity shares offered to it. Pending statutory approvals to DEPL, the Board has allotted 3,92,30,700 equity shares to PNB on March 29th, 2014. The Board has extended last date for subscription for remaining shares up to July 20th, 2014. (Refer Note 2)

19. Contingent Liabilities and Commitments

Contingent Liabilities	(₹ in Lacs)	
	As at March 31st, 2014	As at March 31st, 2013
- Income tax matters under dispute and others	312.49	222.05
Capital Commitments		
- Estimated amount of contracts remaining	3,217.99	196.58

Claims against the Company not acknowledged as debt is ₹ Nil (Previous year ₹ Nil)

20. Disclosure in respect of Leave Encashment Liability

Changes in the benefit obligation	(₹ in Lacs)	
	March 31st, 2014	March 31st, 2013
a) Liability at the beginning of year	169.16	141.03
b) Interest cost	13.53	11.28
c) Current service cost	72.89	67.63
d) Benefits paid	(31.57)	(30.68)
e) Actuarial (gain)/loss on obligation	(5.59)	(20.10)
f) Liability at the end of year	218.42	169.16
Amounts recognized in balance sheet		
a) Present value of obligation as at the end of the period	218.42	169.16
b) Net asset / (liability) recognized in balance sheet	(218.42)	(169.16)
Expense recognized in the statement of profit and loss		
a) Current service cost	72.89	67.63
b) Interest cost	13.53	11.28
c) Net actuarial (gain)/ loss recognized in the period	(5.59)	(20.10)
d) Expenses recognized in the statement of profit & loss	80.83	58.81
Movement in the liability recognized in the balance sheet		
a) Liability at the beginning of year	169.16	141.03
b) Expense as above	80.83	58.81
c) Benefits paid	(31.57)	(30.68)
d) Liability at the end of year	218.42	169.16
Assumptions		
a) Discounting rate	8.50%	8.00%
b) Future salary Increase	8.50%	8.00%
c) Retirement age (years)	60	60
d) Mortality table	IALM (2006-08)	IALM (1994-96)

21. Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010. During the current year, the Company has:

- Neither been imposed any penalty by National Housing Bank
- Nor received any adverse comments from National Housing Bank



22. The Central Government has notified The Companies (Prospectus and Allotment of Securities) Rules 2014, which are applicable from April 1st, 2014. The Company will seek clarification on requirement of creation of Debenture Redemption Reserves under these rules.
23. Previous year figures have been rearranged / regrouped wherever necessary as per the revised Schedule VI. The additional information pursuant to revised Schedule VI to the Companies Act, 1956 are either Nil or Not Applicable.

(Krishan Gopal)
Sr. Manager-Finance & Accounts

(Sanjay Jain)
Co. Secretary & Chief Finance

For and on behalf of the Board

(Sanjaya Gupta)
Managing Director

(Vivek Vig)
Director

(K. R. Kamath)
Chairman

In terms of our report of even date

For B.R. Maheswari & Co.

Chartered Accountants

(Akshay Maheshwari)
Partner

PLACE : NEW DELHI
DATED: 29/04/2014

M No : 504704
FR No : 001035N