



**RAJ K. AGGARWAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

Phone : 41419973

: 27487547

Fax : 27476964

E-mail : [ca.rajkagg@yahoo.com](mailto:ca.rajkagg@yahoo.com)

Head Office: Plot No. - 5, BN Block (W) Central Market, IInd Floor, Adjoining Bank of Baroda,  
Shalimar Bagh (West), New Delhi-110088.

### AUDITOR'S REPORT

To,  
**The Shareholders**  
PNB Housing Finance Limited  
New Delhi

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **PNB HOUSING FINANCE LIMITED** which comprise the Balance Sheet as at March 31, 2013, 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 the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



**Opinion**

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

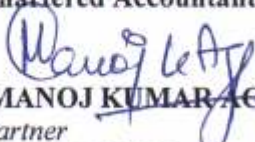
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) 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", 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 by the Company so far as appears from our examination of those books
  - 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 the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For RAJ K. AGGARWAL & ASSOCIATES**  
Chartered Accountants

  
(**MANOJ KUMAR AGGARWAL**)  
Partner

M. No: 511415

Firm Registration No : 002585N



Place: New Delhi

Dated: 04.05.2013



## Annexure to Auditors' Report

### **Referred to in paragraph 1 of 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:-

- I. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and as per the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- II. The provisions of para (ii) (a) to (c) of the Order are not applicable to the Company, being engaged in financial services sector.
- III. (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, and accordingly para (iii) (b) to (d) of the Order are not applicable for the financial year 2012-13.
- (d) 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 (f) & (g) of para (iii) of the Order are not applicable.  
*The 7.25% Compulsory Convertible Debentures (CCD's) amounting to Rs 137.32 crore issued to Destimoney Enterprises Private Limited (DEPL), which is holding 26% shares in the Company, issued in earlier years, have been converted in to equity on 08th June 2012. The year end balance in respect of the same as at March 31, 2013 stands NIL.*
- (e) *The rate of interest paid by the Company on these CCD's, till 08th June 2012, is not prejudicial to the interest of the Company. Other terms and conditions are as per the agreement between PNBHFL, Punjab National Bank and DEPL for conversion of CCD's into equity shares at a future date. The conversion price of the CCD's into equity shares is at a predetermined price as per the terms of the said shareholders agreement decided by a competitive bidding process, therefore we do not offer any comment on the reasonableness of the predetermined price.*
- IV. On the basis of selective checks carried out during the course of our audit, in our opinion and according to the information and explanations given to us, the internal control system that are presently installed are generally adequate and commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and for the sanction, disbursement and recovery of loans given by the



Company. We have not observed any continuing failure to correct major weaknesses in such internal controls.

- V. a) According to the information and explanation given to us and on the basis of representation by the management, we are of the opinion that particulars of contract or arrangements that need to be entered in 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 49% 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 view of the fact that the party is not using any facility of the Company for business development.
- VI. 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.
- VII. The Company has an internal audit cell comprising of experienced and qualified staff that carries out the internal audit of branches on rotation basis and system of transaction (Internal) audit of its branches and head office by the firm of Chartered Accountants. In view of the above, the system of internal audit appears to be in commensurate with the size of the Company and the nature of its business.
- VIII. 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.
- IX. (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. We have been informed that Government Notification about Cess payable is still awaited and considering the business of the Company, in the management's view ESI, Excise Laws, etc. are not applicable to the Company at present.

*However, an amount of Rs. Rs. 19,72,800/-, in respect of Works Contract Tax, is payable as of March 31, 2013, which shall be deposited in the due course as explained by the management.*

- (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax and Service Tax which is outstanding for a period of more than six months as at 31<sup>st</sup> March, 2013 from the date they became payable.





- (c) We have been informed that there are no dues in respect of Service Tax, Wealth Tax and Cess which has not been deposited on account of any dispute, except for *Income Tax demand as given hereunder, which has not been deposited as the same is disputed.*

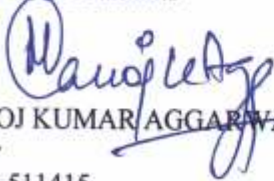
Name of the statute	Nature of dues	Amount (Rs.)	Assessment Year to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Allocation of Common Expenses for computation of deduction u/s 36 (1)(viii) of the Act.	52,15,202	2007-08	Commissioner of Income Tax (Appeals)
		74,53,195	2008-09	
		43,41,393	2009-10	
		51,95,570	2010-11	
		<b>2,22,05,360</b>		

- X. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- XI. According to the information & explanations given & records examined by us, in our opinion, the Company has not defaulted in repayment of dues to Financial Institutions, Banks or Debenture Holders.
- XII. (a) The Company grants loans and advances for housing interalia on the main security of 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 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.
- XIII. 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 (as amended) are not applicable to the Company.
- XIV. In respect of Company's transactions for sale / purchase of securities and other investments, held as Investments, 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.



- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others / third parties from Banks or Financial Institutions.
- XVI. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- XVII. 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 Loan from 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.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to any party covered in the Register maintained under section 301 of Companies Act.
- XIX. The Company did not have any outstanding debentures as at March 31, 2013.
- XX. The Company has not raised any money through public issue during the year.
- XXI. According to the information and explanations given to us, during the year ended on 31.03.2013, no fraud has been came to the noticed of management / reported to the Board of Directors / Audit Committee.

For **RAJ K. AGGARWAL & ASSOCIATES**  
Chartered Accountants

  
(**MANOJ KUMAR AGGARWAL**)  
Partner  
M. No: 511415  
Firm Registration No: 002585N



Place: New Delhi  
Dated: 04.05.2013



## BALANCE SHEET AS AT MARCH 31, 2013

	Notes	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholder's Funds</b>			
Share Capital	2	500,000,000	300,000,000
Reserves and Surplus	3	5,707,958,851	3,739,658,956
		<u>6,207,958,851</u>	<u>4,039,658,956</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	55,357,136,516	28,023,503,133
Other long-term liabilities	5	148,764,846	-
Long term provisions	6	283,080,792	160,664,831
		<u>55,788,982,154</u>	<u>28,184,167,964</u>
<b>Current Liabilities</b>			
Short-term provisions	6	1,758,984,173	1,375,009,535
Trade payables	7	64,209,078	31,609,060
Other current liabilities	8	14,837,994,589	11,697,697,816
		<u>16,661,187,840</u>	<u>13,104,316,411</u>
<b>TOTAL</b>		<u><u>78,658,128,845</u></u>	<u><u>45,328,143,331</u></u>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	125,688,394	36,652,118
Capital work-in-progress		35,905,853	5,326,409
Non-current investments	10	737,935,626	535,998,459
Deferred tax assets (net)	11	123,300,924	123,135,183
Loans & Advances	12	63,183,549,270	37,737,086,259
Other non-current assets	13	285,594,214	8,033,411
		<u>64,491,974,281</u>	<u>38,446,231,839</u>
<b>Current assets</b>			
Current investments	14	7,188,212,307	3,246,891,739
Cash and cash equivalents	15	1,884,887,140	114,277,442
Short-term loans and advances	16	4,591,130,884	3,154,860,611
Other current assets	17	501,924,233	365,881,700
		<u>14,166,154,564</u>	<u>6,881,911,492</u>
<b>TOTAL</b>		<u><u>78,658,128,845</u></u>	<u><u>45,328,143,331</u></u>
Significant Accounting Policies	1		

Notes '2' to '17' and '22' annexed hereto form part of the Balance Sheet

(Krishan Gopal)  
Sr. Manager

(Sanjay Jain)  
DGM(F) & Co. Secretary

For and on behalf of the Board

(Sanjaya Gupta)  
Managing Director

(S. S. Bhatia)  
Director

(Vivek Vig)  
Director

In terms of our report of even date  
For Raj K. Aggarwal & Associates  
Chartered Accountants

(Manoj K. Aggarwal)  
Partner

PLACE: NEW DELHI  
DATED: 4th May, 2013

M No : 511415  
FR No : 002585N

## PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Notes	For the year Ended March 31, 2013 RUPEES	For the year Ended March 31, 2012 RUPEES
<b>REVENUE FROM OPERATIONS</b>	18	
Interest and Other Charges	6,424,318,405	4,543,689,766
Other Income	190,080,513	87,312,183
<b>TOTAL REVENUE</b>	<b>6,614,398,918</b>	<b>4,631,001,949</b>
<b>EXPENSES</b>		
Finance Cost	19 4,616,353,966	3,150,507,796
Employee benefit expense	20 259,739,123	158,315,023
Other expenses	21 336,584,965	229,903,122
Depreciation expense	9 16,600,395	3,678,923
Provision for Doubtful Debts & Contingencies	99,169,592	35,005,712
Bad Debts Written Off/Business Loss	25,502,439	27,742,813
<b>TOTAL EXPENSES</b>	<b>5,353,950,480</b>	<b>3,605,153,389</b>
<b>Profit Before Tax</b>	<b>1,260,448,438</b>	<b>1,025,848,560</b>
Less: Provision for Tax	-Current 345,500,000	289,600,000
	-Earlier years(Net) -	-
	-Deferred Tax(Net) (165,741)	(15,775,138)
<b>Profit After Tax</b>	<b>915,114,179</b>	<b>752,023,698</b>
Earning per equity share: (Point no.11 of Note 22)		
-Basic	22.30	25.07
-Diluted	22.30	18.82

Significant Accounting Policies 1  
Notes '18' to '21' annexed hereto form part of the Profit & Loss Statement

(Krishan Gopal)  
Sr. Manager

(Sanjay Jain)  
DGM(F) & Co. Secretary

For and on behalf of the Board

(Sanjaya Gupta)  
Managing Director

(S. S. Bhatia)  
Director

(Vivek Vig)  
Director

In terms of our report of even date  
For Raj K. Aggarwal & Associates  
Chartered Accountants

(Manoj K. Aggarwal)  
Partner

PLACE: NEW DELHI  
DATED: 4th May, 2013

M No : 511415  
FR No : 002585N





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

### 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 recognised on receipt basis. Income on loan processing/management fees is recognised 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 recognised on accrual basis except in case of non-performing assets where interest is accounted on realisation. In loans, the repayment is received by way of Equated Monthly Instalments (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 recognised on accrual basis.

Recovery in case of Non-Performing Loans is appropriated first towards interest portion of overdue EMIs and their-after 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 recognised 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 amortisation

## 6. DEPRECIATION/AMORTISATION

- (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 amortised over a period of five years except website development costs which are amortised 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 Rs. 5000/- are charged to revenue.

## 7. INVESTMENTS

Investments are capitalised 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 recognised 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 amortisation 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 recognise 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 31.03.2013 of its employees as Defined Contribution Plan. LIC has made actuarial valuation on renewal date i.e. 01-01-2013. 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 31.03.2013.
- (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 recognised 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 recognised 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 recognised 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 amortised over the period of borrowing.

## 11. OPERATING LEASES

Lease payments for assets taken on operating lease are recognised 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 recognised, only if there is virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.

## 14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS-29)

Provisions are recognised 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 recognised 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 off 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 ORINATION / ACQUISITION COST**

All direct costs incurred for the loan origination are amortised 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 recognised 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 31, 2013 RUPEES	As at March 31, 2012 RUPEES
<b>a. Authorized shares capital</b>		
50,000,000 (March 31, 2012 : 50,000,000) equity shares of Rs. 10/- each	500,000,000	500,000,000
<b>b. Issued, subscribed and paid-up capital</b>		
50,000,000 Equity Shares of Rs.10/- each fully paid up (Previous year 30,000,000 )		
	500,000,000	300,000,000
<b>Total issued, subscribed and fully paid-up shares capital</b>	500,000,000	300,000,000

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

	As at March 31, 2013 Numbers	As at March 31, 2013 RUPEES	As at March 31, 2012 Numbers	As at March 31, 2012 RUPEES
<b>Equity shares</b>				
At the beginning of the year	30,000,000	300,000,000	30,000,000	300,000,000
Issued during the year	20,000,000	200,000,000	-	-
Outstanding at the end of the year	50,000,000	500,000,000	30,000,000	300,000,000

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

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
				% of Holding
Punjab National Bank (PNB) (Holding Company)	25,500,000	51%	22,200,000	74%
Destimoney Enterprises Pvt Ltd. (DEPL)	24,500,000	49%	7,800,000	26%

**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 Rs. 10/- per share. Each holder of Equity shares is entitled to one vote per share.

**f. Terms of securities convertible into equity/preference shares :** The company had allotted 13,529,411 equity shares of Rs.10 each on conversion of 13,529,411 Compulsory Convertible Debentures (CCDs) at a premium of Rs. 91.50 per share on 08.06.2012 to DEPL.

**g. Issue of Bonus Shares :** The company had issued 6,470,589 equity shares of Rs. 10 each as fully paid up Bonus shares after capitalisation of General Reserves of Rs. 64,705,890 on 30th March 2013 to existing share holders in proportion of their shareholding (PNB - 3,300,000 equity shares and DEPL 3,170,589 equity shares)

**NOTE : 3****RESERVES AND SURPLUS**

	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
<b>a. <u>Special Reserve</u></b>		
i) (Created under Section 36(1) (viii) of the Income Tax Act, 1961 for deduction admissible to HFCs)		
As per the last Balance Sheet	1,160,081,036	1,018,081,036
Add: Additions during the period	155,000,000	142,000,000
	<u>1,315,081,036</u>	<u>1,160,081,036</u>
ii) (Created under Section 29 C of NHB Act, 1987- Refer point no. 22.17)		
As per the last Balance Sheet	48,900,000	38,900,000
Add: Additions during the period	35,000,000	10,000,000
	<u>83,900,000</u>	<u>48,900,000</u>
<b>b. <u>General Reserve</u></b>		
As per the last Balance Sheet	2,413,671,536	1,913,671,536
Less: Issuance of Bonus Shares	64,705,890	-
Add: Amount transferred from the Statement of Profit and Loss	600,000,000	500,000,000
	<u>2,948,965,646</u>	<u>2,413,671,536</u>
<b>c. <u>Securities Premium Reserve</u></b>		
Balance as per the last financial statements	-	-
Add: Premium on issue of equity shares after conversion of CCDs	1,237,941,107	-
	<u>1,237,941,107</u>	<u>-</u>
<b>d. <u>Surplus/(deficit) in the statement of profit and loss</u></b>		
As per the last Balance Sheet	117,006,384	93,689,536
Profit for the year	915,114,179	752,023,698
<b>Total</b>	<u>1,032,120,563</u>	<u>845,713,234</u>
<b>Appropriations</b>		
-Special Reserve - Under Section 36(1)(viii) of the Income Tax Act, 1961	155,000,000	142,000,000
-Special Reserve - Under Section 29C of NHB Act, 1987	35,000,000	10,000,000
-General Reserve	600,000,000	500,000,000
-Proposed Dividend	102,610,796	66,000,000
-Dividend Distribution Tax	17,438,705	10,706,850
<b>Net surplus in the statement of profit and loss</b>	<u>122,071,062</u>	<u>117,006,384</u>
	<u>1,032,120,563</u>	<u>845,713,234</u>
<b>Total Reserves and Surplus (a to d)</b>	<u>5,707,958,851</u>	<u>3,739,658,956</u>



**NOTE : 4  
LONG-TERM BORROWINGS**

	Non Current Maturities		Current Maturities	
	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
<b>A. SECURED</b>				
<b>1. Bonds</b>				
i) 9.20% Secured Redeemable Bonds 2023 (Redeemable at par in five equal annual installments from 16.01.2019 to 16.01.2023)	1,500,000,000	1,500,000,000	-	-
ii) 9.00% Secured Redeemable Bonds 2022 (Redeemable at par on 21.12.2022)	2,000,000,000	-	-	-
iii) 9.15% Secured Redeemable Bonds 2022 (Redeemable at par on 14.09.2022)	2,000,000,000	-	-	-
iv) 9.25% Secured Redeemable Bonds 2022 (Redeemable at par on 29.06.2022)	3,000,000,000	-	-	-
v) 9.55% Secured Redeemable Bonds 2021 (Redeemable at par on 12.09.2021)	2,000,000,000	2,000,000,000	-	-
vi) 9.50% Secured Redeemable Bonds 2021 (Redeemable at par on 26.07.2021)	2,000,000,000	2,000,000,000	-	-
vii) 8.85% Secured Redeemable Bonds 2019 (Redeemable at par on 09.11.2019)	1,250,000,000	1,250,000,000	-	-
viii) 9.25% Secured Redeemable Bonds 2017 (Redeemable at par on 30.03.2017 with a put & call option exercisable on 30.07.2014)	1,000,000,000	1,000,000,000	-	-
ix) 8.70% Secured Redeemable Bonds 2016 (Redeemable at par on 09.08.2016 )	1,000,000,000	1,000,000,000	-	-
x) 8.55% Secured Redeemable Bonds 2014 (Redeemable at par on 09.11.2014)	750,000,000	750,000,000	-	-
xi) 10.79% Secured Redeemable Bonds 2013 (Redeemable at par on 30.09.2013)	-	1,500,000,000	1,500,000,000	-
xii) 9.30% Secured Redeemable Bonds 2012 (Redeemed on 29.12.2012)	-	-	-	1,000,000,000
xiii) 9.50% Secured Redeemable Bonds 2012 (Redeemed on 10.10.2012)	-	-	-	1,000,000,000
xiv) 8.70% Secured Redeemable Bonds 2012 (Fully redeemed on 08.08.2012)	-	-	-	160,000,000

[Bonds at serial no. (ii) to (vi) 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 Rs. 7,723,100/- (Refer Note 9) ]

	Non Current Maturities		Current Maturities	
	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
<b>2. INR Term loans (detail terms are given at the end) *</b>				
i) Term Loan / Overdraft from Punjab National Bank (Loan is secured by hypothecation of book debts and negative lien on properties charged to/guarantees obtained by the company against Loans disbursed.)	11,676,876,461	6,533,333,334	3,366,666,667	3,124,427,594
ii) Refinance from National Housing Bank (The loan secured by Hypothecation of Loans /book debts against which refinance has been availed)	7,092,673,600	3,257,201,880	1,910,629,880	1,032,463,560
iii) Term Loan from South Indian Bank	-	-	-	107,982,777
iv) Term Loan from HDFC Bank (Secured by Hypothecation of Loans /book debts against which loan has been availed)	1,874,999,998	333,199,999	1,583,333,335	1,000,133,334
v) Term Loan from Union Bank of India (Secured by Hypothecation of Loans /book debts against which loan has been availed)	3,400,000,000	3,400,000,000	2,000,000,000	1,600,000,000
v) Term Loan from Vijaya Bank (Secured by Hypothecation of Loans /book debts against which loan has been availed)	1,400,000,000		400,000,000	
vi) Term Loan from ICICI Bank (Secured by Hypothecation of Loans /book debts against which loan has been availed)	1,165,760,000		291,440,000	
vii) Term Loan from Central Bank of India (Secured by Hypothecation of Loans /book debts against which loan has been availed)	1,800,000,000		200,000,000	
<b>Total (Secured borrowings)</b>	<b>44,910,310,059</b>	<b>24,523,735,213</b>	<b>11,252,069,882</b>	<b>9,025,007,265</b>
<b>B. UNSECURED</b>				
<b>Fixed Deposit</b>				
Non-cumulative	838,372,334	459,318,404	1,124,891,012	52,860,350
Cumulative	6,608,454,123	2,040,449,516	1,189,475,164	696,177,965
[Non Current & Current Fixed Deposits are secured by floating charge on SLR securities of Rs. 73.79 Crore (Previous year Rs. 53.60 Crore) as per NHB Guidelines]				
<b>Tier II Subordinated Bonds</b>				
- 9.10% Unsecured Redeemable Bonds, 2022 (Redeemable at par on 21.12.2022)	2,000,000,000	-	-	-
- 9.25% Unsecured Redeemable Bonds, 2016 (Redeemable at par on 22.03.2016)	1,000,000,000	1,000,000,000	-	-
<b>Compulsorily Convertible Debentures</b>				
- 7.25% Unsecured Compulsorily Convertible Debentures, 2012 (Refer Note 2)	-	-	-	1,373,235,217
<b>Total (un secured borrowings)</b>	<b>10,446,826,457</b>	<b>3,499,767,920</b>	<b>2,314,366,176</b>	<b>2,122,273,532</b>
	<b>55,357,136,516</b>	<b>28,023,503,133</b>	<b>13,566,436,058</b>	<b>11,147,280,797</b>
Current Maturity of Long term Borrowings disclosed under the head "Other current liabilities" (Refer Note 8)				
- Secured	-	-	(11,252,069,882)	(9,025,007,265)
- Un secured	-	-	(2,314,366,176)	(2,122,273,532)
	<b>55,357,136,516</b>	<b>28,023,503,133</b>	<b>-</b>	<b>-</b>





\* Detail of INR Term Loans

Nature of Facility	Loan Outstanding March 31, 2013 RUPEES	Remaining Period	Installment amount RUPEES	Installment Frequency
<b>Punjab National Bank</b>				
Term Loan-I	3,000,000,000	2 Years	1,000,000,000	Annual
Term Loan-II	1,800,000,000	3 Years	600,000,000	Annual
Term Loan-III	2,166,666,000	2 Years	433,333,333	Half Yearly
Term Loan-IV	2,000,000,000	5 Years	200,000,000	Half Yearly
Term Loan-V	4,000,000,000	5 Years	500,000,000	Half Yearly
Over Draft	2,076,877,128		Actual	-
<b>Union Bank of India</b>				
Term Loan-I	1,000,000,000	1 year	500,000,000	Half Yearly
Term Loan-II	2,400,000,000	4 years	300,000,000	Half Yearly
Term Loan-III	2,000,000,000	5 years	300,000,000	Half Yearly
<b>HDFC</b>				
Term Loan -III	333,333,333	6 Months	333,333,334	Half Yearly
Term Loan -IV (A)	2,291,666,667	2 years	458,333,334	Half Yearly
Term Loan -IV (B)	833,333,333	2 years	166,666,667	Half Yearly
<b>Vijaya Bank</b>				
Term Loan	1,800,000,000	4 Years	200,000,000	Half Yearly
<b>ICICI BANK</b>				
Term Loan	1,457,200,000	5 Years	291,440,000	Annual
<b>CENTRAL BANK OF INDIA</b>				
Term Loan	2,000,000,000	5 Years	200,000,000	Half Yearly
<b>National Housing Bank</b>				
Refinance	76,903,000	3 years	6,411,000	Quarterly
Refinance	76,903,000	3 years	6,411,000	Quarterly
Refinance	631,500,000	1 year	157,900,000	Quarterly
Refinance	262,200,000	1 year	52,700,000	Quarterly
Refinance	189,400,000	3 years	15,800,000	Quarterly
Refinance	125,800,000	3 years	10,600,000	Quarterly
Refinance	252,100,000	3 years	19,500,000	Quarterly
Refinance	195,800,000	3 years	15,200,000	Quarterly
Refinance	275,410,000	5 years	13,115,000	Quarterly
Refinance	11,196,000	5 years	534,000	Quarterly
Refinance	388,880	5 years	18,520	Quarterly
Refinance	14,150,000	5 years	675,000	Quarterly
Refinance	120,840,000	5 years	5,760,000	Quarterly
Refinance	53,850,000	6 years	2,250,000	Quarterly
Refinance	221,715,000	3 years	15,837,000	Quarterly
Refinance	296,850,000	9 years	8,250,000	Quarterly
Refinance	51,666,600	6 years	2,066,700	Quarterly
Refinance	100,260,000	9 years	2,640,000	Quarterly
Refinance	183,054,000	6 years	7,323,000	Quarterly
Refinance	172,336,000	9 years	4,788,000	Quarterly
Refinance	319,600,000	9 years	8,700,000	Quarterly
Refinance	453,076,000	9 years	11,924,000	Quarterly
Refinance	1,168,840,000	9 years	30,760,000	Quarterly
Refinance	8,476,000	9 years	224,000	Quarterly
Refinance	32,100,000	10 years	824,000	Quarterly
Refinance	320,300,000	10 years	8,213,000	Quarterly
Refinance	300,000,000	10 years	7,693,000	Quarterly
Refinance	200,000,000	10 years	5,129,000	Quarterly
Refinance	38,518,000	6 years	1,482,000	Quarterly
Refinance	20,071,000	9 years	529,000	Quarterly
Refinance	2,150,000,000	10 years	55,130,000	Quarterly
Refinance	180,000,000	10 years	4,616,000	Quarterly
Refinance	500,000,000	10 years	12,821,000	Quarterly
<b>Grand Total</b>	<b>38,162,379,941</b>			

**NOTE : 5  
OTHER LONG TERM LIABILITIES**

	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
<b>Unearned Revenue</b>		
Unamortised Processing Fees: (Refer Note 1.3(a) )		
Processing Fees	208,270,784	-
Less: Amortised during current year	29,752,969	-
Closing Balance	178,517,815	-
Less To be amortised during next year (Refer Note 8)	29,752,969	-
Closing balance	148,764,846	-

**NOTE : 6  
PROVISIONS**

PROVISIONS	Long-term		Short-term	
	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
<b>a. Provision for employee benefits</b>				
Provision for leave encashment	14,735,053	14,102,987	3,082,648	2,189,529
Provision for Performance Linked Incentive	-	-	26,530,000	16,400,000
	14,735,053	14,102,987	29,612,648	18,589,529
<b>b. Other provisions</b>				
Provision for				
- Doubtful Debts & Contingencies	268,345,739	146,561,844	148,147,024	164,038,156
- Taxation	-	-	1,461,175,000	1,115,675,000
(Includes Rs. 345,500,000/- for current year. Previous year Rs. 289,600,000/- )				
- Proposed Dividend	-	-	102,610,796	66,000,000
- Tax on Proposed Dividend	-	-	17,438,705	10,706,850
	268,345,739	146,561,844	1,729,371,525	1,356,420,006
	283,080,792	160,664,831	1,758,984,173	1,375,009,535

**NOTE : 7  
TRADE PAYABLES**

	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
Sundry Creditors for expenses	64,209,078	31,609,060
	64,209,078	31,609,060

**NOTE : 8  
OTHER CURRENT LIABILITIES**

	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
Current Maturity of Long - Term borrowings		
- Secured	11,252,069,882	9,025,007,265
- Un secured	2,314,366,176	2,122,273,532
Total (Refer Note 4)	13,566,436,058	11,147,280,797
Unclaimed Deposits (Including unclaimed interest accrued and due Rs. 24,394,598/- Previous Year Rs. 27,214,199/-)	131,381,368	111,252,707
Interest Accrued & Due on Deposits	123,285,182	37,733,884
Interest Accrued But Not Due		
- Deposits	492,451,519	232,858,168
- Bonds/Loans	279,424,978	78,638,656
Statutory dues payable		
-Service Tax payable	-	639,633
-TDS payable	36,792,017	20,806,630
Unamortised Processing Fees (Refer point Note 1.3(a) and Note 5)	29,752,969	-
Other Liability	178,470,498	68,487,341
	14,837,994,589	11,697,697,816



**NOTE : 9**  
**TANGIBLE ASSETS**

	Buildings	Furniture & Fixtures	Vehicles	Computers	Office Equipments - Others	Intangibles	Leasehold Improvements	Total
<b>Cost or valuation</b>								
At 01 April 2011	10,888,608	14,995,547	2,063,416	2,817,813	5,098,976	-	-	<b>35,864,360</b>
Additions	-	13,383,534	-	301,173	9,448,631	-	-	23,133,338
Disposals	-	40,371	1,360,941	-	58,630	-	-	1,459,942
<b>At 31 March 2012</b>	<b>10,888,608</b>	<b>28,338,710</b>	<b>702,475</b>	<b>3,118,986</b>	<b>14,488,977</b>	<b>-</b>	<b>-</b>	<b>57,537,756</b>
Additions	-	16,635,091	-	21,241,486	30,440,180	893,694	37,508,572	<b>106,719,023</b>
Disposals	-	2,010,465	42,549	-	1,205,421	-	-	<b>3,258,435</b>
<b>At 31 March 2013</b>	<b>10,888,608</b>	<b>42,963,336</b>	<b>659,926</b>	<b>24,360,472</b>	<b>43,723,736</b>	<b>893,694</b>	<b>37,508,572</b>	<b>160,998,344</b>
<b>Depreciation</b>								
At 01 April 2011	4,334,409	9,851,347	1,100,589	1,243,028	1,537,410	-	-	18,066,783
Charge for the year	327,710	1,733,767	111,358	646,062	860,026	-	-	3,678,923
Disposals	-	19,868	828,235	-	11,965	-	-	860,068
<b>At 31 March 2012</b>	<b>4,662,119</b>	<b>11,565,246</b>	<b>383,712</b>	<b>1,889,090</b>	<b>2,385,471</b>	<b>-</b>	<b>-</b>	<b>20,885,638</b>
Charge for the year	311,324	5,038,546	82,119	3,964,318	3,767,553	32,498	3,404,037	16,600,395
Disposals	-	1,956,395	30,588	-	189,100	-	-	2,176,083
<b>At 31 March 2013</b>	<b>4,973,443</b>	<b>14,647,397</b>	<b>435,243</b>	<b>5,853,408</b>	<b>5,963,924</b>	<b>32,498</b>	<b>3,404,037</b>	<b>35,309,950</b>
<b>Net Block</b>								
At 31 March 2012	6,226,489	16,773,464	318,763	1,229,896	12,103,506	-	-	36,652,118
<b>At 31 March 2013</b>	<b>5,915,165</b>	<b>28,315,939</b>	<b>224,683</b>	<b>18,507,064</b>	<b>37,759,812</b>	<b>861,196</b>	<b>34,104,535</b>	<b>125,688,394</b>

\*Includes Buildings of Rs.7,723,100/- (Previous Year Rs.7,723,100/-) mortgaged for securing secured redeemable bonds (Refer Note 4).

**NOTE : 10  
NON-CURRENT INVESTMENTS**

	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
<b>OTHER INVESTMENTS (NON TRADE) (Refer point Note 1.7)</b>		
<b>QUOTED - (FULLY PAID)</b>		
<b>Investment in Government Securities</b>		
i) 8.07% GOI Stock 2017 of Face Value of Rs.300,000,000/- (Previous Year Rs. 300,000,000/-)	310,904,266	313,777,954
ii) 10.25% GOI Stock 2021 of Face Value of Rs.100,000,000/- (Previous Year Rs.100,000,000/-)	120,524,599	123,037,675
<b>Investment in Bonds</b>		
iii) 6.85% India Infrastructure Finance Corporation Tax Free Bond 2014 of Face Value of Rs.150,000,000/- (Previous Year Rs. 100,000,000)	149,293,000	99,182,830
<b>OTHERS</b>		
<b>Fixed Deposit- Union Bank of India</b> of Face Value of Rs.150,000,000/- (Previous Year Rs.Nil)	157,213,761	-
Aggregate value of investments	<u>737,935,626</u>	<u>535,998,459</u>
Cost of Quoted investments	580,721,865	535,998,459
Market Value	563,613,000	505,687,978

**NOTE : 11  
DEFERRED TAX ASSETS (NET)**

	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
<b>Deferred Tax Assets</b>		
Depreciation on Fixed Assets	1,820,837	2,302,303
Provision for leave encashment	6,056,237	5,286,107
Provision for performance linked incentive	9,017,547	5,320,980
Provision for doubtful debts and contingencies	141,565,890	105,215,384
De-recognition of Interest	4,172,628	5,010,409
Unearned Revenue	60,678,205	-
<b>Total Deferred Tax Assets -A</b>	<u>223,311,344</u>	<u>123,135,183</u>
<b>Deferred Tax Liabilities</b>		
Unamortised Expenditure	100,010,420	-
<b>Total Deferred Tax Liabilities- B</b>	<u>100,010,420</u>	<u>-</u>
<b>Deferred Tax Assets (Net A-B)</b>	<u>123,300,924</u>	<u>123,135,183</u>

**NOTE : 12  
LOANS AND ADVANCES**

	Non-current		Current Portion	
	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
<b>LOANS - Secured, Considered Good</b>				
Housing Loans	46,512,455,917	28,326,009,566	1,696,967,486	1,134,247,719
Non-Housing Loans	16,671,093,353	9,411,076,693	1,111,363,856	608,385,170
Current portion of Long term Loans & Advances disclosed under the head Current "Loans & Advances" (Refer Note 16 )	-	-	(2,808,331,342)	(1,742,632,889)
	<u>63,183,549,270</u>	<u>37,737,086,259</u>	<u>-</u>	<u>-</u>

**NOTE : 13  
OTHER NON CURRENT ASSETS**

	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
<b>Security Deposits</b>		
Unsecured, Considered Good	9,560,951	8,033,411
<b>Unamortised Expenditures:</b>		
a. Unamortised Loan Acquisition Cost (Refer Note 1.16 and Note 22.18)	-	-
Add: Expenses incurred during the year	343,273,972	-
Less: Amortised during the year	49,039,138	-
Closing balance	294,234,834	-
Less: To be amortised during next year (Current Portion- Refer Note 17)	49,039,138	-
	<u>245,195,696</u>	<u>-</u>
b. Unamortised Brokerage on Borrowings (Refer Note 1.10 and Note 22.18)	-	-
Add: Expenses incurred during the year	74,393,005	-
Less: Amortised during the year	21,486,378	-
Closing balance	52,906,627	-
Less: To be amortised during next year (Current Portion- Refer Note 17 )	22,069,060	-
	<u>30,837,567</u>	<u>-</u>
	<u>285,594,214</u>	<u>8,033,411</u>



**NOTE : 14**  
**CURRENT INVESTMENTS**

	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
<b>QUOTED - OTHER THAN TRADE (FULLY PAID)</b>		
<b>Bonds and Debentures</b>		
8.57% Mahanagar Telephone Nigam Limited Bonds 2023 of Face Value of Rs 1,150,000,000/- (Previous Year Rs. Nil)	1,150,000,000	-
8.69% Damodar Valley Corporation Bonds 2028 of Face Value of Rs 700,000,000/- (Previous Year Rs. Nil)	700,000,000	-
9.03% Gujarat State Petroleum Corporation Bonds 2022 of Face Value of Rs 500,000,000/- (Previous Year Rs. Nil)	500,000,000	-
9.41% Indian Infrastructure Finance Company Limited Bonds 2037 of Face Value of Rs 274,000,000/- (Previous Year Rs. Nil)	295,969,600	-
10.07% Nuclear Power Corporation Bonds 2019 of Face Value of Rs 285,000,000/- (Previous Year Rs. Nil)	294,690,000	-
9.45% Gujarat State Petroleum Corporation Bonds 2022 of Face Value of Rs 250,000,000/- (Previous Year Rs. Nil)	258,425,000	-
8.83% Indian Railway Finance Corporation Bonds 2022 of Face Value of Rs 250,000,000/- (Previous Year Rs. Nil)	250,000,000	-
10.00% Reliance Capital Ltd Bonds 2017 of Face Value of Rs 200,000,000/- (Previous Year Rs. Nil)	200,000,000	-
9.02% Rural Electrification Corporation Limited 2022 of Face Value of Rs 100,000,000/- (Previous Year Rs. Nil)	102,120,000	-
8.85% Power Grid Corporation Bonds 2026 of Face Value of Rs 100,000,000/- (Previous Year Rs. Nil)	101,106,800	-
7.18% Indian Railway Finance Corporation Limited Bonds 2023 of Face Value of Rs 80,000,000/- (Previous Year Rs. Nil)	80,184,000	-
8.70% Rural Electrification Corporation Limited 2018 of Face Value of Rs 70,000,000/- (Previous Year Rs. Nil)	70,030,000	-
8.85% Power Grid Corporation of India Bonds 2025 of Face Value of Rs 50,000,000/- (Previous Year Rs. Nil)	50,528,800	-
8.85% Power Grid Corporation of India Bonds 2024 of Face Value of Rs 50,000,000/- (Previous Year Rs. Nil)	50,502,050	-
8.85% Power Grid Corporation of India Bonds 2023 of Face Value of Rs 50,000,000/- (Previous Year Rs. Nil)	50,477,650	-
8.85% Power Grid Corporation of India Bonds 2022 of Face Value of Rs 50,000,000/- (Previous Year Rs. Nil)	50,290,000	-
8.85% Power Grid Corporation of India Bonds 2020 of Face Value of Rs 50,000,000/- (Previous Year Rs. Nil)	50,270,000	-
7.34% Indian Railway Finance Corporation Bonds 2028 of Face Value of Rs 50,000,000/- (Previous Year Rs. Nil)	50,210,000	-
8.78% Power Finance Corporation of India Bonds 2020 of Face Value of Rs 50,000,000/- (Previous Year Rs. Nil)	50,190,000	-
8.85% Power Grid Corporation of India Bonds 2027 of Face Value of Rs 50,000,000/- (Previous Year Rs. Nil)	50,141,141	-
8.90% Power Finance Corporation Bonds 2018 of Face Value of Rs 50,000,000/- (Previous Year Rs. Nil)	50,015,000	-
8.00% Indian Overseas Bank Bonds 2016 of Face Value of Rs 50,000,000/- (Previous Year Rs. Nil)	49,150,000	-
7.41% Indian Infrastructure Finance Company Ltd. Bonds 2032 of Face Value of Rs 50,000,000/- (Previous Year Rs. Nil)	46,450,800	-

**CURRENT INVESTMENTS**

	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
7.45% Bank of Baroda Tier-II Bonds 2015 of Face Value of Rs 18,000,000/- (Previous Year Rs. Nil)	17,510,400	-
8.00% Indian Railway Finance Corporation Ltd. 2022 of Face Value of Rs. 100,000,000/- (Previous Year Rs. 80,000,000)	10,420,000	80,299,680
9.48% Rural Electrification Corporation Ltd. 2021 of Face Value of Rs. 98,000,000/- (Previous Year Rs. Nil)	-	99,460,200
9.38% Rural Electrification Corporation Ltd. 2016 of Face Value of Rs. 400,000,000/- (Previous Year Rs. Nil)	-	400,245,800
9.28% REC Bonds 2017 of Face Value of Rs. 250,000,000/- (Previous Year Rs. Nil)	-	250,278,000
9.36% Power Finance Corporation Ltd. 2021 of Face Value of Rs. 50,000,000/- (Previous Year Rs. Nil)	-	50,114,050
9.46% Power Finance Corporation Ltd. 2026 of Face Value of Rs. 420,000,000/- (Previous Year Rs. Nil)	-	425,273,550
9.45% Power Finance Corporation Ltd. 2026 of Face Value of Rs. 225,000,000/- (Previous Year Rs. Nil)	-	226,125,000
9.35% Power Grid Corporation of India Ltd. 2024 of Face Value of Rs. 50,000,000/- (Previous Year Rs. Nil)	-	50,150,000
9.35% Power Grid Corporation of India Ltd. 2025 of Face Value of Rs. 50,000,000/- (Previous Year Rs. Nil)	-	50,150,000
9.35% Power Grid Corporation of India Ltd. 2029 of Face Value of Rs. 50,000,000/- (Previous Year Rs. Nil)	-	50,000,000
9.35% Power Grid Corporation of India Ltd. 2030 of Face Value of Rs. 50,000,000/- (Previous Year Rs. Nil)	-	50,000,000
8.20% National Highways Authority of India 2022 of Face Value of Rs. 20,000,000/- (Previous Year Rs. Nil)	-	20,400,000
<b>UNQUOTED - OTHER THAN TRADE (FULLY PAID)</b>		
Certificate of Deposit of State Bank of Hyderabad of Face Value of Rs 1,000,000,000/- (Previous Year Rs. Nil)	981,646,025	-
Certificate of Deposit of Corporation Bank of Face Value of Rs. 1,000,000,000/- (Previous Year Rs. 250,000,000)	923,416,413	227,424,891
Certificate of Deposit of IDBI Bank Ltd. of Face Value of Rs 500,000,000/- (Previous Year Rs. Nil)	460,618,405	-
Certificate of Deposit of Indian Bank of Face Value of Rs 250,000,000/- (Previous Year Rs. Nil)	243,844,223	-
Certificate of Deposit of Bank of Maharashtra of Face Value of Rs. Nil (Previous Year Rs. 250,00,000/-)	-	244,489,471
Certificate of Deposit of Andhra Bank of Face Value of Rs. Nil (Previous Year Rs. 250,000,000/-)	-	227,204,667
Certificate of Deposit of Oriental Bank of Commerce of Face Value of Rs. Nil (Previous Year Rs. 500,000,000/-)	-	466,728,927
Certificate of Deposit of Punjab National Bank of Face Value of Rs. Nil (Previous Year Rs. 350,000,000/-)	-	328,547,503
<b>Total</b>	<b>7,188,212,307</b>	<b>3,246,891,739</b>
Aggregate value of quoted investments	4,578,687,241	1,752,496,280
Market Value of quoted investments	4,591,917,331	1,758,675,014
Aggregate value of unquoted investments	2,609,525,066	1,494,395,459



**NOTE : 15**

**CASH AND CASH EQUIVALENTS**

	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
<b>Cash and cash equivalents</b>		
Cash in Hand	11,797,499	8,318,190
<b>Balances with banks:</b>		
-in Current Accounts	610,967,876	105,913,232
-in Fixed Deposits	500,410,959	-
Cheques on Hand	761,197,834	-
Stamps in hand	512,972	46,020
	1,884,887,140	114,277,442

**NOTE : 16**

**SHORT TERM LOANS AND ADVANCES**

	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
Current Maturities of Long Term Loans & Advances (Refer Note 12)		
<b>Secured, Considered Good</b>		
Housing Loans	1,696,967,486	1,134,247,719
Non-Housing Loans	1,111,363,856	608,385,170
	2,808,331,342	1,742,632,889
Installments Due from Borrowers *	202,402,635	216,914,485
Demand Loan against Deposits	16,338,518	6,878,615
<b>Advances recoverable in cash or kind</b>		
Unsecured, Considered Good	12,326,464	5,137,793
<b>Other Short Term Loans and Advances</b>		
TDS and Advance Income Tax	1,546,671,402	1,175,598,302
Advance Fringe Benefit Tax	1,175,000	1,175,000
Loan to employees	2,103,889	4,302,604
Prepaid expenses	1,781,634	2,220,923
	4,591,130,884	3,154,860,611

\* Net of interest de-recognised Rs.27,832,809/- (Previous Year Rs.29,250,231/-)

**NOTE : 17**

**OTHER CURRENT ASSETS**

	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
Assets acquired in extinguishment of loans (Held for sale or disposal)	327,215,296	278,824,066
Less: Provision for diminution in value	6,965,268	13,688,439
	320,250,028	265,135,627
Interest Accrued on Investments	110,566,007	100,746,073
Unamortised Loan Acquisition Cost (Refer Note 13 )	49,039,138	-
Unamortised Brokerage on Borrowings (Refer Note 13 )	22,069,060	-
	501,924,233	365,881,700

**NOTE : 18**  
**REVENUE FROM OPERATIONS**

	RUPEES	For the year Ended March 31, 2013 RUPEES	For the year Ended March 31, 2012 RUPEES
<b>INTEREST INCOME</b>			
i) on Loans			
- Housing Loans	4,320,971,459		3,142,231,759
- Non-Housing Loans (TDS Rs 31,300,447/- Previous Year Rs 16,542,396/-)	<u>1,742,295,492</u>		<u>1,048,874,823</u>
	6,063,266,951		4,191,106,582
ii) on Demand loans	<u>1,234,015</u>		<u>1,160,153</u>
	6,064,500,966		4,192,266,735
iii) on Deposits (TDS Rs 801,529/- Previous Year Rs.20,99,136/-)	25,922,106		66,726,182
iv) on Investments (TDS Rs 169,296/- Previous Year Rs 218,426/-)			
- Long Term	38,341,830		35,810,485
- Current	<u>217,263,639</u>		<u>140,047,105</u>
		6,346,028,541	4,434,850,507
Fees & Other Charges (Refer Note 1.3(a) and Note 5 )		<u>78,289,864</u>	<u>108,839,259</u>
		6,424,318,405	4,543,689,766
<b>OTHER INCOME</b>			
Dividend Income		36,921,529	41,716,596
Profit / (Loss) On Sale of Investment			
- Long Term		-	-
- Current		42,508,357	7,729,599
Interest on Income / Interest Tax Refund	-		-
Other Charges Recovered	9,201,898		7,545,006
Miscellaneous Income (TDS Rs 1,794,049/- Previous Year Rs 1,647,317/-)	101,535,454		30,238,232
Profit / (Loss) on sale of fixed assets	<u>(86,725)</u>		<u>82,750</u>
		<u>110,650,627</u>	<u>37,865,988</u>
		<u>190,080,513</u>	<u>87,312,183</u>
		<u>6,614,398,918</u>	<u>4,631,001,949</u>

**NOTE : 19**  
**FINANCE COST**

	RUPEES	For the year Ended March 31, 2013 RUPEES	For the year Ended March 31, 2012 RUPEES
Interest on loans		3,971,374,025	2,899,319,967
Interest on deposits		600,170,152	234,655,695
Bank Charges		8,160,545	3,104,803
Brokerage and Incentive (Refer Note 1.10 and Note 22.18)		<u>36,649,244</u>	<u>13,427,331</u>
		<u>4,616,353,966</u>	<u>3,150,507,796</u>

**NOTE : 20**  
**EMPLOYEE BENEFIT EXPENSE**

	RUPEES	For the year Ended March 31, 2013 RUPEES	For the year Ended March 31, 2012 RUPEES
Salaries and Allowances		237,137,291	141,603,414
Contribution towards Group Gratuity		3,944,791	1,545,525
Contribution to Provident Fund		11,554,045	7,234,114
Staff Welfare Expenses		<u>7,102,996</u>	<u>7,931,970</u>
		<u>259,739,123</u>	<u>158,315,023</u>





**NOTE : 21**  
**OTHER EXPENSES**

	<b>For the year Ended March 31, 2013 RUPEES</b>	<b>For the year Ended March 31, 2012 RUPEES</b>
<b>Office Running Expenditure</b>		
Rent	45,782,973	28,492,970
Repairs & Maintenance - building	1,019,004	331,475
Repairs & Maintenance - others	12,845,619	4,239,045
Rates & Taxes	1,122,531	211,364
Registration and Filing Fees	3,444,549	3,416,965
Electricity and Water Charges	12,010,874	6,635,788
General Office Expenses	43,102,976	26,481,929
Insurance	464,214	250,209
Travelling	19,156,479	11,228,704
Conveyance	9,040,972	5,331,496
Printing & Stationery	8,138,225	4,563,565
Postage & Telephone	12,013,402	6,747,078
	<u>168,141,818</u>	<u>97,930,588</u>
<b>Others</b>		
Director's Sitting Fee	472,643	505,000
Legal Expenses	35,532,387	6,022,299
Professional Charges	59,327,813	46,076,496
Auditors Remuneration		
- Audit Fee	902,530	730,340
- Tax Audit Fee	318,540	280,900
- Out of Pocket Expenses	577,606	654,222
- Other Certifications	477,810	393,260
Publicity	18,421,210	7,556,697
Cost of Loan Acquisition (Refer Note 1.16 and Note 22.18 )	49,038,718	66,518,409
Miscellaneous	3,373,890	3,234,911
	<u>168,443,147</u>	<u>131,972,534</u>
	<u><u>336,584,965</u></u>	<u><u>229,903,122</u></u>

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

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

	For the year Ended March 31, 2013 RUPEES	For the year Ended March 31, 2012 RUPEES
Outstanding for over six months	52,864,976	57,871,323
Outstanding for six months or less	149,537,659	159,043,163
	202,402,635	216,914,486

2. Loans and instalments due from borrowers shown under Loans and Advances are secured wholly or partly by:
- Equitable Mortgage of Property
  - Pledge of shares, units, NSCs, other securities, assignment of life insurance policies.
  - Bank guarantees corporate guarantees, government guarantee or personal guarantees.
  - Undertaking to create a security.
3. Advances are classified as performing and non-performing assets in accordance with guidelines 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:

(Rs. in lac)

Loans	Standard	Sub Standard	Doubtful	Loss	Total
<b>Housing Loans</b> (including instalments due from borrowers) (Previous Year)	480822.43 (293237.73)	841.74 (876.00)	1755.54 (1909.04)	59.28 (237.01)	483478.99 (296259.78)
Provisions made (Previous Year)	2037.15 (1173.41)	126.26 (131.40)	804.26 (819.15)	59.28 (237.01)	3026.95 (2360.97)
<b>Non-Housing Loans</b> (including instalments due from borrowers) (Previous Year)	*177411.26 *(99601.75)	266.44 (581.97)	786.15 (522.84)	- -	178463.84 (100706.56)
Provisions made (Previous Year)	758.64 (451.97)	39.97 (87.30)	339.37 (190.76)	- -	1137.98 (730.03)
<b>Total Loans</b> (Previous Year)	<b>658233.69</b> (392839.48)	<b>1108.18</b> (1457.97)	<b>2541.68</b> (2431.88)	<b>59.28</b> (237.01)	<b>661942.83</b> (396966.34)
<b>Total Provisions</b> (Previous Year)	<b>2795.79</b> (1625.38)	<b>166.23</b> (218.70)	<b>1143.63</b> (1009.91)	<b>59.28</b> (237.01)	<b>4164.93</b> (3091.00)

\*includes portfolio purchased during the FY 11-12 (Current year Rs. Nil) through direct assignment by true sale from other institutions amounting to Rs. 34004 Lacs (Outstanding balance as on 31.03.2013 Rs. 22962 Lacs (Previous years Rs. 31940 Lacs).



4. Interest on non-performing assets is recognised on realisation basis as per the NHB Guidelines. Accordingly the total interest de-recognised as at the Balance Sheet date is summarised as under:-

	For the year Ended March 31, 2013 Rupees	For the year Ended March 31, 2012 Rupees
Cumulative interest B/F from last Balance Sheet	29,250,231	29,950,825
Less: Recovered/ written back/ written off during the year	11,713,062	15,046,081
Add: Interest de-recognised for the year on		
- Sub Standard Assets (Net)	8,546,332	9,844,714
- Doubtful/ Loss Assets	1,749,308	4,500,773
Total interest de-recognised as on 31.03.2013	27,832,809	29,250,231

5. Capital to Risk Assets Ratio (CRAR)

	Items	For the year Ended March 31, 2013	For the year Ended March 31, 2012
i	CRAR (%)	14.40	17.77
ii	CRAR – Tier I Capital (%)	9.78	11.50
iii	CRAR – Tier II Capital (%)	4.62	6.27

6. Exposure to Real Estate Sector

(Rs. in crores)

	Category	For the year Ended March 31, 2013	For the year Ended March 31, 2012
a	<b>Direct Exposure</b>		
	(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 upto Rs 15 lacs – Rs 1208.44 crores Previous Year Rs 1224.14 crores)	6350.10*	3880.39*
	(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates. Exposure would also include non-fund based (NFB) limits	269.33*	89.27*
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	A Residential	Nil	Nil
	B Commercial Real Estate	Nil	Nil
b	<b>Indirect Exposure</b>		
	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 Rs. 406.06 Crore (previous year Rs. 110.92 Crore)

## 7. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(Rs. in crores)

	Liabilities			Assets		
	Borrowings from banks	Market Borrowings	Contractual Outflows	Net Advances *	Investments	Contractual Inflows
	A	B	A+B	C	D	C+D
1 day to 30-31 days (one month)	246	21	267	22	245	267
Over 1 month to 2 months	20	5	25	23	2	25
Over 2 months to 3 months	50	7	57	22	35	57
Over 3 months to 6 months	235	40	275	64	304	368
Over 6 months to 1 year	424	325	749	149	149	298
Over 1 year to 3 years	1591	651	2242	490	15	505
Over 3 years to 5 years	670	499	1168	542	31	573
Over 5 years to 7 years	46	154	199	584	0	584
Over 7 years to 10 years	79	1450	1529	926	12	938
Over 10 years	248	0	248	3797	0	3797
Total	3609	3151	6759	6620	793	7413

\*As per Contractual maturity of Loans. Based upon past experience loans gets amortised 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

(Rs. in Lac)

S.No	Name of transacting related party		2012-13	2011-12
1.	Sh Sanjaya Gupta & Relatives Managing Director	Salary, Allowances	55.57	42.42
		Cont. to PF	2.31	1.58
		Reimbursements	6.27	2.65
		Variable Pay*	20.26	-

\*Includes arrears of Rs. 9.17 Lacs relating to FY 10-11 and Rs. 11.09 Lacs relating to FY 11-12

## b) Other Entities:

(Rs. in Lac)

S.No	Name of transacting related party		2012-13	2011-12
1.	Destimoney Enterprises Pvt Ltd	DMA Commission	511.83	192.26
		Interest on CCDs	185.48	996.96
		Dividend	171.60	171.60
		Reimbursements	2.66	-
		Conversion of CCDs	13732.35	-
		Issue of Bonus Shares	317.05	-

c) The Company has paid a sum of Rs. 4.73 lacs (Previous Rs. 5.05 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 15<sup>th</sup> December, 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	As at March 31, 2013 RUPEES	As at March 31, 2012 RUPEES
Not later than one year	25,725,688	32,373,244
Later than one year but not later than 5 years	33,548,038	117,514,439

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

	Unit	2012-13	2011-12
a. Amount used as the numerator for Basic EPS Profit after tax	Rupees	915,114,179	752,023,698
Add: Interest on CCDs (net of tax)	Rupees	-	67,257,456
b. Amount used as the numerator for Diluted EPS Profit after tax	Rupees	915,114,179	819,281,154
c. Weighted average number of equity shares for Basic EPS	Number	41,044,318	30,000,000
Add: Weighted Average No. of Equity Shares in potential conversion of CCDs	Number	-	13,529,411
d. Weighted average number of equity shares for Diluted EPS	Number	41,044,318	43,529,411
e. Nominal value per share	Rupees	10	10
f. Earning per share			
-Basic (a/c)	Rupees	22.30	25.07
-Diluted (b/d)	Rupees	22.30	18.82

12. Segment Reporting: 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)

	(Rs. in lacs)			
Provision for Doubtful Debts & Contingencies	Opening as on 01.04.12	Addition	Reversal /Adjustment	Closing as on 31.03.2013
-On Loans	3106.00	1170.48	111.48	4165.00
-Others	136.88	-	67.33	69.65

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 last years'.
15. As per the information available with the company, there are no amounts payable to Micro, Small and Medium Enterprises.

16. With respect to company's borrowing in FCNR (B) - Term Loan Account, the company has paid/ incurred interest amounting to Rs. Nil (Previous year Rs. 257,828/-) in foreign currency. Further the company has taken foreign currency fluctuation cover by way of Forward Exchange Contract from reputed approved dealers. A sum of Rs. Nil being the liability (Previous year Rs. 139,050/-) of company with respect to exchange difference for the Forward Exchange Contract has been paid and accounted for as per the guidelines laid down by the Accounting Standard on accounting for the effects of changes in Foreign Exchange rates (AS-11) issued by The Institute of Chartered Accountants of India.
17. As per Section 29 C of National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36 (1) (viii) of Income Tax Act, 1961 is considered to be an eligible transfer. Accordingly, the Company has transferred Rs. 15.50 crore to Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961 and Rs. 3.50 crore to Additional Reserve (u/s 29C of NHB Act) during the year.
18. During the current financial year, the Company has changed its Accounting Policy with respect to accounting for loan origination cost (net of upfront processing fees collected) and Accounting of ancillary borrowing costs, from the hitherto followed policy of charging off the same to Statement of Profit and Loss, to amortise the loan origination cost (net of upfront processing fees collected) over the average tenure of the loan and amortising the ancillary borrowing cost on deposits/bonds over the average period of deposits/bonds. As a result thereof, the profit for the current year has increased by an amount of Rs. 11.55 crores (post tax) by virtue of carrying it forward for amortisation in future accounting periods over which the benefits are expected to accrue, which otherwise would have been charged to the Statement of Profit and Loss.
19. During the current year, the company has increased its paid up share capital from Rs. 30 Crore to Rs. 50 Crore by issue of 2 crore equity shares of Rs. 10 each as under:
- Conversion of 13,529,411 CCDs in to equal no. of equity shares on 8<sup>th</sup> June, 2012. (Refer Note 2)
  - Issue of 6,470,589 Bonus Shares on 30<sup>th</sup> March 2013. (Refer Note 2)

20. Contingent liabilities and Commitments

RUPEES		
<b>Contingent Liabilities</b>	As at March 31, 2013	As at March 31, 2012
- Income tax matters under dispute and others	22,205,360	22,205,360
<b>Capital Commitments</b>		
- Estimated amount of contracts remaining unexecuted (net of advance)	19,657,649	11,288,122

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



21. Disclosure in respect of Leave encashment liability

	Changes in the benefit obligation	31/03/2013	31/03/2012
a)	Liability at the beginning of year	1,41,02,987	1,13,68,802
b)	Interest cost	11,28,239	6,10,119
c)	Current service cost	67,63,316	76,44,597
d)	Benefits paid	(30,68,427)	(87,92,023)
e)	Actuarial (gain)/loss on obligation	(20,10,314)	32,71,492
f)	Liability at the end of year	1,69,15,801	1,41,02,987

	Amounts recognised in balance sheet	31/03/2013	31/03/2012
a)	Liability at the beginning of year	1,69,15,801	1,41,02,987
b)	Liability at the end of year	(1,69,15,801)	(1,41,02,987)

	Expense recognized in the statement of profit and loss	31/03/2013	31/03/2012
a)	Current service cost	67,63,316	76,44,597
b)	Interest cost	11,28,239	6,10,119
c)	Net actuarial (gain)/ loss recognized in the period	(20,10,314)	32,71,492
d)	Expenses recognized in the statement of profit & losses	58,81,241	1,15,26,208

	Movement in the liability recognized in the balance sheet	31/03/2013	31/03/2012
a)	Liability at the beginning of year	1,41,02,987	1,13,68,802
b)	Expense as above	58,81,241	1,15,26,208
c)	Benefits paid	(30,68,427)	(87,92,023)
d)	Liability at the end of year	1,69,15,801	1,41,02,987

	Assumptions	31/03/2013	31/03/2012
a)	Discounting Rate	8.00%	8.75%
b)	Future salary Increase	8.00%	7.50%
c)	Retirement Age (Years)	60	60
d)	Mortality Table	IALM (1994 - 96)	

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

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

23. As per NHB refinance guidelines, the Company is required to submit half-yearly certificate as on 30<sup>th</sup> September and 31<sup>st</sup> March disclosing therein the difference between hypothecated book debts and NHB refinance outstanding. The adverse balance, if any, is being paid back to NHB as per their guidelines (Adverse Balance as on 31.03.2013 is Nil Previous Year Rs. Nil).

24. 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.
25. Figures have been rounded off to the nearest rupee.

(Krishan Gopal)  
Sr. Manager

(Sanjay Jain)  
DGM(F) & Co. Secretary

For and on behalf of the Board

(Sanjaya Gupta)  
Managing Director

(S. S. Bhatia)  
Director

(Vivek Vig)  
Director

In terms of our report of even date  
For **Raj K. Aggarwal & Associates**  
*Chartered Accountants*

(Manoj K. Aggarwal)  
Partner

PLACE: NEW DELHI  
DATED: 4th May, 2013

M No : 511415  
FR No : 002585N





**CASH FLOW STATEMENT**  
(Indirect Method)

	YEAR ENDED ON	
	March 31, 2013	March 31, 2012
	RUPEES	RUPEES
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	1,260,448,438	1,025,848,560
Adjustment for non-cash item/items, to be disclosed separately		
Add: Depreciation	16,600,395	3,678,923
Loss/(Profit) on sale of fixed assets	86,725	(82,750)
Provision for Doubtful Debts & Contingencies	99,169,592	35,005,712
Bad debts written off/ Business Loss	25,502,439	27,742,813
	141,359,151	66,344,698
	1,401,807,589	1,092,193,257
Less : Interest income	255,605,469	175,857,590
Dividend	36,921,529	41,716,596
Profit/ (loss) on sale of Investment	42,508,357	7,729,599
Interest on Income/ Interest Tax Refund	-	-
	335,035,355	225,303,785
Operating Profits before Changes in Working Capital	1,066,772,234	866,889,473
Adjustment for Changes in working capital and provisions		
Loans	(26,512,161,464)	(8,099,212,889)
Trade and other receivables	(462,460,768)	(62,818,644)
Trade payables	827,085,078	132,520,188
Provisions	1,525,185	3,599,402
	(26,146,011,969)	(8,025,911,943)
Cash Generated from Operations	(25,079,239,735)	(7,159,022,470)
Income/Interest Tax Paid/ (Refunds) during the year(Net)	(371,073,100)	(322,887,663)
	(371,073,100)	(322,887,663)
<b>A. NET CASH FROM OPERATING ACTIVITIES</b>	<b>(25,450,312,835)</b>	<b>(7,481,910,133)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Assets :		
Purchase	106,719,024	28,459,746
Sale/Discarded	995,627	682,623
	(105,723,396)	(27,777,123)
Interest received	255,605,469	175,857,590
Dividend received	36,921,529	41,716,596
Investments :		
Purchase	(71,885,102,962)	(34,700,376,413)
Sale	67,784,353,584	34,032,791,433
Interest on Income / Interest Tax refund	-	-
<b>B NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(3,913,945,776)</b>	<b>(477,787,917)</b>

**CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from borrowings	-Bonds	9,000,000,000	4,000,000,000
	-Banks	23,316,900,000	7,668,500,000
	-Unsecured Loans (net)	8,597,937,696	1,396,465,621
Repayment of borrowings	-Bonds	(2,160,000,000)	(120,000,000)
	-Banks	(7,543,262,537)	(5,466,006,710)
	Dividend paid (including dividend distribution tax)	(76,706,850)	(76,706,850)
<b>C. NET CASH USED IN FINANCING ACTIVITIES</b>		<b>31,134,868,309</b>	<b>7,402,252,061</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS</b>			
(A+B+C)		<b><u>1,770,609,698</u></b>	<b><u>(557,445,989)</u></b>
Cash or Cash equivalents ( Opening Balance )		114,277,442	671,723,431
Cash or Cash equivalents ( Closing Balance )		<u>1,884,887,140</u>	<u>114,277,442</u>
<b>NET INCREASE OF CASH OR CASH EQUIVALENTS DURING THE YEAR</b>		<b><u>1,770,609,698</u></b>	<b><u>(557,445,989)</u></b>

NOTE : Minus (-) denotes application of cash

(Krishan Gopal)  
Sr. Manager(Sanjay Jain)  
DGM(F) & Co. Secretary

For and on behalf of the Board

(Sanjaya Gupta)  
Managing Director(S. S. Bhatia)  
Director(Vivek Vig)  
DirectorIn terms of our report of even date  
For **Raj K. Aggarwal & Associates**  
*Chartered Accountants*(Manoj K. Aggarwal)  
PartnerPLACE: NEW DELHI  
DATED: 4th May, 2013M No : 511415  
FR No : 002585N