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***Annual Report 2012-13***

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## OUR MISSION

Translating into reality the aspirations of people to own a house covering the market existing and potential comprehensively through institutional credit support customised to suit individual needs in a transparent and ethical way.



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

1.	Shri. T.S. KrishnaMurthy	Chairman
2.	Shri. R.Varadarajan	Managing Director
3.	Shri. S.C.Panda, I.A.S.	Director
4.	Shri. Iqbal Singh Chahal, I.A.S.	Director
5.	Shri. B.Anand, I.A.S.	Director
6.	Shri. Thomas Paul Diamond	Director
7.	Shri. G.R.Sundaravadivel	Director
8.	Shri. M. Shankar Narayanan	Director
9.	Shri. Mahesh Parasuraman	Director
10.	Shri. V. Nadanasabapathy	Director
11.	Shri. C. Thangaraju	Director

### COMMITTEES OF THE BOARD

#### AUDIT COMMITTEE

1.	Shri. Thomas Paul Diamond	Chairman of the Committee
2.	Shri. V. Nadanasabapathy	Member
3.	Shri. G.R. Sundaravadivel	Member
4.	Shri. M. Shankar Narayanan	Member

#### SHAREHOLDERS' GRIEVANCE COMMITTEE

1.	Shri. G.R. Sundaravadivel	Chairman of the Committee
2.	Shri. Thomas Paul Diamond	Member
3.	Shri. V. Nadanasabapathy	Member

#### COMPENSATION COMMITTEE

1.	Shri. G.R. Sundaravadivel	Chairman of the Committee
2.	Shri. Thomas Paul Diamond	Member
3.	Shri. V. Nadanasabapathy	Member

#### REMUNERATION COMMITTEE

1.	Shri. G.R. Sundaravadivel	Chairman of the Committee
2.	Shri. Thomas Paul Diamond	Member
3.	Shri. V. Nadanasabapathy	Member

#### MANAGEMENT COMMITTEE

1.	Shri. Thomas Paul Diamond	Chairman of the Committee
2.	Shri. V. Nadanasabapathy	Member
3.	Shri. G.R. Sundaravadivel	Member
4.	Shri. M Shankar Narayanan	Member
5.	Shri. R.Varadarajan	Member

#### CHIEF FINANCIAL OFFICER

Shri. T. Karunakaran

#### COMPANY SECRETARY & COMPLIANCE OFFICER

Shri. K. Prabhu

## KEY MANAGERIAL PERSONNEL

Shri. P. Natarajan	Executive Director
Shri. V.Raghu	Executive Director
Shri. K. Ashok	Chief General Manager
Smt. Poonam Sen	Deputy General Manager
Shri. K.S.Madhukar	Deputy General Manager
Shri. G. Ramanujam	Assistant General Manager
Shri. S. Shenbagaraj	Assistant General Manager

## FINANCIAL INSTITUTION

National Housing Bank, New Delhi

## STATUTORY AUDITORS

M/s R. Subramanian and Company, Chartered Accountants, Chennai

## BANKERS TO THE COMPANY

- Axis Bank Limited
- Canara Bank
- IDBI Bank Limited
- Indian Overseas Bank
- Oriental Bank of Commerce
- State Bank of India
- Corporation Bank
- HDFC Bank Limited
- Indian Bank
- Karur Vysya Bank Limited
- Repco Bank Limited
- Syndicate Bank

## REGISTERED OFFICE

Repco Tower  
No. 33, North Usman Road, T. Nagar, Chennai 600 017  
Telephone: 044-28340715 Facsimile: 044-28340716

## CORPORATE OFFICE

Third Floor, Alexander Square, Old No.34 & 35, New No.2,  
Sardar Patel Road, Guindy, Chennai – 600032  
Telephone: 044- 42106650; Mobile: 9444394918 Facsimile: 044 - 42106651  
E-mail: co@repcohome.com Website:www.repcohome.com

## REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Private Limited  
Plot No. 17 to 24,Vithal Rao Nagar Madhapur, Hyderabad 500 081  
Tel: +91 40 2342 0815/0820 Fax: +91 40 2342 0814  
E-mail: repco.ipo@karvy.com Investor Grievance E-mail: repco.ipo@karvy.com  
Website: karisma.karvy.com

## STOCK EXCHANGES

1. National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400 051.
2. Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

## CHAIRMAN'S STATEMENT

I deem it a privilege to preside over the Thirteenth Annual General Meeting of Repco Home Finance Limited for the financial year 2012-13. The previous year was highlighted by the fact that the Company completed all the statutory formalities for listing its securities on the bourses. The Company became a listed entity on April, 2013. This was indeed a prestigious and momentous occasion in the history of the Company.

The key demand drivers of the housing finance segment are population growth backed by favorable demographics, acute shortage of housing stock, increasing urbanization and rising affordability levels. The Company is a prominent player in the housing finance segment in Southern India. Its unique proposition is that it caters to the niche of self employed category where there is abundant growth opportunities.

The Company's competitive strengths are direct customer contact, transparency, speed of operations, robust risk management systems and focus on under penetrated markets.

### HIGHLIGHTS

#### Company's Growth: Micro Perspective

During the year loan approvals stood at Rs.1,284.83 crore as compared to Rs.1,111.56 crore in the previous year registering a growth of 15.59%. Loan disbursements during the year were Rs.1167.41 crore as compared to Rs. 1,042.34 crore in the previous year representing a growth of 12%.

The loan book of the Company was Rs.3544.75 crores as against Rs. 2804.08 crores in the previous year representing a growth of 26.41%. As of 31 March 2013, the net non performing assets represents 0.99% of the loan portfolio of the Company as against 0.95 % of the loan portfolio of the Company last year.

### FUTURE OUTLOOK

The Company plans to embark upon a cautious branch expansive strategy in 2013-14. The branch expansion strategy would be instrumental in achieving the targeted growth. The Company's brand equity is being promoted in the electronic, print and also in the buoyant radio segment. The wide publicity planned for the target markets will enable the branches to gain mileage and expand the customer base. The Company is now a listed entity and has access to cost effective sources of funds.

### ACKNOWLEDGEMENT

I would like to avail this opportunity to express our sincere appreciation to the stakeholders of the organization. I convey my gratitude to the Ministry of Home Affairs, Registrar of Companies, Chennai, Securities and Exchange Board of India, National Stock Exchange, Bombay Stock Exchange, Repco Bank for their unrelenting support and the investors for their continued patronage and guidance. I acknowledge the support rendered by the Board and the excellence of the dedicated employees. I place on record my thanks to the National Housing Bank for regulatory, promotional and financial support and our Bankers for their continued support.

I also sincerely thank the customers of the Company for their continued co operation brand loyalty.

Date : May 10, 2013

Place : Chennai

(T.S.KrishnaMurthy)

Chairman

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### ECONOMIC OVERVIEW

Indian Economy faced challenging conditions in 2012-13 registering an estimated GDP growth of around 5%, the lowest in the past decade. This downward spiral was precipitated by domestic policy uncertainties, weaker consumption owing to persistent high inflation and sharp slowdown in investments. Global worries such as slow US recovery and falling demand from China also added to consumption and investment pessimism.

However, inflation showed some signs of moderation during the year, giving room to Reserve Bank of India (RBI) for policy rate cuts to accelerate investment and stimulate economic growth. The headline wholesale price index in FY13 averaged 7.4% as compared to 9.6% in FY11 and 8.9% in FY12. Thus, with the view to improve liquidity and boost growth, the RBI cut repo rate by 100 basis points in 3 tranches to 7.5% by March 2013. Further, the cash reserve ratio (CRR) was cut by 75 basis points to 5% and the statutory liquidity ratio (SLR) by 100 basis points to 23% during the year. Subsequent to this, due to depreciation in the rupee value against the dollar, RBI has not made any changes to the key rates

### SECTOR OVERVIEW

The demand for housing loans remain robust in India driven primarily by growing population, rapid urbanization and rising aspirations of people. As per 2011 Census estimates, the percentage of urban population has increased from 28% in 2001 to 31% in 2011. However, urban development has not kept pace with this growth and resulted in land shortage, congestion and slum development in most cities. The urban housing shortage at the end of 11th five year plan was estimated at 18.7 million units (Source: Ministry of Housing and Urban Poverty Alleviation).

The acute shortage of housing units, coupled with low mortgage penetration is likely to keep the home loan demand high and rising. Mortgage penetration is very

low in India (10%) compared to advanced economies (US: 81%, UK: 88%) and also its Asian counterparts (Thailand: 17%, China: 20%, Malaysia: 29%, Singapore: 32%).

The home loans demand has been supported by various fiscal incentives. In Budget 2012-13, the government announced various measures to push affordable and small ticket housing:

Additional one-time reduction of Rs.1 lac for first time home owners provided the loan amount and the property cost do not exceed Rs.25 lacs and 40 lacs, respectively.

Provisions under Rural Housing Fund have been enhanced from Rs. 4,000 crore to Rs. 6,000 crore.

ECBs to the tune of \$1 billion allowed for low cost affordable housing projects. Also, the rate of withholding tax on interest payment on ECBs was reduced to 5% from 20% earlier on exposure to affordable housing sector.

Credit Guarantee Trust Fund will be set up to ensure better flow of institutional credit for housing loans.

The limit of indirect finance under priority sector enhanced from Rs. 5 lacs to Rs. 10 lacs

Investment linked deduction of capital expenditure incurred in the Affordable Housing businesses enhanced to 150% from 100% earlier.

### CORPORATE OVERVIEW

Repco Home Finance Ltd (RHFL) provides a variety of home loan products for construction and/or purchase of residential and commercial properties including repairs and renovations ("Individual Home Loans"). The company caters to individual borrowers in both the salaried and non-salaried (self employed professional and self employed non-professional) segments. Apart from extending home loans, RHFL also offers loans against properties (LAP).

## Network Strength

RHFL has 92 branches and satellite centres (as on 31st March 2013) spread across Tamil Nadu, Karnataka, Andhra Pradesh, Kerala, Maharashtra, Odisha, West Bengal, Gujarat and the Union Territory of Puducherry.

## A Unique Marketing Strategy

RHFL's marketing strategy is built on loan camps, local advertising and marketing, and word of mouth referrals. Each of the branches conduct loan camps once every 2-3 months within a 20-25 km radius of their location. As a result, most of the customers are either "walk-in" borrowers or referred by existing borrowers. The branch offices act as single point of contact for customers. The branches are responsible for sourcing loans, carrying out preliminary checks on the credit worthiness, providing assistance in documentation, disbursing loans and in monitoring repayments and collections. Direct marketing and customer contact ensure greater transparency, ownership and efficiency.

## FINANCIAL ANALYSIS OF OPERATION

### Disbursements and loans outstanding

During the year ended 31st March 2013, RHFL sanctioned loans amounting to Rs. 1,285 crore against Rs. 1,112 crore in the previous fiscal year. Loan disbursements during year were Rs. 1,167 crore as against Rs. 1,042 crore in the previous year. The average home loan size was Rs. 9.8 lacs during FY13 as against Rs. 8.9 lacs in the previous year.

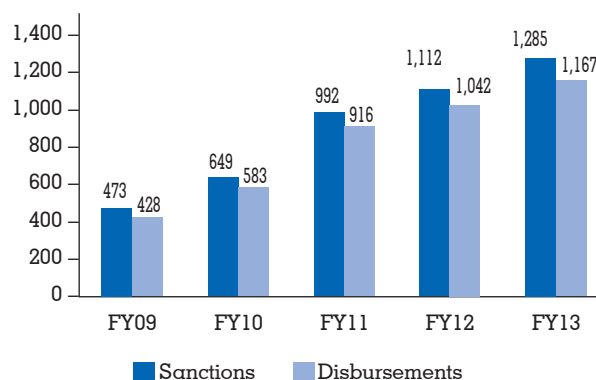
During the year, RHFL's total outstanding loan book increased to Rs. 3,545 crore from Rs. 2,804 crore, registering a y-o-y growth of 26%. The Company registered a compounded annual growth rate of 38% during the period 2008-09 to 2012-13. The growth in the loan book was driven by new customer additions, expansion of branches and satellite centres, and increase in the average loan size. As of 31st March 2013, all outstanding loans were on floating rate of interest.

Outstanding home loans to individuals amounted to Rs. 3,017 crore (85.1% of total loan book) and loan against property amounted to Rs. 528 crore (14.9%). Loans to

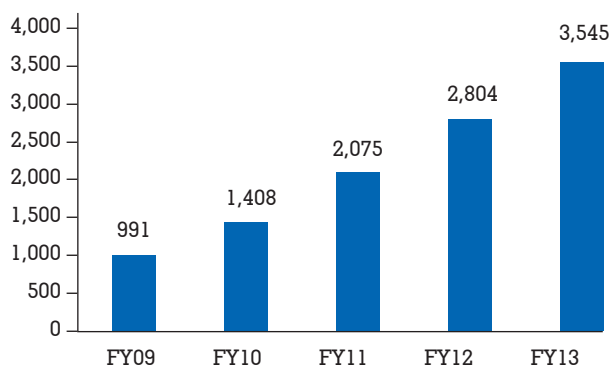
non-salaried and salaried segments constituted 53.9% and 46.1%, respectively, of the total outstanding loan book. RHFL has not been reliant on highly competitive salaried segment and focuses on self employed segment. Direct customer contact, tailored approach and personal evaluation processes has enabled the company to tap this segment.

The average yield realized on loan assets as on 31<sup>st</sup> March 2013 was 12.32% (previous year – 12.53%).

**Sanctions and Disbursements (in Rs. crore)**



**Outstanding loan book (in Rs. crore)**

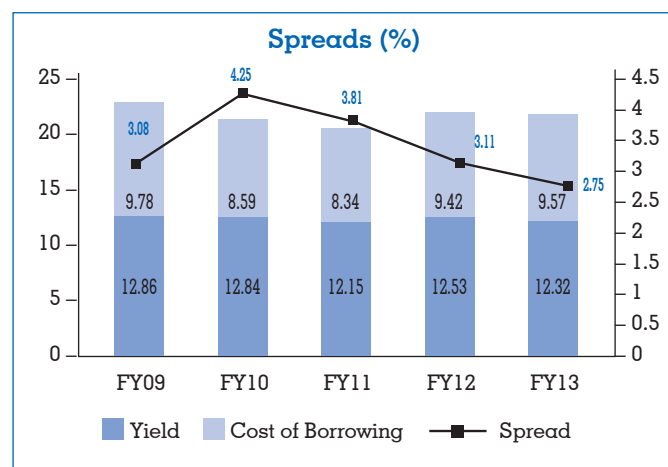
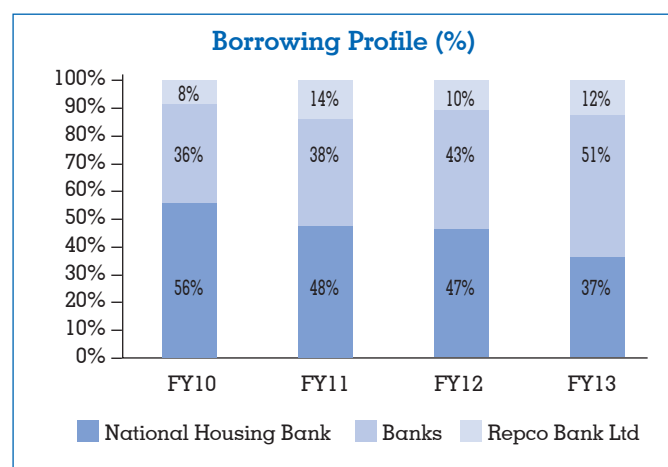


### Funding sources

RHFL raises its resources through a variety of sources, including term loans from scheduled commercial banks, refinance from NHB and borrowings from promoter, Repco Bank. As of 31st March 2013, borrowings from the banks accounted for 51% of the resources, refinance from NHB accounted for 37% and the remaining 12% was raised from the Promoter, Repco Bank. The outstanding borrowing stood at Rs. 3065 crore, up from Rs. 2486 crore in FY12.

During the year under review, the Company raised Rs. 698 crore by way of term loans from banks. As at 31st March, 2013, the total term loan outstanding stood at Rs. 1,550 crore. Under the National Housing Bank's Refinance Scheme, the Company availed an amount Rs. 179.97 crore during the year. RHFL's term loan is rated "ICRA A+" with stable outlook.

As of 31st March, 2013, 32.28% of existing borrowings were on fixed interest rate and 67.72% of borrowings on floating interest rate. It is our endeavour to maintain prudent mix of fixed and variable rate borrowings, to minimize the average cost of borrowing and maintain a healthy spread. The weighted average cost of borrowing during the year was 9.57% as against 9.42% in the previous year.



## Initial Public Offering (IPO)

In March 2013, RHFL successfully raised Rs. 270 crore through issue of 1.57 million shares at a price of Rs. 172 per share. The issue saw strong interest from long-term institutional investors including mutual funds and foreign institutional investors (FIIs) with Qualified Institutional Buyer (QIB) portion being oversubscribed by 3.39 times.

Post the IPO, RHFL is focusing on diversifying sources of funding and tap into alternative sources (fixed deposits, multi-lateral agencies and rated listed debt instruments) to strengthen balance sheet and optimize funding costs.

RHFL's Capital Adequacy Ratio (CAR) as at 31<sup>st</sup> March 2013, was 25.5% as against NHB's prescribed limit of 12%. This consists entirely of Tier 1 capital.

## PROVISION FOR CONTINGENCIES

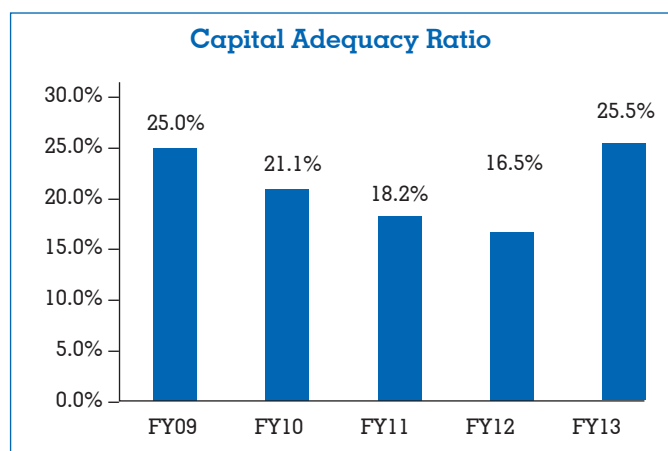
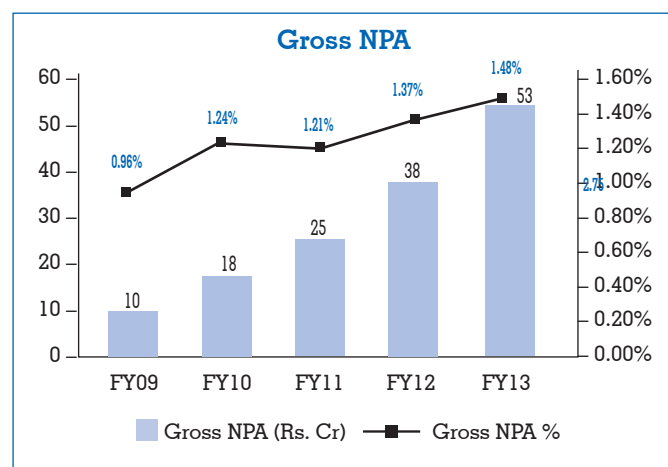
As per prudential norms prescribed by NHB, RHFL is required to carry a provision of Rs. 3.12 crore on standard assets and Rs.5.88 crore on non performing loans for the financial year 2012-13. The Company carried a provision of Rs.15.01 crore on standard loans and Rs.17.7 crore on NPAs as at 31st March, 2013, RHFL's net NPA was Rs. 34.8 crore (0.99% of the portfolio) as at 31st March, 2013.

Due to the nature of its borrowers, RHFL faces significant variability in NPA profile quarter to quarter due to lumpy income profile of the non-salaried segment, so NPAs look high in some quarters. However, variability in NPA profile does not reflect the asset quality given conservative underwriting policies of the Company. RHFL has, since inception, written off loans aggregating Rs. 3.94 crore only, a mere 0.08% of total cumulative disbursements. This is a reflection of robust risk management policies of the Company.

Under the Negotiable Instruments Act, 1881 & SARFAESI Act, 2002, RHFL has instituted proceedings in 466 cases and implemented successfully & loan outstanding collected in full in 302 cases.

## Investments

As at 31st March, 2013, the Company's investment portfolio stood at Rs. 8.05 crore (previous year: Rs. 8.05 crore) in the form of investment in associate companies - Repco Infrastructure Development Company Limited and Repco MSME Finance and Development Limited. The Company classified its investments as long term investments and current investments. In respect of long-term investments, provisions were made to reflect permanent diminution in investment value.



## Results of operations

Key elements of the statement of profit and loss account for the year ended 31st March, 2013, are:

- Net interest income grew by 21.6% y-o-y to reach Rs. 125.6 crore. Net interest margin (NIM) for the year was 4%.
- Cost to income ratio was 17.3% for the year.
- Profit after tax (PAT) witnessed an increase of 30.20% and stood at Rs. 80.02 crores for the year.

- Post tax return on average asset (RoA) was 2.5% and return on average equity (RoE) was 24% (excluding money raised in IPO)
- The Earnings per Share (EPS) on face value of Rs. 10 was Rs. 17.07 for the current year as against Rs. 13.23 for the previous year.
- Dividend of Re.1.10 on equity shares of the enhanced capital is being recommended.

## RATIO OF INCOME AND EXPENSES TO AVERAGE ASSETS

(Figures in %)	FY09	FY10	FY11	FY12	FY13
NIM	4.5	5.4	4.9	4.2	4.0
Other income	0.9	0.7	0.6	0.5	0.3
Non interest expenses	0.8	0.8	0.8	0.8	0.7
Provisions	0.0	0.2	0.2	0.6	0.3
Bad-Debts Written Off	0.1	0.1	0.1	0.0	0.0
Tax	1.2	1.3	1.2	0.8	0.8
PAT	3.3	3.7	3.3	2.5	2.5

## Risk Management

Risk management forms an integral part of RHFL's business. The Company manages various risks relating to the housing finance business such as volatility of demand for housing and housing finance, availability of funding at competitive rates, asset-liability mismatches (in terms of interest rates and liquidity), amongst others. The objective of the Company's risk management system is to measure and monitor the various risks and to implement policies and procedures to address such risks.

The critical risks which can significantly impact business and financial profitability are credit risk, interest rate risk and liquidity risk.

**Credit risk:** A risk that a borrower will default on any type of debt by failing to make payments which he/she is obligated to do.

### Mitigation:

- RHFL follows structured and standardized credit approval process: personal interview by branch manager, property site & business premises visit, scrutiny of income documents, valuation and legal opinion from independent experts, and linking interest rates to credit score
- Conservative lending metrics: loan to value (LTV) 65% and income to installment (IIR) 50% in FY13
- Same person involved in origination, appraisal, monitoring and recovery
- Ongoing monitoring: annual inspection of each branch by internal inspection team, internal audit, periodic inspections of secured properties and monthly & periodic review meetings

**Liquidity and interest rate risk:** Liquidity risk is the inability to meet financial commitments in a timely manner. Interest rate risk, if unmanaged, may adversely affect financial condition and ultimately a company's earnings by way of change in net interest income.

### Mitigation:

- The Company has formulated an asset liability management (ALM) policy which lays down mechanisms for assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage such risks
- Regular monitoring of maturity profile by Asset Liability Management Committee (ALCO), a strategic decision making body constituted by Board, which comprises managing director, executive director, general manager-credit and deputy general manager-accounts of the Company.

## Strengths, Opportunities & Threats

### Strengths

- Focus on under penetrated markets & segments: (1) target segment comprises of self employed professionals and self employed non-professionals and (2) financing customers in tier 2 & 3 cities and peripheries of tier 1 cities

- Established presence in the housing finance market in South India with 90% of total 92 branches and satellite centres located in this region
- Direct marketing and customer contact ensuring greater transparency, ownership and efficiency
- Low cost of operations, through lean branch model, centralized loan process, no DSA sourcing
- Robust risk management processes and checks at every step of loan process ensuring good asset quality
- Experienced senior management team and their long standing association with the company

### Opportunities

- The opportunity for housing financiers continues to remain large given multiple growth drivers: continued urbanization, housing shortage, low penetration, increasing nuclear families, government incentives, etc.
- Self employed (including professionals and non professionals) constitute 51% of the workforce; however, banks and large HFCs focus on salaried segment due to ease of appraisal. leaving a lot of room for the niche housing finance players like RHFL.
- Tier 2 and 3 cities are largely ignored by banks and larger housing finance companies, thereby providing a good opportunity to lenders with lower cost of operations and a good understanding of these markets to expand their operations.

### Threats

- Adverse regulatory changes could impact the overall business and financial profile of the company
- Currently subdued business environment, which coupled with high interest rates, notwithstanding some correction in the recent past, could exert pressure on business growth and profitability
- Sizeable exposure to self employed segment; could exert pressure on the Company's asset quality under unfavorable economic conditions

## Outlook

Going forward, RHFL intends to grow loan book and profits with increased market presence through the following initiatives:

- Continued focus on underserved non-salaried segment in tier 2 and 3 markets; increased penetration through better customer engagement
- Deeper penetration in Southern region markets and expansion in other regions with 2/3rd of new branches in South and remaining in other regions
- Maintaining strong asset quality through continued focus on risk management
- Accessing low cost and diversified sources of funds
- Maintaining low operating costs
- Stable net interest margins and returns

## Internal Audit & Control

The Company has in place organized and effective internal control systems. The Company has a panel of external chartered accountant firms that carry out internal audits on a half yearly basis and such internal audit typically covers 75% of branches' business on an annual basis. There are stringent systems in place to ensure that the assets and property of the Company are properly utilized in the interest of the Company. The Internal Control Systems and Internal Auditors' Reports

are reviewed by the Audit Committee (comprising four independent directors) so as to ensure transparency and proper compliances.

## Information Technology

The Company's ability to operate and remain competitive depends in part on its ability to maintain and upgrade information technology systems and infrastructure on a timely and cost-effective basis, including ability to process a large number of transactions on a daily basis.

## Human Resources

The Company believes in attracting, nurturing and retaining a qualitative workforce to accomplish the desired objectives. To achieve this, RHFL provides the necessary internal and external training to keep employees in tune with prevailing benchmark practices in the housing finance segment. The Company provides a professional work environment and maintains a healthy relation with its employees. As on 31st March, 2013, the number of people employed by the Company stood at 382.

For and on behalf of Board of Directors

Place : Chennai

(R. Varadarajan)

Date : 5th August 2013

Managing Director

## DIRECTORS' REPORT

### TO THE MEMBERS

Your directors are pleased to present the thirteenth annual report of your company with the audited accounts for the year ended March 31, 2013.

FINANCIAL RESULTS		
	(₹ in Crore)	
	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Loans Sanctioned	1,284.83	1111.56
Loans Disbursed	1,167.41	1,042.34
Loans Outstanding	3,544.75	2,804.08
<b>Net NPA as a % of Net Advances</b>	<b>0.99</b>	<b>0.95</b>
Total Income	405.97	318.89
Profit before tax	106.80	81.63
Less: Provision for tax	26.78	20.17
Profit after tax	80.02	61.46
<b>Profit available for appropriation</b>	<b>131.99</b>	<b>97.62</b>
Appropriation:		
Transfer to Special Reserve (in accordance with Section 36(i)(viii) of the Income tax Act, 1961)	23.14	19.71
Transfer to Special Reserve (in accordance with Section 29C of National Housing Bank Act, 1987)	16.01	-
Transfer to General Reserve	20.00	20.00
Proposed Dividend	6.84	5.11
Corporate Dividend Tax thereon	1.16	0.83
Balance carried forward	64.84	51.97

## DIVIDEND

Your Directors recommend payment of dividend for the financial year ended 31 March 2013 at the rate of 11% on equity shares. The dividend shall be paid subject to approval by the shareholders at the Thirteenth annual general meeting. The total dividend outlay including dividend distribution tax of Rs.1.16 crores, for the current year would be Rs.8 crores as against Rs.5.94 crore including dividend distribution tax, for the previous year.

## LENDING OPERATIONS

During the year loan approvals stood at Rs.1,284.83 crore as compared to Rs.1,111.56 crore in the previous year registering a growth of 15.59%. Loan disbursements during the year were Rs.1,167.41 crore as compared to Rs. 1,042.34 crore in the previous year representing a growth of 12%.

## LOAN BOOK

The loan book of the Company was Rs.3544.75 crores as against Rs. 2804.08 crores in the previous year representing a growth of 26.41%.

## NON PERFORMING ASSETS

As of 31 March 2013, the net non performing assets represents 0.99% of the loan portfolio of the Company as against 0.95 % of the loan portfolio of the Company last year.

## FUNDS RAISING

The Company raised Rs.270 Crore during the year by public issue of 15,720,262 equity shares of Rs.10 each at price of Rs.172 per share (premium of Rs.162 per share). The shares got listed both in National Stock Exchange and Bombay Stock Exchange on April 1, 2013.

Your Company persisted in its effort in building a diversified resource base with lowest cost possible for preferred tenures. The resource base of your Company consists of NHB refinance, term loans from banks and financial assistance from Repco Bank. The Company's borrowings have been rated "ICRA A+".

## DIRECTORS

In accordance with Articles of the Association and Section 256 of the Companies Act, 1956, Shri. T.S.KrishnaMurthy and Shri V Nadanasabapathy, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. Your Directors recommend their re-appointment.

## AUDITORS

M/s. R.Subramanian and Company retire at the conclusion of the forthcoming annual general meeting. The Company has received the requisite certificate from them stating that their appointment if made will be within the limits as specified under Section 224(1B) of the Companies Act, 1956.

The Board of Directors recommend the appointment of M/s. R.Subramanian and Company for the financial year 2013-14.

## CORPORATE GOVERNANCE

The Company has obtained a certificate from the statutory auditor regarding the compliance with Clause 49 of the Listing Agreement with the stock exchanges and it is attached to the Corporate Governance Report. The Company is in compliance with the principles of good governance founded on integrity and transparency.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review, as stipulated by Clause 49 of the Listing Agreement with the stock exchanges is presented in a separate section forming part of the annual report.

## REGULATORY COMPLIANCE

The Company is in compliance with the guidelines, circulars and directions of National Housing Bank. The Company's capital adequacy ratio as on 31 March 2013 was 25.5% which is well above the prescribed 12% threshold as per NHB Directions. The Company is also in compliance with the guidelines, directions and circulars of SEBI.

## **PUBLIC DEPOSITS**

The Company is registered with National Housing Bank with eligibility to raise public deposits, however till date the Company has not commenced acceptance of deposits from the public.

## **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Since the Company is not into any manufacturing activity particulars relating to conservation of Energy and technology absorption are not furnished.

## **FOREIGN EXCHANGE EARNINGS AND EXPENDITURE**

The particulars of foreign exchange earnings and expenditure for the financial year ended March 31, 2013:

Expenditure incurred in foreign currency for the financial year ended March 31, 2013 is Rs. 7,18,575 (previous year: NIL)

There are no earnings in foreign currency during the current year as well as in the previous year.

### **Particulars of employees covered under Section 217(2A) read with Companies (Particulars of Employees) Rules, 1975**

There are no employees covered under Section 217(2A) read with Companies (Particulars of Employees) Rules, 1975 as amended.

## **AUDITORS' OBSERVATION**

There is no adverse remark or observation by the statutory auditor.

## **OUTLOOK FOR 2014**

The Company 's listing enables it to access cost effective sources of funds. The Company believes that with diversified shareholding pattern its rating would improve which will pave way for the Company to raise its resources from diversified sources. Overall Company's prospects appear to be bright given its efficacious treasury management and robust credit appraisal systems. A diversified branch presence

across the country in the forthcoming financial year would help in sustaining the growth rate achieved since inception.

## **HUMAN RESOURCE DEVELOPMENT**

The objective of human resource development in an organization is to enhance human productivity through progressive and consistent policies in knowledge & skill upgradation and betterment of employment conditions at all levels. Human resource management's objective is to maximize the return on investment from the organization's human capital. It is the responsibility of human resource departments in a corporate context to conduct these activities in an effective, legal, impartial and cohesive manner.

Your Company worked tirelessly towards the skill up gradation of its employees by introducing objective performance appraisal mechanism and performance linked incentive structure and up to date technology infrastructure. Employees are nominated regularly to attend various training programmes conducted by NHB, RBI & other capacity development institutions besides organizing in-house training programmes. During the year 2012-13, 6 programmes were conducted by the Company in which 190 staffs participated. Besides 18 staffs were sent for programme conducted by others.

The Company provides a professional work environment and maintains a healthy relation with its employees. As on 31 March 2013, the number of people employed by the company stood at 382.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuance to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

in the preparation of the Annual accounts, the applicable accounting standards have been followed together with proper explanation relating to material departure, if any;

the accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for that period;

proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;

the annual accounts have been prepared on a going concern basis.

### **ACKNOWLEDGEMENTS**

The Directors of your Company wish to place on record their sincere gratitude to the National Housing Bank and its Executives for their patronage and whole-hearted support. We also record our gratitude to our bankers, financial institutions and insurance companies for their continued trust, support and assistance given to the Company.

The Board places on record its sincere gratitude to Ministry of Home Affairs, GOI, SEBI, NSE, BSE,

Department of Company Affairs, REPCO Bank, shareholders, BRLMs, Government, local/statutory authorities, customers and all others for their patronage and support for the achievements by the Company despite the most competitive environment in the market.

Your Directors take this opportunity to thank all the executives and employees of the Company and wish to place on record their commendable hard work, team spirit and dedicated service to the customers which enabled the Company to achieve an appreciable level of business performance during the year.

For and on behalf of the Board of Directors

Place : Chennai  
Date : 10 May 2013

(T.S.KrishnaMurthy)  
Chairman

## REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

In business parlance Corporate Governance is defined as an internal system encompassing policies, processes and people, which caters to the need of all stakeholders of the Company by directing and controlling management activities with objectivity, accountability and integrity. Sound corporate governance indicates a healthy board culture which safeguards policies and processes in the backdrop of external marketplace commitment and legislation.

The Repco Group of Institutions ensure a culture for promoting good governance and voluntary compliance facilitating effective participation of different stakeholders while creating a framework of best practices, structure and processes clearly defining the rights and responsibilities of different role players for making independent and informed decisions on corporate affairs.

The Company adheres to the norms and disclosures as required by Clause 49 of the Listing Agreement with the stock exchanges. While we believe that compliance with regulatory prescriptions could be minimum requirement in terms of Corporate governance, compliance with internal pressures, peer pressures and market pressures will pave way to more effective Corporate governance. The Directors' Report on the Compliance of Corporate Governance Code is given below:

### BOARD OF DIRECTORS

#### COMPOSITION

The Board of Directors as of 31 March 2013 comprised of 10 Directors out of which 9 were non executive directors and one Managing Director. Shri.R.Varadarajan is the Managing Director. 4 non executive directors are independent directors –Shri..T.S.KrishnaMurthy, Shri Thomas Paul Diamond, Shri.G.R.Sundaravadivel and Shri.V.Nadanasabapathy. The Board is chaired by Shri.T.S.KrishnaMurthy (Independent-Non Executive Chairman). The directors are competent and qualified in their respective areas of expertise.

The Independent Directors play an active role in the deliberations of the Board and Committee meetings thereby enhancing the efficacy of the decision making. The independent Directors are paid sitting fees for the Board and Committee meetings. They do not have any other material, pecuniary relationship or transaction with the Company, its promoter, its Directors, management, subsidiaries or associates. The Composition of the Board of Directors is in conformity with Clause 49 of the Listing Agreement.

#### TENURE

Two thirds of the members of the Board are liable to retire by rotation out of which one third retire every year. In accordance with this, Shri.T.S.KrishnaMurthy and Shri.V.Nadanasabapathy retire by rotation and being eligible offer themselves for re-appointment. There is no inter-se relationship between the directors of the Company.

#### BRIEF PROFILES

1. Shri.T. S. KrishnaMurthy, holds a bachelor degree in economics from University of Mysore and in law from the University of Madras. He also holds a master's degree in fiscal studies from the University of Bath, U.K. He has more than 50 years of work experience. He served as the Chief Commissioner of Income Tax, Secretary to the Government of India - Department of Company Affairs, Additional Secretary – Department of Expenditure, Ministry of Finance. He has also served as the Chief Election Commissioner of India. He has been a Director on the Board of our Company since September 13, 2011.

The details of other Directorships of Shri.T.S. KrishnaMurthy are as follows:

Names of Companies	Nature of the interest
Shriram Life Insurance Company	Director
DSP BlackRock Trustee Company Pvt Ltd	Director
RRB Energy Ltd	Director
Edelweiss Asset Reconstruction Company Ltd	Director

2. Shri. V. Nadanasabapathy, holds a bachelor degree in science (agriculture) from Annamalai University and is a certified associate of the Indian Institute of Bankers. He has around 38 years of experience cumulatively, out of which around 35 years were in the banking sector. He retired as deputy general manager at Syndicate Bank and was associated with the bank for a period of 35 years during which he was the chairman of North Malabar Gramin Bank for a period of three years. He has been a Director on the Board of our Company since July 22, 2005.

Other Directorships of Shri.V. Nadanasabapathy is NIL.

3. Shri.Iqbal Singh Chahal holds a bachelors degree in engineering (Electronics & Electrical commn.Engg). He is currently serving as Joint Secretary, Ministry of Home Affairs. He has approximately 24 years of work experience in public service.

The details of other Directorships of Shri.Iqbal Singh Chahal are as follows:

Names of Companies	Nature of the interest
Rehabilitation Plantations Limited	Director
Repco Bank	Director

4. Shri.B.Anand holds a Post Graduate Degree in English. He is currently serving as Principal Secretary/ Commissioner of Rehabilitation, Government of Tamil Nadu. He has approximately 24 years of work experience in government service.

The details of other Directorships of Shri.B.Anand are as follows:

Names of Companies	Nature of the interest
Repco Bank	Director

## RESPONSIBILITIES

The Board of Directors provide the strategic direction and monitor the organization to ensure that the Corporate Objectives are achieved in the best possible manner and the interests of all stakeholders are

protected. The Board oversees the performance of the organization and ensures that the performance is in line with the mission of the Company.

## ROLE OF THE INDEPENDENT DIRECTORS

The Independent Directors play a vital role in the overseeing the operation of the organization. They play a vibrant role and take active part in the deliberations in the meetings. The Company gains from their variegated and rich experiences. The range of the proficiencies of the independent directors range from economics, public administration, banking , housing finance, micro credit and insurance.

The Board members' preoccupations do not in any way overlap with their fiduciary responsibility towards the Company.

## BOARD MEETINGS

The Board of Directors of the Company meet at least once every quarter to review inter alia , the quarterly performance of the Company and the financial results. The meetings are held in Chennai and advance notice is given to all directors of the Company. The Company Secretary prepares the agenda for the meetings in consultation with the Chairman and the Managing Director. All the requisite information as stipulated by Clause 49 are placed before the Board. The agenda for the meetings are circulated in advance. At the instance of the Chairman/Board Member additional agenda items could be taken up for discussion. The Managing Director will make a comprehensive presentation on the performance of the Company. Wherever required the members of the senior management are invited to provide additional inputs to the Board. The minutes of the meetings are recorded in the minutes book.

During the year under review, the Board met six Times. The meetings were held on 03/04/2012; 14/05/2012; 02/08/2012; 02/11/2012; 04/02/2013 and 22/03/2013

The details of the Board Meetings attended by the Directors, attendance at the last annual general meeting, number of directorships/ Committee memberships held by them are given below.

Sl. No	Name of Directors	Category	Attendance at the 12th AGM (14.06.2012)	Attendance at the Board meetings (No of meetings held-6)	No of Equity shares held in the Company	No of Directorships (other than Repco Home Finance Ltd)	No of Committees Membership (as per clause 49) (other than Repco Home Finance Ltd)	
							Member	Chairman
1	Mr.T.S. KrishnaMurthy	Chairman, Non-Executive and Independent	Present	5	300	4	–	–
2	Mr.R.Varadarajan	Managing Director/ Executive	Present	6	1,275	4	–	–
3	Mr. S.C. Panda	Non-Executive / Non-Independent	Not present	5	Nil	2	–	–
4	Mr.R.R.Jha *	Non-Executive / Non-Independent	Not present	1	Nil	–	–	–
5	Mr.K.Deenabandhu #	Non-Executive / Non-Independent	Not present	2	Nil	–	–	–
6	Mr. Thomas Paul Diamond	Non-Executive / Independent	Not present	6	Nil	–	–	–
7	Mr. G.R. Sundaravadivel	Non-Executive / Independent	Not present	5	Nil	2	1	–
8	Mr.M. Shankar Narayanan	Non-Executive / Non-Independent	Not present	5	55,139	6	1	–
9	Mr. Mahesh Parasuraman	Non-Executive / Non-Independent	Not present	4	2,205	4	2	–
10	Mr. V. Nadanasabapathy	Non-Executive / Independent	Not present	6	Nil	–	–	–
11	Mr. C. Thangaraju	Non-Executive / Non-Independent	Not present	6	Nil	1	–	–

\* ceased to be a Director w.e.f 02/11/2012

# ceased to be a Director w.e.f 29/04/2013

The details of sitting fees paid to the directors during the year for attending meetings of the Board are as under:

Name of the Directors	Sitting fee
Mr. T.S. KrishnaMurthy	50000
Mr. R.Varadarajan	-
Mr. S.C.Panda	-
Mr. R.R.Jha	-
Mr. K.Deenabandhu	-
Mr. Thomas Paul Diamond	30000
Mr. G.R.Sundaravadivel	25000
Mr. M. Shankar Narayanan	-
Mr. Mahesh Parasuraman	-
Mr. V. Nadanasabapathy	30000
Mr. C. Thangaraju	30000

### COMMITTEES OF THE BOARD

The Board has delegated certain matters to enable focused attention on specific points to the Company. The minutes of the Committee meetings are placed before the Board in its meetings.

#### Membership of Committees

As per the disclosure received by the Company from the Directors, none of them is a member in more than 10 committees, nor as Chairman of more than 5 committees in all companies where they hold directorships.

The periodic reporting of compliance is made to the Board of Directors by the Managing Director based on the confirmation received from the members.

### AUDIT COMMITTEE

The Committee comprises three Non-executive & Independent Directors and one Non-Executive & Non-Independent Director with expertise in finance, accounts, treasury and law.

During the year, four Audit Committee meetings were held. The composition of Audit Committee is as under:

#### Composition

Thomas Paul Diamond	Chairman of the Committee
V. Nadanasabapathy	Member
G.R. Sundaravadivel	Member
M. Shankar Narayanan	Member

The details of the attendance of the members of the Committee along with the sitting fees paid are listed below:

Members	Number of meetings attended (meetings held-4)	Sitting fees paid
Thomas Paul Diamond	4	20000
V. Nadanasabapathy	4	20000
G.R.Sundaravadivel	4	20000
M. Shankar Narayanan	4	-

### ROLE OF AUDIT COMMITTEE

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board.
- Reviewing, with the management, the quarterly financial statements before submission to the board.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, if in existence.

#### POWERS OF AUDIT COMMITTEE

- To investigate any activity within its term of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholders' Grievance Committee looks into issues related to shareholders like examining redressal of the shareholders complaints and queries, review movement in shareholdings and ownership structure etc.

##### Composition

G.R. Sundaravadivel	Chairman of the Committee
Thomas Paul Diamond	Member
V. Nadasabapathy	Member

#### The terms of reference of Shareholders Grievance Committee are as follows.

- Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc;
- Approve requests for share transfers and transmission and those pertaining to rematerialisation of shares/ sub-division/ consolidation/ issue of renewed and duplicate share certificates etc; and
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee; and

#### COMPENSATION COMMITTEE

Compensation Committee was constituted for the purpose of reviewing and approving, on behalf of the Board of Directors, management recommendations regarding all forms of compensation to be provided to the executive officers and directors of the Company, including stock compensation, and all bonus and stock compensation to all employees, and to administer the Company's stock option and stock purchase plans.

##### Composition

G.R. Sundaravadivel	Chairman of the Committee
Thomas Paul Diamond	Member
V. Nadasabapathy	Member

The details of the attendance of the members of the Committee along with the sitting fees paid are listed below:

Members	Number of meetings attended (meetings held-1)	Sitting fees paid
Thomas Paul Diamond	1	5000
V. Nadasabapathy	1	5000
G.R.Sundaravadivel	1	5000

### The terms of reference of Compensation Committee are as follows:

- The quantum of option to be granted under an Employee Stock Option Scheme, ("ESOP"), per employee and in aggregate;
- The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Compensation Committee:
  - the number and the price of ESOP shall be adjusted in a manner such that total value of the ESOP remains the same after the corporate action
  - for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered.
  - the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
- The grant, vest and exercise of option in case of employees who are on long leave

### REMUNERATION COMMITTEE

The remuneration committee was constituted to take all appropriate/ necessary steps, decisions required in connection with managerial remuneration and to

delegate all or any of the power hereby conferred to and to settle any question, matter or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or otherwise considered necessary by the aforesaid committee to be in the best Interest of the Company and to do for and on behalf of the Board all acts, deeds and things which may be necessary for effective implementation of the foregoing resolutions.

### Composition

G.R. Sundaravadivel	Chairman of the Committee
Thomas Paul Diamond	Member
V. Nadanasabapathy	Member

### SCOPE OF THE COMMITTEE

- Determining the remuneration payable to the Managing Director and Whole time Director;
- Determining the remuneration policy of the Company;
- Framing suitable policies and systems to ensure that there is no violation of, by an Employee of the Company of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, by any employee.

### MANAGEMENT COMMITTEE

#### Composition

Thomas Paul Diamond	Chairman of the Committee
V. Nadanasabapathy	Member
G.R. Sundaravadivel	Member
M. Shankar Narayanan	Member
R.Varadarajan	Member

The details of the attendance of the members of the Committee along with the sitting fees paid are listed below:

Members	Number of meetings attended (meetings held-4)	Sitting fees paid
Thomas Paul Diamond	4	20000
V. Nadasabapathy	4	20000
G.R.Sundaravadivel	4	20000
M. Shankar Narayanan	3	-
R.Varadarajan	4	-

The terms of reference of Management Committee are as follows:

1. Write off of loans
2. Sanctioning of Loans
3. Examination of Credit Policy and reviewing it from time to time

#### IPO COMMITTEE

The IPO Committee was constituted to take all steps and to do all acts, deeds, matters and things and to sign all documents, agreements, contracts, deeds, documents, declarations, affidavits, undertakings,

appointment letters, applications, forms and papers, amongst others, and also to take decisions and issue clarifications on all issues and matters in connection with the Issue.

#### Composition

R. Varadarajan	Chairman of the Committee
V. Nadasabapathy	Member
G.R. Sundaravadivel	Member
M. Shankar Narayanan	Member

The details of the attendance of the members of the Committee along with the sitting fees paid are listed below:

Members	Number of meetings attended (meetings held-1)	Sitting fees paid
R.Varadarajan	1	-
V. Nadasabapathy	1	5000
G.R.Sundaravadivel	1	-
M. Shankar Narayanan	1	-

#### ANNUAL GENERAL MEETING

Particulars of venue, date and time of the General Meetings held during the previous three years and the details of Special Resolution passed in the respective meetings are given below:

Financial Year	Particulars	Date & time	Venue	Special Resolutions passed
2009-10	10th AGM	25/05/2010 11AM	Karumuttu Center, Second Floor, North Wing, New No.634, Old No.498, Anna Salai, Nandanam, Chennai –35	Amendment of Articles of Association of the Company to insert provision to buy back shares
2010-11	11th AGM	25/05/2011 11AM	Karumuttu Center, Second Floor, North Wing, New No.634, Old No.498, Anna Salai, Nandanam, Chennai –35	No Special Resolution was passed
2011-12	12th AGM	14/06/2012 11AM	Karumuttu Center, Second Floor, North Wing, New No.634, Old No.498, Anna Salai, Nandanam, Chennai –35	No Special Resolution was passed

## MEANS OF COMMUNICATION

The mode of communication with the shareholders is through the Company's website [www.repcohome.com](http://www.repcohome.com). The quarterly results and annual financial results as well as shareholding pattern, code of conduct for Board of Directors and Corporate Governance Policy are posted on the Company's website. The audited financial results were published in leading newspapers.

All material information about the Company, including quarterly and audited financial results, limited review report and shareholding pattern are promptly sent to the stock exchanges. The Company also disseminates information through press and investor's meet.

## COMPLIANCE OFFICER

Shri. K. Prabhu, Company Secretary acts as the Compliance Officer.

## CODE OF CONDUCT

The Company has adopted a code of conduct duly approved by the Board of Directors. The code is applicable to all the Directors and the senior management of the Company. This has been posted on the Company's website.

## CODE FOR PREVENTION OF INSIDER TRADING

The Company has put in place a Code for Prevention of Insider Trading in accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended. The code contains elaborate procedures to be followed while dealing with the Company's security. The code is applicable to all the Directors and the designated senior management of the Company.

## DISCLOSURES

### TRANSACTIONS WITH NON EXECUTIVE DIRECTORS

The non executive Directors of the Company do not have any material pecuniary relationships or transactions with the Company, other than in normal course of business.

## RELATED PARTY TRANSACTIONS

There were no related party transactions with the directors, the management, relatives of the directors that have potential conflict with the Company.

## ACCOUNTING STANDARDS

The Company has complied with the accounting standards notified by the Companies (Accounting Standards) Rules 2006. The financial statements are prepared in accordance with revised Schedule VI of the Companies Act, 1956.

## RISK MANAGEMENT SYSTEMS

The Company has in place a robust risk management system that enables assessment of risks and provide for mitigation of risks. The Audit Committee and ALCO review the procedures adopted to assess the risk and efficacy of the mitigation measures.

**There were no instances of non-compliance of any matter related to the capital markets during the last three years.**

## CEO/CFO CERTIFICATION:

As required by Clause 49, the CEO/CFO Certificate on compliance of the conditions of Corporate Governance is appended to the Annual Report.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate on compliance of conditions of Corporate Governance is appended to the Annual Report.

## MANDATORY/NON MANDATORY REQUIREMENTS

During the financial year 2012-13, the Company has duly complied with all mandatory requirements of Clause 49 of the Listing Agreement.

## REMUNERATION OF DIRECTORS

The non-executive directors receive remuneration only by way of sitting fees for each meeting of the Board

and its various committees. The sitting fee paid for each meeting for Chairman is Rs.10,000 and for other directors it is Rs.5000. The details of sitting fees paid to non-executive directors during the year are as under:

Name of the Director	Sitting fee
Mr. T.S. KrishnaMurthy	50000
Mr. S.C.Panda	-
Mr. K.Deenabandhu	-
Mr. Thomas Paul Diamond	75000
Mr. G.R.Sundaravadivel	70000
Mr. M. Shankar Narayanan	-
Mr. Mahesh Parasuraman	-
Mr. V. Nadasabapathy	80000
Mr. C. Thangaraju	30000
Mr. R.R.Jha	-

Shri. R.Varadarajan is drawing salary and allowances only from Repco Bank and the Company reimburses the additional pay to Repco Bank in respect of the additional post held. Performance incentive component is directly paid to him. The details of the remuneration incurred by the Company for Shri.R.Varadarajan, Managing Director during the year 2012-13 are as under:

Additional pay reimbursed to Repco Bank	Rs.2,96,235
Incentive for the year 2011-12	Rs.7,50,000
Incentive for the year 2012-13 (provision has been made however the payment was effected only in FY 2013-14)	Rs.7,50,000

## GENERAL SHAREHOLDERS INFORMATION

The Company is registered in the state of TamilNadu, India. The Corporate identity number (CIN) of the Company as allotted by Ministry of Corporate Affairs is U65922TN2000PLC044655.

### a) Annual General Meeting

Date & Time : September 13, 2013 & at 2.30 PM

Venue : Narada Gana Sabha, No.314, T.T.K.Road, Alwarpet, Chennai-600018

### b) Financial Year

1<sup>st</sup> April 2012- 31<sup>st</sup> March 2013

### c) Book Closure

From September 6, 2013 to September 13, 2013 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend if approved by the Shareholders.

### d) Dividend Payment date - on or after 14<sup>th</sup> September 2013

### e) The shares of the Company are listed in National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd.

### f) Stock Code

NSE Symbol- REPCOHME

BSE Scrip Code - 535322

### g) ISIN No of NSDL/CDSL - INE612J01015

### h) Market Price Data

The shares of the Company were listed on 1<sup>st</sup> April 2013.

## i) Shareholders holding more than 1% of the Share Capital of the Company as at 31.03.2013

S.No	Name of the shareholder	Number of shares	% Holding
1	FIRST CARLYLE GROWTH VI	8980669	14.45
2	WCP HOLDINGS III	6192100	9.96
3	CREADOR I, LLC	4639434	7.46
4	SBI EMERGING BUSINESSES FUND	2325299	3.74
5	FIRST CARLYLE GROWTH VI	2047052	3.29
6	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. S.V.	1658337	2.67
7	CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED	1210913	1.95
8	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	1101200	1.77
9	SBI MAGNUM BALANCED FUND	887842	1.43
	<b>TOTAL</b>	<b>29042846</b>	<b>46.72</b>

**j) Distribution of shareholding**

S.No	Category	Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	2624	52.32	3365950	0.54
2	5001 - 10000	521	10.39	3162000	0.51
3	10001 - 20000	1802	35.93	20271750	3.26
4	20001 - 30000	4	0.08	94650	0.02
5	50001 - 100000	5	0.10	359100	0.06
6	100001 & ABOVE	59	1.18	594357020	95.62
	Total:	5015	100.00	621610470	100.00

**k) Shareholding Pattern as of 31/03/2013**

Category code	Category of shareholder	No of holders	Total shares	No of shares in demat form	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		SHARES PLEDGE OR OTHERWISE ENCUMBERED	
					AS α % of (A+B)	As α PERCENTAGE of (A+B+C)	NUMBER OF SHARES	AS α PERCENTAGE
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV) * 100
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>							
<b>(1)</b>	<b>INDIAN</b>							
(a)	Individual /HUF	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions /Banks	0	0	0	0.00	0.00	0	0.00
(e)	Others	1	23230606	23230606	37.37	37.37	0	0.00
	Sub-Total A(1) :	1	23230606	23230606	37.37	37.37	0	0.00
<b>(2)</b>	<b>FOREIGN</b>							
(a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(2) :	0	0	0	0.00	0.00	0	0.00
	Total A= A(1)+A(2)	1	23230606	23230606	37.37	37.37	0	0.00
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>							
<b>(1)</b>	<b>INSTITUTIONS</b>							
(a)	Mutual Funds /UTI	31	7186946	7186946	11.56	11.56		
(b)	Financial Institutions / Banks	2	482181	482181	0.78	0.78		
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		
(e)	Insurance Companies	0	0	0	0.00	0.00		
(f)	Foreign Institutional Investors	4	3452010	3452010	5.55	5.55		

(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00		
(i)	Others	0	0	0	0.00	0.00		
	Sub-Total B(1) :	37	11121137	11121137	17.89	17.89		
(2)	<b>NON-INSTITUTIONS</b>							
(a)	Bodies Corporate	10	2330425	2330425	3.75	3.75		
(b)	Individuals							
	(i) Individuals holding nominal share capital upto Rs.1 lakh	4907	2690635	2690565	4.33	4.33		
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	8	902439	902439	1.45	1.45		
(c)	Others							
	NON RESIDENT INDIANS	48	26550	26550	0.04	0.04		
	NON RESIDENT COMPANIES	4	21859255	21859255	35.17	35.17		
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00		
	Sub-Total B(2)	4977	27809304	27809234	44.74	44.74		
	Total B=B(1)+B(2)	5014	38930441	38930371	62.63	62.63		
	Total (A+B) :	5015	62161047	62160977	100.00	100.00		
(C)	Shares held by custodians, against which							
	Depository Receipts have been issued							
(1)	Promoter and Promoter Group							
(2)	Public	0	0	0	0.00	0.00		
	GRAND TOTAL (A+B+C) :	5015	62161047	62160977	100.00	0.00	0	0.00

#### l) Dematerialization of shares and liquidity

The shares of the Company are traded in dematerialized form and are available for trading under both the Depository Systems - National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL). As of 31<sup>st</sup> March 2013, 62,160,977 equity shares i.e. 99.99% of the Company's Share Capital were dematerialized.

#### m) Particulars of Bank Account

In accordance with SEBI 's circular CIR/MRD/DP/10/2013 dated March 10, 2013 it has been mandatory for companies to maintain requisite bank details of their investors.

In order to facilitate dividend amount payments through ECS/NECS/NEFT etc., the Members holding shares in the demat mode are requested to furnish their bank account details directly to the Registrars and Share Transfer Agents for incorporation of the same on the dividend warrants.

Place : Chennai  
Date : 05 August 2013

For and on behalf of the Board of Directors  
(R.Varadarajan)  
Managing Director

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF REPCO HOME FINANCE LIMITED

We have examined the compliance of conditions of Corporate Governance by REPCO Home Finance Limited, for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **R.SUBRAMANIAN AND COMPANY**  
CHARTERED ACCOUNTANTS  
(Firms Regn. No.004137S)

**R. PRAKASH**

Partner

Place: Chennai

Date: 05th August 2013

Membership No. 205869

The Board of Directors  
Repco Home Finance Limited  
'Repco Tower'  
33, North Usman Road,  
T.Nagar, Chennai- 600 017

Date: 05th August 2013

## ANNUAL CERTIFICATION

We the undersigned R.Varadarajan, Managing Director & CEO and T.Karunakaran, Chief Financial Officer hereby certify that for the financial year ended 31st March 2013, we have reviewed Annual accounts, financial statement and the cash flow statement and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct;
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of some internal control system of the Company and we have disclosed to the auditors and the Audit Committee the deficiencies, of which we are aware, in the design or operation of the internal control systems and we have taken the steps to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee
  - Significant changes in internal control over the financial reporting during the year 2012-13;
  - Significant changes in accounting policies during the year 2012-13 and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

**Managing Director & CEO**

**Chief Financial Officer**

## INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2013

To the Members of REPCO HOME FINANCE LIMITED

### REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of REPCO HOME FINANCE LIMITED which comprise of the Balance Sheet as at 31st March 2013, Statement of Profit & 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"). The 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 of 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.

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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of 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 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 sub-section (3C) of section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the directors as on 31st March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 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.

- 2. 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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

For R.SUBRAMANIAN AND COMPANY  
Chartered Accountants  
ICAI regd. No. 004137S

C. RAMAMURTHY

Partner

Place : Chennai

Date : 10th May 2013

M.NO: 205113

## ANNEXURE TO AUDITORS' REPORT

### ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - a) Some of the fixed assets were physically verified during the year by the management in accordance with the programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - b) During the year, the Company has not disposed off major part of its fixed assets.
2. a) The Company has not granted loans secured or unsecured to Companies / (or) parties covered in the register maintained under Sec. 301 of the Companies Act. However the Company has availed loans from parties covered in the Register maintained under Sec. 301 of the Companies Act. The details of which are given below:
 

Name of the Party	Nature of Loan availed	Balance o/s as at 31/03/2013
Repco bank Limited	Secured Term Loan	0.99 Crore
Repco Bank Limited	Cash Credit	374.55 Crore

  - b) The rate of interest and other terms and conditions of the loan availed are prima-facie not prejudicial to the interest of the company.
  - c) The repayment of principal amount and interest are regular and there are no overdue amount.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control.
4. (a) The transactions that need to be entered into a register in pursuant to the provisions of Sec. 301 of the Companies Act. have been entered into the register.
  - (b) The loans from a party listed in the register maintained U/s301 have been availed at interest rates which are reasonable having regard to the prevailing market rates at the relevant time.
5. The Company has not accepted any deposits from Public, hence compliance of the directives issued by the National Housing Bank and the provisions of Sec. 58 A and 58 AA or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
6. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
7. The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act.
8. a) The Company is regular in depositing undisputed statutory dues and there are no arrears of statutory dues as at the last day of the financial year for a period of more than 6 months from the date they become payable.
  - b) According to the records of the company and the information and explanations given to us, there are no dues of Income tax, Sales tax, wealth Tax, Service tax, Excise Duty and Cess which have not been deposited on account of any dispute.

9. The Company has not incurred losses since inception.
10. Based on our audit procedures and on the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in the repayment of dues to Financial Institutions and Banks.
11. Based on our examination of documents and records, we are of the opinion that no loans or advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities, other than housing/mortgage loans granted based on equitable mortgage of properties.
12. During the year no dealing/trading in shares by the Company was noticed.
13. The provisions of Special Statute relating to Chit fund/Nidhi are not applicable to this company.
14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions during the financial year.
15. To the best of our knowledge and belief and according to the information and explanation given to us, the term loans availed by the Company during the financial year have been applied for the purpose for which the loans were obtained.
16. According to the Cash flow statement and other records examined by us and based on the information and explanations given to us, on an overall basis, funds raised on short term basis have not been used during the financial year for long term investment.
17. During the year the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act..
18. No debentures have been issued by the Company during the year.
19. The Company has disclosed the end use of money raised in the Public issue of Equity Shares and the same has been verified and found to be correct.
20. To the best of our knowledge and belief and according to the information and explanations given to us, sums aggregating to Rs.205.05 Lakhs involving 9 fraud cases on the company was noticed, and reported during the year.
21. Clause 4(ii) of the above order is not applicable to this Company.

For R. SUBRAMANIAN AND COMPANY

Chartered Accountants

Firm Reg No.004137s

Place: Chennai

(C Ramamurthy)

Date : 10th May 2013

M No.205113

# BALANCE SHEET

AS AT MARCH 31, 2013

(Amt In INR)

Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
<b>I. EQUITY AND LIABILITIES</b>			
1) Shareholder's Funds			
(a) Share Capital	1	6216,10,470	4644,07,850
(b) Reserves and Surplus	2	57236,39,188	25682,22,380
2) Non-Current Liabilities			
(a) Long Term Borrowings	3	217723,85,575	177021,32,166
(b) Long Term Provisions	4	3351,33,111	2461,85,782
3) Current Liabilities			
(a) Short Term Borrowings	5	39449,15,867	24051,52,014
(b) Other Current Liabilities	6	54145,72,756	50606,05,255
(c) Short Term Provisions	7	1122,42,700	804,35,034
Total		379244,99,667	285271,40,481
<b>II. ASSETS</b>			
1) Non-Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		437,78,577	315,90,854
(ii) Intangible Assets		8,76,066	15,83,006
(b) Non-Current Investments	9	805,00,000	805,00,000
(c) Deferred Tax Assets (net)	10	1117,98,260	792,91,242
(d) Long Term Loans and Advances	11	332055,50,989	262911,22,282
2) Current Assets			
(a) Cash and Bank Balances	12	21014,42,177	1750,23,783
(b) Short Term Loans and Advances	13	22949,37,716	17988,55,612
(c) Other Current Assets	14	856,15,882	691,73,702
Total		379244,99,667	285271,40,481

Accounting Policies 20

Notes Forming Part of Accounts 21

For **R. Subramanian and Company**  
Chartered Accountants  
Firm Regn No: 004137S

Partner  
**(C Ramamurthy)**  
Membership No: 205113

Place: Chennai  
Date : 10 May 2013

**K. Prabhu**  
Company Secretary

**R. Varadarajan**  
Managing Director

**P. Natarajan**  
Executive Director

**T.S. KrishnaMurthy**  
Chairman

# STATEMENT OF PROFIT AND LOSS ACCOUNT

## FOR THE YEAR ENDED 31ST MARCH, 2013

(Amt In INR)

Particulars	Notes	For The Year ended 31st March 2013	For The Year ended 31st March 2012
<b>III. INCOME:</b>			
Revenue From Operations	15	40571,19,802	31881,54,506
Other Income	16	26,01,672	6,98,316
Total Income		<b>40597,21,474</b>	<b>31888,52,822</b>
<b>IV. EXPENDITURE:</b>			
Interest and Other Financial Charges	17	26564,55,508	20231,01,232
Employee Benefit Expenses	18	1409,46,978	1050,48,795
Depreciation and Amortization Expenses	8	151,90,817	161,70,092
Other Expenses	19	868,99,600	728,87,469
Provision for Non-Performing Assets		587,80,689	483,01,960
Contingency Provisions against Standard Assets		312,14,402	1066,75,876
Bad-Debts Written Off		22,73,633	3,85,425
Total Expenses		<b>29917,61,627</b>	<b>23725,70,849</b>
V. Profit Before Tax (III-IV)		<b>10679,59,847</b>	<b>8162,81,973</b>
VI. Tax Expense:			
(1) Current Tax		3003,00,000	2534,00,000
(2) Deferred Tax		(325,07,018)	(517,21,394)
VII Net Profit/(Loss) for the period		<b>8001,66,865</b>	<b>6146,03,367</b>
VIII Earning Per Equity Share:			
Weighted Average no. of Shares Outstanding During the Period		468,71,477	464,41,268
Nominal Value Per Equity Share		10.00	10.00
Earnings Per Share Before & After Extra-Ordinary Item			
- Basic & Diluted EPS		17.07	13.23

Accounting Policies 20

Notes Forming Part of Accounts 21

For **R. Subramanian and Company**  
Chartered Accountants  
Firm Regn No: 004137S

Partner  
**(C Ramamurthy)**  
Membership No: 205113

Place: Chennai  
Date : 10 May 2013

**K. Prabhu**  
Company Secretary

**R. Varadarajan**  
Managing Director

**P. Natarajan**  
Executive Director

**T.S. KrishnaMurthy**  
Chairman

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

	31-03-2013		31-03-2012	
		Rs.		Rs.
<b>Shareholder's Fund</b>				
<b>NOTE 1:</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised Capital</b>				
10,00,00,000 Equity shares of Rs.10/- each		1,000,000,000		1,000,000,000
<b>Issued, Subscribed &amp; Paid up Capital</b>				
621,610,470 (4,64,40,785) Equity shares of Rs.10/- each (Out of the above 2,32,30,606 (2,32,30,606) Fully Paid Up Equity Shares are held by promoter M/s Repco Bank Ltd.,)		6216,10,470		4644,07,850
		-		
<b>Total</b>		6216,10,470		4644,07,850
Reconciliation of Share outstanding at the beginning and at the end of the year.				
<b>Equity Shares (Face value of Rs.10/- each)</b>	No's	Rs.	No's	Rs.
Equity Shares outstanding at the beginning of the year	464,40,785	4644,07,850	464,40,785	4644,07,850
Equity Shares issued and allotted during the year (Ref Note 21(f))	157,20,262	1572,02,620	-	-
Shares bought back during the year.	-	-	-	-
Equity Shares outstanding at the end of the year	621,61,047	6216,10,470	464,40,785	4644,07,850
<b>Differential Voting Equity Shares (Face of Rs.10/- each)</b>			No's	Rs.
Shares outstanding at the beginning of the year			1,004	10,040
Shares issued during the year at face value Rs.10/-			-	-
Shares bought back during the year.			1,004	10,040
Shares outstanding at the end of the year	-	-	-	-
<b>Shareholders holding more than 5% shares</b>				
Equity Shares				
Name of Equity Shareholder (Equity Shareholder holding more than 5 % of Equity share capital)	No's	% of holding	No's	% of holding
Repco Bank Limited	232,30,606	37.37	232,30,606	50.02
First Carlyle Growth VI	110,27,721	17.74	230,80,860	49.70
WCP Holdings III	61,92,100	9.96	-	-
Creador I, LLC	46,39,434	7.46		
	<b>450,89,861</b>	<b>72.53</b>	<b>463,11,466.00</b>	<b>99.72</b>

	31-03-2013		31-03-2012	
	Rs.	Rs.	Rs.	Rs.
<b>NOTE 2:</b>				
<b>RESERVES AND SURPLUS</b>				
<b>a. Special Reserve in accordance with section 36(i)(viii) of Income tax act,1961 and Section 29 ( C ) of National Housing Bank Act 1987</b>				
Opening Balance	7460,00,000		5488,94,289	
(+) Current Year Transfer	2314,00,000		1971,05,711	
(-) Written Back in Current Year	-		-	
Closing Balance		9774,00,000		7460,00,000
<b>b. Additional Reserve (U/s 29C of the NHB Act)</b>				
Opening Balance	-			
(+) Current Year Transfer	1601,00,000			
(-) Written Back in Current Year	-			
Closing Balance		1601,00,000		-
<b>c. Capital Redemption Reserve</b>				
Opening Balance	10,040			
(+) Current Year Transfer			10,040	
(-) Written Back in Current Year	-		-	
Closing Balance		10,040		10,040
<b>d. Securities Premium Account</b>				
Opening Balance	5991,86,414		5991,86,414	
(+) Received during the year ( Refer Note 21 (f))	25451,14,044		-	
(-) Utilised during the Year towards IPO issue expenses	1098,66,252		-	
Closing Balance		30344,34,206		5991,86,414
<b>e. General Reserve</b>				
Opening Balance	7033,33,174		5033,33,174	
(+) Current Year Transfer	2000,00,000		2000,00,000	
(-) Written Back in Current Year	-	9033,33,174	-	7033,33,174
Closing Balance				
<b>f. Surplus in Statement of Profit and Loss</b>				
Opening balance	5196,92,752		3615,77,242	
(+) Net Profit for the year	8001,66,865		6146,03,367	
(+) Transfer from Reserves	-		-	
(-) Transfer to Special Reserve in accordance with Section 36(i)(viii) of the Income tx Act, 1961 and Section 29C of National Housing Bank Act, 1987	2314,00,000		1971,05,711	
(-) Transfer to Additional Reserve (U/s 29C of the NHB Act)	1601,00,000			
(-) Transfer to Capital Redemption Reserve	-		10,040	
(-) Transfer to General Reserve	2000,00,000		2000,00,000	
(-) Proposed Dividend 11% (11%)	683,77,152		510,84,864	
(-) Tax on Proposed Dividend	116,20,697		82,87,242	
Closing balance		6483,61,768		5196,92,752
<b>Total</b>		<b>57236,39,188</b>		<b>25682,22,380</b>

As per section 29C(i) of the 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(i)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. The company has transferred an amount of Rs.231,400,000/- (Rs.197,105,711/-) to Special Reserve in terms of Section 36(i)(viii) of the Income Tax Act, 1961.

The Company has also transferred an amount of Rs.160,100,000/- (Nil) to Additional Reserve U/s 29C of the National Housing Bank Act, 1987.

	Non-Current Portion		Current Maturities	
	31-03-2013 Rs.	31-03-2012 Rs.	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 3:</b>				
<b>LONG TERM BORROWINGS</b>				
<b>Secured:</b>				
Term Loan from Repco Bank Ltd.,	50,67,765	99,27,561	48,58,532	123,27,913
Term Loan from Banks	130149,70,981	82034,63,776	24771,08,251	24865,60,808
Term Loan by way of Refinance from NHB	87523,46,829	94887,40,829	24476,30,000	22542,57,000
<i>Amount Disclosed Under the Head "Other Current Liabilities" (Note 6)</i>			(49295,96,783)	(47531,45,721)
	-	-	-	-
<b>Total</b>	<b>217723,85,575</b>	<b>177021,32,166</b>	<b>-</b>	<b>-</b>

The above borrowings are secured by book debts/receivables of the company and an irrevocable Power of Attorney (POA) given by the company in favour of the Banks/NHB for recovery of monies and for creation of mortgage on the properties of the loan borrowers of the company.

The details regarding repayment and interest is given under Annexure - A.

## ANNEXURE A

### TERMS OF REPAYMENT RELATING TO SECURED BORROWINGS

(Rs. in Core)

Particulars	Amount	"Range of Interest (%)"	Terms of Repayment
National Housing Bank	1,120.00	6.50 to 11	Repayable in quarterly instalments ranging from 20 to 40 quarterly instalments from the respective date of release of refinance.
Axis Bank	19.79	11	Repayable in 24 quarterly instalments commencing from the end of 12th month from the date of first disbursement
Canara Bank	136.21	10.50 to 10.75	Repayable in 20 half-yearly instalments from the date of first disbursement of respective loan.
Corporation Bank	473.69	10.35 to 10.50	Repayable in 20 half-yearly instalments after moratorium of six months from the date of first disbursement of respective Loans
HDFC Bank Ltd.,	184.26	10.25 to 10.45	Repayable in 5 to 7 years in quarterly instalments after moratorium of six months to twelve months
IDBI Bank Ltd.,	36.00	10.50	Repayable in 20 quarterly instalments commencing from September 30, 2009
Indian Bank	79.79	10.70	Repayable in 10 years in half-yearly instalments after moratorium of six months.
Indian Overseas Bank	17.99	10.50	Repayable in 10 half yearly instalments after moratorium of six months from the date of first disbursement.
Karur Vysya Bank Ltd.,	80.34	10.75	Repayable in ten years in half yearly instalments after moratorium of six months from the date of first disbursement
Oriental Bank of Commerce	286.27	10.65 to 10.75	Repayable in 14 to 20 half yearly instalments after moratorium of six months from the date of first disbursement of respective loan.
Repco Bank Ltd.,	0.99	11.00	Repayable in 120 to 174 Equal Monthly Instalments
State Bank of India	134.87	10.70	Repayable in half yearly instalments, commence from December 2011 and the last instalment will be paid in December 2015
Syndicate Bank	100.00	10.25	Repayable in 10 half yearly instalments after moratorium of six months from the date of first disbursement.

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 4:</b>		
<b>LONG TERM PROVISIONS:</b>		
Employee Benefits	81,22,223	91,69,986
<b>Other Provisions for :</b>		
Non-Performing Advances	1769,03,296	1181,22,606
Standard Advances	1501,07,592	1188,93,190
<b>Total</b>	<b>3351,33,111</b>	<b>2461,85,782</b>

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 5:</b>		
<b>SHORT TERM BORROWINGS:</b>		
<b>Secured</b>		
Working Capital Loan from Repco Bank Ltd.,	37454,86,471	24051,52,014
Working Capital Loan from Scheduled Banks	1994,29,396	-
<b>Total</b>	<b>39449,15,867</b>	<b>24051,52,014</b>

The above borrowings are secured by book debts/receivables of the company and an irrevocable Power of Attorney (POA) given by the company in favour of the banks/NHB for recovery of monies and for creation of mortgage on the properties of the loan borrowers of the company.

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 6:</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Trade Payable- Expenses	684,13,756	30,60,983
Current Maturities of Long Term Borrowings	49295,96,783	47531,45,721
Interest Accrued But Not Due	2591,44,299	2412,69,521
Advance Receipts	170,21,345	193,31,377
Statutory Dues	69,50,888	11,27,209
Other Liabilities	1334,45,685	426,70,444
<b>Total</b>	<b>54145,72,756</b>	<b>50606,05,255</b>

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 7:</b>		
<b>SHORT TERM PROVISIONS</b>		
<b>Provisions:-</b>		
Employee Benefit	140,72,352	122,96,134
Income Tax (Net of Advance Tax Paid)	181,72,499	87,66,794
Dividend	683,77,152	510,84,864
Tax on Dividend	116,20,697	82,87,242
<b>Total</b>	<b>1122,42,700</b>	<b>804,35,034</b>

**NOTE 8:**  
**FIXED ASSETS**  
(Rupees)

Particulars	Gross Block (at Cost)			Depreciation			Net Block		
	As on 01/04/12	Addition	Deletion	As at 31/03/13	As on 01/04/12	For the period	Adjustment	As on 31/03/13	As on 31/03/12
TANGIBLE ASSETS:									
Land & Building*	66,75,994	95,12,006	-	161,88,000	29,14,820	1,95,876	-	31,10,696	37,61,174
Furniture & Fixtures	74,04,046	19,37,318	8,467	93,32,897	41,77,879	8,76,667	4,736	50,49,810	32,26,167
Motor Vehicle	69,99,432	17,53,108	4,99,950	82,52,590	26,98,147	12,62,115	4,26,882	35,33,380	43,01,285
Bicycle	13,575	-	-	13,575	13,575	-	-	13,575	-
Computers	339,56,591	82,79,966	30,150	422,06,407	191,42,138	74,01,619	27,983	265,15,774	148,14,453
Air Conditioner	24,54,748	4,18,010	-	28,72,758	6,45,730	2,77,939	-	9,23,669	18,09,018
Office Equipment	15,00,183	3,17,761	17,500	18,00,444	8,28,686	2,32,788	13,428	10,48,046	6,71,497
Electrical Fitting	5,39,711	1,88,485	-	7,28,196	4,90,759	40,129	-	5,30,888	48,952
Generator	37,50,453	6,10,106	-	43,60,559	7,92,145	4,58,866	-	12,51,011	29,58,308
Temporary Erections	191,01,042	37,37,878	-	228,38,920	191,01,042	37,37,878	-	228,38,920	-
Total	823,95,775	267,54,638	5,56,067	1085,94,346	508,04,921	144,83,877	4,73,029	648,15,769	315,90,854
INTANGIBLE ASSETS:									
Software	41,72,578	-	-	41,72,578	25,89,572	7,06,940	-	32,96,512	15,83,006
Total	41,72,578	-	-	41,72,578	25,89,572	7,06,940	-	32,96,512	15,83,006
Total	865,68,353	267,54,638	5,56,067	1127,66,924	533,94,493	151,90,817	4,73,029	681,12,281	331,73,860
Previous Year	672,95,782	193,88,872	1,16,301	865,68,353	373,20,650	161,70,092	96,249	533,94,493	299,75,132

\* Addition to Land Building for the current year represents Asset Acquired under auction in respect of loan extended to one of the borrower, and is pending for registration.

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 9:</b>		
<b>NON-CURRENT INVESTMENTS:</b>		
<b>At Cost, Unquoted, Trade</b>		
<b>Investment in Associates:</b>		
50,000 (50,000) Equity shares of Rs.10/- Each Fully Paid up in Repco Infrastructure Development Finance Company Ltd.,	5,00,000	5,00,000
80,00,000 (80,00,000) Equity Shares of Rs.10/- Each Fully Paid up in Repco MSME Development & Finance Ltd.,	800,00,000	800,00,000
<b>Total</b>	<b>805,00,000</b>	<b>805,00,000</b>

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 10:</b>		
<b>DEFERRED TAX</b>		
<b>Deferred Tax Assets:</b>		
<b>Provision for Non Performing Assets</b>	601,29,430	383,24,880
Others	537,82,314	422,04,967
<b>Gross Deferred Tax Asset (A)</b>	<b>1139,11,744</b>	<b>805,29,847</b>
<b>Deferred Tax Liabilities:</b>		
Difference Between Written Down Value of Fixed Assets as per Companies act and as per Income tax Act.,	21,13,484	12,38,605
<b>Gross Deferred Tax Liability (B)</b>	<b>21,13,484</b>	<b>12,38,605</b>
<b>Net Deferred tax Asset/(Liability)</b>	<b>1117,98,260</b>	<b>792,91,242</b>
<b>Amount Debited / (Credited) in Profit &amp; Loss Account</b>	<b>(325,07,018)</b>	<b>(517,21,394)</b>

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 11:</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
<b>(Secured &amp; Considered Good excepting Provision made for Non-Performing Advances)</b>		
Housing Loan to Individuals	283325,22,221	226797,33,295
Mortgage / Other Loans	48255,24,799	35877,58,965
Capital Advances (unsecured, considered good)	65,36,754	20,33,816
Security Deposits (unsecured, considered good)	320,19,396	130,23,055
Other loans & advances (Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in Kind	41,03,270	45,73,733
Loan to Employees	48,44,549	39,99,418
<b>Total</b>	<b>332055,50,989</b>	<b>262911,22,282</b>

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 12:</b>		
<b>CASH AND BANK BALANCES:</b>		
<b>Cash and Cash Equivalents</b>		
Cash on Hand	132,82,517	72,81,332
<b>Balances with Banks in</b>		
Current Accounts	1116,78,420	1505,00,644
Public Issue Account	723,16,664	-
Deposit Accounts - With original maturity Up to 3 months	12501,00,000	-
<b>Balances with Repco Bank Ltd.,</b>		
Deposit Accounts	6402,94,576	170,96,807
<b>Other Bank Balances</b>		
Balances with Scheduled Banks in Deposit Accounts More than 12 months maturity	137,70,000	1,45,000
<i>(Deposits amounting to Rs.145,000/- (Rs.145,000/-) held jointly by the company and employees towards security deposit and Rs. 13,625,000/- (Nil) provided as Cash Collateral on which lien noted towards Bank Guarantee issued to NSE by bank)</i>		
<b>Total</b>	<b>21014,42,177</b>	<b>1750,23,783</b>

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 13:</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b> (Secured & Considered Good excepting Provision made for Non-Performing Advances)		
Current Maturities of Housing Loan	18329,26,110	14461,67,768
Current Maturities of Mortgage / Other Loans	4564,94,560	3271,36,605
Other loans & advances (Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in Kind	15,09,250	233,18,972
Loan to Employees	36,02,637	19,90,772
Travel Advance	4,05,159	2,41,495
<b>Total</b>	<b>22949,37,716</b>	<b>17988,55,612</b>

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 14:</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Due from Borrowers	781,06,617	635,91,479
PEMI Due from Borrowers	56,94,519	55,82,223
Interest Accrued but not due on Deposits	18,14,746	-
<b>Total</b>	<b>856,15,882</b>	<b>691,73,702</b>

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 15:</b>		
<b>REVENUE FROM OPERATIONS</b>		
Interest on Housing Loan/Home Equity Loan	38708,80,049	30244,36,708
Processing Fee	1187,77,679	1118,39,207
Penal Interest	410,39,752	308,88,058
Other Operating Income	264,22,322	209,90,533
<b>Total</b>	<b>40571,19,802</b>	<b>31881,54,506</b>

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 16:</b>		
<b>OTHER INCOME</b>		
Interest on Deposits with Bank	23,34,346	5,55,459
Interest Others	-	1,25,557
Profit on Sale of Fixed Assets	2,67,326	17,300
<b>Total</b>	<b>26,01,672</b>	<b>6,98,316</b>

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 17:</b>		
<b>Interest and other Financial Charges</b>		
Interest on Loan from Banks	17187,38,524	11896,96,053
Interest on Refinance	9354,67,988	8261,57,633
Bank Charges	22,48,996	72,47,546
<b>Total</b>	<b>26564,55,508</b>	<b>20231,01,232</b>

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 18:</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	1208,73,574	890,33,077
Contribution to PF and Other Funds	91,82,385	83,65,843
Staff Welfare	108,91,019	76,49,875
<b>Total</b>	<b>1409,46,978</b>	<b>1050,48,795</b>

	31-03-2013 Rs.	31-03-2012 Rs.
<b>NOTE 19:</b>		
<b>OTHER EXPENSES</b>		
Advertisement & Business Promotion	118,59,419	119,04,251
Legal Fees	78,48,806	82,50,323
Communication Expenses	53,76,510	51,59,815
CERSAI Fee	32,00,095	29,00,523
Professional & Consultancy Fee	25,38,939	28,67,772
Electricity Expenses	30,51,283	20,99,757
Directors' Fee	3,05,000	2,55,000
Miscellaneous Expenses	136,71,389	97,97,215
Printing and Stationary	24,77,396	22,98,585
Rates & Taxes	2,77,070	6,37,084
Rent	258,20,520	191,73,269
Remuneration to auditors		
- Statutory Audit	10,00,000	9,60,000
- For Certification	88,000	93,000
- For Tax Audit and Other Matters	1,60,000	2,10,000
Repairs & Maintenance	17,40,775	16,87,898
Travelling & Conveyance	58,94,434	32,72,033
Training Expenses	5,61,332	7,38,796
Vehicle Maintenance	10,28,632	5,82,148
<b>Total</b>	<b>868,99,600</b>	<b>728,87,469</b>

## Significant Accounting Policies and Notes on Accounts

### NOTE 20

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. BASIS OF PREPARATION

The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), provisions of the Companies Act, 1956 and accounting standards notified by the companies (Accounting Standards) Rules 2006 as applicable. The Company also follows the guidelines / directions prescribed by the National Housing Bank (NHB) for housing finance companies.

##### 2. INCOME RECOGNITION

- i) Interest income on housing/other loans and other dues are accounted on accrual basis. Housing/Other loans are classified into "Performing" and "Non-performing assets" in terms of the guideline / directions issued by the NHB from time to time. Income recognition on non-performing advances are made in accordance with the NHB guidelines.
- ii) Commission income in respect of life insurance products marketed by the Company/ penal and other charges are accounted on realization.

##### 3. INTEREST ON HOUSING LOANS

Repayment of Housing Loans is by way of Equated Monthly Installments (EMI's) comprising principal and interest. The interest is calculated on the outstanding balances at the beginning of the month. EMI's commence once the entire loan is disbursed. Pending commencement of EMI, pre-equated monthly installment interest (PEMI) is payable every month.

##### 4. FIXED ASSETS AND DEPRECIATION

- a) Fixed Assets are stated at cost. Depreciation on fixed assets is provided on pro-rata basis from the date of installation on written down value method in accordance with Schedule XIV of the Companies Act, 1956.
- b) Assets costing upto Rs.5000/- are being depreciated fully in the year of acquisition.

##### 5. PROVISION FOR NON-PERFORMING ASSETS/PERFORMING ASSETS

Advances are classified into Performing and Non Performing Assets. Further Non-performing assets are categorized into Sub-standard, Doubtful and Loss category based on the guidelines and directions issued by NHB. Provision for Standard assets and Non-performing assets are made in accordance with the NHB guidelines.

##### 6. INVESTMENTS

Investments are classified as Long Term Investments and Current Investments and are valued in accordance with guidelines of National Housing Bank and Accounting Standards on 'Accounting for Investments' (AS-13), notified by the Companies (Accounting Standards) Rules, 2006. Current Investments are carried at lower of cost and market value/ NAV, computed individually. Long Term Investments are stated at cost. Provision for diminution in the value of Long Term Investments is made only if such decline is other than temporary in the opinion of the management.

##### 7. EMPLOYEE BENEFITS

- a) Short-term Employee Benefits

Short Term Employee Benefits for Services rendered by the employees are recognized during the period when the services are rendered.

- b) Post Employment Benefits

###### Defined Contribution Plan

- i) **Provident Fund:**

The Company contributes to a Government-administered Provident Fund in accordance with the provisions of Employees Provident Fund Act.

#### Defined Benefit Plan

##### i) Gratuity:

The Company makes an annual contribution to Gratuity Fund administered by Trustees and managed by LIC. The Company accounts for its liability based on actuarial valuation, as at Balance Sheet Date, determined every year by LIC using Projected Unit Credit Method.

##### ii) Leave Encashment:

The Company provides for staff leave encashment based on actuarial valuation and is not been funded.

### 8. ACCOUNTING FOR TAXES ON INCOME

Income tax expense is the aggregate amount of current tax and deferred tax charge. Taxes on income are accrued in the same period as the Revenue and expenses to which they relate. Current tax is determined in accordance with the Income Tax Act 1961, on the amount of tax payable in respect of income for the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences arising between the carrying value of assets and liabilities. Deferred tax assets are recognized only after giving due consideration to prudence. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted (or) substantially enacted by the balance sheet date.

### 9. EARNINGS PER SHARE

The Company reports basic and diluted earnings per equity share in accordance with (AS 20), Earnings Per Share issued by the Institute of Chartered Accountants of India. Basic earnings per equity share has been computed by dividing net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

### 10. IMPAIRMENT OF ASSETS

The carrying amount of Assets are reviewed at each Balance sheet date to ascertain impairment based on internal/ external factors. An Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of net selling price of assets and their value in use.

### 11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized when the company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities if any are disclosed in the notes to accounts. Contingent assets are not recognized in the financial statements.

## NOTE 21

### NOTES ON ACCOUNTS

#### a) CONTINGENT LIABILITIES

- i) Claims against the Company not acknowledged as Debts Rs.20.96 lakh (Rs. 20.96 lakh)
- ii) Disputed Income tax Liability Rs.NIL (Rs.20.38 lakh)

- b) Commitment towards sanction pending disbursement including part Disbursements as on 31-03-2013 – Rs.21,108.33 lakh (Rs.15,458.53 lakh).

c) **DEFERRED TAX**

The components of deferred tax assets and deferred tax Liabilities as on 31-03-2013 and as at 31-03-2012 are as under:

(Rupees)

		As at 31.03.2013	As at 31.03.2012
<b>Provision for Non Performing Advances</b>		60,129,430	38,324,880
Others		53,782,314	42,204,967
	(A)	113,911,744	80,529,847
<b>Deferred Tax Liabilities:</b>			
Difference between written down value of Fixed Assets as per Companies Act and as per Income Tax Act.,	(B)	2,113,484	1,238,605
<b>Net Deferred Tax Asset</b>	(A-B)	111,798,260	79,291,242

- d) In the opinion of the Board, all Assets other than Fixed Assets and Non current Investments have a realizable value in the Ordinary course of business which is not different from the amount at which it is stated with the exception of Non performing advances for which requisite provision has been made in accordance with the NHB Guidelines.

- e) Classification of Loans and Provisions made for Non-Performing Assets are as under:

(Rs.in lakh)

	For the year ended 31-03-2013					For the year ended 31-03-2012				
	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Housing Loans										
Individual house ownership	297,308.80	1,658.04	2,684.49	3.15	301,654.48	237,886.75	1,759.55	1,612.71	--	241,259.01
Mortgage/other loans	51,911.44	386.95	520.39	1.41	52,820.19	38,691.26	248.03	209.67	--	39,148.96
<b>Total Loans</b>	<b>349,220.24</b>	<b>2,044.99</b>	<b>3,204.88</b>	<b>4.56</b>	<b>354,474.67</b>	<b>2,76,578.01</b>	<b>2,007.58</b>	<b>1,822.38</b>	<b>--</b>	<b>280,407.97</b>
Provision-Housing loans	1,189.26	248.71	1,239.31	3.15	2,680.43	950.81	265.41	757.41	--	1,973.63
Provision other loans	311.81	58.04	218.41	1.41	589.67	238.12	37.20	121.20	--	396.52
<b>Total Provisions</b>	<b>1,501.07</b>	<b>306.75</b>	<b>1,457.72</b>	<b>4.56</b>	<b>3,270.10</b>	<b>1,188.93</b>	<b>302.61</b>	<b>878.61</b>	<b>--</b>	<b>2,370.15</b>

- f) During the year, the company has made an Initial Public Offer (IPO) through Book Building process of 15,720,262 numbers of Equity Shares @ Rs.10/- each. The equity shares have been priced and allotted at Rs.172/- per equity share. (Including Share premium at Rs.162/- per equity share) Except in the case of allotment of 98,025 equity share for subscription by eligible employees of the company/Promoter where the allotment was made at a price of Rs.156/- per equity share at a discount of Rs.16/- per equity share (including a premium of Rs.146/- per equity share).

The company has raised Rs.270.23 crore out of the IPO. Post issue the holding of Repco Bank in the paid up equity share capital of the company has come down from 50.02% to 37.37% The equity shares offer to the public have been allotted on 22nd March 2013 and have been listed in the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE)

on 1st April 2013. Accordingly issued and paid up share capital has increased from Rs.46.44 crore to Rs.62.16 crore and an amount of Rs.243.52 crore (Net of Issue expenses of Rs.10.99\* crore, which includes Rs.15.00 lakh to the auditors) has been credited to securities premium account. The proceeds of the issue (net of issue expenses) are being utilized for the purpose mentioned in the prospectus/retained in Bank Deposit pending utilization.

The proceeds of Initial Public offer Equity shares are utilized as under upto 31/03/2013:-

Particulars	Amount Rs. in Crore
Share Issue Proceeds	270.23
Less: Issue Expenses Paid upto 31/03/2013	4.75
Less: Used for the Purpose of Business	72.24
Amount kept in Banks	186.01
Balance outstanding in public issue account	7.23

- g) National Housing Bank has observed that the Company's Net Owned Fund (NOF) and CRAR was Rs.287.03 Crore and 15.86% respectively as at the end of March 31st, 2012 as against Rs.295.33 Crore and 16.5% respectively worked out by the Company for the year 2011-12. The difference was attributed to non deduction of intangible assets, deferred IPO expenses, Disputed Income tax and required provisioning. Company had not deducted software- intangible asset, Pre paid IPO expenses, and Disputed income tax from the net owned funds having regard to the nature of each item on a consistent basis.

Further National Housing Bank observed that the Company had not created the reserve fund in terms of Section 29C of the National Housing Bank Act, 1987. Since the company was crediting Minimum of 20% of the profits every year to reserve under section 36 (1) (VIII) of the Income Tax Act, 1961, regularly which was also considered to be the reserve created under Section 29C of the National Housing Bank Act, 1987 no additional reserve was created. This has been adequately reflected in the current year disclosure.

The Company over and above the minimum requirement of 20% has also created an additional reserve of Rs.16.01 Crore under Section 29C of NHB Act, during the current year.

- h) There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues, which are outstanding for more than 45 days as at 31-03-2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis at information available with the Company.
- i) Expenditure incurred in foreign currency : Rs. 7,18,575/- (NIL). There are no Earnings in foreign currency during the current year as well as in the previous year.
- j) There are no amounts to be reflected under payable to Investor Protection Fund.
- k) Related Party Transactions

Disclosures in terms of AS 18 issued by ICAI are given below:-

List of related parties:

**Promoter**

Repco Bank

**Associates**

Repco MSME Development Company Ltd.,

Repco Infrastructure Development Company Ltd.,

**Company holding substantial interest**

First Carlyle Growth VI

**Key Management Personnel**

Shri R. Varadarajan, Managing Director

Shri P. Natarajan Executive Director-In Charge up to 28-08-2012 and

Executive Director (from 29-08-2012)

Shri V. Raghu, Executive Director (from 01-11-2012)

The Company's related party balances and transactions are summarized as follows:

(Rs.)

Nature of Transaction	Key Management Personnel Managing Director/ Executive Director	Promoter REPCO Bank	Company holding substantial interest First Carlyle Growth VI	Associate
Remuneration Paid to Managing Director	1,796,235* (686,315)	—	—	—
Remuneration Paid to Executive Directors	2,201,301 (2,156,721)	—	—	—
Equity Share Capital (Paid-up outstanding )	31,500 (NIL)	232,306,060 (232,306,060)	11,02,77,210 (230,808,600)	—
Cash Credit Outstanding	—	3,745,486,471 (2,405,152,014)	—	—
Term Loan Outstanding	—	9,926,297 (22,255,474)	—	—
Rent Paid(Excluding Service tax)	—	1,557,600 (1,077,600)	—	—
Corporate Fee Paid(Excluding Service tax)	—	216,000 (216,000)	—	—
Interest	— (125,557)	324,887,266 (255,144,346)	—	—
Equity Dividend Proposed	3465 (NIL)	25,553,667 (25,553,667)	(12,130,493) (25,388,946)	—
Interest earned on deposits	—	980,974 (555,459)	—	—
Investments o/s as at the end of the year	—	—	—	80,500,000 (80,500,000)
Balances in Deposits Account		640,294,576 (17,096,807)	—	—
Loans Sanctioned during the year	5,495,718 (NIL)	—	—	—
Loans Outstanding	4,612,410 (Nil)	—	—	—

\*Includes incentive for the year 2011-2012 Rs.750,000/-

- l) The main business of the Company is to provide long term loan financing for Residential purposes in India. Accordingly, there is no separate reportable segment as per Accounting Standard - AS-17 "Segment Reporting", as the company has only one Geographical and Business segment.

- m) Earning per share (Basic and Diluted)

(Rs.)

	2012-13	2011-12
(a) Profit for the year after Tax	800,166,865	614,603,368
(b) Weighted average number of Equity Shares outstanding during the year	46,871,477	46,441,268
(c) Basic and Diluted Earning per Share	17.07	13.23
(d) Nominal Value per Equity Share	10.00	10.00

- n) Particulars of dividend paid to Non-resident shareholders:

Year in which dividend paid	2012-13	2011-12
No of Shareholders	1	1
No of Shares held	23,080,860	23,081,860
Year for Which Dividend is Paid	2011-12	2010-11
Gross amount of Dividend (Rupees)	25,388,946	23,081,860

- o) Rupee Equivalent of Foreign Currency paid towards Buy back of shares during the current year NIL (Rs. 10,000/-)

- p) Details of movement in Provisions in accordance with the Accounting Standard -29

Particulars of Provision for	Opening Balance as on 01/04/2012	Provision made during the year	Provisions reversed/ adjusted	Closing balance as on 31/03/2013
Non performing advances	118,122,606	58,780,690	--	176,903,296
Contingent Provisions on Standard Assets	118,893,190	31,214,402	--	150,107,592
Leave encashment	9,169,986	--	1,229,542	7,940,444
Taxation	256,366,794	30,03,00,,000	25,28,94,760	30,37,72,034
Proposed dividend (including Dividend Tax)	59,372,106	79,997,849	59,372,106	79,997,849
Investments	-Nil-	-Nil-	-Nil-	-Nil-

**q) EMPLOYEE BENEFITS**

- i. Defined Contribution Plan:  
Company Contribution to  
i. Provident fund : Rs.9,182,385/-
- ii. Defined Benefit Plan: Gratuity

		2012-13	2011-12
<b>A.</b>	<b>Reconciliation of opening and closing balance of present value of the defined benefit obligation</b>		
	Present value of obligations as at beginning of year	7,322,441	4,003,966
	Interest Cost	585,795	320,317
	Current Service Cost	1,120,654	988,077
	Benefits Paid	(687,796)	(258,288)
	Actuarial loss/(gain) on obligation	(1,410,051)	2,268,369
	Present value obligations as at end of year.	6,931,043	7,322,441
<b>B.</b>	<b>Reconciliation of opening and closing balances of fair value of Plan Assets</b>		
	Fund Maintained by LIC		
	Fair value of plan assets as at beginning of year	5,595,595	4,295,520
	Expected return on plan assets	565,417	446,782
	Contributions	1,836,621	1,111,581
	Benefits paid	(687,796)	(258,288)
	Actuarial gain on plan assets	NIL	NIL
	Fair value of plan assets at the end of year	7,309,837	5,595,595
<b>C.</b>	<b>Details showing fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	5,595,595	4,295,520
	Actual return on plan assets	565,417	446,782
	Contributions	1,836,621	1,111,581
	Benefits paid	(687,796)	(258,288)
	Fair value of plan assets at the end of year	7,309,837	5,595,595
	Funded status Asset (Liability)	378,794	-
	Excess of actual over estimated return on plan assets	NIL	(1,726,846)
<b>D.</b>	<b>Actuarial assumption</b>		
	Discount Rate	8.00%	8.00 %
	Salary Increment	5.00%	5.00 %
	Mortality rates	Based on LIC 1994-96	Based on LIC 1994-96

r) **Capital to Risk Assets Ratio (CRAR) (As certified by the Management)**

	Items	As on 31-03-2013	As on 31-03-2012
i)	CRAR (%)	25.50	16.50
ii)	CRAR – Tier I Capital (%)	25.50	16.50
iii)	CRAR – Tier II Capital (%)	–	--

s) **Exposure to Real Estate Sector (As certified by the Management)** (Rs.in Crore)

	Category	As on 31-03-2013	As on 31-03-2012
a)	<b>Direct Exposure</b>		
	<b>(i) Residential Mortgages -</b>		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	352.08	251.54
	(i) Out of the above Individual Housing Loans up to Rs.15.00 lakh	204.30	154.65
	<b>(ii) Commercial Real Estate-</b>		
	Lending Secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	176.21	139.86
	<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securities exposures -</b>		
	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

t) **Asset Liability Management: Maturity pattern of certain items of assets and liabilities (As certified by the Management)**

(Rs.in Crore)

	1day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
<b>Liabilities</b>											
Borrowings from Banks / NHB	464.08	2.22	45.45	126.21	249.49	877.50	636.62	394.20	259.21	9.71	3064.69
Market Borrowings	--	--	--	--	--	--	--	--	--	--	--
Advances (Gross)	28.73	17.43	17.58	53.68	111.53	498.75	572.62	590.59	794.11	859.73	3544.75
Investments	--	--	--	--	--	--	--	--	--	8.05	8.05-

- u) Amount of Dividend proposed to be distributed to the Equity Shares holders for the year ended 31/03/2013  
(Rs.in Crore)

Particulars	2012-13	2011-12
Dividend %	11	11
Dividend amount/Share	1.10	1.10
Total Amount of dividend Proposed to be distributed	68,377,152	51,084,864

- v) There are no penalties levied on the company by the National Housing Bank.

- w) Maturity profile of secured loans are as setout below. (Rs.in Crore)

Particulars	Upto 1 Year	Over 1 year to 3 Years	Over 3 years to 5 Years	Over 5 year to 10 Years	Over 10 Years	Total
Secured Loans from Banks	642.69	461.13	324.49	506.67	9.71	1944.69
Term Loans from National Housing Bank (NHB)	244.76	416.37	312.12	146.75	--	1120.00
Total	887.45	877.50	636.61	653.42	9.71	3064.69

- x) Previous year figures have been regrouped and rearranged wherever necessary, to conform to current year classification.

For **R. Subramanian and Company**

Chartered Accountants

Firm Regn No: 004137S

Partner

**(C Ramamurthy)**

Membership No: 205113

Place: Chennai

Date : 10 May 2013

**K. Prabhu**

Company Secretary

**R. Varadarajan**

Managing Director

**P. Natarajan**

Executive Director

**T.S. KrishnaMurthy**

Chairman

# CASH FLOW STATEMENT

FOR THE YEAR ENDING MARCH 31, 2013

Rupees

	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>A Cash Flow From Operating Activities</b>		
<b>NET PROFIT BEFORE TAX</b>	10679,59,847	8162,81,973
Adjustments For:		
Depreciation	151,90,817	161,70,092
(Profit)/Loss on Sale of Fixed Assets	(2,67,326)	(17,300)
Interest Earned on Deposits	(23,34,346)	(5,55,459)
Bad debts written off	22,73,633	3,85,425
Provision for Non-Performing Assets/Standard Assets	899,95,091	1549,77,836
	1048,57,869	1709,60,594
<b>Operating Profit Before Working Capital Changes</b>	<b>11728,17,716</b>	<b>9872,42,567</b>
Adjustments For:		
Current Assets/Short term and Long term loans and advances	(225,55,568)	(261,87,790)
Current Liabilities and other Employee benefits	1782,44,894	(176,97,158)
<b>Cash Generated From Operations</b>	<b>13285,07,042</b>	<b>9433,57,619</b>
Direct Taxes Paid	(2908,94,295)	(2454,59,030)
<b>Net Cash From Operating Activities (A)</b>	<b>10376,12,747</b>	<b>6978,98,589</b>
<b>B Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(267,54,638)	(193,88,872)
Sale of Fixed Assets	3,50,364	37,352
Subscription to Investments	-	(600,00,000)
Interest Earned on Deposits	23,34,346	5,55,459
Deposits Maturing after three months	(136,25,000)	-
<b>Net Cash Used in Investing Activities (B)</b>	<b>(376,94,928)</b>	<b>(787,96,061)</b>
<b>C Cash Flow From Financing Activities</b>		
Proceeds from Issue Share Capital (Net off of Issue Expenses)	25924,50,412	-
Buy Back of Share capital	-	(10,040)
Increase in Secured and Unsecured Loans (Net)	57864,68,324	68292,88,873
Increase in Housing Loans (Net)	(74066,71,057)	(73039,31,622)
Dividends Paid(Including Dividend distribution tax)	(593,72,106)	(539,75,808)
<b>Net Cash Used in Financing Activities (C)</b>	<b>9128,75,573</b>	<b>(5286,28,597)</b>
<b>Net Increase/Decrease in cash and cash equivalent (A+B+C)</b>	<b>19127,93,393</b>	<b>904,73,931</b>
Cash and Cash Equivalents - Opening Balance (D)	1748,78,783	844,04,852
Cash and Cash Equivalents - Closing Balance (E)	20876,72,177	1748,78,783
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (E-D)</b>	<b>19127,93,394</b>	<b>904,73,931</b>

We have examined the above Cash Flow Statement of Repco Home Finance Ltd., Chennai, for the year ended March 31, 2013. The statement has been prepared by the company based on and in agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the Company.

For **R. Subramanian and Company**  
Chartered Accountants  
Firm Regn No: 004137S

**(C Ramamurthy)**  
Partner  
Membership No: 205113

Place: Chennai  
Date : 10 May 2013

**K. Prabhu**  
Company Secretary

**R. Varadarajan**  
Managing Director

**P. Natarajan**  
Executive Director

**T.S. KrishnaMurthy**  
Chairman

## NOTICE CONVENING THE THIRTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of Repco Home Finance Limited will be held on September 13, 2013 at 2.30 P.M at Narada Gana Sabha (Mini Hall), No. 314, T.T.K.Road, Alwarpet, Chennai-600018, to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31 March 2013, the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To Declare dividend.
3. To appoint a Director in place of Shri. T.S.KrishnaMurthy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. V.Nadanasabapathy, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass, with or without modifications the following as an ordinary resolution, pursuant to Section 224 of the Companies Act, 1956

“Resolved that M/s. R.Subramanian And Company, Chartered Accountants, Chennai, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the next Annual General Meeting, on a remuneration of Rs.16.50 lakhs (Rs. 12 Lakhs towards statutory audit fee, Rs. 1 lakh per quarter for quarterly limited review certifications and Rs. 50,000 towards Corporate Governance Certification).”

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modifications the following as an ordinary resolution.

“RESOLVED THAT pursuant to Sec.293 (1)(d) of the

Companies Act,1956, the Board of Directors of the Company are hereby authorized to borrow from time to time moneys (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) for the purpose of the Company in excess of the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose), provided that the total amounts of such borrowings together with the amount already borrowed and outstanding shall not exceed Rs.10,000.00 crores (Rupees Ten Thousand Crores only).”

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

RESOLVED THAT the performance incentive payable to Shri.R.Varadarajan, Managing Director be enhanced from the existing 1% of Net Profit subject to a ceiling of Rs.7.50 lakh p.a. to 1 % of Net Profit subject to a ceiling of Rs.10.50 lakh p.a. in accordance with Part II of Schedule XIII of the Act and payable from the financial year 2013-14 for the performance in the previous year.”

RESOLVED FURTHER THAT pursuant to Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, including statutory modification(s) or re-enactments thereof for the time being in force, Shri.R.Varadarajan, be paid a one time cash award of Rs.10, 00,000 (Rupees Ten Lakh) only in recognition of the efforts put in for successful completion of the initial public offering in addition to the annual performance incentive.

8. To consider and if thought fit, to pass, with or without modifications the following as an ordinary resolution.

“RESOLVED THAT Shri.B.Anand who was appointed as Additional Director in the meeting of the Board of Directors of the Company held on May 10, 2013 and who holds office as such up to the date of the 13th Annual General Meeting and in respect of

whom the Company, be and has received in writing proposing his candidature for the office of a Director is hereby appointed as a Director of the Company, liable to retire by rotation.

9. To consider and if thought fit, to pass, with or without modifications the following as an ordinary resolution.

“RESOLVED THAT Shri.Iqbal Singh Chahal who was appointed as Additional Director in the meeting of the Board of Directors of the Company held on May 10, 2013 and who holds office as such up to the date of the 13th Annual General Meeting and in respect of whom the Company, be and has received in writing proposing his candidature for the office of a Director is hereby appointed as a Director of the Company, liable to retire by rotation

- 10.To consider and if thought fit, to pass, with or without modifications the following as an ordinary resolution.

RESOLVED THAT in accordance with the provisions of Section 81 of the Companies Act, 1956 (including any amendment thereto or modification(s) or re-enactments thereof, the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time (the Guidelines), the provisions of any regulations/guidelines prescribed by the Securities and Exchange Board of India and or/the Reserve Bank of India (RBI), the provisions of any other applicable laws and regulations, the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include the Compensation Committee, for the

time being authorised by the Board of Directors to exercise the powers conferred on the Board of Directors by this resolution and / or such other persons who may be authorised in this regard by the Board of Directors), consent of the members be and is hereby accorded to the Board to grant, offer, issue and allot, in one or more tranches, to such present and future employees, whether working in India or outside India, which expression shall include the Director(s) in the whole-time employment of the Company (collectively “The Employees”), as may be decided by the Board, 9,27,835 (Nine Lakh Twenty Seven Thousand, Eight Hundred and Thirty Five equity stock options, convertible into 9,27,835 equity shares of the nominal face value of Rs.10 (Rupees Ten only per share) under an employee stock option plan (hereinafter referred to “ESOS”) on the terms and conditions as set out in the Explanatory Statement to this item in the Notice, at such price and on such other terms and conditions as may be decided by the Board in its absolute discretion;

RESOLVED FURTHER THAT without prejudice to the generality of the above, but subject to the terms, as approved by the members, the Board or such person who may be authorised in this regard by the Board, be and is hereby authorised to implement, formulate, evolve, decide upon and bring into effect the ESOS on such terms and conditions as contained in the Explanatory Statement to this item in the Notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOS, from time to time, including but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOS in such manner as the Board may determine.

RESOLVED FURTHER THAT the determination of the consideration payable by an employee in respect of the aforementioned equity stock options, convertible into equity shares, by the Board or such person who may be authorized in this regard by the Board, may be divided into two parts. The first part of the consideration shall comprise of a fixed

consideration, which shall be equivalent to the face value of the equity shares, and the second part shall comprise of a variable amount, to be determined by the Board, or such person who may be authorized in this regard by the Board, in its absolute discretion;

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the equity shares allotted in accordance with the ESOS on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with the Stock Exchanges concerned, the Guidelines and other applicable laws and regulations;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or any other person authorised in this regard by the Board be and is hereby authorised to do all such acts, deeds, matters and things including but not limited to framing rules relating to taxation matters arising out of grant / exercise of stock options and execute all such deeds, documents, instruments and writings as it may in its / his / her absolute discretion deem necessary or desirable and pay fees and commission and incur expenses in relation thereof;

RESOLVED FURTHER THAT the Board or any other person authorised in this regard by the Board be

and is hereby authorised to settle all questions, difficulties or doubts that may arise in relation to the implementation of the ESOS and to the shares (including to amend or modify any of the terms thereof) issued herein without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by authority of this resolution;

RESOLVED FURTHER THAT no single employee shall be granted options under the ESOS entitling such employee to equity shares in the Company which would represent more than 1% of the paid-up share capital of the Company as on the date of grant of options, and that the minimum number of options that can be granted under the forthcoming schemes as well as the existing schemes is zero;

RESOLVED FURTHER THAT the equity shares to be issued as stated aforesaid shall rank pari-passu with all the existing equity shares of the Company for all purposes."

For and on behalf of the Board

Place: Chennai

Date : 05 August 2013

Sd/-

Company Secretary

## NOTES:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is attached herewith.
3. The Register of Members will remain closed from September 6, 2013 to September 13, 2013 both days inclusive.
4. Members are requested to encash their dividend warrants as Dividend remaining unclaimed for seven years are required to be transferred to the Investor Education and Protection Fund, established by the Central Government under Section 205C of the Companies Act 1956. Once unclaimed dividends are transferred to this fund, members will not be entitled to claim these dividends.
5. As a part of the green initiative in the Corporate Governance, Ministry of Corporate Affairs issued a circular dated April 21, 2011 permitting the Companies to serve the notice(s)/document(s) through electronic mode to the members, members

are requested to register their email ids with the Company or Registrar and Share Transfer Agent of the Company by sending their email ids to cs@repcohome.com or einward.ris@karvy.com

Members who register their names with the Company or the Registrar and Share Transfer Agent would receive their notice(s)/document(s) through email instead of physical copy.

The information as required to be provided in terms of listing agreement with the Stock exchanges regarding the Directors who are proposed to be appointed/re-appointed is also annexed.

### **PARTICULARS RELATING TO DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED**

1. Name : Mr.T.S.KrishnaMurthy

Age : 73

**Profile:** Mr. T. S. KrishnaMurthy, holds a bachelor's degrees in economics from University of Mysore and in law from the University of Madras. He also holds a master's degree in fiscal studies from the University of Bath, U.K. He has more than 50 years of work experience. He served as the Chief Commissioner of Income Tax, Secretary to the Government of India - Department of Company Affairs, Additional Secretary – Department of Expenditure, Ministry of Finance. He has also served as the Chief Election Commissioner of India

#### **Other Directorships:**

- Shriram Life Insurance Company
- DSP BlackRock Trustee Company Pvt Ltd
- RRB Energy Ltd
- Edelweiss Asset Reconstruction Company Ltd

**Shareholding :** 300 Equity shares of Rs.10 each in the Company

2. Name : Mr.V.Nadanasabapathy

Age : 69

**Profile:** Mr. V. Nadanasabapathy, holds a bachelor's degree in science (agriculture) from Annamalai

University and is a certified associate of the Indian Institute of Bankers. He has around 38 years of experience cumulatively, out of which around 35 years were in the banking sector. He retired as deputy general manager at Syndicate Bank and was associated with the bank for a period of 35 years during which he was the chairman of North Malabar Gramin Bank for a period of three years.

Other Directorships : NIL

Shareholding in the Company : NIL

3. Name : Mr.B.Anand

Age : 50

**Profile:** Mr.B.Anand holds a Post Graduate Degree in English. He is currently serving as Principal Secretary/Commissioner of Rehabilitation, Government of Tamil Nadu. He has approximately 24 years of work experience in government service.

#### **Other Directorships:**

- Repco Bank

Shareholding in the Company : NIL

4. Name : Mr. Iqbal Singh Chahal

Age : 47

**Profile:** Mr.Iqbal Singh Chahal holds a bachelors degree in engineering (Electronics & Electrical commn.Engg). He is currently serving as Joint Secretary, Ministry of Home Affairs. He has approximately 24 years of work experience in public service.

#### **Other Directorships:**

- Rehabilitation Plantations Limited
- Repco Bank

Shareholding in the Company : NIL

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**

#### **Item No: 6**

In accordance with the provisions of the Section 293(1) (d) of the Companies Act 1956, a Company can borrow

in excess of its paid up capital and free reserves only with the specific approval of the shareholders of the Company. Currently the borrowing powers of the Company stand at Rs. 4000 Crore, pursuant to an approval accorded by the shareholders vide resolution passed at an extraordinary general meeting held on 29 April 2011. Given the growth momentum of the Company, it is proposed to enhance this existing limit to Rs. 10,000 crore. The resolution is required to be passed as an ordinary resolution with or without modification.

None of the Directors are interested in this resolution.

#### Item No.7

Shri.R.Varadarajan was appointed on October 1, 2010 as the Managing Director of the Company. Shri. R.Varadarajan is drawing salary and allowances only from Repco Bank.RHFL reimburses the additional pay to Repco Bank in respect of the additional post held. This component of remuneration does not exceed Rs.4 lakh per annum.

The performance incentive is the other component of the managerial remuneration directly payable to the managing director by the Company. Currently it stands at 1% of Net Profit subject to a ceiling of Rs.7.50 lakh p.a. in accordance with Part II of Schedule XIII of the Act.

The details of remuneration payable are stated below:

Salary: This does not exceed Rs. 4 lakh per annum.

Performance Incentive: 1 % of Net Profit subject to a ceiling of Rs. 7.50 lakh per annum.

The Company has achieved tremendous growth under the leadership of the Managing Director who has pioneered the organization and it is imperative to enhance the compensation payable to Managing Director in keeping with prevailing Industry standards.

The Board accorded approval to the proposal of enhancing the performance incentive from Rs.7.50 lakh p.a. to Rs.10.50 lakh p.a, in its meeting held on May 10, 2013 and accordingly recommends the same to the shareholders.

The proposal has been approved by the Ministry of Home Affairs, Government of India vide letter no. R175/AS&FA(H)/13 dated 23 May 2013.

Further the remuneration committee in its 3rd meeting held on May 21, 2013 recommended a one time cash award of Rs.10,00,000 to Shri.R.Varadarajan, Managing Director for his contribution to the successful completion of the initial public offering of the Company and passed the following resolution:

The Committee noted that the Managing Director had steered the entire initial public offering through his leadership from conception to successful listing on the bourses. The Committee further observed that that the Managing Director played an extensive role in marketing the offering to domestic as well as overseas investors, which was very vital to the successful completion of the initial public offering. The Committee decided that the services rendered by the Managing Director in connection with the initial public offering ought to be suitably rewarded and recommended the same to the Board.

The Board accorded approval to this proposal in its meeting held on August 5, 2013 and accordingly recommends the same to the shareholders.

None of the Directors except Shri.R.Varadarajan is concerned or interested in the said resolution(s).

#### Item No.8

Shri.B.Anand was co-opted as an Additional Director of the Company with effect from May 10, 2013 pursuant to Sec. 260 of the Companies Act 1956.He holds office of Director up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member along with the requisite deposit amount proposing his candidature for the office of Director, liable to retire by rotation under the provisions of the Companies Act, 1956.

The Board recommends the appointment of Shri.B.Anand as a Director of the Company liable to retire by rotation.

None of the Directors other than Shri.B.Anand is interested in this resolution.

#### Item No: 9

Shri.Iqbal Singh Chahal was co-opted as an Additional Director of the Company with effect from May 10, 2013 pursuant to Sec. 260 of the Companies Act 1956. He holds office of Director up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member along with the requisite deposit amount proposing his candidature for the office of Director, liable to retire by rotation under the provisions of the Companies Act, 1956.

The Board recommends the appointment of Shri.Iqbal Singh Chahal as a Director of the Company liable to retire by rotation.

None of the Directors other than Shri.Iqbal Singh Chahal is interested in this resolution.

#### Item No: 10

#### **OBJECT OF THE EMPLOYEE STOCK OPTION SCHEME**

The Company has always believed in aptly rewarding and motivating the employees with the intention to attract and retain the best talent. One of the measures adopted by the Company towards this end is to grant stock options to the employees from time to time. It is now proposed to issue stock options whereby, employees who comply with certain eligibility criteria would be given options to subscribe to a specified number of equity shares in the Company. The employees could exercise the option after a stipulated time and after complying with the conditions subject to which the options are granted, by paying the appropriate consideration, consequent to which the shares would be allotted to them. The object of the Employees' Stock Option Scheme (hereinafter referred to as "the Plan / ESOS") is to motivate the employees and thereby improve the profitability of the Company.

The following would inter-alia be the broad terms and conditions of the ESOS:

#### **TOTAL NUMBER OF OPTIONS/SHARES TO BE GRANTED UNDER THE ESOS:**

It is proposed to grant 9,27,835 equity stock options entitling the grantees to subscribe to an aggregate of

9,27,835 equity shares of Company of the face value of Rs.10 each.

Out of the above pool of 9,27,835 options, the Company has set apart 1,00,000 options in accordance with the undertaking given to the Hon'ble High Court of Madras dated 11 March 2013 in respect of civil suit filed by Mr. M. Balasubramanian, the erstwhile Managing Director against the Company on March 6, 2013.

#### **IDENTIFICATION OF CLASSES OF EMPLOYEES ENTITLED TO PARTICIPATE IN THE ESOS**

The present as well as future employees at all levels including the Managing Director of the Company will be entitled to participate in the ESOS, subject to the applicable regulatory requirements and guidelines.

#### **REQUIREMENTS OF VESTING AND PERIOD OF VESTING**

In the event of the stock options being offered to employees, the employee should continue to remain in the employment of the Company from the date of granting till the date of vesting of the stock options. As regards the Managing Director of the Company, he should continue to be director of the Company from the date of grant till the date of vesting of the stock options. Re-appointment of directors upon retirement or by renewal of contract shall be deemed to be continuity in tenure for the above purposes.

The vesting period shall commence on the expiry of one year from the date of grant of the options. The number of stock options made available to a particular class / cadre of employees could vary at the discretion of the Compensation Committee.

#### **MAXIMUM PERIOD WITHIN WHICH THE OPTIONS SHALL BE VESTED**

From the date of grant of the options, the options shall vest in the employees within such period as may be prescribed by the Compensation Committee, which period shall as mentioned above, be not less than one year from the date of grant of the options.

#### **EXERCISE PRICE / PRICING FORMULAE**

The stock options would be issued to the eligible employees at a price Rs.75 per option.

In addition, the employee shall also be liable to pay to the Company the amount equivalent to the value of the perquisite tax payable on exercise of the options in accordance with the provisions of the Income Tax Act, 1961 at the relevant time.

It is hereby clarified that the Company shall be entitled to receive the entire consideration inclusive of applicable taxes at the time of exercise of the options by the employee, irrespective of when the Company may be required to pay the tax to the relevant authorities.

#### **EXERCISE PERIOD AND THE PROCESS OF EXERCISE**

The Vested Options shall be Exercisable within a period of one year from the date of Vesting

The options would be exercisable by the said employees by payment of the consideration amount and submitting the requisite application form after which the shares would be allotted.

The Compensation Committee, may at its discretion, do all such acts, deeds, matters and things as may be necessary / desirable to facilitate exercise of options by the employees under full cash mode or otherwise.

#### **APPRAISAL PROCESS FOR DETERMINING THE ELIGIBILITY OF EMPLOYEES TO THE ESOS**

Before granting the options to the employees under ESOS, the Compensation Committee would inter alia take into consideration the grade, performance, merit, length of service, future potential contribution and conduct of the employee and such other factors as may be deemed appropriate by it.

#### **MAXIMUM NUMBER OF OPTIONS TO BE ISSUED PER EMPLOYEE AND IN THE AGGREGATE**

The number of options that would be issued to an employee under the ESOS would be determined by the Compensation Committee. However, no single employee shall be granted options under the ESOS entitling such employee to equity shares in the Company which would represent more than 1% of the paid up share capital of the Company as on the date

of grant of options and the minimum number of options that can be granted under the ESOS is zero.

#### **DISCLOSURE AND ACCOUNTING POLICIES**

The Company shall comply with the disclosure and accounting policies prescribed by the SEBI and any other appropriate regulatory authority.

#### **METHOD TO VALUE OPTIONS**

The Company may use the intrinsic value method to value its options. In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profit and on EPS of the Company shall also be disclosed in the Directors' Report. Approval of the members is sought in terms of section 81(1A) of the Companies Act, 1956, for the issue of equity stock options convertible into equity shares of the Company to the employees mentioned above under ESOS. The Board of Directors / Compensation Committee shall have the absolute authority to vary or modify the terms hereinabove in accordance with and subject to all applicable guidelines which may be stipulated by SEBI or otherwise.

It is further submitted that the Company vide letter dated August 3, 2012 has given an undertaking to SEBI that the implementation of the ESOP scheme would be made only after the efflux of six months from the date of bid opening of the initial public offering of the Company.

None of the Directors except Shri.R.Varadarajan is concerned or interested in the said resolution(s).

For and on behalf of the Board

Place: Chennai

Date : 05 August 2013

Sd/-

Company Secretary

## REPCO HOME FINANCE LIMITED

Regd Office: No. 33, North Usman Road, T. Nagar, Chennai 600 017

### ATTENDANCE SLIP: 13th ANNUAL GENERAL MEETING

(Please fill attendance slip and hand it over at the entrance of the meeting hall)

Folio No:.....

DP ID No: .....

Client A/c. No.....

No. of Share(s) held:.....

I/We hereby record my/our presence at the 13th Annual General Meeting of the Company held on Friday the 13th day of September, 2013 at 2.30 PM. at Narada Gana Sabha, No.314, T.T.K.Road, Alwarpet, Chennai-600018.

Name of the member/proxy: .....

Signature of the member/proxy: .....



## REPCO HOME FINANCE LIMITED

Regd Office: No. 33, North Usman Road, T. Nagar, Chennai 600 017

### PROXY FORM

Folio No:.....

DP ID No: .....

Client A/c. No.....

No. of Share(s) held:.....

I/We.....of.....

in the district of ..... being a member(s) of Repco Home Finance Limited hereby appoint.....of..... in the district of ..... failing him/her ..... of ..... in the district of ..... as my/our proxy to vote for me/us and on my/our behalf at the 13th Annual General Meeting to be held on Friday, the 13th day of September 2013 at 2.30 PM or at any adjournment thereof.

AFFIX  
( Re. 1/- )  
REVENUE  
STAMP

Signed this.....day of ..... 2013.

Signature across Revenue Stamp



Mandatory Compliance in terms of SEBI Circular CIR/MRD/DP/10/2013 dated 21/03/2013 for maintaining Bank Account particulars including IFSC code for making payments to investors by using any RBI approved electronic modes viz., ECS, NEFT etc.

## MANDATE FORM FOR ELECTRONIC PAYMENT MODE

(For shares held in De-mat mode)

To  
The Depository

Dear Sir,

I hereby furnish necessary particulars for electronic receipt of amounts, if any, from the Company.

1.	Client ID & DPID		
2.	Name of Registered Holder(s)		
3.	Present Address		
4.	Bank Account details		
	a.	Account Number (13 digit No./latest account no)	
	b.	Bank A/c Type	Savings/Current/NRE/NRO/Overdraft (Please tick the relevant account type and strike off others)
	c.	Name of bank	
	d.	Branch Name	
	e.	City with PIN	
	f.	9 digit MICR No. (Please attach a blank "cancelled" cheque or photocopy thereof)	
	g.	IFSC Code :	
	h.	Your e-mail ID :	
	i.	Mobile No. :	
	j.	Residence Phone No. (with STD code) :	

I hereby declare that the particulars given above are correct and complete.

Yours faithfully,

(Signature of the 1st Registered holder(s) as per the Specimen Signature lodged with the Company)

Name :

Address :

Date :

### Certificate of the Shareholder(s) Bank

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp

(\_\_\_\_\_)

Date :

Signature of the Authorised Official from the Bank

## LIST OF BRANCHES

### TAMIL NADU

- 1 Adayar
- 2 Anna nagar
- 3 Ashok nagar
- 4 Tambaram
- 5 Vyasarpadi
- 6 Purasaiwakkam
- 7 Coimbatore
- 8 Coonoor
- 9 Dindigul
- 10 Erode
- 11 Hosur
- 12 Kancheepuram
- 13 Karur
- 14 Kumbakonam
- 15 Madurai
- 16 Mayiladuthurai
- 17 Mettupalayam
- 18 Nagercoil
- 19 Namakkal
- 20 Pattukottai
- 21 Perambalur
- 22 Pudukottai
- 23 Salem
- 24 Thanjavur
- 25 Theni
- 26 Tirunelveli
- 27 Tiruppur
- 28 Trichy
- 29 Thiruvannamalai
- 30 Tuticorin
- 31 Tenkasi
- 32 Tiruchengodu
- 33 Vellore

34 Puducherry

- 35 Pollachi
- 36 Saibabacolony
- 37 Gopichettpalayam
- 38 Virudhunagar
- 39 Sivagangai

### ANDHRAPRADESH

- 40 Ananthapur
- 41 Guntur
- 42 Hyderabad
- 43 Habsiguda
- 44 Kadapa
- 45 Kakinada
- 46 Kurnool
- 47 Nellore
- 48 Ongole
- 49 Rajamundhry
- 50 Tirupathi
- 51 Vijayawada
- 52 Vizag

### KARNATAKA

- 53 Bangalore
- 54 Belguam
- 55 Bellary
- 56 Davangere
- 57 Gulbarga
- 58 Hassan
- 59 Hubli
- 60 Mangalore
- 61 Mysore
- 62 Shimoga
- 63 Yelahanka
- 64 Basaveshwarnagar
- 65 Banashankari

### KERALA

- 66 Ernakulam
- 67 Kollam
- 68 Kottayam
- 69 Palakkad
- 70 Punalur
- 71 Trivandrum

### MAHARASHTRA

- 72 Dombivili
- 73 Nasik
- 74 Pune
- 75 Nagpur
- 76 Pimpri

### ORISSA

- 77 Bhubaneswar

### GUJARAT

- 78 Ahmedabad
- 79 Vadodara

### WEST BENGAL

- 80 Kolkatta

### SAT CENTRES

- 1 Thiruvallur
- 2 Karaikal
- 3 Nagapattinam
- 4 Ramnad
- 5 Karaikudi
- 6 Dharmapuri
- 7 Rajapalayam
- 8 Avinashi
- 9 Villupuram
- 10 Vijayanagaram
- 11 Peenya
- 12 Chitradurga
- 13 Alappuzha