



Dewan Housing Finance Corporation Limited



29TH ANNUAL REPORT

2012-13

strong
FOUNDATION

contents

04

Chairman &
Managing Director's
Overview

10

Performance
Highlights

18

Profile of
Board of Directors

20

Corporate
Information

22

Management
Discussion and
Analysis

35

Directors'
Report

52

Report on
Corporate
Governance

76

Financials

111

Network





The dream of a home is fundamental to human existence, representing the bedrock of any progressive society.

In India, in the early Eighties, even as housing finance was easily available to the urban, affluent and the organised, there was a large part of rural and semi-urban India that was largely unmapped, unbanked and unorganized.

Late Shri Rajesh Kumar Wadhawan, Promoter, Dewan Housing Finance Corporation Limited (DHFL), was convinced that no country could expect to progress sustainably where a larger proportion of its population continued to be financially excluded. The result was that the Late Shri Rajesh Kumar Wadhawan backed his conviction with action to start DHFL – one of the early entrants in the Indian housing finance industry - in 1984. The Company's business model balanced financial

inclusion on the one hand and business viability on the other.

The relevance of his vision is reflected in the numbers right down to this day: the Company grew its loan book from ₹ 948.04 crore in 2002-03 to ₹ 4158.07 crore in 2007-08 to ₹ 33,901.72 crore in 2012-13, generally considered the most challenging for the financial sector the world over. In doing so, the Company has retained its position as one of the fastest growing companies in the competitive Indian housing finance sector.

Under the leadership of Shri Kapil Wadhawan (Chairman and Managing Director), DHFL now expects to leverage its robust business foundation, grow even faster and emerge as an industry model of agility, profitability and sustainability.



Late Shri Rajesh Kumar Wadhawan



To transform the lives of Indian households by enabling access to home ownership.

Mission

- Be easily accessible to every Indian who desires to own a home.
- Understand customers' inner needs and speak their language.
- Go to any length to make sure customers don't feel intimidated.
- Continuously configure the credit policy to make sure the maximum number of people can be eligible for loans.
- Find ways to help customers tide over difficult times.
- Spread branch network to every corner of India.
- Respond promptly and courteously to all enquiries.

Values

- Treat all customers with dignity and respect.
- Be totally transparent in all dealings.
- Strive to be a learning organization.
- Commitment to team excellence and employee happiness.
- Be single mindedly committed to the betterment of society.

Awards

- DHFL voted amongst India's Most Trusted BFSI Brands: Indian consumers voted DHFL among the most trusted Banking Financial Services Brands. The Company was ranked 13th amongst 73 BFSI brands covered in the study, 231st among 17,000 Indian brands and second in the housing finance category (source: Brand Trust Report 2012 by Trust Research Advisory).
- DHFL's Marketing Head Super Achievers Award for Professional Excellence: DHFL's Head of Marketing was honoured as a Indra Super Achiever 2012-13 by Indra Institute of Management. The Super Achiever concept recognizes the achievement of professionals who make a difference ('M.A.D').
- DHFL's Group HR awarded HR Warrior Awards: The Indra Group of Institutes presented HR Warriors Award 2011-12 to the DHFL Group Head – HR and Training for excellence in the field of human resource management.
- DHFL was presented the Marketer of Year at Realty Plus Excellence Awards of the Year, 2012
- DHFL was ranked 306th among India's 500 most valuable companies by Business Today in 2012.

Offerings

Three decades ago, Late Shri Rajesh Kumar Wadhawan saw the future. He recognised that even the financially unorganized deserved to be financed for their housing needs. The result is that DHFL encouraged thousands to dream of asset security by simplifying financial access, providing rural and semi-urban Indians customized home loan products and unique fixed deposit schemes.



Other fee income verticals

DHFL was the second Housing Finance Company to be set up in India's private sector in the mid eighties. The Company went into business with the express objective of providing affordable housing finance to the lower and middle-income groups. The Company took customer interest ahead through DHFL Property Services, which facilitates cross-sale, networking, project management and consultancy services across 200 -plus locations today.

The Company's service suite comprises the following:

Property service for developers

- Project management and consultancy services
- Corporate real estate solutions, including technology transfer
- Reliable single-window service for all Pan-Indian real estate requirements

Technical consultancy and management

- Technical consultancy to developers and self-construction clients
- Sweeping Pan-India access including Tier II and Tier III cities
- Pan-Indian 115-member team of valuers and civil engineers

Insurance

- Insurance to safeguard loans against hazards and against the unforeseen demise of the borrower

Chairman and Managing Director's overview



Shri Kapil Wadhawan



“At DHFL, anticipating customer needs is at the forefront of our drive to remain successful.”

Kapil Wadhawan explains where DHFL is headed, with foundations firmly set on relationships, trust, value-added benefits and service excellence

Dear Shareholders,

Sectoral Overview

India's housing finance industry crossed the ₹ 7,000 billion mark in December 2012 and is predicted to maintain a healthy annual growth between 17% to 19%. Yet, the country remains extensively under-penetrated when it comes to housing finance. Mortgage finance stands at 9% of our GDP as compared to our Asian peers like China at 20%, Korea at 26% and Western economies like the US at 80% and the UK at 83%. The increase in share of home finance to GDP is an indicator of a nation moving up the order of economic development and consequently shows its catalytic role in the value chain of economic activities. This achievement across the globe has been made possible largely by housing finance companies which occupy a central place in home finance market and operate in an enabling environment of the financial system of their respective countries.

Housing finance is a much specialised activity requiring dedicated processes and people-orientation. Due to this superior sectoral focus, HFCs have played a significant role in India in

proliferation of home finance, despite the dominance of commercial banks that compete with them with their extended reach and low-cost resources. The playing field needs to be widened for HFCs as they are today constrained by their resources both on cost and quantum. It is therefore imperative for the Government and the regulatory bodies to consider an appropriately enabling structure and implement policy initiatives for HFCs so that they can be recognised as a quasi-banking entity in our financial system. This will be in the overall interest of socio-economic advancement.

Having set the backdrop of the sector, I will now turn to the progress made by your Company. DHFL as an organisation pursues a customer-centric policy which is firmly rooted in the beliefs of its founder Late Shri Rajesh Kumar Wadhawan, who was able to visualise the potential at the bottom of the pyramid as early as 1984, long before the theory gained currency.

I will now briefly dwell on the progress so far.

Our unwavering focus on the low and mid income group will start paying off at a much faster phase, as this segment will remain at the forefront of reaping the gains of an expanding economy.



We are well positioned to meet the emerging customer profile across the new class that constitutes a broader spectrum of lower and middle income segment.



The Mission

The year ending March 2013 witnessed our loan book grow by 33% to ₹ 37,000 crore, thus placing us firmly on the trajectory of the mission we set for ourselves to triple our loan book size to ₹ 1, 00,000 crore by 2017. Our unwavering focus on the low and mid-income groups which constitute 75% of our customer base, will start paying off at a much faster phase, as this segment will remain at the forefront of reaping the gains of an expanding economy, resetting their aspirations. We shall remain focused on our understanding of this segment and fine tune our delivery capabilities as our primary strength. This will be the driving force in our ability to reach the goals of our mission.

Customer profile - addressing the paradigm shift

The customer segment that we in DHFL relate with as our core strength- the low and middle- income segment is in a state of continuous evolution. Even as one group is moving up the economic value chain, a new group joins the rear end. This is happening at a rapid scale

across geographies through newer Tier-III and IV cities and across population groups – the agriculturist, the self-employed and the service classes.

While we remain close to be labeled as the most preferred home finance organisation for the low and mid-income segment, we do not wish to let go of a customer as his /her income increases and he/she moves from the LMI to the higher end of the MIG or the lower end of the HIG. The amalgamation of First Blue Home Finance Ltd. with DHFL will help us firmly position ourselves in this segment. The amalgamation has been completed very successfully and the two brands today complement each other's strengths.

The challenges of remaining responsive to the growing demands from the bottom of the pyramid both in terms of resources and reach have to be addressed through strategic initiatives. A host of national programmes are placing disposable income at the hands of this segment and driving their aspiration towards a better lifestyle. The formation of Aadhar Housing Finance Pvt. Ltd. jointly with



We can truly be called pioneers in providing small ticket home loans. Our initiatives are to keep us on the forefront of the path where we began our journey.



International Finance Corporation (IFC), to provide housing finance to most backward states in the country is to strengthen the DHFL Group in its ability to serve this segment better.

We are thus well positioned to meet the emerging customer profile across the new class that constitutes a broader spectrum of lower and middle-income segment.

Pioneers will remain at the front

If at any time in the glorious three decades of DHFL's operations in India we did a quick analysis of how we remain relevant to our customers, there have been two tenets that have emerged very strongly. Firstly, our focus on providing greater value to our customers and secondly, the Company's ability to think ahead of the times.

These two characteristics have been intrinsic to DHFL ever since my late father founded the Company in 1984. The visionary bent of mind has been cascaded down to the current years of operation and all through the

management over the past thirty years

DHFL took the most difficult path of providing home finance to the lower income strata with limited documents to support their creditworthiness. We designed the framework to prove that they are profitable and trustworthy. We took the difficult path which few others dared to, till financial inclusion came to be recognised as indispensable for sustainable growth. We can truly be called pioneers in providing small ticket home loans. Our initiatives are to keep us on the forefront of the path on which we began our journey.

Organisational preparedness

At DHFL, it is this signature – the ability to extend from reality to possibility – that we expect will sustain our momentum.

We expect to achieve our goal through a series of initiatives at the organizational-level to match the external environment, in the following areas:

- Strengthening an organisational alignment, whereby every individual believes that the target can be achieved.

- Building leaders within, transforming managers into entrepreneurs.
- Stronger branding initiatives with the objective of being more visible across the country.
- Stronger focus on growing our presence across every segment.

DHFL has reached a critical mass following and from here on the growth phase will be exciting as even if we succeed to sustain our retrospective percentage growth, the value of the loan book will go up substantially. To manage this efficiently, we are strengthening the organisation with reference to the above pointers, with concerted effort. Thus, I am pleased to state that DHFL is at an exciting phase, following which its value will increase quicker, enhancing value for all our stake holders.

I thank all those who have been associated with the Company all through these years and giving us the strength to think bigger and bolder at every stage.

Kapil Wadhawan

Chairman & Managing Director



**Growing
from strength
to strength**



THE THREE DECADES SINCE DHFL WENT INTO BUSINESS IN APRIL 1984 HAVE ALSO BEEN THE MOST MOMENTOUS IN INDIA'S EXISTENCE.

THIS PERIOD HAS BEEN MARKED BY SWEEPING IMPACTS OF GLOBALIZATION, LIBERALISATION AND COMPUTERISATION (INCLUDING THE INTERNET) LEADING TO SIGNIFICANT INCREASE IN INCOMES AND ASPIRATIONS.

One man's overarching vision is now a robust corporate foundation: DHFL (corporate office in Mumbai) reaches customers through an extensive Pan-India network of 166 branches, 75 service centers, 31 camps, 18 zonal and regional offices, 2 disbursement hubs, 4 collection centres and 2 representative offices in UAE and UK.

DHFL commenced representative offices in London and Dubai to serve a growing NRI population. The Company collaborated to offer home loan products through UAE Exchange centers in GEC countries.

DHFL also enjoys alliances with leading public and private sector banks (Punjab & Sind Bank, United Bank of India, Central Bank of India and YES Bank), making it possible to provide home loans through joint ventures.

DHFL has acquired 48.50% equity stake in Avanse Financial Services Private Limited (Avanse), thereby making its entry into a specialized market segment with the aim to fulfill the growing need for education finance at reasonable terms.

Avanse is a new age Non-Banking Finance Company (NBFC) registered with Reserve Bank of India, focused towards providing education loans for higher studies. Avanse aims to provide education loans to Indian students who at any given time require education finance to pursue higher studies in India and overseas.

In December 2010, the alliance of DHFL, Wadhawan Housing Private Limited (promoter group entity) and Caledonia Investments Plc. (UK) acquired a 100% equity stake in First Blue Home Finance Limited (erstwhile Deutsche Postbank Home Finance Limited), which helped significantly grow the loan book. DHFL acquired 67.56% equity in First Blue through a special purpose vehicle company called DHFL Holdings Private Limited (100% subsidiary company).

First Blue Home Finance Limited and DHFL Holdings Private Limited - both the subsidiaries were amalgamated (effective from closing hours of 31st January, 2013) with the Company and whole of the undertaking of the said transferor companies were transferred

to and vested in the Company, and, following the amalgamation of the First Blue portfolio, the customers of First Blue became customers of DHFL. The amalgamated entity to yield the following benefits:

- The acquisition proved mutually beneficial; First Blue catered primarily to the upper and mid-income segments as against low and middle-income customers serviced by DHFL.
- The acquisition widened DHFL's presence. First Blue was largely present in North India, where DHFL enjoyed a moderate presence.
- The acquisition strengthened DHFL's books, resulting in an immediate access to a larger book size, customised risk management, geographic complement and sales effectiveness.
- The acquisition will accelerate growth; the merged company is all set to establish a Pan-India presence across all economic segments.
- The acquisition will be value-strengthening, credit rating-enhancing and margins-accretive.

Strong foundation. Superior performance.

2012-13 numbers that vindicate our business strategy

OPERATIONAL HIGHLIGHTS

(₹ in Crore)

	2003 - 04	2004 - 05	2005 - 06	2006 - 07	2007 - 08	2008-09	2009-10	2010-11	2011-12	2012-13#
Sanctions	525.94	741.46	1,257.02	1,502.89	2,009.55	2,698.18	5,273.96	8,949.48	12,845.31	17,336.85
Disbursements	468.54	633.76	1,110.30	1,472.87	1,761.53	2,266.02	3,865.56	6,505.54	9,065.24	13,357.73
Cumulative Disbursements	2,124.18	2,757.94	3,868.24	5,341.11	7,102.64	9,368.66	13,234.22	19,739.76	28,805.00	42,162.73

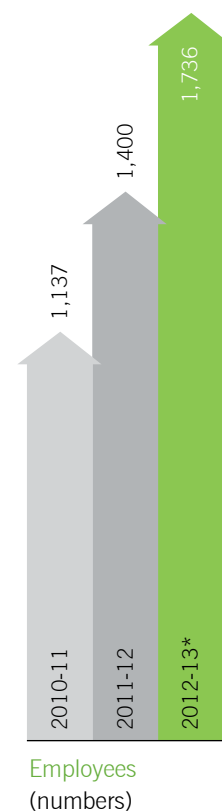
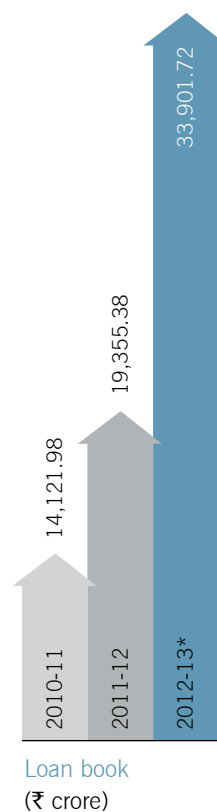
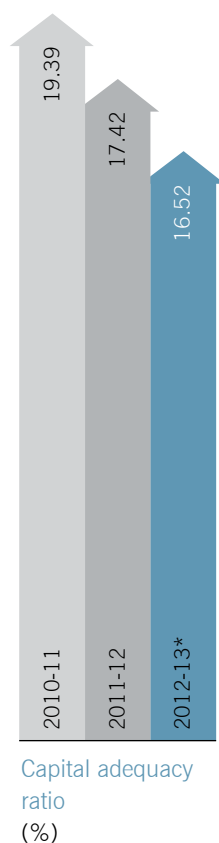
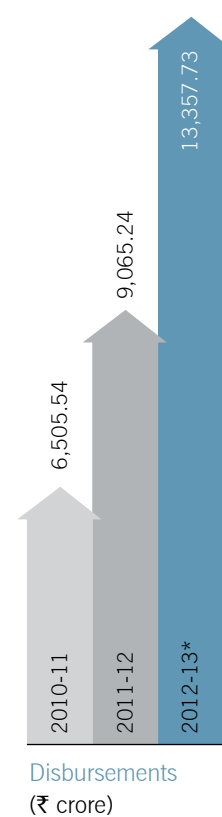
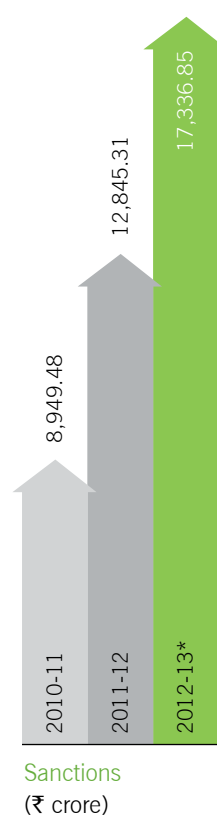
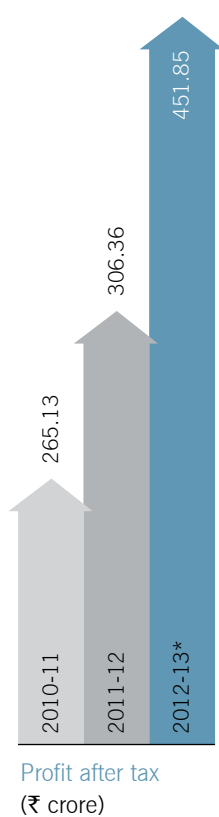
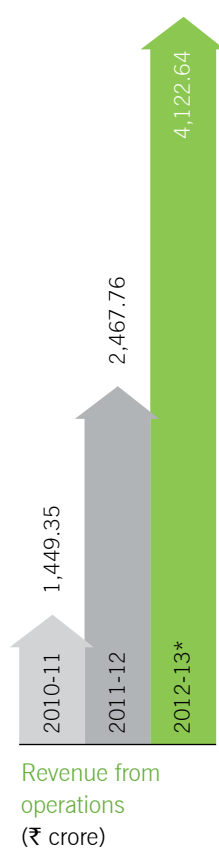
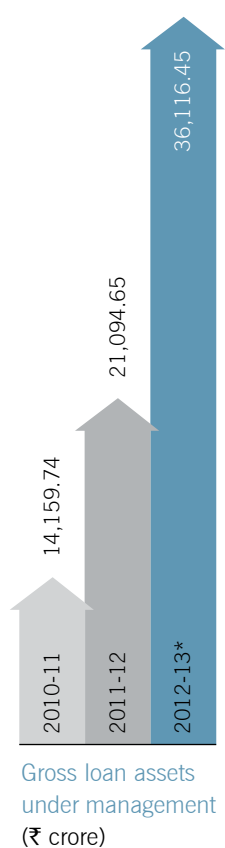
FINANCIAL HIGHLIGHTS

(₹ in Crore)

	2003 - 04	2004 - 05	2005 - 06	2006 - 07	2007 - 08	2008-09	2009-10	2010-11	2011-12	2012-13#
Gross Revenues	146.89	163.82	226.80	332.29	523.42	693.60	992.55	1,451.24	2,469.68	4,140.36
Profit After Tax	22.40	27.10	41.71	48.40	82.58	91.76	150.69	265.13	306.36	451.85
Shareholders' Funds	131.70	189.59	270.66	365.27	445.07	513.54	873.44	1,548.43	2,032.72	3,237.09
Share Capital										
Equity	35.80	50.12	50.12	50.12	60.52	60.52	82.03	104.42	116.84	128.22
Preference	5.00	-	17.66	24.16	7.00	3.00	3.00	--	--	--
Others	-	-	2.50	2.50	-	56.00	--	--	--	--
Reserves and Surplus	90.90	139.48	200.37	288.49	377.55	394.02	788.41	1,444.01	1,915.88	3,108.87
Borrowings from NHB, Banks, Fls & Others	994.44	1,470.80	2,192.67	3,157.66	3,922.52	5,829.51	8,744.63	14,292.78	18,209.80	30,134.68
Deposits	123.02	95.77	76.93	57.05	46.90	46.87	182.16	557.29	938.81	1,923.72
Housing & Other Loan Outstanding	1,125.88	1,529.27	2,288.75	3,301.97	4,158.07	5,806.62	8,758.40	14,121.98	19,355.38	33,901.72
Dividend (%)										
Equity	25*	20.00	25.00	25.00	25.00	25.00	30.00	35.00	35.00	50.00
Book value per Share (₹) (Equity)	35.00	38.00	50.00	56.00	59.19	70.67	102.86	148.32	174.04	252.47
Earnings per Share (₹) (Basic)	6.12	7.05	8.32	9.22	14.43	15.15	19.78	26.43	28.97	38.47
Earnings per Share (₹) (Diluted)	-	-	-	-	-	-	19.58	26.12	28.67	38.30

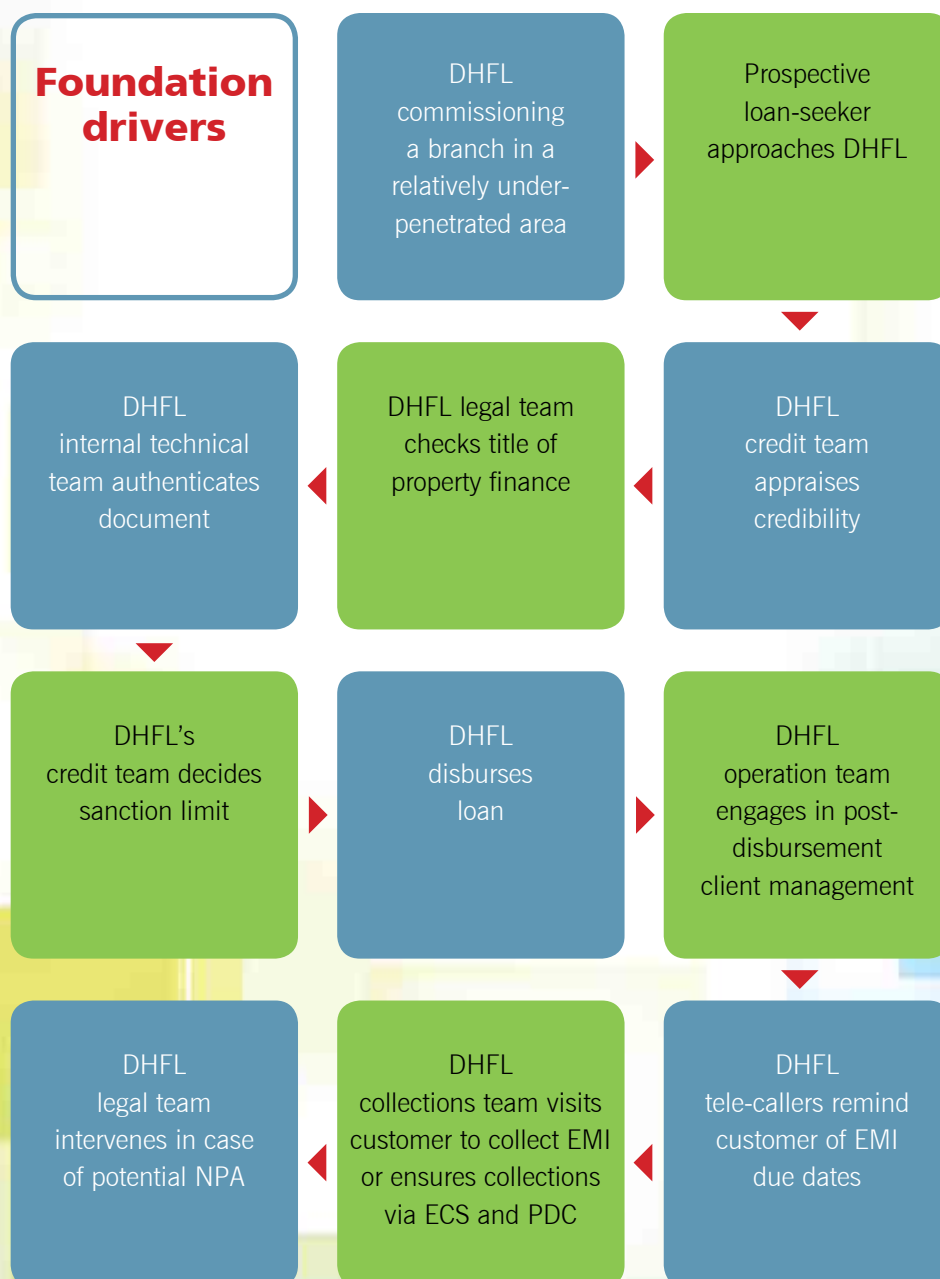
* Includes one time special 10% dividend to mark 20th Anniversary.

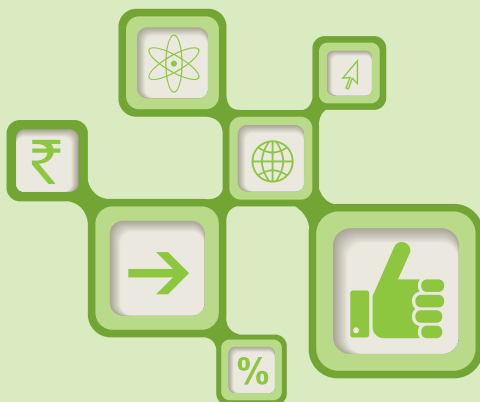
FY 2012-13 figures reflect the data of merged entity. Hence, these figures are not comparable with those of the previous years.



* The figures of the FY 2012-13 are the results of the merged entity, thus, the standalone figures of the previous year (2011-12) are not comparable with the figures of financial year 2012-13.

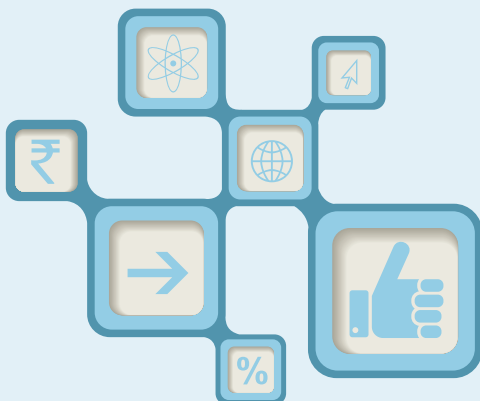
In 29 years DHFL's loan book grew to ₹ 33,902 crore.





Technology

In the business of home financing where customers are dispersed nationally, speed in loan sanctions and disbursals makes it possible to attract customers and accelerate loan book growth. DHFL has made this a visible reality through a proactive investment in information technology tools and processes.



Governance

In the business of housing finance, it is imperative to create an operating model that enhances value for all stakeholders (employees, customers, investors, regulatory authority and community) in a sustainable way. Over the years, DHFL invested in a robust systems-driven framework to showcase its commitment to governance through forward-looking initiatives. The Company's overarching documented governance, as well as the creation of respective supervisory committees, serve as a reference point across locations, functions and time.



Service mindset

In the business of housing finance, it is critical to stand for a distinctive service attribute in the minds of customers. Over the decades, DHFL created just that recall: the willingness to reach out to all Indians wanting to own a home. The Company reinforced this service-orientation by catering to all socio-economic classes, while focusing on the growing needs of the lower and middle income segment.

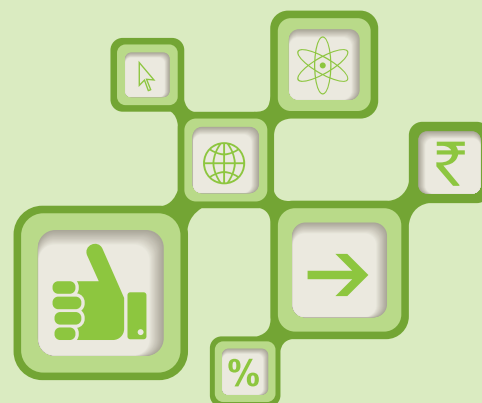


Reach

In the business of housing finance, the ability to generate the largest number of customers in the shortest time drives competitiveness. This ability is derived from widening one's geographic footprint, translating into a growing throughout and across income segments and market cycles. Over the years, DHFL enhanced its customer proximity through progressive investments in an extensive Pan-India network.

Intellectual capital

In the business of housing finance, competitive advantage eventually comes down to just one attribute – knowledge. A Company with superior holistic business knowledge – fund sourcing, mobilization, customer credit, loan structuring, and recoveries – is the one best equipped to report sustainable growth. At DHFL, intellectual capital translated into a growing productivity and robust loan book quality.



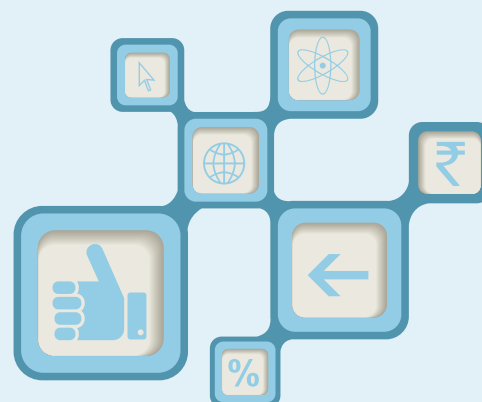
Processes and systems

In the business of housing finance, marked by the need to appraise thousands of customers with diverse income patterns across numerous locations, success is derived from process consistency and systemic robustness. Over the decades, DHFL invested in a process discipline through its audit, credit, legal and technical verticals.



Treasury management

The key to profitability lies in the ability to source adequate low-cost funds. DHFL's efficient treasury function makes it possible to provide adequate right quantum of funds whenever required by the business at the lowest possible cost.



**Over the last three decades,
DHFL financed the home-
ownership needs of thousands
of Indians**

42,162.73

Cumulative
disbursement
till date (₹ / cr)

DHFL's socially inclusive approach has helped grow its business and financials

33,902

DHFL's loan book (₹ / cr), 2012-13

35

Number of banks in DHFL's lending consortium, 2012-13

41%

DHFL's average instalment-to-income ratio, 2012-13

66%

DHFL's average loan-to-cost ratio, 2012-13

16.52%

DHFL's capital adequacy ratio, 2012-13

2.72%

DHFL's net interest margin, 2012-13

Board of Directors

The details of the Directors including their brief profile are given as follows:



Shri Kapil Wadhawan
Chairman & Managing Director



Shri Dheeraj Wadhawan
Director



Shri R. P. Khosla
Director



Shri G. P. Kohli
Director

01

Shri Kapil Wadhawan MBA from Edith Cowan University, Australia, Master in Finance, joined the Company as a Director on 24th September 1996 and pursuant to the approval of the Central Government he was appointed as an Executive Director w.e.f. 25th November, 1997. He was elevated to the post of Managing Director on 4th October, 2000 and was designated as 'Vice Chairman and Managing Director' on 25th January, 2007. He was further elevated as Chairman & Managing Director on 28th July, 2009. Under Shri Kapil Wadhawan's leadership, the Company commenced the transformation from a national player to a significant global player, with the Company's presence in Dubai and London. This was followed by acquisition of the housing finance division of ING Vysya Bank Ltd. Thereafter under his guidance

the Company has successfully integrated cutting-edge technologies. His extensive efforts in the business have resulted in improvements in terms of profitability and operations of the Company. He setup Aadhar Housing Finance Pvt. Ltd. in 2010 to address the housing needs of the economically weaker sections of the society in specific markets. He also successfully negotiated the acquisition of Deutsche Postbank Home Finance Ltd. from BHW Holding AG, Germany in March, 2011. He has successfully steered the transformation of DHFL into one of the leading housing finance institutions in India. He has also played a significant role in shaping policy guidelines on matters relating to the mortgage finance industry. He has been a speaker at various seminars on the mortgage finance industry.

02

Shri Dheeraj Wadhawan is also the Promoter and Shareholder of the Company. He is the son of Late Shri Rajesh Kumar Wadhawan and brother of Shri Kapil Wadhawan, Chairman & Managing Director. He has graduated in construction management from the

University of London. He has over 12 years of experience in the real estate/developers and construction industry. He joined the Board of the Company as a Non-Executive Director on 12th May, 2008.

03

Shri R. P. Khosla (Retd. IAS) is the former Secretary to the Government of India and has held senior positions in various government undertakings in the past. He has been

on the Board of the Company as an Independent Director since 17th March, 1993.



Shri Anthony Hambro
Nominee Director



Shri Ajay Vazirani
Director



Shri V K Chopra
Director



Shri M. Venugopalan
Director

04

Shri G. P. Kohli is the former Managing Director of Life Insurance Corporation of India (LIC) and has vast experience in the areas of insurance, housing, human resource development, information technology and marketing. He has a Master's Degree in English literature

MA. (Hons) and has acquired the Diploma in Labour Laws, Labour Welfare and Personnel Management - LLD. Shri Kohli is on the Board of the Company as an Independent Director since 23rd May, 2001.

05

Shri Anthony Hambro is an Associate Director of Caledonia Investments Plc., (UK), having joined Caledonia in 2003. After 17 years of banking career at Samuel Montagu and Grindlays Bank, in 1984 he set up his own corporate finance consultancy, Anthony Hambro & Co.

From 1994 to 2002, he was an executive director of Ockham Holdings Plc., a listed insurance underwriting business. He joined the Board of DHFL as a Nominee Director of M/s Caledonia Investments Plc., U.K. w.e.f. 22nd October, 2007.

06

Shri Ajay Vazirani is a Senior Partner of M/s. Hariani & Co. He has over 16 years of experience advising clients and specialises in real estate and real estate financial transactions, corporate and commercial law, mergers and

acquisitions, private equity and funds, and media and entertainment. He has also handled various cross-border transactions. He is on the Board of the Company as an Independent Director since 4th January, 2008.

07

Shri V. K. Chopra is a Fellow Member of the Institute of Chartered Accountants of India (FCA) by profession. Shri Chopra had a long and illustrious career in banking, having served in that sector for over 36 years in different capacities. He was Chairman & Managing Director of Corporation Bank and SIDBI and Executive Director of

Oriental Bank of Commerce for a long tenure. His last assignment was with Securities and Exchange Board of India (SEBI) as Whole-time Member for two years till March, 2008. He is a Non-Executive and Independent Director of several listed companies. He joined the Board of the Company as an Independent Director on 12th May, 2008.

08

Shri M. Venugopalan holds a degree of Bachelor of Commerce from Kerala University and has worked as a commercial banker for nearly four and a half decades. He started his career as a probationary officer with Bank of India in 1966. In 2000, he joined Union Bank as an Executive Director. In 2003, he returned to Bank of India as the

Chairman and Managing Director. In May 2005, he joined Federal Bank as the Managing Director and Chief Executive Officer. Shri M. Venugopalan has also been runner-up for the E&Y Entrepreneur of the Year 2009 award. He joined the Board of the Company as an Independent Director on 25th February, 2013.

Corporate Information

Board of Directors

Shri Kapil Wadhawan - Chairman & Managing Director
 Shri Dheeraj Wadhawan - Director
 Shri R. P. Khosla - Director
 Shri G. P. Kohli - Director
 Shri Anthony Hambro - Nominee Director
 Shri Ajay Vazirani - Director
 Shri V. K. Chopra - Director
 Shri M. Venugopalan - Director

Details of Committees of the Board of Directors

Audit Committee

Shri G. P. Kohli – Chairman
 Shri V. K. Chopra – Member
 Shri M. Venugopalan – Member

Remuneration & Compensation Committee

Shri R. P. Khosla – Chairman
 Shri G. P. Kohli – Member
 Shri V. K. Chopra – Member

Shareholders' / Investors' Grievance Committee

Shri Ajay Vazirani – Chairman
 Shri Kapil Wadhawan – Member

Finance Committee

Shri Kapil Wadhawan – Chairman
 Shri Dheeraj Wadhawan – Member
 Shri G. P. Kohli – Member

Corporate Social Responsibility Committee

Shri G. P. Kohli – Chairman
 Shri V. K. Chopra – Member
 Shri Kapil Wadhawan – Member

Company Secretary

Shri S. Y. Sankhe

Bankers

Allahabad Bank	Kotak Mahindra Bank Ltd.
Andhra Bank	Oriental Bank of Commerce
Axis Bank Ltd.	Punjab & Sind Bank
Bank of Baroda	Punjab National Bank
Bank of India	South Indian Bank Ltd.
Bank of Maharashtra	State Bank of Bikaner and Jaipur
Canara Bank	State Bank of Hyderabad
Central Bank of India	State Bank of India
Corporation Bank	State Bank of Mysore
Dena Bank	State Bank of Patiala
Deutsche Bank	State Bank of Travancore
Federal Bank Ltd.	Standard Chartered Bank
H D F C Bank Ltd.	Syndicate Bank
I N G Vysya Bank Ltd.	UCO Bank
ICICI Bank Ltd.	Union Bank of India
IDBI Ltd.	United Bank of India
Indian Bank	Vijaya Bank
Indian Overseas Bank	YES Bank Ltd.
Karur Vysya Bank Ltd.	

Financial Institutions/ Multilateral Agencies / Other Lenders

Asian Development Bank
 General Insurance Corporation of India
 International Finance Corporation
 Life Insurance Corporation of India
 National Housing Bank (NHB)
 National Insurance Company Ltd.

Auditors

M/s. B. M. Chaturvedi & Co., Chartered Accountants,
 32, Jolly Maker Chambers II,
 Nariman Point, Mumbai 400 021

Registered Office

Warden House, 2nd Floor,
Sir P. M. Road, Fort,
Mumbai 400 001
Tel. No. 022-2287 1985
Fax No. 022 -2287 1985

Corporate Office

HDIL Towers, 6th Floor,
Anant Kanekar Marg,
Station Road, Bandra (East),
Mumbai 400 051
Tel. No. 022-2658 3333 (30 Lines)
Fax No. 022-2658 33 44
e-mail : info@dhfl.com
website : www.dhfl.com

Registrar & Transfer Agents (For Equity)

Link Intime India Private Ltd.
C - 13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai 400078
Phone: 022-25946970-78,
Fax: 022-25946969,
e-mail- rnt.helpdesk@linkintime.co.in
Contact Person: Shri Sharad Patkar,
Executive – Corporate Registry

Registrar & Transfer Agents (For Debentures)

System Support Services

209, Shivam Industrail Estate,
Andheri – Kurla Road, Sakina,
Andheri (East), Mumbai 400 072
Tel. No. 28500835
Fax No. 28501438

Link Intime India Private Ltd.

C - 13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai-400078
Phone: 022-25946970-78,
Fax: 022-25946969

Debenture Trustees

GDA Trusteeship Ltd.

GDA House, Plot No. 85, Bhusari Colony (Right),
Paud Road, Pune - 411 038.
Phone: 020-25280081, Fax : 020-25280275
dt@gdatrustee.com, Website: www.gdatrustee.com

IDBI Trusteeship Services Ltd.

Asian Building, Ground Floor
17. R. Kamani Marg Ballard Estate
Mumbai Maharashtra – 400 001, India
Phone: +91 022 40807000
Fax: +91 022 66311776
Email: itsl@idbitrustee.com

Addresses of Stock Exchanges/ NSDL/CDSL

Name of Stock Exchanges	Address	Stock Code / Symbol
Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	511072
National Stock Exchange of India Ltd.	Exchange Plaza, Bandra (East), Mumbai - 400 051.	DHFL
National Securities Depository Ltd.	Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.	International Security Identification Number (ISIN) –INE-202B01012
Central Depository Services (India) Ltd.	Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai – 400 001.	

management discussion and analysis

Economic Overview

Even as India evolves into an open-market economy, legacy influences remain. In the last two years, Indian economy has slowed following a deliberately tight monetary policy to counter inflation, which resulted in investment decline, investor pessimism, increased fuel subsidy expenditure (arising out of high crude prices), rising fiscal deficit and worsening current account deficit. It was only in late 2012 that the Indian government announced reforms and deficit-reduction measures even as a number of its challenges - poverty, inadequate infrastructure (physical and social), limited non-agricultural employment opportunities, inadequate education and rural-to-urban migration - remained unaddressed. However, India's medium-term appears positive for some good reasons: young population, low dependency ratio, healthy savings cum investments and progressive global integration.

Following the announcement in the Union Budget 2012-13, it was decided to allow external commercial borrowings (ECBs) for low-cost affordable housing projects as permissible end use under the approval route. ECBs can be availed by developers/builders for low cost affordable housing projects as well as Housing Finance Companies or National Housing Bank for financing the prospective owners of low-cost affordable housing units.

Housing Industry Outlook

The slow growth in India's manufacturing and services sectors had a trickle-down impact on the country's housing sector, even as its impact was mitigated on account of increased regulation, funding controls, risk management and asset protection.

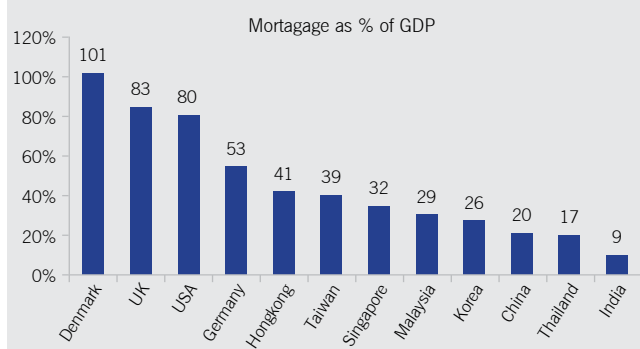
India retained its position as one of the world's fastest growing realty markets, attracting developers and international investors. The sector appeared poised to sustain double-digit growth on the back of a growing population, strengthening incomes, rising aspirations, accelerating urbanization and transforming demographics. These realities provide the optimism that household numbers could rise in line with age changes in the younger population group, increase in the working population, growing incomes, robust housing demand, growing preference for mortgage as against a long standing taboo against taking debt, appreciation in real estate values, government fiscal incentives making net interest rates affordable, customized product offerings and an increased availability of housing stock.

The Indian housing industry is dominated by affordable housing (value and volume) for the low-income group. The medium-income housing segment is reporting attractive growth, especially in Tier-1 and Tier-2 cities, which could extend to robust luxury housing prospects for the long-term.

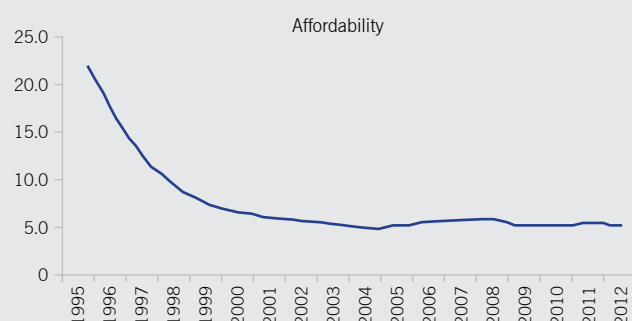
Interestingly, despite a high interest rate regime in India, home loan demand remained robust during the year under review. India's dwelling unit shortage was most visible in its mid-income and low-income segments. The market for home loan demand in India is likely to sustain on the basis of extensive housing shortage coupled with historically low mortgage penetration.

India is one of the most attractive mortgage markets in the world. Mortgage penetration in India is around 9% of GDP compared with more than 50% in large developed economies and double-digit penetration in peer ASEAN countries.

Penetration lower than ASEAN countries



Income has kept pace with property prices



Estimation of housing shortage in urban areas

	2012
Households living in non-serviceable katcha houses (mn)	0.99
Households living in obsolescent houses (mn)	2.27
Households living in congested houses requiring new houses (mn)	14.99
Households in homeless condition (mn)	0.53
Total housing shortage (mn)	18.78

Estimation of housing shortage in rural areas

	2012
Excess of households over houses (mn)	4.15
Temporary houses (mn)	20.21
Obsolescence (mn)	7.47
Congestion (mn)	11.30
Additional housing requirements (mn)	0.55
Total housing shortage (mn)	43.67

Interest Rate Scenario

The financial year 2012-13 started off with reduction in repo rates by 50 bps from 8.50% to 8% (monetary policy 17th April 2012). This was to give boost to growth which had fallen from peak levels of 8% GDP in 2007-08 to sub 5% GDP in 2012-13. RBI had always maintained a hawkish stand on account of inflation which was around 7.23% in April 2012 which was above the comfort zone of sub 5% of RBI.

There was no monetary action for the next eight months as stubborn inflation levels, rising oil prices impacting current account deficit, weakening rupee, etc., was on top of mind for policy makers. In December 2012, inflation levels were still high at 7.18%, which had a bearing on home loan rates for fresh

borrowers (interest rates rising to 11 - 12 percent). There was a significant decline in affordability (property price in relation to annual income) for new home buyers on account of a rise in property prices, lower income increase, rise in interest rates and higher inflation eating into disposable incomes.

The economic growth was in distress. Once inflation was showing signs of cooling in the last quarter of financial year 2012-13, RBI reduced policy rates marginally by 25 bps twice in early 2013. However tight monetary policy condition along with inflation and sluggish economic growth, most lending institutions remained risk averse and the falling interest rate benefit was not passed on to the borrowers. The job market uncertainty and lower disposable incomes also raised questions on the capability of the home loan borrowers to repay their loan.

In spite of having such a challenging environment, India housing credit outstanding reported a growth of 18% in 2012-13 (as against 17% in 2011-12) which was in line with ICRA estimates of 17-19% growth for financial year 2012-13.

Opportunities and Optimism

Rural demand: India possesses perhaps the largest rural population cluster in the world. Today, a staggering 12% of the world's population resides in India's rural areas. About 72% of India's population lives in 638,000 villages. In 2012, rural India accounted for 56 percent of India's income, 64 percent of the country's consumer expenditure and 33 percent of national savings.

Since 2000, India's GDP has grown faster in rural India (6.2%) than in urban centres (4.7%). Between 2010 and 2012, rural India spending was estimated at ₹ 373,566 crore, while urban consumers spent ₹ 297,770 crore. This spending was catalysed by higher incomes, higher population aspiration, improved education and better economic opportunities. The outlook continues to be positive: by 2025, annual real income per rural household is expected to grow from 2.8% of the past two decades to 3.6% over the next two decades.

Government initiatives: The Indian Finance Minister proposed a ₹ 2000 crore dedicated fund to build urban dwelling units and raised the allocation by 50% for rural housing units in the 2013 Union Budget. The Government proposed that a person taking a loan for the first home from a bank or a housing finance corporation would be entitled to a continuation of 1% interest rate subvention on home loans upto ₹ 15 lakh (for houses below ₹ 25 lakh), benefiting financiers. This deduction would be over and above the deduction of ₹ 1.50 lakh allowed for self-occupied properties under Section 24 of the Income Tax Act. If the limit was not exhausted, the balance could be claimed in assessment year 2015-16.

Population growth: India (1.27 billion) is the second most populous country, accounting for 17.31% of the world's population and expected to emerge as the most populous country by 2030 (1.53 billion).

Working population: India's proportion of the working age population (15-59 years) is likely to rise from around 58 per cent in 2001 to over 64 per cent by 2021. In absolute numbers, around 63.5 million people are expected to enter the working age group between 2011 and 2016. By 2030, India will have the youngest median age of 31.2 years, while China's will be 42.5 years. When most major economies will see a decline of working age adults (20-64 years), India is expected to see a significant rise in working age adults.

Age dependency ratio: The age dependency ratio (ratio of people younger than 15 to the working-age population of 15-64 years) was reported at 46.63 in 2011 (proportion of dependents per 100 working-age population) against 52.82 in 2004, indicating room for a larger disposable surplus.

Urbanization: Indian cities, towns and urban agglomerations added 91 million residents, a decadal growth of 31.8%. India's rural and total population grew at 12.3% and 17.7% respectively during the same period. As per census estimates, India is expected to add 371 million to its population between 2001 and 2026; with nearly 182 million people expected to be added in urban areas (49% of population growth).

Disposable incomes: The average Indian is earning more than ever. Estimates suggest that the private final consumption expenditure is expected to scale up from USD 790 bn in 2010 to USD 3.6 tn by 2020. The Indian per capita income increased 11.7 per cent in 2012-13 at ₹ 68,747 (₹ 61,564 in 2011-12).

Nuclear families: The increase in the number of middle-class nuclear families is estimated to be over 300 million. The average household size declined from 4.6% to 4.1% in the past decade with a corresponding increase in average dwelling sizes from 41 square metre per unit (sq. m/unit) to 48 sq. m/unit. India also has the highest proportion of couples with two children (or nuclear families) at 52 per cent, followed closely by Brazil and China at 49 per cent. Correspondingly, India has the least number of single-person households at 3 per cent, compared with 10 and 7 per cent for Brazil and China respectively.

Source: McKinsey, ENAM, World Bank, Economic Survey

Real estate growth drivers

Demand Pull Factor

- Robust and sustained macro-economic growth.
- Upsurge in industrial and business activities, especially new economy sectors.
- Favorable demographic parameters.
- Significant rise in consumerism.
- Rapid urbanization.
- Range of affordable financing options.

Impact

- Increasing occupier base.
- Significant demand for office/industrial space.
- Demand for entertainment, leisure and shopping.
- Demand for new housing.

Supply Pull Factor

- Policy and regulatory reforms (100 percent FDI relaxation).
- Positive outlook of global investors.
- Fiscal incentives to developers.
- Simplification of urban development guidelines.
- Infrastructure support and development initiatives by the government.

Impact

- Entry of domestic and foreign players; increasing competition and consumer affordability.
- Easy access to project financing options.
- Increased developer risk appetite leading to large scale development.
- Improved quality of real estate assets.
- Development of new urban areas and effective utilization of prime land parcels in large cities.

Competitive Strengths

Business of the Company, products and services

The Company leveraged the following strengths with the objective to drive loan book and profitability growth, while protecting asset quality:

- Recognised pan-India brand with an established track record
- Experienced senior management
- Direct customer contact and customer ownership
- Superior service, transparency and speed
- Focus on relatively under-penetrated markets and segments
- Robust risk management systems and processes
- Low operational cost
- Periodic introduction of home loan products and value-added services
- Widening reach (India and abroad)

The Company offered the following products:

Housing Loans: Purchase of new flats, purchase of resale flat, self-construction, extension, improvement and project loans.

Non-Housing Loans: Loans against property, lease rental financing and purchase of commercial premises.

Wholesale Lending: Includes Project Loans to developers for Residential and Commercial Projects and few Mortgage Loans to Corporates/Individuals. Project Loans are offered to companies, partnerships and other firms to part-finance the construction of residential and commercial complexes. Borrowers avail these loans upto amounts determined on the basis of maximum shortfall in cash flow for a project until completion. These loans are disbursed in suitable instalments benchmarked against a schedule of construction progress which is monitored in-house on an on-going basis till project completion. While the tenure of these loans are case-specific depending upon the duration of construction, these loans are repayable through sale proceeds of the project inventory all along during the period of construction.

Such loans are fully secured with an adequate security cover by way of registered or equitable mortgage of the project land alongwith construction thereon and hypothecation of receivables from the project. The Company generally ensures securing the loans additionally, by obtaining personal guarantee(s) of the promoter(s)/partner(s)/director(s) of the borrowing firm/ Company. Other collaterals for the loan may include mortgage of personal property(ies), additional land, building(s) and/or pledge of shares, of/by the developer.

Further Initiatives

The Company intends to grow its loan book, income and profits through the following initiatives:

- Deepening reach in existing regions and expanding to new regions
- Continued focus on under-penetrated markets
- Protecting high asset quality through a sustained risk management priority
- Accessing low cost, diversified fund sources
- Maintaining low operating costs.

Extensive industry experience: The Company, engaged in the housing finance business since 1984, possesses rich experience in customized products and value-added customer benefits. The Company enjoys a three-decade presence in India's home finance industry resulting in superior brand recall and long-term partnerships. The Company tied up with corporate clients and co-operative societies to cater to the housing finance needs of their employees and members.

Marketing and distribution: The Company focused on direct and localized advertising through loan camps and word-of-mouth referrals. The Company's customers also include 'walk-in' borrowers or existing borrower referrals. The Company's branch offices acted as points of customer contact, sourcing loans, conducting preliminary credit worthiness checks of prospective customers, providing documentation assistance, disbursing loans and monitoring repayments / collections. This approach allowed the Company to build direct personalized customer contact leading to enduring loyalty, brand building, customer accretion and low loan appraisal errors.

The Company targeted the under-served low and middle income population, the focus of the Government's inclusive growth agenda. 'Affordable Housing for All' is an important policy; the Ministry of Finance promotes rural housing finance in the LMI segment through Rural Housing Fund and Golden Jubilee Rural Housing schemes with concessional interest rates to lending institutions for onward rural housing loan re-financing. The Company believes that its growing presence in this segment will enable it to fulfil its social obligation without compromising on its Balance Sheet, capitalising on the government's sectoral agenda.

The Company also strengthened its business by means of inorganic growth. The amalgamation of First Blue Home Finance Limited "First Blue" with the Company will progressively help expand the existing customer base, address the upper-middle income segment and make inroads into hitherto untapped areas.

Focus on relatively under-penetrated markets and segments:

The Company targeted relatively under-penetrated markets. The housing finance business was run through a 'hub and spoke' structure; the centralized hub connected to its strong marketing and distribution network with a 296 location presence across India as at 31st March, 2013; 166 branches, 75 service centres, 31 camp locations, 18 zonal and regional offices, 2 disbursement hubs and 4 collection centres and 2 international representative offices.

The Company commissioned international representative offices in London and Dubai to address non-resident Indian needs. This alliance makes it possible to offer home loan products through various UAE Exchange centers in GEC countries. The Company entered into tie-ups with various commercial banks; its tie-ups with commercial banks provided access to their customer database and extensive branch network while providing these banking partners with the option to participate in our loan syndication programmes. The Company's partners comprised Punjab & Sind Bank in northern India, United Bank of India in eastern India, Central Bank of India in Central India and Yes Bank Ltd. across India. The amalgamation of First Blue with DHFL, also enabled the Company to extend its services to the higher income segment customer, whilst retaining its focus on the Lower and Middle Income (LMI) category.

The Company concentrated on lending LMI segments. It developed robust credit appraisal mechanisms to target unconventional customer classes (entrepreneurs, traders and rural employed professionals, among others) as opposed to banks and other HFCs focusing on conventional customers (organized, salaried and mid-to-high-income customer segments) with relatively easier credit appraisal and wider financing forms.

Focus on quality customer servicing, transparency and speed of operations: The Company's branch offices served as customer interfaces where face-to-face meetings helped branch personnel explain loan products, interest rates, fees, charges, distinguishing features, appraise credit appraisal and disburse funds. This approach reduced the possibility of mis-selling loans to customers and reducing dispute prospects.

The Company's branch offices coordinated with the head office and external agencies (independent empanelled lawyers and valuers, among others) during the credit appraisal process leading to speed and transparency. For instance, while loan camps were conducted by our branch staff, our head office executives assisted in credit evaluation and general functioning. Once the loan application and accompanying transaction documents (including reports from external agencies) were submitted to branch offices, they were transmitted online to the centralized (head office) credit appraisal team in real time leading to a quick turnaround and lower costs. The Company's centralized depository stored original loan documents, which enabled it to expeditiously release title deeds to borrowers following loan repayment. In the Company's conviction, this process transparency and operational speed enhanced customer satisfaction and reputation.

Robust systems and processes: The Company's robust multi-functional risk management - loan origination, credit appraisal, loan disbursement, and collection and recovery – strengthened working. Some key systems and processes comprised:

- Personal interview by branch manager
- Site visits
- Scrutiny of income documents and obtaining encumbrance certificates
- Estimation of property value backed by valuation certificate from independent and empanelled valuers

- Obtaining legal opinion on title deeds
- Linking loan quantum to property value and borrower income (LTV and IIR ratios - IIR being the ratio of the monthly installment to the total monthly income of the borrower and LTV being the ratio of the loan value to the appraised value of the security). The borrower was eligible to take a loan up to the amount as arrived by a standardized calculation.
- Linking interest rates to credit score
- Mandatory site visits in the case of under-construction property loans
- Periodic branch inspection (formal or informal) by head office personnel
- Visits by branch and head office personnel for the recovery of non-performing loans, and
- Strong controls (loan approval limits, customers have no contact with credit appraisal team, among others).

The Company's risk management systems and processes strengthened asset quality. The gross NPA as at 31st March, 2013 stood at 0.71% and as at 31st March 2012 was 0.76%. The Company's risk management robustness was showcased through the quantum of loans and other receivables (4.94 crore) written off in the year 2012-2013 – a mere 0.01% of the total loan portfolio.

Low cost operations: The Company operated viable branches in Tier 2 and 3 cities along with that in Tier 1 locations with an extensive knowledge of local realities and customer needs. The centralization of the credit appraisal function helped reduce administrative costs.

Professional management: The Company created a professionally-managed Board to oversee and guide strategy and operations. The Company's Board constituted sub-committees comprising of Directors for timely decisions and effective governance. The members of Company's management team and employees were drawn from diverse backgrounds (credit evaluation, risk management, treasury, technology and marketing), which translated into a cross-functional competence.

Centralized and modern technology platform: The Company's branch offices were linked to a central server, strengthening service, efficiency and cost-effectiveness. The Company invested in cutting-edge technologies that facilitated real-time access to an online centralized credit information database. An increased marketing focus, technology upgrades and network expansion enhanced product focus.

Reduction of funding costs: The Company diversified its funding source to optimize fund costs, protect margins and enhance liquidity. These funds were sourced at competitive rates from banks, NHB re-financing, public deposits and non-convertible debentures.

Enhancing operations: The Company expects to reduce operating costs as a percentage of its top-line through efficient utilization of technical, people and infrastructure resources leading to revenue growth and enhanced productivity. The Company leveraged employee competence for business origination and high asset quality, leading to savings on recovery costs. During the year under review, a separate operation team was created to manage post- credit appraisal and sanction process to address business growth. The operations team processed documents covering legal and technical reviews. It focused on handling disbursements and managing relationship across the transaction life cycle and mediated issues with builders wherever necessary.

A separate customer service team was created from within the operations team to enhance customer satisfaction. The Company embarked on the process to create a standard checklist and inward-outward tracking with the objective of ensuring disciplined standardisation.

Strong collections team: The competence in collections management is critical to DHFL as it lubricates finances with a regular inflow, rationalizes the need for external debt and hence, widens the net interest margin. The Company's zonal recovery management team monitors branch performance and its legal team guides the collection team in recovering challenging loans. The Company's competence was reflected in its collection

efficiency of 94%, considered credible considering that 70% of the business catered to the LMI segment in India's semi-urban and rural areas. Over 65% customers paying through post-dated cheques were converted to the ECS format, enabling auto credit. The Company also initiated direct debit facility which helped in payment being directly transferred from the customer to the Company's bank account.

Credit: In a sector where 70% of the business is derived from LMI customers in rural and semi-rural India with limited documented proof of their incomes, credit appraisal becomes critical to business success. Over 96% of the Company's customers are first-time borrowers. As a part of operating discipline, the Company created an approved lending policy targeting customers, preferred geographies, builders and defined indicators (debt burden ratio, loan-to-value ratio). The Company strengthened its credit management through prudent recruitment and branch credit managers handpicked from within command areas to facilitate an accurate customer appraisal.

Weaknesses

Competitive lending rates: The Company addressed competition from other organisations in the Indian housing financing industry, including (without limitation to) scheduled commercial banks and other housing finance companies (existing and emerging). The Company's competitiveness will be derived from its ability to mobilise low cost funding and lend with an attractive delta to maintain profitability.

Home loans are getting standardized; terms like waiver of prepayment penalty, floating rate interest options, lower processing fees and monthly rest periods are becoming common. The Company will operate, within the Regulatory norms and shall not compete on issues which could stagger growth.

Absence of level playing field: Since private housing finance companies operated under a different set of regulations compared to commercial banks, they were affected by the relative inability to mobilise low cost funds and compete on interest rates, consequently affecting their market share.

Outlook, 2013-14

During 2013-14, the Company proposes the following:

- Expand operations through new business centres
- Widen distribution through the appointment of agents
- Incentivize and motivate marketing intermediaries
- Mobilise debt at attractive rates and terms
- Strengthen the existing Risk Management System
- Strengthen lender relationships with the objective to reduce overall fund cost
- Improve recovery ratio and eliminate NPAs
- Review lending rates at quarterly intervals, passing on benefits of declining rates to customers
- Strengthen the Information Technology platform with the objective to provide prompt and effective service
- Invest in brand building to enhance corporate and product awareness
- Engage in competitive loan pricing to attract more customers

Risk Management

Risk management is a business facilitator by making more informed decision with balanced risk-reward paradigm. The Company follows a disciplined risk management process and has been taking business decisions, ensuring growth and balancing approach on risk reward matrix.

There are mainly three types of risk associated with our business as under:



Credit risk

A risk of loss due to failure of a borrower/counterparty to meet the contractual obligation of repaying his debt as per the agreed terms, is commonly known as risk of default.

Risk mitigation

- Credit risk is being managed using a set of credit norms and policies. There are defined roles and responsibilities for originators and approvers. All credit exposure limits are approved by a defined credit approval authority.
- There is a structured and standardized credit approval process including a comprehensive credit risk assessment process, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower.
- Company's credit evaluation and credit portfolio management methodologies are designed to ensure consistent underwriting and early identification of problematic loans using techniques like early default analysis, product analysis, probability of default (PD) etc.
- Company has developed internal legal and technical evaluation teams to make credit decisions more robust and in line to manage collateral risk.
- Company follow a process of time- to- time revisiting the credit policy and processes, on the basis of experience and feedback.
- Company has adopted a concept of Regional Processing Unit (RPU) for the purpose of bringing uniformity and evading local subjectivities in credit appraisal and credit delivery process. The branch acts as a sourcing point and RPU acts as a centralized operations centre for a set of branches.
- Independent internal audit team conducts a regular review of credit files on a sample basis to ensure adherence to policies and processes.
- Company is having a dedicated collection and recovery team to manage lifecycle and monitor the credit quality.
- An active process of portfolio analysis is used to identify the product related potential risks and decisions are taken to carry-on or drop the product on that basis.

Operational risk

Any eventuality arising from the act relating to people, technology, infrastructure and external factors, which can give rise to some type of loss in the organisation is termed as Operational Risk. Majorly it is internal and unknown therefore continuous watch and gathering the symptoms/warning signals is the methodology to manage Operational risk.

Risk mitigation

- The Company has a robust technology platform, which addresses systems and processes undertaken.
- The management of operational risk is carried out through a comprehensive system of internal controls, documented delegation of authority, separation of duties between key functions and detailed standard operating procedures. To have more focussed and systematic approach, separate vertical as Operations Department is put in place which is responsible for credit delivery, life cycle and other operations in the branch
- Inputs from Recovery, audit reports, vigilance reports and customer grievances are analysed to identify the failures and potential threats and the actions are taken to ward off the recurrence of such events.

Market risk

This is majorly external market dynamics, which give rise to Risks like Liquidity risk, Interest Rate risk and funding risk.

Liquidity and Funding risk

Liquidity risk is the inability to meet financial obligations in a timely manner and without stress. Funding risk is the market situation which can behave adversely for raising funds from the sources like banks, FIs, NHB, etc. These both risks are interdependent and therefore continuous watch on their movement and acquisition of assets and liabilities is the prime risk control mechanism. Asset Liability Management Committee (ALCO) is in place to handle these risks.

Risk mitigation

- The Company possesses a diversified borrowing basket among different lenders like banks, financial institutions, National Housing Bank, to reduce its dependence on a single fund provider i.e. to mitigate funding risk.

- ALCO monitors structural liquidity mismatches between assets and liabilities on projected cash flow basis and reviews the open credit lines available with banks to manage liquidity risk.
- As contingency plan Company maintains sufficient approved but un-drawn credit lines on a continuous basis as buffer to manage eventuality of liquidity constraints.
- Company enjoys good credit rating thus making it a preferred lending partner amongst banks and financial institutions.
- For its established quality credit portfolio, Company is a preferred source for securitisation market and is a potent source of funds for the Company to keep growing and contributing to bottom line. This is one of the major mitigate for funding risk.

Interest rate risk

Interest rate fluctuations in the market make impact on the rate sensitive assets and liabilities thus translate into the squeeze on Net Interest Margin (NIM) i.e. bottom line.

Risk mitigation

- The Company as a strategy optimises its borrowings between short-term and long-term debt as well as floating and fixed rate instruments.
- The Company as a strategy maintains the loan book sufficiently balanced in terms of market linked interest fluctuations and keeps revising its benchmark rates.
- ALCO, an executive level committee comprising senior officials from operations, treasury, finance and accounts departments, periodically reviews the treasury operations and the pricing of products at specific intervals.

Company is compliant in terms of regulatory norms and therefore effectively manages regulatory risk. Effective Customer redressal mechanism and fair practices keep legal risk under control.

The Company has processes in place, to manage the risk of fraud and the suspected frauds are reported, wherever necessary.

For comprehensive and focussed approach on risk management, a dedicated Risk Department has been instituted at its corporate office.

Internal Audit and Compliance

The Company's internal control system was commensurate with its size and business nature. The system minimized operational risks through effective control, systemic review and on-going audit. The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings referred to the Audit Committee of the Board.

The Audit Committee comprises of independent qualified Directors. Monthly branch audit reports indicated improvement areas and checking points. Following the First Blue Home Finance Limited amalgamation, audit practices were redefined, incorporating respective best practices. Consultants were appointed to evaluate existing audit functions (post merger) with the objective to benchmark them to the best global practices. The Company intends to conduct quarter wise audits to strengthen controls further.

The Company internalised its legal and technical appraisal functions to ensure optimum control. The Company's multi-level authorisation structure ensured that higher exposure levels were duly authorised by personnel and committees with requisite experience and authority. Training programmes and guidelines helped implement linkage between goals and operations.

Financial Analysis of Operations

The Scheme of Amalgamation of First Blue Home Finance Limited and DHFL Holdings Private Limited with the Company under Sections 391 to 394 of the Companies Act, 1956 was sanctioned by Hon'ble High Court of Bombay vide Order dated 27th July, 2012 and Hon'ble Delhi High Court dated 4th January, 2013. Thus, the standalone figures of the previous year (2011-12) are not comparable with the figures of financial year 2012-13.

Funding Sources

Financial Year 2012-13 turned out to be a year of reckoning for most countries. Indian economy however started showing revival during the later half of the year. Keeping in mind the inflationary trend and to boost the country's economy Reserve Bank of India had reviewed its monetary policy by reducing the key rates.

The Company contained its borrowing costs through prudent asset-liability management. Some of these measures comprised the diversification of funding sources, tenure optimization, structured interest rates and prudent borrowing timing.

The Company diversified its funding sources with the objective to reduce fund costs, report an adequate net interest margin and enhance liquidity. As of 31st March, 2013, the Company's funds source comprised 70% from banks and financial institutions, 7% from NHB re-financing and 23% from money market instruments.

Term Loans from Banks and Financial Institutions

During the year under review, the Company raised ₹ 8,530.13 crore by obtaining term loans from banks and financial institutions. As at 31st March, 2013, the total term loan outstanding stood at ₹ 22,522.07 crore.

Refinance from National Housing Bank (NHB)

During the year under review, the Company availed an amount of ₹ 787 crore under the National Housing Banks's Refinance Scheme. The total outstanding stood at ₹ 2,181.29 crore.

Non-Convertible Debentures

During the year under review, the Company mobilised ₹ 1296 crore through the issue of Secured Non-Convertible Debentures on a private placement basis. The Company's NCD issues were listed on the Wholesale Debt Market segment of the NSE & BSE.

Subordinated Debt

During the year under review, the Company mobilised ₹ 310.50 crore through the issue of long-term Unsecured Redeemable Non-Convertible Subordinated Debentures. As at 31st March, 2013, the Company's subordinated debt stood at ₹ 1141.50 crore. The debt is considered as Tier II under the guidelines issued by the National Housing Bank (NHB).

Perpetual Debt Instrument (PDI)

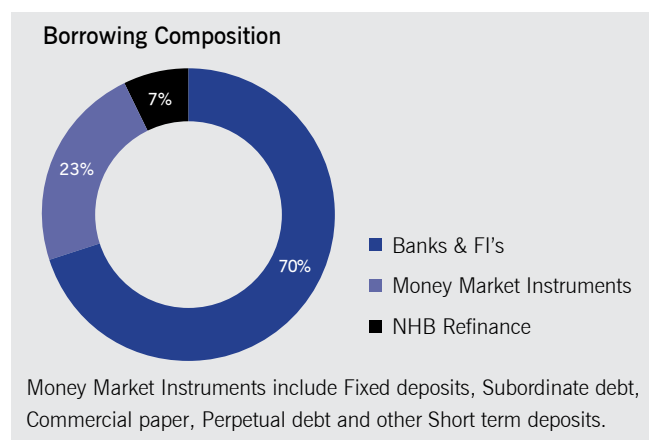
During the year under review, the Company mobilised capital aggregating ₹ 25 crore through Perpetual Debt Instrument (PDI). The mobilization of this helped the Company to sustain growth and has strengthened its leverage position. The outstanding as at 31st March, 2013 stood at ₹ 150.20 crore.

Commercial Paper

The Company issued commercial paper aggregating ₹ 4,214.63 crore during the year under review. The amount outstanding at the end of the year was ₹ 525 crore.

Fixed Deposits

The Company's outstanding retail liability i.e. public deposits were at ₹ 1,923.72 crore as at 31st March, 2013 compared to ₹ 938.81 crore as at 31st March, 2012. The spectacular growth has increased the investors footprint, taking the customer account numbers with year on year growth of 89%.



Lending Operations

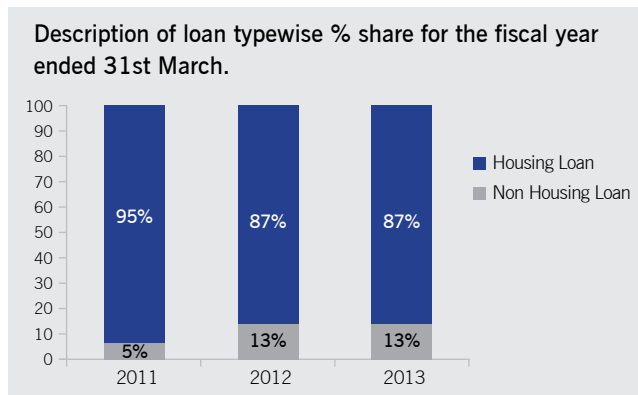
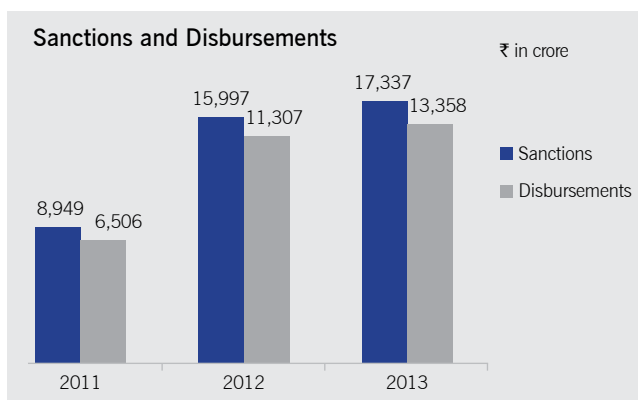
In 2012-13, India experienced a slowdown in its economy and GDP growth, muted FDI flows, rising inflation, fluid stock market, hardening interest rates and negative real estate sentiment growth of about 15 per cent in 2012-13 compared to 25-30 per cent earlier.

The competition notwithstanding, the Company's performance in 2012-13 was noteworthy. Loan sanctions during the fiscal year ended 31st March, 2013 were ₹ 17,336.85 crore as against ₹ 15,997.40 crore (consolidated) in the previous fiscal year. Loan disbursements during the fiscal year ended 31st March, 2013 were ₹ 13,357.73 crore as against ₹ 11,306.57 crore (consolidated) in the previous year.

Cumulative loan disbursements (from inception to 31st March, 2013) reached ₹ 42,162.73 crore. The loan book amounted to ₹ 33,901.72 crore as at 31st March, 2013.

Home loan disbursement was ₹ 11,196.06 crore, Non Housing Loan was ₹ 2,161.67 crore.

During the year under review, the Company financed ₹ 1815.03 crore for 21,107 units against the target of 15,300 units by the National Housing Bank under the Golden Jubilee Rural Housing Finance Scheme of the Government of India.



Sale/Assignment of Loans

During the year, the Company sold / assigned a pool of housing loans aggregating to ₹ 322.42 crore. The Company has also securitized pools of housing loans amounting to ₹ 364.08 crore through pass through certificate.

Provision for Contingencies

As per NHB requirements, the Company has made additional contingency provisioning requirement by utilizing excess reserve created in the earlier year and by making further provision during the year. As a matter of prudent risk management and based on

experience, the Company has created on its own in the past, additional reserve on its standard assets towards contingencies. The Company has made additional provision of ₹ 13.75 crore during the year.

Fixed Assets

Net Fixed Assets as at 31st March, 2013 amounted to ₹ 437.93 crore, as against ₹ 256.20 crore (consolidated) in the previous year.

Investments

The decision to invest/disinvest was in line with the limits set out by the Board up to the approved limit delegated to the Chairman & Managing Director, who was assisted by senior executives. The investment function supported the core business of housing finance to ensure adequate liquidity and maintain statutory liquidity. As at 31st March, 2013, the investment portfolio stood at ₹ 275.02 crore as against ₹ 462.75 crore in the previous year.

Housing Finance Companies (HFCs) were required to maintain a statutory liquidity ratio (SLR) with respect to mobilised public deposits. The SLR requirement was 12.50% of public deposits. As on 31st March, 2013, the Company invested ₹ 106.34 crore in bank deposits and ₹ 103.81 crore (book value - gross) in approved securities comprising government securities and government-guaranteed bonds. The Company classified its investments across current and long-term investments. In respect of long-term investments, provisions were made to reflect permanent diminution in investment value.

Disinvestments in Subsidiary Companies

As required by NHB, the Company divested its holding in Aadhar Housing Finance Private Limited by bringing it down to less than 15%.

Disinvestments were made in First Blue Financial Consultants Ltd. during the year under review and as a result, First Blue Financial Consultants Ltd. is no longer a subsidiary of the Company. As on the date of this report, the Company does not have any subsidiary Company.

Results of Operations

Income

The Company's income remained largely steady in spite of an increase in interest rate and borrowing cost. The gross income for the year under review was ₹ 4,140.36 crore.

Interest and Other Charges

India's interest rates hardened in 2013, its banks/financial institutions increasing their lending rates. As a result, the Company's interest outflow on loans and other charges was ₹ 3,119.36 crore in 2012-13.

Net Profit

The operating profit before charging depreciation and tax amounted to ₹ 619.14 crore in 2012-13. Profit Before Tax (PBT) was ₹ 610.68 crore in 2012-13 while Profit After Tax (PAT) was ₹ 451.85 crore.

Earning Per Share

The earning per share (basic) was ₹ 38.47 in 2012-13.

Human Resources

By virtue of an enduring industry presence, DHFL represents a rich body of sectoral knowledge covering terrains, people, credibility, professions, income patterns, social dynamics, loan yields and mobilisation, among others.

Since human resources catalyse performance, the Company's performance management system improved staff capabilities across leadership, team building, knowledge accretion and productivity.

The Company offered eligible employees the right to participate in the employee stock option scheme, motivate them to perform better.

As at 31st March 2013, the Company's (merged entity) team size was 1736 members.

The Company has a periodic investment in training in terms of a specific number of days per year per person and focused classroom orientation with the objective to grow leaders from within. The L&D team comprises 16 trainers, and an annual calendar depending on branch needs.

The Company conducted on-the-job coaching and training across functional areas. Internal as well as external training and seminars on risk management, regulatory know-your-customer guidelines, anti-money laundering and Fair Practices Code were arranged for the executives.

The Company is working towards establishing 'Centres of Excellence' to reinforce training through alliances with educational institutes, thereby creating a customised talent pool. The Company evolved performance appraisal from rating-based to a budget-based approach, where performance is appraised on the basis of not only what people delivered but how they did so (emphasising process orientation and behavioural demonstration). Going ahead, the Company plans a 360-degree development programme for Senior Management.

Information Technology

During the year under review, the Company invested in business-integrating software solutions and upgrading infrastructure (high availability servers and network equipment).

DHFL invested a cumulative ₹ 8 crore in IT during the financial year ended 31st March, 2013 with the objective to accelerate organisational efficiency, integrate processes, minimise manual and duplication and enhance productivity.

A decline in manual intervention has enhanced information accuracy, reduced rework, eliminated process duplication, rationalised the turnaround time in responding to loan requests and strengthened the MIS with real-time transparency leading to proactive remedial action.

The Company's core application is being revamped following DHFL's integration with erstwhile First Blue, integrating the best features from both organisations on a common application platform. Following the amalgamation of First Blue Home Finance Ltd., the Company is ensuring a seamless transition for erstwhile First Blue customers/deposits.

Going ahead, the Company intends to invest in a new Data Centre Environment around the highest data and equipment security, server optimization and holistic software applications (covering human resources, general ledger, customer relationship management, wealth management and treasury functions). The Company expects that these investments will translate into increased customer convenience, lower customer complaints and quicker turnaround.

Cautionary note

This annual report contains forward-looking statements and information identified by words 'plans', 'intends', 'will', 'anticipate', 'estimates', 'expects' and so on. Such statements are based on our current expectations and certain assumptions, which are subject to certain risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results could vary. DHFL does not intend to assume any obligation or update or revise these forward-looking statements in light of developments, which may differ from those anticipated.

directors' report

Dear Shareholders

Your Directors have pleasure in presenting the 29th Annual Report of your Company and the Audited Financial Statements for the year ended 31st March, 2013.

Financial Results

The Financial performance of the Company for the year ended 31st March, 2013 is summarized below: -

(₹ in Crore)

	2012-2013	2011-2012
Gross Income	4,140.36	2,469.68
Less : Interest	3,119.36	1,799.23
Overheads	401.86	267.37
Depreciation	8.46	4.72
Profit before Tax	610.68	398.36
Less : Provision for taxation	158.83	92.00
Profit after Tax	451.85	306.36
Add : Balance b/fd from the previous year	128.85	69.97
Addition on Amalgamation	153.60	—
Surplus available for appropriations	734.30	376.33
Appropriations		
Transferred to Special Reserve under		
Section 36(1)(viii) of the Income Tax Act, 1961	100.00	100.00
Transferred to General Reserve	200.00	100.00
Dividend for Earlier Year	0.08	0.08
Interim Dividend	23.42	--
Proposed Equity Dividend	38.47	40.89
Tax on Dividends	10.05	6.51
Balance carried over to Balance Sheet	362.28	128.85
Total	734.30	376.33

The figures of the financial year 2012-13 include the results of the two erstwhile subsidiaries of the Company namely First Blue Home Finance Limited (a Housing Finance Company) and DHFL Holdings Private Limited, consequent upon their amalgamation with the Company. Accordingly, the standalone figures of the previous year (2011-12) are not comparable with the figures of financial year 2012-13.

Amalgamation of Subsidiaries

In terms of the Scheme of Amalgamation ("the Scheme") of First Blue Home Finance Limited (First Blue) and DHFL Holdings Private Limited (DHFL Holdings) with the Company, as sanctioned by the Hon'ble High Courts of Bombay and Delhi, which became effective from the closing hours of 31st January, 2013, with Appointed Date as 1st April, 2011.

- First Blue and DHFL Holdings, both subsidiaries of the Company were amalgamated with the Company and the entire business and whole of the undertaking of the said transferor companies stood transferred to and vested in the Company;
- The shareholders of erstwhile First Blue were issued and allotted in aggregate 1,08,86,375 Equity Shares of ₹ 10/- each fully paid-up in the Company, in the ratio of 10 equity shares of ₹ 10/- each fully paid-up in the Company for every 97 equity shares of ₹ 10/- each fully paid-up in First Blue, at a premium of ₹ 311.50 per equity share;
- 21,99,45,206 equity shares of ₹ 10/- each representing, 67.56% of the paid-up share capital of First Blue, held by DHFL Holdings stands cancelled upon the Scheme becoming effective;
- The Equity Shares held by the Company in DHFL Holdings were cancelled without any exchange of shares in the Company, as its entire paid-up share capital was held by the Company;
- Consequent to the Scheme becoming effective, First Blue and DHFL Holdings stood dissolved without winding up.

Performance

Your Company is engaged in the challenging exercise of strengthening its brand across locations, products and market cycles. Your Company showcased this capability in the challenging year 2012-13; even as prevailing realty price lines were either sluggish or declined, your Company continued to command realisations higher than the sectoral and retrospective averages.

The Indian real estate market size is expected to touch US\$ 180 billion by year 2020. Recent growth in the Indian economy has stimulated demand for land and developed real estate across the country. Demand for residential, commercial and retail space is rising throughout India, accompanied by increased demand for hotel accommodation and improved infrastructure. Though a slackened trend is noticed at times, the overall picture seems to be robust.

Global economic uncertainties have affected India's economy, including the real estate market. Macroeconomic indicators such as fiscal deficit and interest rates are high, while the rupee is depreciating. All this does not bode well for any industry, especially real estate. High prices and interest rates have acted as dampeners. Demand has been stagnating in a few cities, even as supply remains high. Investors as well as end-users have been showing signs of weariness. Repeated increases in interest rates have led to a decline in sale of residential properties.

Flow of funds is a concern for developers. Real estate developers are reeling under high debt and foreign direct investment inflows have slowed.

The growth of the Indian economy is one of the fastest all over the world. This factor directly influences the real-estate sector of India. Major cities like Delhi NCR, Mumbai, Hyderabad, Chennai, Bangalore, Pune and Kolkata are greatly affected by the growth of Indian economy.

Therefore despite a number of challenges, your Company has managed to rake in substantial amount of revenues. The operating profit before charging depreciation and tax stood at ₹ 619.14 crore and Profit after Tax at ₹ 451.85 crore. The EPS improved to ₹ 38.47 as against ₹ 28.97 of the previous year.

The Company's core business is providing housing finance. It also has associate companies which are involved in business verticals such as insurance and property services which are intimately intertwined with the core services meted out by the Company, thereby providing a gamut of financial products and services to the customers approaching DHFL.

Lending Operations

The housing /other property loans sanctioned during the year ended 31st March, 2013 were to the extent of ₹ 17,336.85 crore and disbursements were ₹ 13,357.73 crore as against ₹ 15,997.40 crore and ₹ 11,306.57 crore (consolidated), respectively in the previous financial year.

The cumulative loan disbursements of the Company since inception were ₹ 42,162.73 crore.

Sale / Assignment of Loans

During the year, your Company has sold/securitised a pool of housing loans aggregating to ₹ 322.42 crore. Your Company will, however, continue to collect the interest and EMI payments on these loans on behalf of the acquirer of the loans and remit the same after retaining its portion in terms of the individual agreements.

During the year, your Company has also securitised a pool of housing loans comprising of 2,536 numbers of individual residential housing loans amounting to ₹ 330.98 crore spread in several states and transferred to a SPV Trust Series A1 Pass Through Certificate (PTCs) rated as ICRA AAA (SO) [pronounced as ICRA Triple A] and subscribed by various investors.

Instruments through which loans have been sold / assigned have been rated by external credit rating agencies and carry a rating indicating the highest degree of safety regarding timely servicing of financial obligations.

Simultaneously, your Company subscribed an amount of ₹ 33.10 crore in Series A2 Pass Through Certificate (PTCs) rated as ICRA A-(SO) [pronounced as ICRA A minus]. The said PTCs are redeemable after the extinguishment of Series A1 PTCs with aggregate tenure of 282 months.

Loan Book

As at 31st March, 2013, the loan book stood at ₹ 33,901.72 crore as against ₹ 25,468.22 crore (consolidated) in the previous year.

Dividend

Considering the excellent performance during the year under review, your Directors have recommended a final dividend for the year ended 31st March, 2013 of ₹ 3.00 per equity share

i.e. 30 per cent on 12,82,18,709 equity shares, including 1,08,86,375 equity shares of ₹ 10/- each fully paid-up, allotted to the shareholders of erstwhile First Blue Home Finance Limited pursuant to the Scheme of Amalgamation. This is in addition to the interim dividend of ₹ 2.00 per equity share i.e. 20 per cent already paid on 3rd November, 2012. The total dividend for the financial year 2012-13 will be ₹ 5.00 per equity share i.e. 50 per cent as compared to ₹ 3.50 per equity share (35 per cent) for the previous year ended 31st March, 2012. The final dividend payable shall be subject to the approval of the shareholders at the ensuing Annual General Meeting. The total outgo on account of dividend (including dividend distribution tax) will be ₹ 72.02 crore as against ₹ 47.48 crore in previous financial year.

The dividend on Equity Shares, if declared at the Meeting, will be paid to those members, whose names shall appear on the Company's Register of Members on 15th July, 2013. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

In terms of Listing Agreement, your Company has also paid dividend of ₹ 8 lakh to the new shareholders on account of Final Dividend for the year 2011-12, as those shares were allotted prior to the record date for the dividend payment and after the date of previous year balance sheet.

Equity shares that may be allotted under Employee Stock Option Schemes before the date of the book closure for payment of dividend shall rank pari passu with the existing shares and shall be entitled to receive the dividend for the financial year 2012-13.

Transfer to Investor Education and Protection Fund (IEPF)

In terms of Section 205C of the Companies Act, 1956, the amount (dividends / deposits, etc.) that remained unclaimed/unpaid for more than 7 years from the date it became first due for payment, shall be transferred to IEPF.

The Company has been intimating the shareholders / depositors/ investors to lodge their claim for payments due, if any, from time to time and such information is being mentioned in the Annual

Report every year. Such claims as and when received have been settled. Despite constant and sincere efforts to pay the unclaimed dividend / deposits / interest thereon to such shareholders / depositors / investors, certain amount still remains unclaimed.

Unclaimed Dividend

As required under Section 205C of the Companies Act, 1956, during the year, your Company has transferred unclaimed dividend of ₹ 6.29 lakh for the financial year 2004-2005 and ₹ 5.79 lakh unclaimed Interim Dividend for the financial year 2005-2006 to Investor Education and Protection Fund (IEPF) established by the Central Government. As per Section 205B of the Companies Act, 1956, no claim would lie against the Company or the said fund after the transfer.

Unclaimed Deposits

During the year, in terms of Section 205C of the Companies Act, 1956, an amount of ₹ 5 lakh was transferred to IEPF being unclaimed/unpaid deposits along with interest thereon of erstwhile First Blue Home Finance Ltd., that remained unclaimed/unpaid for a period of 7 years from the date it became first due for payment.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, your Company has uploaded the details of unpaid and unclaimed dividend/ fixed deposit amounts lying with the Company for the last seven (7) financial years on the Company's website and has also filed the same with the Ministry of Corporate Affairs. Shareholders/ Depositors who have not yet claimed the previous year dividend/ fixed deposit amount / interest thereon may write to the Company and/or to the Company's Registrar and Share Transfer Agent.

Authorised Share Capital

In terms of the Scheme of Amalgamation ("the Scheme") sanctioned by the Hon'ble High Courts of Bombay and Delhi, the Authorised Share Capital of First Blue Home Finance Limited and DHFL Holdings Private Limited, the Transferor Companies stands combined with that of your Company. Consequently, the Authorised Share Capital of the Company stands increased from

₹ 2,50,00,00,000 (divided into 17,50,00,000 Equity Shares of ₹ 10/- each and 7,50,00,000 Redeemable Non Convertible Preference Shares of ₹ 10/- each) to ₹ 8,28,00,00,000 (divided into 74,80,00,000 Equity shares of ₹ 10/- each, 7,50,00,000 Redeemable Non Convertible Preference Shares of ₹ 10/- each and 5,00,000 Redeemable Non Convertible Preference Shares of ₹ 100/- each.)

Paid-up Share Capital

During the year under review, your Company allotted equity shares as per details given below:

(a) Allotment of Equity Shares under Employee Stock Option Schemes (ESOS)

During the year under review, your Company allotted in tranches 4,92,353 equity shares of ₹ 10/- each upon exercise of stock options to the eligible employees of the Company under the Employee Stock Option Scheme – 2008 and 2009.

(b) Allotment of Equity Shares pursuant to the sanctioned Scheme of Amalgamation

Pursuant to the order dated 27th July, 2012, passed by the Hon'ble Bombay High Court and order dated 4th January, 2013, passed by Hon'ble Delhi High Court, and in terms of Scheme of Amalgamation of First Blue Home Finance Limited (First Blue) and DHFL Holding Private Limited with the Company, the Committee of the Board of Directors at its meeting held on Wednesday, 20th March, 2013, allotted 1,08,86,375 (One Crore Eight Lakh Eighty-Six Thousand Three Hundred and Seventy Five) equity shares of ₹ 10/- each at a share premium of ₹ 311.50 per equity share to the eligible shareholders of First Blue in the share exchange ratio of 10 (Ten) equity share of ₹ 10/- each of DHFL for every 97 (Ninety Seven) equity share of ₹ 10/- each held in First Blue.

In view of above, the issued, subscribed and paid-up equity share capital of the Company stands increased to ₹ 128,21,87,090 divided into 12,82,18,709 equity shares of face value of ₹ 10/- each.

Resource Mobilisation

Financial Year 2012-13 turned out to be a year of reckoning for most countries. Indian economy however started showing revival during the later half of the year. Keeping in mind the inflationary trend and to boost the country's economy Reserve Bank of India had reviewed its monetary policy by reducing the key rates.

Total debt funds as on 31st March 2013 amounted to ₹ 32,058.39 crore, as against ₹ 24,678.04 crore (consolidated) in previous year, National Housing Bank (NHB) refinance constituted 7%, term loans from banks and financial institutions 70% and 23% from money market instruments. The Company's average cost of borrowings for the year was 10.63% as against 10.85% in the previous year.

Loans from Banks

As part of its liability management, your Company endeavors to diversify its resource base in order to achieve an appropriate maturity structure and minimize the weighted average cost of borrowed funds.

Commercial Banks continued their support to the Company's asset growth. As of 31st March, 2013, borrowings in the form of fresh term loans from commercial banks and financial institutions were ₹ 8,530.13 crore taking the total term loan outstanding to ₹ 22,522.07 crore.

Refinance from National Housing Bank (NHB)

During the year, your Company has drawn refinance amounting to ₹ 787.00 crore under NHB's Refinance Scheme to Housing Finance Companies.

Subordinated Debts

Subordinated Debts continue to be another source for funding the operations of the Company. Subordinated Debts represents long term source of funds for the Company and your Company raised ₹ 310.50 crore through the issue of long-term Unsecured Redeemable Non-Convertible Subordinated Debentures. The subordinated debt was assigned 'BWR AAA' rating by Brickworks and 'CARE AA' rating by CARE.

As at 31st March, 2013, your Company's outstanding subordinated debt were ₹ 1,141.50 crore. The debt is

subordinated to present and future senior indebtedness of your Company. Based on the balance term to maturity, as at 31st March, 2013, ₹ 1,064.58 crore of the book value (discounted) of subordinated debt is considered as Tier II under the guidelines issued by the National Housing Bank (NHB) for the purpose of capital adequacy computation.

Non-Convertible Debentures (NCDs)

Your Company continues to issue fully Secured Redeemable Non-Convertible Debentures on private placement basis. During the year, your Company has raised ₹ 1,296.00 crore from banks and financial institutions by way of issue of NCDs. The outstanding balance of Debentures including interest accrued and due as on 31st March, 2013 amounts to ₹ 3,463.99 crore. The Company has appointed IDBI Trusteeship Services Limited and GDA Trusteeship Limited to act as the Debenture Trustees for the redeemable non-convertible debentures issued by the Company to ensure that the interests of debenture holders are well protected. The Company's NCD issues have been listed on the Wholesale Debt Market segment of the NSE. The Company's NCDs have been assigned the rating of "CARE AA+" by CARE and "BWR AAA" by Brickworks.

IDBI Trusteeship Services Limited acts as the Debenture Trustees for the NCDs issued by erstwhile First Blue and the same are listed with the Bombay Stock Exchange.

Perpetual Debt Instrument (PDI)

During the year under review, your Company issued Perpetual Debt Instruments ("PDI"). Your Company has raised the PDI of principal amount of ₹ 25 crore. The outstanding as at 31st March, 2013, amounts to ₹ 150.20 crore.

Commercial Paper

The Commercial Paper (CP) of your Company has been rated by Credit Rating and Information Services of India Limited (CRISIL) and is assigned the rating of CRISIL A1+ (A One Plus). During the year, your Company issued CPs to the extent of ₹ 4,214.63 crore in tranches and placed them with investors' at competitive rates of interest. As at 31st March, 2013, Commercial Papers outstanding amounts to ₹ 525.00 crore.

Deposits

During the year, your Company has achieved an overwhelming year on year growth in deposits of 105%. The Outstanding Deposit as on 31st March, 2013 stood at ₹ 1,923.72 crore as compared to ₹ 938.81 crore in the previous year. The spectacular growth has increased the Investor footprints taking the Customer accounts to 1,20,472 Nos. which is year on year growth of 89%.

During the year, number of measures have been taken that has resulted in achieving the robust growth. Your Company has also focused on deposit retention as the maturity profile was fairly large.

In brief, the initiatives taken by your Company includes the following:

- (1) Involved the Strategic Corporate FD Team to focus on Retail Liability Growth chasing the daily numbers. Due to this most of the zones accomplished in raising their FD portfolio to a larger extent.
- (2) Broker Interface has been organized at various key locations with the objective of activating the intermediary channels as well as popularizing Company's FD schemes among the broking community.
- (3) Placed few resources in key locations under the monitoring of Regional / Location Sales Manager.
- (4) Also ensured better staff participation, motivating their own savings by rolling out Internal scheme for investing in DHFL FD Schemes.
- (5) Call Center's services have been utilized to extend courtesy calls to depositors reminding them of their deposit maturities well in advance and providing them with interest updates.

(6) On the FD Operational initiatives, series of improvements are carried out, few among them being :

- a. Repayment of Maturity proceeds electronically, thus reducing turn around time (TAT) and Cost.
- b. New FD entry module for quick processing of FD Receipt to reduce TAT.
- c. Fortnightly, Brokerage Payments to the satisfaction of Broking Community.
- d. Periodical Interest servicing through ECS routes, to all depositors who opted for the same.
- e. Shifting the brokerage payment process to ECS mode enabling timely credit to brokers' bank account.

The FD portfolio has grown with well placed Fixed Deposit Schemes. Fixed Deposit Schemes are packaged under the name "Aashray Deposit" for periods ranging from 12 months to 84 months as per the regulatory guidelines. Specific Deposit Schemes are offered focusing on serving various investor segments such as trusts, women, individuals etc.

Schemes are also in operation for different tenures like 13 months, 40 months etc based on the customer's preference.

As on 31st March 2013, 13,189 depositors had not claimed the deposits amounting to ₹ 18.12 crore. Depositors have been intimated regarding the maturity of their Deposits, with a request to either renew or claim their matured deposits. Fixed Deposits accepted by the Company are secured appropriately to the extent of floating charge on approved securities and bank deposits created by way of Deed of Trust, as per guidelines issued by NHB.

The security details of the aforesaid secured borrowings made by the Company are mentioned at Note No. 5 in the Notes to accounts forming part of the financial statement for the year ended 31st March, 2013.

Credit Rating

The Company's borrowings enjoy the following credit ratings:

Nature of Borrowing	Rating / Outlook			
	CARE	Brickworks	ICRA	CRISIL
Short-Term Debt / Commercial Paper	-	-	A1+	CRISIL A1+
Fixed Deposits	CARE AA+ (FD)	BWR FAAA	-	-
Subordinated Debt	CARE AA	BWR AAA	--	--
Non-Convertible Debentures	CARE AA+	BWR AAA	--	--
Perpetual Debenture	CARE AA-	BWR AA+	--	--
Long-term Bank Loans	CARE AA+	--	--	--
Structured Obligations	--	--	ICRA AAA(SO)	--

Capital Adequacy

As required under NHB Directions, your Company is presently required to maintain a minimum capital adequacy of 12%. In addition, the NHB Directions also require that your Company transfers minimum 20% of its annual profits to a reserve fund. The following table sets out the capital adequacy ratios of the Company as at March 31 2011, 2012 and 2013.

Particulars	As on 31st March		
	2013	2012	2011
Capital Adequacy Ratio	16.52%	17.42%	19.39%

Your Company's Capital Adequacy Ratio was at 16.52% as on 31st March, 2013, which we believe provides an adequate cushion to withstand business risks and is above the minimum requirement of 12% stipulated by the NHB.

Non-Performing Assets and Provisions for Contingency

Your Company adhered to the prudential guidelines for Non Performing Assets (NPAs), issued by the National Housing Bank (NHB) under its Directions of 2010, as amended from time to time. As per the prudential norms, the income on such NPAs is not to be recognised.

As per the prudential norms prescribed by the NHB, the Company has made provision for contingencies on standard as

well as non-performing housing loans and property loans. The Company has also made additional provision to meet unforeseen contingencies.

The amount of Gross Non-Performing Assets (NPA) as on 31st March, 2013 was ₹ 239.32 crore, which is equivalent to 0.71% of the loan portfolio of the Company, as against ₹ 146.49 crore i.e. 0.76% of the loan portfolio as on 31st March, 2012. The net NPA as on 31st March 2013 has decreased to ₹ 155.97 crore i.e. 0.46% of the loan portfolio vis-a-vis ₹ 99.95 crore i.e. 0.52% of the loan portfolio as on 31st March, 2012. The total cumulative provision towards loan assets as on 31st March, 2013 is ₹ 262.67 crore as against ₹ 155.39 crore in the previous year. During the year, the Company has written off ₹ 4.94 crore of loans as against ₹ 2.36 crore during the previous year.

In order to prevent frauds in loan cases involving multiple lending from different Banks / Housing Finance Companies, the Government of India has set up the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) under Section 20 of the SARFAESI Act, 2002, to have a central database of all mortgages created by lending institutions. The object of this registry is to compile and maintain data relating to all transactions secured by mortgages. Accordingly, your Company is registered with CERSAI and submitted the data in respect of loans, from time to time.

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) has proved to be a useful recovery tool and the Company has been able to successfully initiate recovery action under this Act in the case of willful defaulters. The Company has acquired certain assets under SARFAESI which are retained for the purpose of sale under the rules and regulations of SARFAESI involving ₹ 16.27 crore.

Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH)

The Government of India has set up a Credit Risk Guarantee Fund Trust for Low Income Housing to address the housing needs of Economically Weaker Sections (EWS)/Low Income Group (LIG) in urban areas through sustainable credit mechanisms and improve home ownership and inclusive housing in the country.

Your Company has entered into an agreement with the “Credit Risk Guarantee Fund Trust for Low Income Housing”. The Fund will provide protection to the lenders against default on housing loans from the borrowers in the Economically Weaker Sections/ Low Income Group. It will also act as a credit risk mitigate for the lenders and will help in capital relief with lower risk weight on these loans. The Fund Trust will facilitate flow of credit to the low-income households in the EWS / LIG category from the formal financial sector.

Investments

The Investment Committee constituted by the Board of Directors is responsible for approving investments in line with limits as set out by the Board. The decisions to buy and sell upto the approved limit delegated by the Board are taken by the Chairman and Managing Director, who is assisted by Senior Executives of the Company. The investment function is carried out primarily to support the core business of housing finance to ensure adequate levels of liquidity and to maintain investment in approved securities in respect of public deposits raised as per the norms of NHB.

Considering the time lag between raising of resources and its deployment, the surplus funds are generally being parked with liquid fund schemes of mutual funds and short term deposits

with banks. During the year, your Company earned ₹ 50.96 crore by way of Income from Mutual funds / financial derivatives and ₹ 33.93 crore by way of interest on deposits placed with banks. At the end of the year, your Company maintained ₹ 321.28 crore by way of deposits with banks.

As per NHB guidelines, HFCs are required to maintain Statutory Liquid Ratio (SLR) in respect of public deposits raised. Currently the SLR requirement is 12.50% of the public deposits. As at 31st March, 2013, your company has invested ₹ 103.81 crore (book value-gross) in approved securities comprising of government securities, government guaranteed bonds and by way of Bank Deposits for ₹ 106.34 crore. It is maintained within the limits prescribed by NHB.

Your Company has acquired 48.50% of the total paid up equity share capital of Avanse Financial Services Private Limited (Avanse). Avanse is a new age Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India, which is having focus towards providing education loans for higher studies in India and abroad. Along with dominant courses like engineering, business management, Avanse will also provide students the opportunity to explore new age courses like Aquaculture, Photo Journalism, courses in Music & Culture and many more.

Subsidiaries & Associate Companies

Consequent upon the amalgamation of First Blue Home Finance Limited [First Blue] and DHFL Holdings Private Limited [DHFL Holdings] with the Company, First Blue and DHFL Holdings, ceased to be subsidiaries of the Company.

During the year under review, your Company disinvested its equity shareholdings in Aadhar Housing Finance Private Limited bringing it down to less than 15%. Disinvestments were also made in First Blue Financial Consultants Ltd. a wholly owned subsidiary of erstwhile First Blue Home Finance Limited to the existing promoters / promoter group of your Company.

However, the said Companies shall continue to be Associate/ Group Companies of your Company. As on date of this report, your Company does not have any subsidiary company and hence no disclosure is required to be made pursuant to Section 212 of the Companies Act, 1956.

Information Technology and Communications

During the financial year 2012-13, IT department has undertaken various projects, few of which are as under:

- Rollout of Customer Portal where customers can online access their account details. They can print their provisional income tax certificate and can also view their repayment schedule etc.
- An agreement was signed up with IBM to setup a Disaster Recovery Site which will be implemented soon. The Company plans to run applications from both the data centers on an Active – Passive application architecture for the core applications required to run the business.
- The Company's IT function is also in the process of revamping the existing application along with integration of First Blue.

Other initiatives includes, investment in tools to improve the experience of the end users and in tools for monitoring of the end points along with Asset Management and Patch Management, upgrading the WAN bandwidth at selective locations to provide better connectivity to the primary datacenter at Bangalore.

Human Resources

The ever changing demands of the evolving economy necessitate companies to appreciate the importance of intangible assets. Principal among these is human intellect, human energy and human inventiveness. Today's organization require a more sophisticated approach to managing and developing human capital, which gives the company the desired competitive advantage for survival in the long run.

During the year, the integration of erstwhile First Blue Home Finance Ltd. into the Company was a major exercise which was successfully completed. The integration process focused both on business as well as cultural integration.

The combined work force strength of your Company as on 31st March, 2013 was 1736. The total work force cost during the year was ₹ 140.69 crore for the merged entity as compared to ₹ 87.76 crore (standalone entity cost) in the previous year. This is mainly due to addition of merged entity work cost and the increase in work force to meet the requirements on account of significant expansion in terms of geography as well as in business volumes and the salary revisions effected during the year. Few additional positions are added at the corporate level for meeting

business requirements and to give greater focus to functions like Credit Appraisal and Operations.

Learning & Development (L&D)

In the year 2012-13, Learning and Development team persevered to deliver effective training sessions and ensured that the employees move along the Company's vision. The Management acknowledged the strength and importance of the division; hence a separate vertical was designed with a vision to create a paradigm shift in its role and perception from "being limited to imparting training" to "catalysts of improvements".

With an approach to impart trainings at various levels; the team divided each department into different levels according to their ranks and vintage. The major focus of training (L&D) department is :

- To access and analyze the needs of trainings in the Company.
- To design and develop training modules for training to be conducted for the new joiners, existing agents and managers for improved performance and efficiency.
- To provide feedback and coaching to trainees & trainers alike.
- To prepare training reports including training feedback consolidation and class observations to the Management.

Highlights for 2012-13

With increased focus on training & development of employees, 13 new internal programs were introduced during the year on various new areas such as competency based programs, problem solving, art of selling, communication, customer relationship management, etc. This included the participation from all the departments.

Started with the new methodology for product trainings by designing the product session in a manner which included in depth knowledge on - Policy / Target Segment / Sourcing Avenues/ Marketing Activities required.

Outsourced Soft skills training sessions were conducted Pan India for employees. The Company also encourages its managers to attend seminar and conferences conducted by reputed institutions and the regulator- NHB, related to their job to keep themselves abreast of latest developments in their fields. Trainings on KYC and AML policies were also imparted at all levels.

Trainings were conducted on monthly basis in all branches covering the entire strength of the branch. All the trainings were followed by trainee's assessment.

Particulars of Employees

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder, the names and other particulars of employees are set out in the annexure to the Directors' Report. In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the Director Report is being sent to all the shareholders of the Company excluding the annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company.

Employees Stock Option Scheme (ESOS)

Employees Stock Option Scheme (ESOS) namely ESOS-2008 and ESOS-2009 Plan I & ESOS-2009 Plan II were approved and implemented by the Company in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI Guidelines").

The particulars of options granted under the said plans are as under :

Particulars	ESOS-2008	ESOS-2009 Plan I	ESOS-2009 Plan II
Options granted under the schemes	14,22,590	12,75,000	12,34,670
Options exercised up to 31.03.2013	9,90,626	6,77,534	--
Options lapsed upto 31.03.2013	2,50,430	2,11,605	1,69,810
Options outstanding at the end of the year	1,81,534	3,85,861	10,64,860
Options unvested at the end of the year	1,53,376	--	8,64,269
Options exercisable at the end of the year	28,158	3,85,861	2,00,591

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

The particulars regarding foreign exchange earnings and expenditure appear at Note No. 38 in the Notes forming part of the financial statement for the year ended 31st March, 2013.

Since the Company is not engaged in any manufacturing activity, the other particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

Insurance Coverage to Borrowers

Your Company is a Group Administrator (Master Policy Holder) of 'Home Assure' a life insurance mortgage reducing term assurance product from ICICI Prudential Life Insurance Co. Ltd, whereby the borrowers are insured for the outstanding loan amount in the event of occurrence of death during the loan tenure.

In addition your Company also offered 'Home Safe Plus' a general insurance product from ICICI Lombard General Insurance Co. Ltd to the borrowers availing loan against property to insure them against accidental death, property insurance, critical illness and loss of job which is covered upto 3 EMI's.

The primary objective is to insure our loan portfolio from default due to unforeseen events with our borrowers. Your Company has insured 94% of all the new customer acquisitions and 72% of the total loan portfolio acquired in FY 2012-13.

Insurance of Company's Property

Your Company has insured its various properties and facilities against the risk of fire, theft, etc., so that financials are not impacted in the unfortunate event of such incidents.

The employees of the Company are covered under the mediclaim facility against hospitalization.

Directors' and Officers Liability Insurance Policy

This policy covers the Directors' and Officers of the Company against the risk of third party actions arising out of their actions / directions which may have resulted in financial loss to any third party. The Company has appropriately insured itself to mitigate against such risk from any third party.

National Housing Bank (NHB) Guidelines

The Company has complied with the provisions of Housing Finance Companies (NHB) Directions, 2010 as prescribed by NHB and has been following the various Circulars, Notifications and Guidelines issued by National Housing Bank (NHB) from time to time. The Circulars and the Notifications issued by NHB are also placed before the Audit Committee / Board at regular intervals to update Board members on the same.

Risk Management

As a responsible lender, DHFL is having robust Risk Management in place and manages Credit, Market and Operational Risks effectively.

The credit risk is managed both at portfolio level i.e. diversification, risk based pricing, credit parameters as per risk appetite and ongoing portfolio analysis on various parameters for better and informed decision making, and at credit processing and delivery level by using credit prudence and due diligence on the documents submitted by the customers. The Credit Risk is also being managed effectively at transaction level by using services of in-house professionals for valuations and legal vetting.

Asset Liability Management Committee takes care of market risk emanating on account of interest rate fluctuations in the market, liquidity and funding risks. Risk relating to loan delivery and life cycle management (Operation risk) is taken care of by the Operations department.

To have a focused and comprehensive approach on Risk Management, a dedicated function headed by a Risk Management professional has also been established.

Asset Liability Management Committee (ALCO)

The Asset Liability Management Committee (ALCO), functioning under the supervision of the Board of Directors, lays down policies and quantitative limits that involve assessment of various types of risks and shifts in assets and liabilities to manage such risks. ALCO ensures that the liquidity and interest-rate risks are contained within the limits laid down by the Board. Being dynamic, the risk management framework will continue to evolve in line with the emerging risk perceptions. The Company has also implemented NHB's Asset Liability Management Guidelines.

Know Your Customer (KYC) Norms

Your Company has Board approved KYC & AML Policy in place. The said Policy is in the line of NHB guidelines. The Company furnishes to Financial Intelligence Unit (FIU), in the electronic mode, information of all cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency and suspicious transactions whether or not made in cash, in terms of said KYC & AML Policy.

Codes and Standards

Fair Practice Code

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on appropriate staff conduct when dealing with customers and on the organisation's policies vis-à-vis client protection. The FPC captures the spirit of the NHB's guidelines on fair practices for Housing Finance Companies.

Code of Conduct

Your Company has adopted a Code of Conduct for its Board Members and Senior Management personnel. The code of conduct has also been posted on the official website of the Company.

The declaration by the Chairman & Managing Director of the Company regarding compliance with the Code of Conduct for Board Members and Senior Management is annexed with the Corporate Governance Report.

Code for Prevention of Insider Trading Practices

Your Company has formulated and adopted a Code for Prevention of Insider Trading Practices in accordance with the model code of conduct as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended. The code is applicable to all directors, senior employees and their dependents. The said persons are restricted from dealing in the securities of the Company during the 'restricted trading periods' notified by the Company, from time to time.

Secretarial Audit Report

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Shri Mohd. Aabid of M/s Aabid & Co., Practicing Company Secretaries, to conduct

Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2013, forms part of the Annual Report.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and all the Regulations and Guidelines of SEBI as applicable to the Company, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

Listing of Shares of the Company

The Equity Shares of your Company continue to remain listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

The Company has paid the listing fees as payable to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for the financial year 2012-13 on time.

Marketing

Business generated through Call centre

The call centre played an important role this year in business generation and assigned leads received via all direct channels post screening to 110 branches across all locations. Approximately ₹ 2,800 crore worth of leads were generated by the call centre in the year, out of these, 5% leads were converted and disbursement for the same amounted to ₹ 171.79 crore. This conversion contributed to 3% of the overall home loan business generated in FY 2012-13.

Branch Network

Your Company has a strong marketing and distribution network. The acquisition of First Blue Home Finance Ltd. has substantially enhanced Company's branch network and strengthened its presence across India. The Company's branch network has increased to 166 as at 31st March, 2013 from 122 branches in the previous year.

Additionally, your Company has international representative offices located in London and Dubai to cater to the needs of non-resident Indians.

The Company's strong network coverage is designed to provide increased penetration to cater to the evolving needs of the existing customer base and tapping a growing potential customer base throughout India.

On the International Women's Day, your Company has opened Company's first 'Mahila Branch' at Vasai - Maharashtra. The new branch is managed by women staff only.

Alliances & Business tie-up

Your Company has entered into strategic housing loan distribution and syndication arrangements with public and private sector banks. The present allies are Punjab & Sind Bank for Northern India, United Bank of India for Eastern India, Central Bank of India for Central India and Yes Bank Limited for Pan India. This unique arrangement provides your Company a wider reach and access to the Banks' network, where both partners are set to gain. The additional points of sales through ally banks' strong network coverage are aimed at providing increased footprint to your Company for catering to the evolving needs of our existing customer base and tapping a growing potential customer base across India. The success of one alliance led to another and today your Company has emerged as a major player in all the locations of alliance and has more than ₹ 1100 crore of assets generated through these alliances.

Your Company has taken pioneering steps during the year towards further improving its innovative business models under syndication and novation route and implemented the same with Yes Bank Ltd. resulting in business benefits including fee income to your Company. Your Company also entered into business generation arrangement with FedBank Financial Services Ltd. especially for increasing presence among LMI clientele.

The alliance arrangements not only reflect acknowledgment of your Company's business models and standing in the financial circles, but also add significantly to the financials of the organization. The initiatives are being lauded in the Banking and Finance Industry and your Company expects to expand the existing alliances geographically and also enter into some new alliances.

Branding

Last year saw your Company grow in brand value. During the year, the Company remained resolute in building the brand for the long term and will continue to invest in the brand to make it the top brand in the category.

Brand Campaign

The campaign was well planned and strategically timed this year to create a top of mind recall just before the IPL season 6 starting on 3rd April, 2013. The campaign went on air from 12th March, 2013 and continued for a period of three weeks till 2nd April, 2013. A healthy channel mix of General Entertainment channels, news channels and movie channels were complimented with a bouquet of regional channels in the same genres. The campaign garnered an overall 'Gross Rating Point' (GRP[^]) of 554 against a target of 500 with a reach of 69% at average 'Opportunity To See' (OTS#) of 8.0.

Sustenance Campaign

A well designed Print media plan sustaining for three weeks starting 10th December, 2012 carried a targeted Home Loan communication to increase product awareness. The campaign reached out across 14 publications, in 9 languages. The campaign resulted in 128% increase in enquiries and a total of 5737 enquiries were generated through the campaign, which were worth ₹ 225 crore.

Retail Participation: The year saw a focus on retail presence in various consumer exhibitions and trade fairs across regions. Your company participated in 29 such events which resulted in 1.36 lac leads.

Business Associate Meets: In the year a clear focus was given to strengthen partnerships. 42 business associate meets were organised across all zones, where partnerships were strengthened and long term relationships nurtured.

Sports Sponsorship: The association with Mumbai Indian from last year was taken forth this year and a grand meet and greet event was organised which saw the presence of the Mumbai Indian players at the event. Employees showed great enthusiasm in meeting the players. An overwhelming response from the customers was received for various contests on various mediums, through which a select few got a chance to meet their idols. The

event also saw the children from the Mumbai Mobile Crèches (NGO for children of construction workers) meet their favourite players.

This year, your Company entered into the second year of association with the Mumbai Indians franchise of IPL as an Associate sponsor and the Official Home Loan Partner. The association is being leveraged to increase awareness for the brand and increase the brand equity by association. The same is being utilised to create engagement with the audience through the social media and digital platform. Various contest and opportunities have been created to increase the buzz in the digital space for customers and employees.

Online: Adapting to the changing scenario, this year your Company went in whole heartedly to gain prominence in the digital space. The Twitter handle was launched and currently has approx 500 followers. The Facebook page also has a strong fan following at approx 2600 which is expected to go further up leveraging on the MI association. The website continues to attract traffic and serves as first port of call. The online queries generated a business of approx ₹ 1897 crore Home loan in disbursements and ₹ 22 crore in deposits.

Awards and Recognition

This year saw a list of award being bestowed upon your company by various bodies that recognised the efforts and commitment of the Company towards its vision.

The Greatest Corporate Leaders of India Award for the year 2012-13 was awarded to your company by the Leadership Awards in Financial Services.

Your Company was awarded to be amongst the Most Trusted Financial Brands in India by the Brand Trust Report for the year 2012-13.

Your Company's Marketing Head was awarded the Super Achievers Awards by the 11th Indra Super Achievers awards for Professional Executives.

Your Company's Head, Human Resources won the HR warrior Awards Making Difference 2012.

Your Company has won the Marketer of the Year by the Realty Plus Excellence Awards for the year 2012.

Brand Values

The year saw a focus on press relation and re-inforcing the Company brand values and maintaining a positive reputation/image. A focus on increasing the share of voice in industry, created a greater mind recall for brand DHFL, Aadhar & Avanse. Various product and events were promoted, which included the “DHFL All Women Branch”, “interest rate updates”, “Aadhar Awas Mela” and many more. “Avanse Education Loans” was launched through a press event. The efforts resulted in 603 articles across genres and generated a value of ₹ 6 crore worth of media.

Corporate Social Responsibilities (CSR)

The Ministry of Corporate Affairs in July 2011 came out with the “National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business” and SEBI also made amendment to this effect in the listing agreement.

During the year under review, your Company has adopted Corporate Social Responsibility (CSR) Policy with an aim to ensure that the Company as a socially responsible corporate entity contributes to the society at large. In order to have a focused approach, the company has created a separate CSR unit to undertake the CSR programmes of the Company. Further, to oversee the activities of CSR, a CSR Committee of Directors has also been constituted.

Your Company has been established with a vision of enabling home ownership amongst the lower and middle income segment in 1984. Since then, your Company has been taking this vision forward and has been enabling financial access to a segment perceived as ‘risk’. Your Company, today boasts of a successful ‘business model’ based on ‘financial inclusion. Counseling the ‘ignorant’ weaker sections on the need of creating and maintaining a strong credit history, banking responsibly and managing risks has been the core of your Company’s business.

In FY 2012-13, your Company disbursed 21,132 loans under the ‘Golden Jubilee Rural Housing Scheme’ of the Government of India. Your company has over-performed the Government Target by 138%.

Blood Donation

To once again commemorate our heroes on Independence Day, DHFL organised a Blood donation camp on August 15th, 2012 across 10 locations which saw a tremendous participation and 264 units of blood were collected on the day from the DHFL Family.

Joy of Sharing

DHFL partnered with Mumbai Mobile Crèches, an NGO working for the upliftment of children of construction workers. DHFL Employees volunteered wholeheartedly and spent time with children doing various activities including painting, singing, dancing, storytelling and book reading over 24 sessions. This resulted in a lot of knowledge transfer and was an enriching experience for all.

Joy of Giving

In the spirit of giving, employees came forward and donated items like clothes, toys, rain wear, bed sheets etc towards the Donation Drive. The donated items were distributed in Vangani village. Employees came forward and whole heartedly supported this noble cause. The initiative was made possible with our NGO partner, Umang Foundation.

Mumbai Marathon

Your Company participated in Mumbai Marathon - on 20th January, 2013 for supporting the cause of Mumbai Mobile Crèches, a NGO for children of construction workers.

Go Green Initiatives

During the year 2012, we took an initiative with an aim of going green and minimizing our impact on the environment. Thus similar to the previous year, this year too we shall send the annual reports for the financial year 2012-2013 in the electronic format to the shareholders who have registered their e-mail ID with their Depository Participant.

Directors

Your Directors express their profound grief on the sad demise of Shri R. S. Hugar, an Independent Director of the Company who passed away on 30th January, 2013. Shri R. S. Hugar has been on the Board of the Company as an Independent Director since

31st July, 2002. He was also Chairman of the Audit Committee of the Board. The Board pays glowing tribute to him and puts on record highest appreciation of his association with the Company as a highly respected Director.

During the period under review Dr. P. S. Pasricha resigned from Directorship of the Company on 25th February, 2013. The Board places on record its appreciation for the valuable contribution made by him during his tenure as a Director of the Company.

Shri M. Venugopalan has been appointed as Additional Director on 25th February, 2013. Shri M. Venugopalan is an Independent Director. As per the provisions of Section 260 of the Act, he holds office up to the date of the forthcoming Annual General Meeting (AGM) of the Company. The Company has received notice under Section 257 of the Act, proposing his appointment as a Director of the Company. Resolution seeking approval of the members for the appointment of Shri M. Venugopalan as a Director of the Company has been incorporated in the Notice of the forthcoming Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956 read with the Article 158 of the Articles of Association of the Company, Shri R. P. Khosla and Shri G. P. Kohli, Directors of your Company retire by rotation and being eligible; offer themselves for re-appointment at the ensuing Annual General Meeting. Necessary resolutions for the re-appointment of the aforesaid directors have been included in the notice of the ensuing Annual General Meeting.

Brief resume of the Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorship and Membership / Chairmanship of Board committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the annexure to the Notice of the Twenty-Ninth Annual General Meeting being sent to the members along with the Annual Report. All the directors of the Company have confirmed that they are not disqualified for being appointed/ reappointed as directors in term of Section 274(1)(g) of the Companies Act, 1956.

Internal Audit

Your Company has a well equipped internal audit department carrying out a regular independent evaluation of various activities undertaken by the Company through its Branches, Zonal Offices and Corporate Office. The Internal Audit Department headed by a senior management personnel with reporting lines to the Audit Committee of the Board and dotted line reporting to the Chairman and Managing Director. The audit function maintains its independence and objectivity while carrying out assignments. It evaluates on a continuous basis, the adequacy and effectiveness of internal control mechanism, adherence to policies, procedures as well as regulatory and legal requirements. The function also proactively recommends improvement in operational processes and suggests streamlining of controls against various risks. The Audit Committee of the Board reviews the performance of the internal audit on continuous basis, gives direction to its functionaries and reviews effectiveness of internal control systems.

Auditors

M/s. B M Chaturvedi & Co, [Firm Registration No.114317W] Chartered Accountants, who are the Statutory Auditors of the Company hold office, in accordance with the provisions of the Companies Act, 1956 upto the conclusion of the ensuing Annual General Meeting of the Company. From the regulatory perspective, M/s. B M Chaturvedi & Co., have not offered themselves for re-appointment as the Statutory Auditors of the Company for the financial year 2013 – 2014. The Board places on record its appreciation of the services rendered by M/s. B.M. Chaturvedi & Co., Chartered Accountants, the retiring Statutory Auditors of the Company.

Your directors are pleased to inform you that, pursuant to the amalgamation of erstwhile First Blue Home Finance Limited with the Company, the book size of the Company has increased tremendously. Further the operations of the Company have also been growing steadily over the past few years, this has resulted in substantial increase in the accounting and financial transactions. In response to this increased volume and to ensure all accounting compliances and on the basis of the recommendation made by

the Audit Committee, the Board of Directors has at its meeting held on 7th May, 2013 recommended the appointment of M/s. T. R. Chadha & Co., [Firm Registration No. 006711N] Chartered Accountants together with M/s. Rajendra Neeti & Associates, [Firm Registration No. 006543C] Chartered Accountants as Joint Statutory Auditors of the Company for the financial year 2013-14 in place of the retiring auditors of the Company.

M/s. T. R. Chadha & Co., [Firm Registration No. 006711N] Chartered Accountants and M/s. Rajendra Neeti & Associates, [Firm Registration No. 006543C] Chartered Accountants have expressed their willingness to act as statutory auditors of the Company for the financial year 2013-14 and have further confirmed that the said appointment, if made, shall be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for appointment within the meaning of Section 226 of the said Act.

The notice convening the 29th Annual General Meeting contains the resolution for their appointment. Members are requested to consider their appointment as Joint Statutory Auditors of your Company to hold office from the conclusion of ensuing Annual General Meeting to the conclusion of next Annual General Meeting on remuneration to be decided by the Board of Directors based on the recommendation of the Audit Committee of the Board.

Notes to Accounts and Auditors Report

The notes to the accounts referred to in Auditors Report are self-explanatory and therefore do not call for any further comments.

Directors' Responsibility Statement

Your Directors would like to inform that the audited accounts containing the Financial Statement for the year ended 31st March, 2013 are in conformity with the requirements of the Companies Act, 1956 and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. These Financial Statements are audited by the Statutory Auditors, M/s. B. M. Chaturvedi & Co., Chartered Accountants, Mumbai.

In accordance with the provisions of section 217 (2AA) of the Companies Act, 1956 and based on the information provided by the management, your directors state that:

- (i) in the preparation of accounts, the applicable accounting standards have been followed;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profit of the Company for year ended on date;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- (iv) they have prepared the annual accounts on a going concern basis.

Corporate Governance

Your Company has complied with the provisions of Corporate Governance as under the Listing Agreement of the Stock Exchanges, where the Company's shares are listed. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the following forms part of this Annual Report :

- (i) Chairman & Managing Director's declaration regarding compliance of Code of Conduct by Board Members and Senior Management personnel;
- (ii) Management Discussion & Analysis
- (iii) Report on the Corporate Governance;
- (iv) Auditors' Certificate regarding compliance of conditions of Corporate Governance.

Future Outlook

Your Company is positive in the outlook for the housing market in 2013-14 compared to the suppressed demand in 2012-13.

In 2013-14, the market is expected to grow much faster mainly on account of softening interest rates. There is a clear indication of falling interest rates. Going forward, the policy environment will support more growth and for which, lower interest rate will definitely be an important factor.

Secondly, there is huge unsold inventory in the market. With increased demand, the absorption (of demand) can also be better. Your Company envisages better outlook for housing finance market in FY 2013-14.

Above factors will lead to a rise in credit demand for housing. The liquidity conditions of your Company have remained comfortable during the year. Further your Company has tied up with International Finance Corporation (IFC) for External Commercial Borrowings (ECBs) up to US\$ 70 million and \$ 15 million (senior loan from IFC acting as implementing entity of the Canada Climate Change Program, "CCCP") respectively. The amount to be raised shall be utilized for onward lending in the segment of low cost affordable housing project and for creating a portfolio of eligible green mortgages in the affordable housing segment respectively. ECBs shall be availed by the Company subject to the necessary approvals.

Your Company does not expect any pressure on the liquidity

front. This is because liquidity conditions in the banking system will continue to remain comfortable. A healthy demand for home loan coupled with comfortable liquidity conditions will lead to a rise in disbursement.

Acknowledgements

Your Directors wish to place on record their gratitude to the National Housing Bank, the Company's Customers, Bankers, Shareholders, Debentureholders, Depositors and others for their assistance and co-operation and who have helped the Company in its endeavour. The Board also places on record its deep appreciation for the excellent support received from the employees at all levels during the year. The Directors would also like to thank the Bombay Stock Exchange, the National Stock Exchange, NSDL, CDSL and the Credit Rating Agencies for their co-operation.

For and on behalf of the Board

Place : Mumbai

Dated : 7th May, 2013

Kapil Wadhawan

Chairman & Managing Director

report on corporate governance

(Pursuant to Clause 49 of the Listing Agreement)

Corporate Governance is a practice that outlays commitment to values and ethical business conduct. It provides for a structure that works for the benefit of its stakeholders by ensuring that the enterprise adheres to accept ethical standards and best practices as well as to applicable laws, procedures, practices and implicit rules. Good Corporate Governance principles encourage the Company to create value through innovations, development and exploration on one hand and on the other to provide accountability and control systems commensurate with the risks involved. The other important part of the Corporate Governance is disclosure of information regarding the financial position of the Company, its performance, ownership and governance in a timely and accurate way. These disclosures help in improving the public understanding of the structure, activities and policies of the organisation.

Thus, Corporate Governance is about promoting corporate fairness, transparency and accountability. Corporate Governance guidelines and best practices evolved over a period of time in India, are enshrined in Clause 49 of the Listing Agreement.

Corporate Governance at DHFL

DHFL believes in ensuring true Corporate Governance Practices to enhance long-term shareholder's value through corporate performance, transparency, integrity and accountability.

DHFL's Corporate Governance philosophy outlays satisfaction of the spirit of law through ethical business conduct. It encompasses not only regulatory and legal requirements, including the SEBI Regulations in respect of Corporate Governance, but also other practices aimed at business ethics, effective supervision and enhancement of value for all shareholders.

DHFL's Corporate Governance policies recognizes the importance of transparency and a committed approach of disclosure level to all its constituents, including employees, customers, investors and the regulatory authorities and demonstrating that the shareholders are the ultimate beneficiaries of the Company's economic activities.

DHFL understands that the management is the trustee of the Shareholder's Capital and is not the owner, and that every customer is important. Thus, it believes in doing the business ethically and efficiently so as to generate long term value and wealth for its stakeholders. DHFL adheres to the Corporate Governance norms and disclosures as laid down under Clause 49 of the Listing Agreement. The Report of the Company on Corporate Governance is listed hereunder :-

Board of Directors

DHFL strongly believes that at the core of its Corporate Governance Practice is the Board, which oversees the management's functioning and protects the long term interests of all the stakeholders of the Company. Thus, the Company ensures that the Board remains well informed, independent and actively involved in the important decisions pertaining to the Company.

The Board being fully aware of its fiduciary duties recognizes its responsibilities to shareholders and other stakeholders, to uphold the highest standards in all matters concerning the Company and for the purpose empowers responsible officials to implement its broad policies and guidelines.

The Directors of DHFL possess the personal and professional ethics, integrity and values and are committed to representing the long-term interests of its stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs by way of exercising its reasonable business judgments on behalf of the Company. The Company's business is conducted by its employees under the directions of the Chairman & Managing Director, Presidents, Chief Operating Officer and overall supervision of the Board.

Composition of the Board

The Board has been constituted in a manner that is conducive for making decisions, expediently with the bouquet of a variety of perspectives and skills that work together in the best interest of the Company, as a whole, rather than for individual shareholders interest or a particular group. The Board of DHFL is an appropriate

mix of Executive, Non-Executive and Independent Directors that have collective experience in diverse fields like finance, banking, insurance, economics, corporate laws and administration. As on 31st March, 2013, five [5] directors are independent, meeting the criteria for independence under the Listing Agreement with the Stock Exchanges. The Directors are appointed based on their qualification and experience in varied fields vis-a-vis Company's business needs.

As on 31st March, 2013, the Board of Directors comprised of Eight [8] members of which One [1] is an Executive Director, One [1] Non-Executive Director, One [1] Nominee Director and Five [5] are Independent Non-Executive Directors (including One [1] Additional Director). The Chairman & Managing Director is the only Executive Director on the Board. The goal has been to achieve an optimum combination of Executive and Non-Executive Directors as well as Independent directors, so that the Board is cohesive, separate from the management functions and have the expertise for quick and informed decision making.

The details of the Directors, as at 31st March, 2013, including the details of their other board directorship reckoned in line with Clause 49 of the Listing Agreement, Committee membership (including DHFL) and their shareholding in the Company, are given below:

Name of the Directors	Category of Directorship	Equity Investor representative	No. of Directorship #	No. of equity shares held by Directors in the Company	Members of Committee (including DHFL committees)	
					Member	Chairperson
Shri Kapil Wadhawan	Executive/ Promoter	N.A.	6	1,01,22,836	2	1
Shri Dheeraj Wadhawan	Non-Executive/ Promoter	N.A.	4	93,08,998	1	--
Shri R. P. Khosla	Non-Executive/ Independent	N.A.	1	5,000	--	1
Shri G. P. Kohli	Non-Executive/ Independent	N.A.	3	5,000	2	3
Shri R. S. Hugar *	Non-Executive/ Independent	N.A.	--	Nil	--	--
Shri Anthony Hambro	Non-Executive/ Nominee	Caledonia Investments Plc.	5	Nil	--	--
Shri Ajay Vazirani	Non-Executive/ Independent	N.A.	3	5,000	--	1
Shri V. K. Chopra	Non-Executive/ Independent	N.A.	13	5,000	6	4
Dr. P. S. Pasricha **	Non-Executive/ Independent	N.A.	--	5,000	--	--
Shri M. Venugopalan ***	Non-Executive/ Independent	N.A.	8	Nil	7	--

Exclude private limited companies, section 25 companies, foreign companies and alternate directorship.

* ceased to be a director on account of sad demise on 30/01/2013

** ceased to be a director on account of resignation w.e.f. 25/02/2013

*** appointed as an additional director w.e.f. 25/02/2013

Board Meetings

The Company holds at least four Board Meetings in a year, one in each quarter, inter-alia, to review the financial results of the Company. The gap between the two Board Meetings does not exceed four calendar months. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of the Company. Urgent matters, if any, are approved by the Board by passing resolutions through circulation. All the concerned departments in the Company communicate to the Company Secretary, the matters requiring approval of the Board/ Committees of the Board to enable inclusion of the same in the agenda for the Board/ Committee Meeting(s). The important decisions taken at the Board/ Committee meetings are promptly communicated to the concerned departments. Action Taken Report (ATR) on the decisions/ minutes of the previous meeting is placed at the succeeding meeting of the Board/ Committee for noting.

The following information is given to the Board either as a part of the agenda of the meeting or by way of presentation during the meeting:

<ul style="list-style-type: none"> • Annual operating plans, budgets and performances • Quarterly, half-yearly and annual results of your Company and its subsidiary companies • Minutes of the meeting of Audit Committee and other Committees of the Board of Directors. • Minutes of all the subsidiary companies. • Information of appointment of all the Key Managerial Personnel below the Board level. • Significant regulatory matters. 	<ul style="list-style-type: none"> • Detailed risk analysis. • Details of potential acquisition and disinvestments. • Details of joint ventures or collaborations or syndication. • Details of Investments. • Details of deployment of capital issue process. • Compliance of statutory /regulatory/ Listing Agreements. • Significant transactions and arrangements of subsidiary companies. • Such other material and significant information. 	<p>The Board performs following functions in addition to overseeing the overall business and management:</p> <ul style="list-style-type: none"> • Review, monitor and approve major financial and business strategies and corporate actions; • Assess critical risks faced by the Company – Review options for their mitigations. • Ensures that the process are in place for maintaining the integrity of : <ul style="list-style-type: none"> • The Company. • The Financial Statements. • Compliance with law. • Relationship with customers and shareholders. • Delegation of appropriate authority to the Senior Executives of the Company for effective management of operations.
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During the year, four (4) Board Meetings were held on 10th May, 2012, 27th July, 2012, 22nd October, 2012 and 30th January, 2013 respectively. The attendance of the Directors at the Board Meeting and the Annual General Meeting held during the year 2012-13 were as follows:

Name of Directors	Board Meetings			Attendance at the last AGM held on 27th July, 2012
	Number of Board Meetings held	Number of Board Meetings attended	Sitting fees paid (#) (₹)	
Shri Kapil Wadhawan	4	4	Nil	Yes
Shri Dheeraj Wadhawan	4	4	60,000	Yes
Shri R.P. Khosla	4	4	60,000	Yes
Shri G. P. Kohli	4	4	60,000	Yes
Shri R. S. Hugar *	4	3	45,000	Yes
Shri Anthony Hambro	4	4	Nil	Yes
Shri Ajay Vazirani	4	4	60,000	Yes
Shri V. K. Chopra	4	4	60,000	Yes
Dr. P. S. Pasricha **	4	4	60,000	Yes
Shri M Venugopalan ***	4	-	-	-

sitting fees paid is net of TDS

* ceased to be a director on account of sad demise on 30/01/2013

** ceased to be a director on account of resignation w.e.f. 25/02/2013

*** appointed as an additional director w.e.f. 25/02/2013

Board Committees

The Board has constituted various committees so as to enable it to maintain its focus on important areas / functions of the organisation.

The Board has constituted five committees – Audit Committee, Shareholders/Investors' Grievance Committee, Remuneration & Compensation Committee, Finance Committee and Corporate Social Responsibility Committee.

The Board has fixed the terms of reference for each committee. The minutes of the meetings and the recommendation, if any, of the committees are submitted to the Board for their information, ratification and approval. Besides the members of the committees, senior management team also attends the meetings of the committees as and when necessary.

Audit Committee

The Audit Committee of the Company is formed primarily to monitor and supervise the Company's financial reporting process and to ensure that the disclosure of the financial information is

correct, sufficient and credible in accordance with the provisions of the Listing Agreement and Section 292A of the Companies Act, 1956. Besides, the regulatory requirement for constitution of an Audit Committee, the existence of an independent Audit Committee is recognized internationally as an important feature of good Corporate Governance. The ability of Audit Committee to exercise independent judgment is crucial for judging the integrity of financial statements of the Company.

Terms of Reference

The Audit Committee performs the following functions:

- To oversee the financial reporting process and disclosures of financial information;
- To review quarterly/ half yearly and annual financial statements before submission to the Board with special emphasis on accounting policies, compliance of Accounting Standards and other legal requirements relating to financial statements;
- To review the findings of the internal investigation and periodic audit reports;

- To hold discussions with the external auditors about the scope of audit;
- To recommend appointment / reappointment / removal of Statutory Auditors and fixing their remuneration;
- To review all issues which are required to be reviewed by the audit committee pursuant to the listing agreement with the stock exchanges and the Companies Act, 1956 with the management and the internal and external auditors;
- To review with the management the financial statements with reference to any related party transactions;
- To review the observations of internal and statutory auditors in relation to all areas of operation of the Company, including internal control systems;
- To examine all taxation matters, including related legal cases and the Company's asset/liability management strategy (ALCO);
- To review the findings of any internal investigation 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;
- To review with the management the financial statements of the subsidiary companies;
- To ensure the independence and objectivity of the independent auditor;

- To ascertain the reasons for the defaults, if any, in the payment to the depositors, debenture holders, shareholders and creditors;
- Any other terms of reference as may be included from time to time in Clause 49 of the Listing Agreement.

Composition and Meetings

The Audit Committee was constituted by the Board of Directors at its meeting held on 24th January, 2002. During the year, the Audit Committee was reconstituted on 25th February, 2013. The committee now consists of Shri G. P. Kohli - Chairman of the Committee, Shri V. K. Chopra and Shri M. Venugopalan as the independent members of the Committee. All the members of the Committee have accounting and financial management expertise. The quorum for the meeting of the Committee is two members. The Company Secretary acts as Secretary of the Committee. The statutory auditors and Vice President (Audit & Inspection) are invited to attend the meetings of the committee. In addition, senior management personnel are also invited to clarify the queries, if any, raised by the members of the Committee.

During the year under review, the committee met four (4) times. The meetings were held on 10th May, 2012, 27th July, 2012, 22nd October, 2012 and 30th January 2013. The gap between the two meetings did not exceed 4 months. The Chairman of the Audit Committee was present at the [28th] Twenty Eighth Annual General Meeting of the Company.

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

Members	Number of Meetings attended	Sitting Fees paid (₹) #
Shri R. S. Hugar (Chairman of the Committee) *	3	30,000
Shri G. P. Kohli **	4	40,000
Shri V. K. Chopra	4	40,000
Shri M. Venugopalan ***	—	—

sitting fees paid is Net of TDS

* ceased to be a director on account of sad demise on 30/01/2013

** designated as Chairman of the Committee w.e.f. 25/02/2013.

*** appointed as a member of the Committee w.e.f 25/02/2013

Shareholders' / Investors' Grievance Committee

In terms of Clause 49 of the Listing Agreement, the Company has constituted Shareholders / Investors Grievance Committee

Terms of Reference

The Shareholders/ Investors Grievance Committee was constituted in order to redress the complaints of the shareholders and investors, related to transfer and transmission of shares, non-receipt of annual reports, dividends and other share related matters. This Committee also reviews the requests/complaints received by the Registrar and Share Transfer Agent from the Shareholders relating to transfer, transmission, splitting/consolidation, replacement of share certificates, issue of duplicate certificates and dematerialization/rematerialization of share certificates. The Committee reviews the certificates and reports submitted by the Company to the Stock Exchanges under the Listing Agreement/ SEBI Regulations. The Committee also observes the quarterly status of the number of shares in physical as well as dematerialized form. The Committee reviews the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Share Transfer Agent. The Company Secretary acts as the Secretary to the Committee.

Composition and Meetings

The Committee was constituted on 24th January, 2002. During the year, it was reconstituted on 10th May, 2012. The Shareholders/ Investors Grievance Committee comprises of Shri Ajay Vazirani – Independent Director as the Chairman and Shri Kapil Wadhawan, as the Member. Shri S. Y. Sankhe, Company Secretary is the Compliance Officer. During the year ended 31st March, 2013, the Committee met four [4] times. The Meetings were held on 2nd May, 2012, 20th July, 2012, 16th October, 2012 and 14th January, 2013. 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	Sitting Fees paid (₹) #
Shri Ajay Vazirani (Chairman of the Committee)	4	20,000/-
Shri Kapil Wadhawan	4	Nil

sitting fees paid is net of TDS

The Company has a designated e-mail address, secretarial@dhfl.com to redress investors' grievances. During the year, the Company received a total of 475 communications from its shareholders relating to change of address, non receipt of shares after transfers, non-receipt / revalidation of dividend warrants, request for issue of duplicate share certificates, splitting / consolidation of share certificates and dematerialization / rematerialization of shares etc. of the above, 52 were in the nature of complaints. All the complaints were redressed in accordance with the service standards and the standard operating procedures adopted by the Company. There was no unresolved investor complaint as at the end of the financial year.

Remuneration & Compensation Committee

The Company believes that as a good Corporate Governance practice, independent determination of the Executive Compensation, cost and benefits is fundamental for ensuring transparency.

Terms of Reference

The terms of reference of the Committee includes the recommendation of annual remuneration and periodic increments payable to the Executive Director(s) which is required to be further approved by the Board. The Committee is also empowered to recommend to the Board the appointment/ reappointment of the Executive/ Non-Executive Directors, the induction of Board members into various committees. The Committee also ensures that the overall remuneration payable to the Directors does not exceed the limits prescribed

by the Companies Act, 1956 and is within the limits approved by the shareholders. The Remuneration Committee was renamed as 'Remuneration & Compensation Committee' with effect from May 15, 2006 in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and was entrusted with the following additional responsibilities:

- Framing of the ESOS scheme;
- Administration of the scheme;
- Exercise of control over the implementation of the scheme;
- Preparation of the Offer Document to disclose the various details of the Scheme to the option grantees;
- Appointment of intermediaries required for the scheme; and
- Any other matter relating to administration of the scheme.

The minutes / recommendations of the Committee are placed before the Board for its noting /approval. The Company Secretary acts as the Secretary to the Committee.

Composition and Meetings

The Remuneration & Compensation Committee was constituted on 17th October, 2003. Consequent upon the sad demise of Shri R. S. Hugar as on 30th January, 2013, the committee was reconstituted on 25th February, 2013. The Committee comprises of Shri R.P. Khosla, as the Chairman of the Committee, Shri G.P. Kohli and Shri V. K. Chopra, as the members of the Committee. During the year ended 31st March, 2013, the Committee met only once i.e. on 10th May, 2012. The Chairman of the Remuneration & Compensation Committee was present at the [28th] Twenty-Eighth Annual General Meeting. The details of the attendance of the members of the committee along with sitting fees paid are listed below:

Members	Number of Meetings attended	Sitting Fees paid (₹) #
Shri R. P. Khosla (Chairman of the Committee)	1	10,000/-
Shri R. S. Hugar *	1	10,000/-
Shri G. P. Kohli	1	10,000/-
Shri V. K. Chopra **	Nil	Nil

sitting fees paid is net of TDS

* ceased to be a director on account of sad demise on 30th January, 2013

** appointed as a member of the committee w.e.f. 25th February, 2013

Remuneration, Commission and other payments to the Directors

Executive Director

Pursuant to the resolution dated 12th May, 2010 passed by the Board of Directors and resolution dated 27th July, 2010 passed by the shareholders of the Company, Shri Kapil Wadhawan was re-appointed as the Chairman & Managing Director of the Company with effect from 4th October, 2010 for a period of five years. The key terms and conditions of the re-appointment of Shri Kapil Wadhawan are as set out in the Agreement dated 4th October, 2010 entered with the Company and are listed below:

Salary: Salary payable to Shri Kapil Wadhawan, Chairman & Managing Director is ₹ 500,000 per month.

Commission: Commission per annum shall be equivalent to such sum as fixed by the Board or the Remuneration and Compensation Committee, subject to an overall ceiling of 1.50% of the net profit of the Company. The net profit shall be computed in a manner as set out under Section 198(1) of the Companies Act, 1956.

Perquisites: Perquisites shall be equivalent to his salary for the period of his appointment. Perquisites include rent free furnished accommodation, reimbursement of gas, electricity, water charges and medical expenses, furnishings, payment of premium on personal accident and health insurance, club fees and such other perquisites as may be approved by the Board or Remuneration and Compensation Committee, from time to time, subject to an overall ceiling of his total salary during the period of his appointment.

Other Benefits and Allowances: Other benefits and allowances includes use of car with driver, telephones for the Company's business, house maintenance allowance, leave travel allowance, contributions to provident fund, superannuation fund and all other benefits as applicable to directors and/or senior employees of the Company including but not limited to gratuity, leave entitlement, encashment of leave and housing and other loan facilities as per the scheme of the Company and approved by the Board and Remuneration and Compensation Committee from time to time. Provided however, that the remuneration payable to Shri Kapil Wadhawan shall not exceed the limits specified in the agreement dated 4th October, 2010 entered with the Company and the limits prescribed under Schedule XIII of the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof. Also, in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Shri Kapil Wadhawan, the remuneration payable to him by way of salary, allowances, commission, perquisites and other benefits shall not, without the approval of the Central Government (if required) exceed the limits prescribed under Schedule XIII of the Companies Act, 1956 including any amendment, modification, variation or re-enactment thereof. The present remuneration structure of the Executive Director consists of fixed salary, contribution to funds and other perquisites.

The compensation paid to Shri Kapil Wadhawan - Chairman & Managing Director for the year ended 31st March, 2013 is as follows:-

(in ₹)

Name	Salary/Allowance	Contribution to funds	Value of perquisites
Shri Kapil Wadhawan Chairman & Managing Director	156,00,000	7,20,000	11,80,000

Non-Executive Directors

The Company and its Non-Executive Directors do not have any pecuniary relationship except as mentioned herein below. The Non-Executive Directors are paid sitting fees and other expenses (travelling, boarding and lodging) incurred for attending the Board/Committee meetings. The Company pays sitting fees of ₹ 15,000 (net of TDS) per meeting to the Non-Executive Directors for attending meetings of the Board, ₹ 10,000 (net of TDS) per meeting of the Audit/Finance/Remuneration & Compensation Committee and ₹ 5,000 (net of TDS) per meeting of the Shareholders/Investors' Grievance Committee. As decided by the Board of Directors and as per shareholder's approval at the [26th] Twenty-Sixth Annual General Meeting of the Company held on 27th July, 2010, Non-Executive Directors on the Board of the Company are also entitled to a commission of 1.00% of the net profit of the Company or ₹ 30,00,000 in aggregate, whichever is lower.

The compensation paid / payable by the Company to the Non-Executive Directors as at 31st March, 2013 is tabulated below:

(in ₹)

Name of Non-Executive Directors	Commission (a) (Gross)	Sittings Fees (b)
Shri R. P. Khosla	3,82,733	70,000
Shri G. P. Kohli	3,82,733	3,80,000
Shri R. S. Hugar (c)	3,19,818	85,000
Shri Anthony Hambro (d)	3,82,733	Nil
Shri Ajay Vazirani	3,82,733	80,000
Shri Dheeraj Wadhawan	3,82,733	3,30,000
Shri V. K. Chopra	3,82,733	1,00,000
Dr. P. S. Pasricha (e)	3,47,081	60,000
Shri M. Venugopalan (f)	36,703	Nil
TOTAL	30,00,000	11,05,000

Notes :

- (a) Subject to approval at the ensuing Annual General Meeting.
- (b) Net of Tax Deducted at Source.
- (c) Ceased to be a director on account of sad demise on 30th January, 2013.
- (d) Being a Nominee Director, commission is payable to M/s. Caledonia Investments Plc.
- (e) Ceased to be a Director on account of resignation w.e.f. 25/02/2013.
- (f) Appointed as an Additional Director w.e.f. 25/02/2013.

Finance Committee

The Finance Committee has been formed to monitor resource mobilization and to ensure efficient and timely decisions on the matters relating to banking and finance activities of the Company. The Committee meets regularly to discharge its functions.

Terms of Reference

The terms of reference of the Finance Committee includes the following:

- To borrow funds for the purpose of the Company's Business in accordance with Section 292 of the Companies Act, 1956 but not exceeding the overall limit up to which the Board of Directors of the Company are authorized/to be authorized under Section 293(1) (d) of the Companies Act, 1956;
- To consider and approve/accept the sanctioned letters of the term loans given by the Lending Institutions/Banks/NHB and other bodies corporate, opening and/or closing of the current accounts/cash credit/overdraft/fixed deposits or other account(s) with any bank and authorize the Directors/Officers of the Company to operate the same;
- To authorize operation of accounts of the Company with its bankers and to vary the existing authorization to operate the same and granting of general /specific power of attorney to the officers at the branches for routine matters and any such matters pertaining to the routine functions;
- To approve the change/s of rates of interest of all loan products and on public deposits or on debentures, debts or any other instruments/ financial products issued by the Company;

- To consider and approve the allotment of any issue of securities by the Company, be it by way of preference shares of all types, public issue of equity shares including rights offer, preferential issue of equity shares including firm allotment, employees stock option plan/schemes, bonds, debentures and any other financial instruments of like nature;
- To grant approvals of loans upto ₹ 200 crore to any person, firm or body corporate at any time or from time to time as per the provisions of the Housing Finance Companies (NHB) Directions, 2010, as may be applicable.

The Company Secretary acts as the Secretary to the Committee.

Composition and Meetings

The Finance Committee was constituted on 30th November, 1996. Presently, the Committee comprises of three Directors - Shri Kapil Wadhawan (Chairman of the Committee), Shri Dheeraj Wadhawan and Shri G. P. Kohli, as the members of the Committee. The other senior management is also invited to attend the meetings of the Committee on need basis. During the year, Twenty-Seven (27) Meetings were held on 6th June, 2012, 25th June, 2012, 29th June, 2012, 2nd August, 2012, 27th August, 2012, 4th September, 2012, 12th September, 2012, 21st September, 2012, 25th September, 2012, 28th September, 2012, 22nd October, 2012, 2nd November, 2012, 9th November, 2012, 22nd November, 2012, 23rd November, 2012, 3rd December, 2012, 5th December, 2012, 12th December, 2012, 14th December, 2012, 3rd January, 2013, 7th January, 2013, 18th January, 2013, 21st January, 2013, 15th February, 2013, 5th March, 2013, 20th March, 2013 and 28th March, 2013.

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	Sitting Fees paid (₹) *
Shri Kapil Wadhawan (Chairman of the Committee)	27	Nil
Shri Dheeraj Wadhawan	26	2,60,000/-
Shri G. P. Kohli	26	2,60,000/-

* Sitting Fees paid is net of TDS

Corporate Social Responsibility Committee

The Corporate Social Responsibility [CSR] Committee shall assist the Board in fulfilling its duty towards the issues of social responsibility including diversity, human rights, philanthropy and sustainability and in framing the Company's policies, practices and progress with respect to such issues.

Terms of Reference

The terms of reference of the CSR Committee are given hereunder :

- establishment and review of corporate social responsibility policies and programs;
- oversight and implementation of corporate social responsibility compliance systems;
- review of annual budgets with respect to corporate social responsibility programs;
- work with management to establish and develop the Company's strategic framework and objectives with respect to corporate social responsibility matters;
- receiving reports from management on the Company's corporate social responsibility program, including significant sustainable development, community relations and security policies and procedures;

- (f) receiving reports from management on current and emerging issues and trends in the field of corporate social responsibility, including a discussion on the potential impact thereon on the Company;
- (g) receiving reports from management on the Company's corporate social responsibility performance to assess the effectiveness of the corporate social responsibility programs;
- (h) reviewing the findings and recommendations from any investigation or audit by regulatory agencies or external auditors or consultants concerning the Company's corporate social responsibility matters;
- (i) reviewing the Company's disclosure of corporate social responsibility matters in the Company's continuous disclosure documents and any annual social responsibility report.
- (j) To seek any information from any employee(s) of the Company and the concerned employee(s) shall co-operate with any request made by the Company.
- (k) To obtain legal or other independent professional advice and to obtain advice and assistance from outside legal or other advisors in its sole discretion, and
- (l) To form and delegate authority to its sub-committee or one or more member of the committee.

Composition and Meetings

The Board on 22nd October, 2012 has constituted Corporate Social Responsibility Committee [CSR Committee]. The Committee comprises of three directors Shri G. P. Kohli, as the Chairman of the Committee, Shri V. K. Chopra and Shri Kapil Wadhawan, as the Members of the Committee. Since the Committee was constituted recently, no meeting was held during the year.

General Body Meetings

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:

Annual General Meeting

Financial Year	Particulars	Date & time	Venue	Special Resolutions passed
2011-12	28th AGM	27th July, 2012 12.00 Noon	Exchange Plaza, National Stock Exchange Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	No Special Resolution was passed
2010-11	27th AGM	27th July, 2011 12.00 Noon	Exchange Plaza, National Stock Exchange Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	<ul style="list-style-type: none"> • Issue of securities under Employee Stock Option Scheme (ESOS). • Issue of securities under Employee Stock Option Scheme to employees of the subsidiary companies. • Increase in the borrowing limits from ₹ 25,000 crore to ₹ 1,00,000 crore.
2009-10	26th AGM	27th July, 2010 12.00 Noon	Exchange Plaza, National Stock Exchange Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	<ul style="list-style-type: none"> • Payment of Remuneration to Non-Whole Time Directors of the Company.

Court convened Extra Ordinary General Meeting of members

A Court convened meeting of the Equity Shareholders of the Company was held on 17th April, 2012 at 10.30 a.m. (10.30 Hrs) at, Exchange Plaza, National Stock Exchange Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 in terms of the Order dated 16th March, 2012, of the Hon'ble High Court of Bombay, for seeking the approval of the shareholders on the Scheme of Amalgamation pursuant to Section 391 to 394 of the Companies Act, 1956, of First Blue Home Finance Limited (the Transferor – Company I) and DHFL Holdings Private Limited (the Transferor – Company II) with Dewan Housing Finance Corporation Limited (the Transferee Company).

At the aforesaid meeting, the said Scheme of Amalgamation was duly passed with requisite majority in number and value, by the Equity Shareholders present at the meeting and voting through Ballot process.

Shri Mohd. Aabid of M/s. Aabid & Co., Practising Company Secretaries, was appointed as a Scrutinizer for conducting the aforesaid Ballot process. The aforesaid resolution was declared passed through requisite majority. The results were made available on Company's website and were also filed with the Stock Exchange(s).

Postal Ballot

During the financial year 2012-13, the Company has not passed any resolution in accordance with Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011.

Disclosures

(i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large.

Transactions with related parties are disclosed at Note No. 40 of the Notes forming part of the Accounts in the Annual Report annexed herewith. There were no materially significant Related Party Transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.

(ii) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

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

(iii) Risk Management.

The Company has formulated a Risk Management framework, which lays down the procedures for risk assessment and mitigation. Accordingly, Credit Risk, Operation Risk and Market Risk had been managed by the respective Department viz. Credit, Operations, and Treasury under the supervision of the Chairman & Managing Director and Asset Liability Management Committee (ALCO). The procedures and policies for risk assessment and minimization are regularly reviewed by the Board. A detailed note on risk identification and mitigation is included in the Management Discussion & Analysis, annexed to the Directors Report.

(iv) Code for Prevention of Insider Trading Practices.

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, your Company has adopted a Code of Conduct for Prevention of Insider Trading Practices for its Directors and designated employees. The Code lays down guidelines, which include procedures to be followed and disclosures to be made while dealing in the shares of the Company. The said Code of Conduct has been posted on the website of the Company (www.dhfl.com). All Board members and Senior Management personnel of the Company have affirmed the compliance of the said Code of Conduct.

(v) Trading Window

In accordance with the Code of Conduct for Prevention of Insider Trading, the Company closes its Trading Window for designated employees and Directors from time to time. As per policy, Trading Window closes for a period of 7 (seven) days, prior to the date of Board Meeting and reopens after 24 hours from the conclusion of Board Meeting, in which the respective quarterly/half yearly/ yearly financial results are approved.

CEO/CFO Certification

CEO/CFO have furnished Certificate to the Board as contemplated in Clause 49 of the Listing Agreement and same is reviewed by the Audit Committee and the Board.

Compliance Report

The Board periodically reviews the compliance of all applicable laws and gives appropriate directions, wherever necessary.

Secretarial Audit

Your Company had appointed Shri Mohd. Aabid of M/s. Aabid & Co., Practising Company Secretaries, to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2013. The Secretarial Audit Report addressed to the Board of Directors of the Company is attached to this Annual Report. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreement with Stock Exchanges, SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Auditors Certificate on Corporate Governance

The Company has complied with all mandatory requirements of Corporate Governance norms as enumerated in Clause 49 of the Listing Agreement with Stock Exchanges. M/s. B. M. Chaturvedi & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company have certified that the Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement which is annexed hereto.

Means of Communication

The primary source of information to the shareholders, customers, analysts and other stakeholders of your Company and to public at large is through the website of your Company www.dhfl.com. The Annual Report, annual/quarterly results, shareholding pattern and material events, are regularly submitted to stock exchanges in accordance with the Listing Agreement and uploaded on the Company's website.

Details relating to quarterly performance and financial results are disseminated to the shareholders through press releases on the Company's website. The financial results are published in leading publications such as Economic Times, Business Standard, The Mint, Maharashtra Times (Marathi), Navshakti and other leading newspapers. The Company also communicates the annual/quarterly financial results by e-mail to those shareholders who have registered their e-mail address with their Depository Participants.

General Shareholders Information

Twenty – Ninth Annual General Meeting

i	Day & Date	Tuesday, 23rd July, 2013
ii	Time	12.00 Noon
iii	Venue	Indian Merchant Chambers, WHH- Walchand Hirachand Hall, 4th Floor, IMC Building, IMC Marg, Churchgate, Mumbai 400 020
iv	Financial Reporting Calendar : (Tentative)	1st April to 31st March First Quarter – By last week of July Second Quarter- By last week of October Third Quarter – By last week of January Results for the year - May/June
v	Dates of Book Closure	Tuesday, 16th July, 2013 to Tuesday, 23rd July, 2013 (both days inclusive)
vi	Dividend Payment dates	The final dividend, if declared, by the shareholders at the Annual General Meeting shall be paid on or before 21st August, 2013, i.e. within 30 days from the date of declaration.
vii	Listing on Stock Exchanges	1. Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001. Stock Code - 511072 2. National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra - Kurla Complex, Bandra East, Mumbai 400 051. Stock Code - DHFL [Annual Listing Fees for the financial year 2013-14 has been paid to the above Stock Exchanges]
viii	ISIN Number for NSDL & CDSL	INE-202B01012

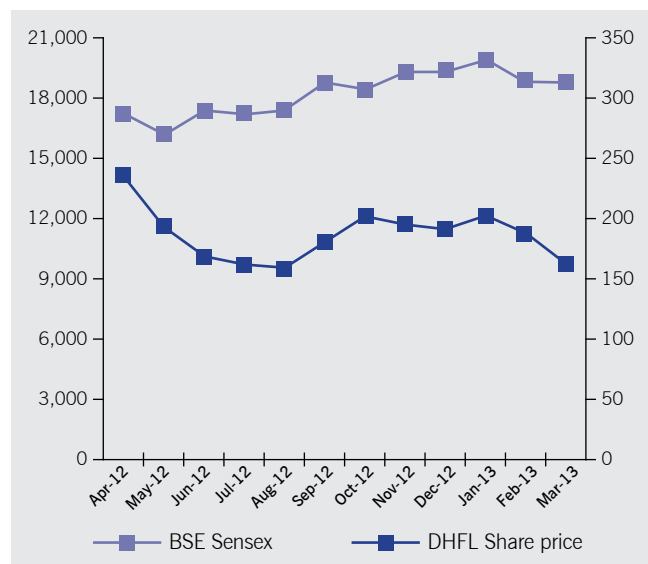
ix. Market Price Data

The monthly high and low closing prices for the year 2012-2013 of the Company, along with the volume of shares traded at BSE and NSE are as follows :-

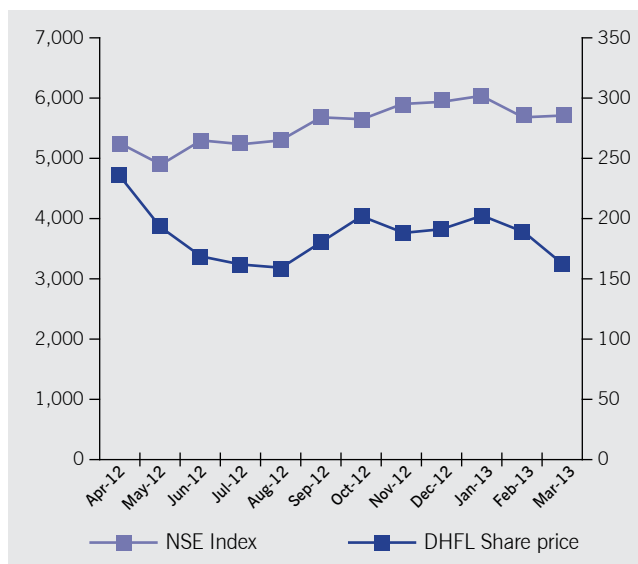
Month	BSE-Price			Qty. Traded	NSE-Price			Qty. Traded
	High (₹)	Low (₹)	Average Price (₹)		High (₹)	Low (₹)	Average Price (₹)	
Apr-12	258.65	215.00	236.83	871882	258.40	216.50	237.45	1749731
May-12	225.00	164.05	194.53	2389052	228.00	163.00	195.50	5133740
Jun-12	184.80	155.35	170.08	488958	184.15	155.10	169.63	3243907
Jul-12	185.90	142.25	164.08	2779143	186.00	143.45	164.73	10329666
Aug-12	173.85	146.00	159.93	598341	173.90	145.20	159.55	3383702
Sep-12	203.90	160.40	182.15	315519	203.80	159.70	181.75	2606692
Oct-12	218.00	187.30	202.65	687235	218.50	186.60	202.55	3341081
Nov-12	209.90	180.10	195.00	356128	209.50	169.00	189.25	5430004
Dec-12	208.40	174.50	191.45	1778125	208.50	173.50	191.00	4544827
Jan-13	224.90	182.15	203.53	1821818	224.70	181.55	203.13	8157882
Feb-13	213.40	165.15	189.28	3,10,623	213.80	166.00	189.90	1397069
Mar-13	179.90	147.00	163.45	2,91,614	180.40	148.70	164.55	3801791

(Sources: www.bseindia.com and www.nseindia.com)

x. Performance – Comparison with BSE Sensex



xi. Performance – Comparison with NSE Index



xii. Distribution of Shareholding as on 31st March, 2013

Shares holding of nominal Value			Share Holders		Share Amount	
₹			Number	% to Total Nos	In (₹)	% to Total Amount
1			2	3	4	5
Upto	5,000		20727	91.82	1,95,11,150	1.52
5,001	to	10,000	931	4.12	70,92,570	0.55
10,001	to	20,000	401	1.78	57,43,320	0.45
20,001	to	30,000	137	0.61	35,37,180	0.28
30,001	to	40,000	63	0.28	22,53,280	0.17
40,001	to	50,000	54	0.24	25,32,170	0.20
50,001	to	1,00,000	70	0.31	52,22,350	0.41
1,00,001	and above		190	0.84	123,62,95,070	96.42
Total			22573	100.00	128,21,87,090	100.00

Shareholding Pattern of the Company as on 31st March, 2013

Category	No. of Shares	% of Shareholding
Promoters	1,94,31,834	15.16
Persons acting in concert with promoters	2,93,82,669	22.91
Bodies Corporate	2,09,02,328	16.30
Mutual Funds	4,23,165	0.33
FII's	3,82,23,170	29.81
FDI	1,14,21,570	8.91
NRI	1,62,343	0.13
Financial Institutions / Banks	4,27,684	0.33
Individuals	77,67,656	6.06
Others- Clearing Members	76,290	0.06
Total	12,82,18,709	100.00

Note: None of the shares of the promoters/person acting in concert with promoters are pledged or encumbered with any of the banks or any of the financial institutions.

xiii. Registrar and Share Transfer Agents

M/s. Link Intime India Private Limited, Mumbai are the Registrar and Share Transfer Agents (RTA) for handling the physical and electronic registry work. The shareholders are requested to address their shares related request / queries to the RTA. The contact address of the RTA is as follows:

Link Intime India Private Ltd. C - 13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W), Mumbai-400078 Phone: 022-2594 6970 – 78, Fax: 022-25946969,

e-mail- rnt.helpdesk@linkintime.co.in Contact Person: Shri Sharad Patkar, Executive – Corporate Registry.

xiv. Share Transfer System

All the applications regarding physical transfer, transmission, splitting/consolidation of share certificates, dematerialization and rematerialization are processed by the Registrar and Share Transfer Agent, and approved by Shareholder's / Investor's Grievance Committee periodically depending on the volume of transfers. Share Certificates are dispatched back /credited to the respective Depository Accounts of the allottees within the time prescribed under the Listing Agreement/SEBI Guidelines. The Committee meets as and when required to approve share transfer received in physical form. The Company has obtained from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities, as required under Clause 47(c) of the Listing Agreement and had filed a copy of the certificate with the Stock Exchanges.

xv. Dematerialization of Shares and Liquidity

The Company has signed agreement with both the depositories in the country, namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's shares are in the list of compulsory demat settlement by all investors. As on 31st March, 2013, 99.43% of the share capital of the Company representing 12,74,86,015 equity shares were held in dematerialized form and the balance 0.57% representing 7,32,694 equity shares were held in physical form.

xvi. Online Information and address for correspondence

Shareholders are requested to visit www.dhfl.com for online information about the Company. The financial results, share price information, dividend announcements of the company are posted on the website of the Company. Besides, the shareholders have the facility to post any query to the Company directly from the website which are resolved expeditiously.

Shareholders may also contact the following for any assistance

Registrar & Share Transfer Agent	DHFL Secretarial Department		
Link Intime India Private Ltd. C - 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078 Phone: 022-2594 6970 – 78, Fax: 022-25946969, e-mail- rnt.helpdesk@linkintime.co.in Contact Person: Shri Sharad Patkar, Executive – Corporate Registry	Shri S. Y. Sankhe Compliance Officer & Company Secretary 6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai-400 051 Tel: 91-22- 2658 3333 email: secretarial@dhfl.com	Ms. Niti Arya Dy. Company Secretary 6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai-400 051 Tel: 91-22- 2658 3333 email: secretarial@dhfl.com	Shri P. K. Kumar Sr. Manager - Secretarial, 6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai-400 051 Tel: 91-22- 2658 3333 email: pkumar@dhfl.com

Shareholders, holding shares in electronic mode are advised to address all their correspondence through their respective Depository Participants.

Other Useful Information for Shareholders

i. Listing of Debt Securities

Pursuant to the directions of Securities & Exchange Board of India (SEBI) all the Secured Debentures issued by the Company (including those issued by amalgamated Company First Blue Home Finance Ltd.) on private placement basis have been listed in the Wholesale Debt Market (WDM) Segment of the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company complies with the listing requirements in this regard.

ii. Nomination Facility

The Company is accepting nomination forms from shareholders in the prescribed Form 2B. All those who are desirous of making a nomination are requested to contact the Registrar & Share Transfer Agent (RTA). The shareholders holding shares in dematerialised form are requested to forward their nomination instructions to the concerned depository participants. Nomination is optional and can be cancelled or varied by a shareholder at any time.

iii. Electronic Clearing Service (ECS) in case of shares held in Physical Form

At present, the Company is offering ECS facility to shareholders having bank accounts at any of the bank branches located at Ahmedabad, Bengaluru, Bhubaneswar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, Patna, Pune, Surat, Thiruvananthapuram and Vadodara. Under this system, the dividend amount is credited directly to the shareholders' designated bank account.

The statements of beneficial owner furnished by NSDL and CDSL for the purpose of payment of dividend inter alia includes the name, address, bank account details, 9 digit MICR code of the beneficial owners. The Company will arrange to remit the dividend through ECS, to those beneficial owners whose 9 digit MICR code is available and if the said MICR code pertains to a bank located at any of the cities mentioned above or if their bank is part of the Core Banking

Solution system. After remittance of dividend through ECS, a confirmation is sent to the concerned shareholders.

As part of its ongoing investor service initiatives, the Company has extended the said ECS facility to shareholders holding shares in physical form and maintaining an account with any bank forming part of the Core Banking Solution system. This would enable direct credit of dividend to the shareholders' designated bank account. In this regard, the Company has requested the shareholders to furnish details of their bank account (including the 9 digit MICR code) to the RTA, if they wish to avail of the said ECS facility. After remittance of dividend through ECS, a confirmation is being sent to the concerned shareholders.

iv. Transfer of unclaimed dividend to Investor Education and Protection Fund

Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unclaimed/unpaid dividend account is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 205C of the Companies Act, 1956. Shareholders are advised to claim the unclaimed dividend lying in the unclaimed/unpaid dividend account of the Company between the date of declaration of dividend and corresponding dates when unclaimed dividend are due for transfer to IEPF. Information in respect of such unclaimed dividend for the three years as due for transfer to the said Fund is given below:

Financial Year Ended	Date of Declaration	Due for Transfer on
2005-2006 (Final)	17/07/2006	22/08/2013
2006-2007 (Interim)	19/10/2006	24/11/2013
2006-2007 (Final)	23/07/2007	28/08/2014

v. Employee Stock Option Scheme (ESOS)

The Company has two ESOS Schemes by the name ESOS – 2008 and ESOS – 2009. During the year, no new options have been granted under the respective ESOS. The disclosures in respect of ESOS as required under Clause 12.1 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, have been made in the Directors' Report.

vi. Corporate Filing and Dissemination System (CFDS)

The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. All disclosures and communications to BSE and NSE are filed electronically by the Company through the CFDS portal and hard copies of the said disclosures and correspondence are also filed with the Stock Exchanges.

vii. NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are filed electronically on NEAPS by the Company.

viii. BSE Corporate Compliance & Listing Centre (The "Listing Centre")

The Listing Centre of BSE is a web based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are also filed electronically on the Listing Centre by the Company.

ix. SEBI Complaints Redress System (SCORES)

The Company is registered with SEBI Complaints Redress System (SCORES). Under SCORES the investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

x. Designated Exclusive email-id

The Company has designated an exclusive email ID secretarial@dhfl.com which would enable the members to post their grievances and monitor its redressal. Any member having any grievance may post the same to the said email address for its quick redressal.

xi. Proceeds from Private Placement Issue

During the year under review, the Company issued and allotted the following securities:

- Equity shares to employees under Employee Stock Option Scheme.
- Commercial Papers to Financial Institutions.
- Non-Convertible Debentures (Secured /Unsecured).
- Innovative Perpetual Debentures.

Details of these issues are provided in the Directors' Report. As specified in the respective offer document, the funds were utilized for the purpose of lending for housing finance and general business requirement. Details thereof were provided to the Audit Committee and Board of Directors.

xii. Borrowing Power of the Board

The Company at its Annual General Meeting on 27th July, 2012, passed a resolution authorizing the Board of Directors, pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, for borrowing any sum of money from time to time from any one or more of the Company's bankers as it may deem requisite for the purpose of the business of the Company, notwithstanding that monies to be borrowed together with monies already borrowed (apart from the Company's borrowings in the ordinary course of the business) will exceed in the aggregate of the paid up share capital and free reserves, i.e. to say reserves not set apart for any specific purpose provided however that the total amount upto which money may be borrowed by the Board of Directors of the Company shall not exceed the sum of ₹ 1,00,000 crore (Rupees One Lakh Crore).

xiii. Information as required under Clause 49 (VI) (G) of the Listing Agreement in respect of Directors being Appointed/ Re-appointed, forms part of the Notice of the [29th] Twenty-Ninth Annual General Meeting.

xiv. Subsidiary Companies

As at 31st March, 2013, the Company does not have any Subsidiary Company.

Details of Compliance with Mandatory Requirements and Adoption of Non Mandatory Requirements

During the year 2012-13, the Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and compliance with the non-mandatory requirements of this clause has been detailed hereunder :

(1) Chairman of the Board

The Chairman of the Board is an Executive Director. The Board at DHFL is an appropriate mix of Executive/Non-Executive and Independent directors that have collective experience in diverse fields like finance, banking, insurance, economics, corporate laws and administration. As on 31st March, 2013, the Board consist of (8) Eight Directors, out of which [5] Five directors are independent, meeting the criteria for independence under the Listing Agreement with the Stock Exchanges.

(2) Remuneration & Compensation Committee

The Company has a Remuneration & Compensation Committee, the details of which are provided in this Report under the Section "Remuneration & Compensation Committee". The Committee recommends to the Board the remuneration payable to Executive Director and also recommends the appointment / reappointment of Executive/ Non-Executive Directors and their induction on various Committees of the Board.

(3) Shareholder's Rights

The quarterly as well as the annual results are published in the newspapers and also displayed on the website of the Company. The Company also communicates the annual/ quarterly financial results by e-mail to shareholders, who have registered their e-mail address with the Depository Participants.

(4) Audit Qualification

There are no audit qualifications in the Company's financial statements for the year under review.

(5) Training of Board Members

During the year under review, the Company has provided with the necessary updation, documents, information, reports and policies, as applicable to the Company to the newly appointed as well as the existing Directors of the Company.

(6) Mechanism of Evaluation of Non-Executive Board Members

At present there is no formal mechanism for performance evaluation of Non-Executive Directors of the Company.

(7) Whistleblower Policy

The Company does not have a whistleblower policy. However, the Board of Directors and Chairman & Managing Director of the Company are committed to maintain the highest standards of honesty, openness and accountability and recognize that each and every employee of the Company has an important role to play in achieving the organisational goals. It is the policy of the Company to encourage employees, when they have reasons to suspect unethical behavior, actual or suspected fraud, violation of the Company's Code of Conduct or Ethics Policy and/or serious misconduct otherwise, to report those concerns to the Company's management.

Certificate of Compliance from Auditors as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges

To
The Members,
Dewan Housing Finance Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Dewan Housing Finance Corporation Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on 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 Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders / Investors' Grievance Committee.

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

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

Rajendra K. Gupta
Partner

ICAI M. No. 070165

Place : Mumbai
Dated : 7th May, 2013

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is available on website of the Company i.e. www.dhfl.com.

As the Chairman & Managing Director of the Dewan Housing Finance Corporation Limited and as required by Clause 49(1)(D)(ii) of the Listing Agreement of the Stock Exchanges in India, I hereby declare that all the Board members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the financial year 2012-2013.

Kapil Wadhawan
Chairman & Managing Director

Place : Mumbai
Date : 7th May, 2013

secretarial audit report

The Board of Directors

Dewan Housing Finance Corporation Limited

2nd Floor, Warden House, Sir P.M. Road, Fort, Mumbai – 400001

We have examined the Registers, records and documents of Dewan Housing Finance Corporation Limited (“the Company”) for the Financial Year ended on 31st March, 2013, with reference to the provisions contained in:-

1. The Companies Act, 1956 and the Rules made under that Act;
2. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
3. The following Regulations and Guidelines prescribed by Securities and Exchange Board of India (SEBI) under the Securities and Exchange Board of India, Act 1992 (“SEBI Act”).
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999;
 - d) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008.
4. The Equity and Debt Listing Agreements with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
5. We have further examined the records, documents and filings with respect to the Amalgamation of First Blue Home Finance Limited and DHFL Holdings Private Limited with the Company.
6. We certify that:
 1. Based on our examination and verification of the registers, records and documents produced to us and according to the information and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the provisions of the Companies Act, 1956 (“the Act”) and the rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to:
 - (a) Maintenance of various Statutory Registers and documents and making necessary entries therein;
 - (b) Closure of the Register of Members/Debenture holders;
 - (c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
 - (d) Service of documents by the Company on its Members, Debenture Holders, Debenture Trustees, Auditors and the Registrar of Companies;
 - (e) Notice of Board Meetings and Committee Meetings of Directors;
 - (f) The meeting of Directors and Committees of Directors including passing of resolution by circulations;
 - (g) The Annual General Meeting of the Company for the Financial Year 2011-12 was held on 27th July, 2012 within the prescribed time limit under the Act;
 - (h) Minutes of the proceedings of General meetings and of the Board and its Committee meetings;
 - (i) Approvals of the Members, the Board of Directors, the Committees of Directors and Government authorities, wherever required;

- (j) Constitution of the Board of Directors/Committees of Directors and appointment, retirement and re-appointment of Directors including the Chairman & Managing Director;
 - (k) Payment of remuneration to the Chairman & Managing Director and sitting fees paid to the Non-Executive Directors are made within the prescribed limit of the Act;
 - (l) Appointment/reappointment and remuneration of Auditors;
 - (m) Transfers and Transmissions of the Company's shares and debentures, issue and allotment of shares and debentures and issue and delivery of original and duplicate certificates of shares and debentures;
 - (n) Payment of interest on debentures and redemption of debentures;
 - (o) Declaration and payment of dividends;
 - (p) Transfer of certain amounts as required under the Act and Rules there under to the Investor Education and Protection Fund;
 - (q) Borrowings and registration, modification and satisfaction of charges;
 - (r) Investment of the Company's funds including inter corporate loans and investments and loans to others;
 - (s) Giving guarantees in connection with loans taken by subsidiaries and associate companies;
 - (t) Form of Balance Sheet as prescribed under revised Schedule VI to the Act and requirements as to Profit and Loss Account as per the said Schedule;
 - (u) Board's report;
 - (v) Contracts, common seal, registered office and publication of name of the Company; and
 - (w) Generally, all other applicable provisions of the Act and rules made under the Act.
2. We further report that:
- (a) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/ debentures holdings and Directorships in other companies and interest in other entities;
 - (b) The Directors/Management Personnel have complied with the disclosure requirements in respect of their eligibility of appointment/reappointment, their being independent and compliance with the code of business conduct and ethics for Directors and Management Personnel;
 - (c) The Company has obtained all necessary approvals under the various provisions of the Act.
3. We further report that:
- (a) The Hon'ble High Court of Bombay and the Hon'ble High Court of Delhi vide their respective orders dated 27th July, 2012 and 4th January, 2013, have approved the Scheme of Amalgamation under the provisions of Section 391-394 of the Companies Act, 1956 of First Blue Home Finance Limited (First Blue) and DHFL Holdings Private Limited (DHFL Holdings) with the Company.
 - (b) In terms of the Scheme of Amalgamation, the amalgamation of First Blue and DHFL Holdings with the Company has become operative from closing hours of 31st January, 2013 i.e. the "Effective Date" and upon the coming into effect, the Scheme has become effective from the, appointed date i.e., 1st April, 2011.
 - (c) Upon the coming into effect of the scheme, the company has allotted a total of 10,886,375 (Ten Million Eight Hundred and Eighty Six Thousand Three Hundred and Seventy Five) Equity Shares of ₹ 10/- (Rupees Ten only) each, to the

specified shareholders, in the ratio of 10 (Ten) equity shares of the face value of ₹ 10 (Rupees Ten only) each of the Company for every 97 (Ninety Seven) equity shares of the face value of ₹ 10 (Rupees Ten only) each of First Blue. The Company has paid the requisite stamp duty on the said allotment of shares.

- (d) The whole of the undertaking including the assets and the properties of First Blue and DHFL Holdings; all the liabilities including secured or unsecured debts, contingent liabilities and all the outstanding loans, debts or other advances as provided to the customers and their related security, security interests; all the agreements, licenses and all other approvals of every kind, nature and description, relating to the business activities and operations of First Blue and DHFL Holdings, along with the entire business of First Blue and DHFL Holdings stand transferred as a going concern to the Company. Thus, on the coming into effect of the scheme, First Blue and DHFL Holdings stands dissolved without winding up.
 - (e) The respective companies have already filed the Certified True Copy of the Order of The Hon'ble High Courts with the respective Registrar of Companies office in the prescribed Form 21.
 - (f) In view of the above the company has complied with the provisions of the Companies Act, 1956 and other statutes as applicable including the payment of requisite stamp duty on the orders of the High Courts with respect to the said Amalgamation.
4. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialization / rematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
 5. We certify that:
 - (a) The Company has complied with all the requirements under the Equity and Debt Listing Agreements entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.
 - (b) The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations.
 - (c) The Company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of Employees Stock Option Scheme, grant of Options and other aspects.
 - (d) The Company has complied with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - (e) The Company has Complied with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

for **Aabid & Co.,**
Company Secretaries

Mohammad Aabid
C.P. No. 6625
F.C.S No. 6579

Place : Mumbai
Dated: 7th May, 2013



→
DHFL
Financials

Independent Auditor's Report

To the Members,
Dewan Housing Finance Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Dewan Housing Finance Corporation Limited which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31 March 2013;
- (ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and

- (iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. 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 and proper returns adequate for the purposes of our audit have been received by the company from the branches not visited by us. The Branch Auditor's Reports produced before us have been appropriately dealt with.
 - 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 and with the Audited Returns received by the company from the branches not visited by us.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report, 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 of the company, as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 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; and
 - f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For **B.M. CHATURVEDI & Co.**

Chartered Accountants

ICAI FRN: 114317W

(Rajendra K. Gupta)

ICAI M.NO. 070165

Partner

Place: Mumbai

Date: 7th May, 2013

Annexure to the Auditor's Report

The annexure referred to in our report to the members of DEWAN HOUSING FINANCE CORPORATION LTD. ('the company') for the year ended on 31st March 2013, we report that:

- i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. The Company has not disposed off substantial part of fixed assets during the year.
- ii) The Company does not have any inventory due to nature of its business of housing finance.
- iii) The Company has given loans to the parties covered in the register maintained under section 301 of the Companies Act 1956. In respect of said loans, the maximum loans outstanding at any time during the year was ₹ 56,783 lacs including interest free loan ₹ 55,068 lacs to 100% subsidiary company merged with the company and year end balance of such loans was ₹ Nil. The rate of interest & other terms and conditions of the loan are, in our opinion, prima facie not prejudicial to the interest of the Company. The repayment of principal & interest whereof is regular and as per stipulation during the year. The Company has not taken any loans from any company, firm or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- iv) There is an adequate internal control system commensurate with the size of the company and the nature of its business, with regards to the purchase of fixed assets and sale of services. The Company has no purchase or sale of goods.
- v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in

pursuance of contracts or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has accepted deposits from the public. In our opinion and according to the information and explanations given to us, the Company has, during the year, complied with the directives issued by the National Housing Bank under the Housing Finance Companies [NHB] directions, 2010 with regard to deposits accepted from the public and the rules framed thereunder and the provisions of sections 58A, 58AA and other relevant provisions of the Companies Act, 1956.
- vii) In our opinion, and according to the information and explanations given to us, the company has an internal audit system commensurate with its size and nature of its business, implemented by in-house department and supported by various independent professional firms of Chartered Accountants appointed as concurrent Auditor by the management to carry out concurrent audit function at all its branches.
- viii) Central Government has not prescribed maintenance of any cost records in respect of the business of the Company.
- ix) a) According to the information and explanations given to us, Company is regular in depositing undisputed statutory dues such as Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth Tax, Service Tax and any other statutory dues whichever is applicable to the company with the appropriate authorities

Annexure to the Auditor's Report (Contd...)

- b) The disputed statutory dues aggregating ₹ 497 lacs that have not been deposited on account of disputed matters pending before appropriate authorities subject to ₹ 67 lacs deposited under protest against above and details of dispute are as under:

Statute Name	Nature of Dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act,1961	Income Tax	17	A.Y. 2004-05	Assessing Officer, New Delhi
Income Tax Act,1961	Income Tax	90	A.Y. 2007-08	ITAT, Delhi
Income Tax Act,1961	Income Tax	390	A.Y. 2008-09	In process of filing with ITAT, Delhi
Total		497		

- x) The Company has positive net worth, which is more than its equity capital and does not have any accumulated losses or cash losses in the current financial year.
- xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks or debenture holders.
- xii) According to the information and explanations given to us, Company has maintained adequate documents and records for the loans and advances granted by it on the basis of security by way of residential houses and properties, pledge of shares, debentures and other securities.
- xiii) The Company is not engaged in the business of any Chit fund / nidhi / mutual benefit fund or society.
- xiv) According to the information and explanations given to us, Company is maintaining proper records of the transactions and contracts in regards to the dealings in securities & investments and has made timely entries in records. The shares, securities, debentures and other securities have been held by the company in its own name.
- xv) According to the information and explanations given to us, Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion and according to the information and explanations given to us, Company has generally applied the amount raised by it by way of term loans for the purpose for which those loans were obtained, other than temporary deployment pending application of those funds.
- xvii) The Company is engaged in the housing finance business and is governed by National Housing Bank [NHB] Directions, for raising deposits and deployment of its funds in its business and the company has followed the NHB guidelines for fund raising and deployment of funds and is adhering to the Asset Liabilities Management guidelines (ALCO) prescribed by NHB and accordingly based on above information, we report that company has generally not used its short term funds in long term investments.
- xviii) The Company has made preferential allotment of equity shares during the year to its employees as approved by the members in its EGM for the quantity and pricing thereof. Accordingly the price at which such shares are allotted are not prima facie prejudicial to the interest of the Company.
- xix) According to the information & explanations given to us, the company has issued secured non-convertible debentures amounting to ₹ 129,600 lacs and has created charges in respect of the debentures issued during the year.
- xx) The company has not raised any money by way of public issue of equity share capital during the year save and except allotment of equity shares under Employees Stock Option Scheme as detailed in Note no. 3.5 of Notes forming part of the financial statements.
- xxi) As explained to us, no material fraud on or by the company has been noticed or reported during the year.

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

(**Rajendra K. Gupta**)
ICAI M.NO. 070165
Partner

Place: Mumbai
Date: 7th May, 2013

Balance Sheet As at 31st March, 2013

	Notes	As at 31.03.2013	(₹ in Lacs) As at 31.03.2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	12,822	11,684
Reserves and Surplus	4	310,887	191,588
Total Shareholders' Funds		323,709	203,272
Non Current Liabilities			
Long Term Liabilities	5	2,656,471	1,601,860
Other Long Term Liabilities	6	277	–
Long Term Provisions	8	26,360	15,940
Total Non-Current Liabilities		2,683,108	1,617,799
Current Liabilities			
Short Term Borrowings	9	87,598	93,417
Trade Payables	10	58	4,860
Other Current Liabilities	11	481,208	228,458
Short Term Provisions	8	4,623	3,903
Total Current Liabilities		573,487	330,639
TOTAL		3,580,304	2,151,710
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	17,180	6,020
Intangible Assets	12	742	402
Capital Work in Progress		25,871	18,226
		43,793	24,648
Non-Current Investments	13	19,052	38,746
Deferred Tax Assets / (Liabilities) (net)	7	201	(2,133)
Long Term Housing and Property Loans	14	3,236,949	1,824,298
Other Long Term Loans and Advances	15	3,300	1,334
Other Non-Current Assets	17	27,192	28,191
Total Non-Current Assets		3,330,488	1,915,084
Current Assets			
Current Investments	16	8,450	7,529
Trade Receivables	17	5,896	5,434
Cash and Bank Balances	18	51,256	70,164
Short Term Portion of Housing and Property Loans	14	153,223	111,240
Other Short Term Loans and Advances	19	28,726	40,865
Other Current Assets	17	2,265	1,395
Total Current Assets		249,816	236,626
TOTAL		3,580,304	2,151,710
Notes forming part of the Financial Statements	1-44		

This is the Balance Sheet referred to in our report of even date

For **B. M. CHATURVEDI & CO.**

Chartered Accountants

ICAI FRN:114317W

Rajendra K Gupta

Partner

ICAI MN: 070165

Kapil Wadhawan

Chairman & Managing Director

Dheeraj Wadhawan

R.P. Khosla

G.P. Kohli

Anthony Hambro

V.K. Chopra

M. Venugopalan

Directors

Place: Mumbai

Date : 7th May, 2013

S.Y. Sankhe

Company Secretary

Statement of Profit and Loss

For the year ended 31st March, 2013

(₹ in Lacs)

	Notes	Year ended 31.03.2013	Year ended 31.03.2012
INCOME			
Revenue from Operations	20	412,264	246,776
Other Income	21	1,772	192
Total Revenue		414,036	246,968
EXPENDITURE			
Interest & Finance Charges	22	311,936	179,923
Employees Remuneration & Benefits	23	14,069	8,776
Administrative & Other Expenses	24	21,617	15,591
Depreciation	12	846	472
Provision for Contingencies	8	4,500	2,370
Total Expenditure		352,968	207,132
Profit Before Tax		61,068	39,836
Less: Tax Expense			
- Current Tax		15,518	8,615
- Deferred Tax Charge/ (Credit)		365	585
Profit For The Year		45,185	30,636
Earnings Per Equity Share	25		
Basic (₹)		38.47	28.97
Diluted (₹)		38.30	28.67
Notes forming part of the Financial Statements	1-44		

This is the Statement of Profit and Loss referred to in our report of even date

For **B. M. CHATURVEDI & CO.**

Chartered Accountants

ICAI FRN:114317W

Rajendra K Gupta

Partner

ICAI MN: 070165

Kapil Wadhawan

Chairman & Managing Director

Dheeraj Wadhawan

R.P. Khosla

G.P. Kohli

Anthony Hambro

V.K. Chopra

M. Venugopalan

Directors

Place: Mumbai

Date : 7th May, 2013

S.Y. Sankhe

Company Secretary

Cash Flow Statement For the year ended 31st March, 2013

(₹ in Lacs)

	Year ended 31.03.2013		Year ended 31.03.2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		61,068		39,836
Adjustments for:				
Depreciation	846		472	
Employees Stock Option Expenses	513		576	
Provision for Gratuity & Leave Encashment	-		262	
(Gain)/Loss on Hedged Items and Hedging Derivative	(27)		-	
(Profit)/Loss on Fixed Assets sold	142		47	
Provision for Contingencies	4,500		2,369	
(Profit)/Loss on Sale of Real Estate	(1,095)		-	
Other Operational Treasury Income	(6,436)		(6,826)	
		(1,557)		(3,100)
Operating Profit before Working Capital changes		59,511		36,736
Adjustments for:				
Current Assets	12,772		(64)	
Current Liabilities	(3,247)		(5,683)	
Working Capital Changes		9,525		(5,747)
Cash Generated from Operations During the Year		69,036		30,989
Tax Paid		(12,405)		(8,020)
Net Cash Flow from Operating Activities (A)		56,631		22,969
B. CASH FLOW FROM INVESTING ACTIVITIES				
Net Income from Treasury Investment - MF	5,096		3,712	
Net Income from Treasury Investment - Others	1,340		3,114	
Net Addition to Investments	(4,456)		38,709	
Net Addition to Investments in Subsidiary	-		4,038	
Net Addition to Fixed Assets	(18,066)		(2,943)	
Net Cash used in Investing Activities (B)		(16,085)		46,629

Cash Flow Statement (Contd...)

(₹ in Lacs)

	Year ended 31.03.2013		Year ended 31.03.2012	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Advance to subsidiary	–		(20,002)	
Issue of Equity Shares	49		1,241	
Premium on Issue of Equity Shares	525		29,724	
Inter Corporate Deposits Received - Subsidiary	–		5,300	
Inter Corporate Deposits Received - Others	–		8,000	
Proceeds from Loan Securitised / Loan Syndicated	62,030		168,001	
Issue of Perpetual Debts	2,500		12,520	
Other Long Term Liability	2,900		–	
Loans Received from Banks/Institutions	853,013		404,500	
Refinance Loans Received from NHB	78,700		22,800	
Proceeds from Issue of NCD's and Sub Debts	160,650		80,520	
Proceeds from Issue of CP	421,463		145,440	
Fixed Deposits Received	142,585	1,724,415	69,066	927,111
Housing loan Repayments	336,814		194,927	
Other Loans Repayments	192,495	529,309	21,030	215,957
Loans Repaid to Banks / Institution	(382,203)		(124,010)	
Refinance Loans Repaid/Prepaid to NHB	(59,962)		(27,508)	
Fixed Deposits Repaid	(49,945)		(30,914)	
Non-Convertible Debentures Redeemed	(55,167)		(7,067)	
CP Redeemed	(431,603)		(115,048)	
Inter Corporate Deposits paid - Subsidiary	–		(5,300)	
Inter Corporate Deposits paid - Others	–	(978,880)	(9,800)	(319,648)
Housing Loan Disbursed	(1,119,606)		(724,884)	
Other Loans Disbursed	(216,167)	(1,335,773)	(181,664)	(906,548)
Dividend & Dividend Distribution Tax	(7,469)		(4,289)	
Share Premium Utilised	(1,089)	(8,560)	–	(4,289)
Net Cash from Financing Activities (C)		(69,489)		(87,417)
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)		(28,943)		(17,819)
Cash & cash equivalents at the beginning of the year		98,355		116,174
Addition on amalgamation		9,003		–
Cash & Cash Equivalents at the Close of the Year		78,415		98,355

Negative Figure (–) represent cash outflow. This Cash Flow Statement referred to in our report of even date

For **B. M. CHATURVEDI & CO.**

Chartered Accountants

ICAI FRN:114317W

Rajendra K Gupta

Partner

ICAI MN: 070165

Kapil Wadhawan

Chairman & Managing Director

Dheeraj Wadhawan

R.P. Khosla

G.P. Kohli

Anthony Hambro

V.K. Chopra

M. Venugopalan

Directors

Place: Mumbai

Date : 7th May, 2013

S.Y. Sankhe

Company Secretary

Notes forming part of the financial Statement For the year ended 31st March, 2013

1 CORPORATE INFORMATION

Dewan Housing Finance Corporation Limited ('DHFL'), 'the Company' was incorporated in India on 11th April, 1984 and is carrying on the business of providing loans to retail customers for construction or purchase of residential property and loans against property. The company is registered with National Housing Bank under section 29A of the National Housing Bank Act, 1987. DHFL has its registered office in Mumbai and has 166 branches, 75 service centres, 31 camp locations, 18 zonal/ regional office, 2 disbursement hub and 4 collection centers in India and 2 representative offices in UAE and UK.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of Financial Statements :

- a) The financial statements have been prepared under the historical cost convention on accrual basis, except pertaining to amalgamation accounting, in accordance with the generally accepted accounting principles, provisions of the Companies Act, 1956, Housing Finance Companies, (NHB) Directions, 2010 and Accounting Standards (AS) notified u/s 211(3C) of the Companies Act, 1956.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- c) The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialise.
- d) Amounts in the financial statements are presented in ₹ lacs, except for per share data and as otherwise stated. All exact amounts are stated with suffix"/-".

2.2 Revenue Recognition

- a. Interest on housing loans :
Repayment of housing loans is by way of Equated Monthly Instalments (EMI) comprising principal and interest. Interest is calculated each year on the outstanding balance at the beginning of the Company's financial year or on monthly reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI monthly interest is payable.
Interest on performing assets is recognized on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank. The interest income (payment) is adjusted for gain (loss) on corresponding hedge contracts / interest swap derivatives, wherever executed.
- b. Dividend income on investments, processing fees and penal interest income on delayed EMI/PEMI are recognised on receipt basis.
- c. Income from services and interest bearing investment is recognised on accrual basis.

2.3 Interest & Other Related Financial Charges :

Interest accrued on cumulative fixed deposits and payable at the time of maturity is clubbed with the principal amount on the date of periodical rest when interest is credited in Fixed Deposit account in accordance with the particular deposit scheme. Interest and other related financial charges are recognized as an expense in the period for which they relate as specified in Accounting Standard (AS 16) on "Borrowing Costs".

2.4 Foreign Exchange Transactions :

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rates prevailing on the date of the Balance Sheet. Any gain or losses on account of exchange differences either on settlement or on translation are recognized in the Profit and Loss Account.

In respect of Forward Exchange Contracts the premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts on reporting dates are recognized in the statement of profit and loss. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense in that year.

2.5 Provision for Contingencies :

Provision for Contingencies has been made for diminution in investment value and on standard as well as on non-performing housing loans and other property loans as per the Prudential Norms prescribed by the National Housing Bank. The Company also makes certain additional provision to meet unforeseen contingencies.

Notes forming part of the financial Statement For the year ended 31st March, 2013

2 SIGNIFICANT ACCOUNTING POLICIES (contd...)

2.6 Investments :

In accordance with Accounting Standard (AS 13) on "Accounting for Investments" and the guidelines issued by the National Housing Bank, Investments are either classified as current or long term based on management's intention at the time of purchase. On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and stamp duty.

Long term investments are carried at cost less provision for diminution, other than temporary, in the value of investments. Current investments are stated at cost and provision for diminution is made wherever applicable.

2.7 Tangible Fixed Assets :

Fixed Assets are stated at cost less accumulated depreciation and impaired losses, if any. All directly attributable costs including financing cost, net of cenvat credit, till the asset is put to use is shown as capital work in progress and is capitalised thereafter. Depreciation on fixed assets is provided on straight-line method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets held under finance leases are depreciated over the estimated useful life of the asset or the lease term whichever is lesser.

2.8 Intangible Assets :

Intangible assets including software are capitalized where it is expected to provide future enduring economic benefits. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

2.9 Impairment of Assets :

An Asset is treated as impaired when it is unusable and the carrying cost of the Asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting periods is reversed if there has been a change in the estimate of recoverable amount as specified in Accounting Standard (AS 28) on "Impairment of Assets".

2.10 Leases:

Operating Leases

Lease rentals in respect of assets taken on "Operating Leases" are charged to the profit and loss account on straight line basis over the lease term.

Finance Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease and are accordingly disclosed. The capital element of the leasing commitments is shown as Secured liabilities. Lease payments are apportioned between the finance charges and reduction of the corresponding liability based on the implicit rate of return.

2.11 Special Reserve :

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

2.12 Prepaid Expenses :

Financial Expenses incurred during the year which provide benefit in several accounting years and brokerage paid on long term fixed deposits has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro-rata time basis in the future accounting years.

2.13 Employees Retirement Benefits :

- a) Company's contribution in respect of Employees' Provident Fund is made to Government provident fund and is charged to the Statement of Profit & Loss.
- b) Gratuity and Leave Encashment payable at the time of retirement are charged to the Statement of Profit & Loss on the basis of actuarial valuation as required under AS-15.

2.14 Earnings Per Share :

The earnings per share has been computed as per Note 25 in accordance with Accounting Standard (AS-20) on, "Earnings Per Share" and is also shown in the Statement of Profit and Loss.

Notes forming part of the financial Statement For the year ended 31st March, 2013

2 SIGNIFICANT ACCOUNTING POLICIES (contd...)

2.15 Accounting for Taxes :

Income tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS-22) on "Accounting for Taxes on Income". The Deferred tax assets and liabilities for the year, arising out of timing difference, are reflected in the Statement of Profit and Loss. The cumulative effect thereof is shown in the Balance Sheet. The Deferred tax assets, if any, are recognised only if there is a reasonable certainty that it will be realized in future.

2.16 Provisions, Contingent Liability and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

2.17 Housing and Other Property Loans :

Housing Loans include outstanding amount of Housing Loans and other Property Loans disbursed directly or indirectly to individual and other borrowers. Other Property loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not began in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). EMI and instalments due from borrowers against the housing loans receivable for less than three months, are treated as trade receivables and are shown as current assets.

2.18 Securitised Assets :

Securitised and Assigned Assets are derecognised in the books of the Company based on the principle of transfer of ownership interest over the assets. De-recognition of such assets and recognition of gain or loss arising on such securitisation is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

3 SHARE CAPITAL		(₹ in Lacs)
Particulars	As at 31.03.2013	As at 31.03.2012
Authorised		
748,000,000 (175,000,000) equity shares of ₹10/- each	74,800	17,500
75,000,000 (75,000,000) Redeemable, non convertible preference shares of ₹10/- each	7,500	7,500
500,000 (Nil) Redeemable, non convertible preference shares of ₹100/- each	500	—
	82,800	25,000
Issued, Subscribed and Paid up		
128,218,709 (116,839,981) equity shares of ₹10/- each fully paid	12,822	11,684
	12,822	11,684

3.1 Authorised capital of the company is increased on account of amalgamation as approved by the Hon'ble High Court's of Judicature at Bombay and Delhi, read with Note 27.

The Company has, at present, one class of issued, subscribed and paid up share referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

3.2 The reconciliation of the number of shares outstanding and the amount of share capital as at the beginning and at the end of the reporting period:

Particulars	As at 31.03.2013		As at 31.03.2012	
	No. of shares	Amount (Lacs)	No. of shares	Amount (Lacs)
Equity shares at the beginning	116,839,981	11,684	104,426,402	10,443
Add: Shares issued during the year	—	—	11,909,873	1,191
Add: Shares issued on Amalgamation (Refer Note 27)	10,886,375	1,089	—	—
Add: Shares issued under ESOS	492,353	49	503,706	50
Equity shares at the end	128,218,709	12,822	116,839,981	11,684

Notes forming part of the financial Statement For the year ended 31st March, 2013

3 SHARE CAPITAL (contd...)

3.3 Details of shareholders holding more than five percent equity shares in the Company are as under

Particulars	As at 31.03.2013		As at 31.03.2012	
	No. of shares	% holding	No. of shares	% holding
Kapil Wadhawan	10,122,836	7.89	9,978,472	8.54
Dheeraj Wadhawan	9,308,998	7.26	9,308,998	7.97
Aruna Wadhawan	7,980,447	6.22	7,980,447	6.83
Wadhawan Holdings Private Limited	10,031,436	7.82	8,736,536	7.48
Caledonia Investments PLC	11,421,570	8.91	10,017,923	8.57

3.4 Details of aggregate number of shares issued for consideration other than cash during the period of five years:

Company has allotted 1,08,86,375 No of Equity Shares as fully paid up for consideration other than cash as per the Scheme of Amalgamation during the year (Refer Note 27).

3.5 Employee Stock Option Plans:

- a. Employee Stock Option Scheme 2008 (ESOS-2008) was implemented by the Company. 14,22,590 equity share options were granted under 'ESOS-2008' in 2008-09 to the employees as approved by the remuneration and compensation committee of directors of the Company at ₹ 53.65 per share, the reconsidered price approved in the EOGM dated 31st March, 2009.

During the year, the Company has allotted, from time to time, 256,094 (301,264) number of equity shares of ₹ 10/- each to various eligible employees under 'ESOS 2008' at the price of ₹ 53.65 per equity share (including a premium of ₹ 43.65 per equity share) aggregating to ₹ 137 lacs (₹ 162 lacs) as approved in the AGM dated 23rd July, 2007 and allotted at the reconsidered price approved in the EOGM dated 31st March, 2009.

- b. Employee Stock Option Scheme 2009 (ESOS-2009) was implemented by the Company. 12,75,000 equity share options were granted under 'ESOS-2009, Plan I' in 2009-10 and additional 12,34,670 equity share options were approved to be granted under 'ESOS-2009, Plan II' in 2010-11 to the employees by the remuneration and compensation committee of directors of the Company at ₹ 141/- per share, the price approved in the remuneration and compensation committee meeting held on 25th November, 2009.

During the year, the Company has allotted, from time to time, 236,259 (202,442) number of equity shares of ₹ 10/- each to various eligible employees under 'ESOS 2009' at the price of ₹ 141/- per equity share (including a premium of ₹ 131/- per equity share) aggregating to ₹ 333 lacs (₹ 285 lacs) as approved in the AGM dated 23rd July, 2007.

Movement in options under (ESOS-2008) and (ESOS-2009).

Particulars	ESOS-2008	ESOS-2009 Plan I	ESOS-2009 Plan II
Options granted under the schemes	1,422,590	1,275,000	1,234,670
Options exercised upto 31st March, 2013	990,626	677,534	–
Options lapsed upto 31st March, 2013	250,430	211,605	169,810
Options outstanding at the end of the year	181,534	385,861	1,064,860
Options unvested at the end of the year	153,376	–	864,269
Options exercisable at the end of the year	28,158	385,861	200,591

- 3.6 During the year, the Company has paid an interim dividend on equity shares @ ₹ 2/-(Nil) per share. The Board of Directors, has further recommended final dividend to be paid out of current year profits @ ₹ 3/- (₹ 3.50) per equity share to the equity shareholders.

Notes forming part of the financial Statement For the year ended 31st March, 2013

4 RESERVES & SURPLUS

(₹ in Lacs)

Particulars	As at 31.03.2013		As at 31.03.2012	
Capital Reserve				
Balance as per last Balance Sheet	7		7	
Addition on Amalgamation*	26,136		–	
	26,143		7	
Less: utilised*	5,206	20,937	–	7
Capital Redemption Reserve				
Balance as per last Balance Sheet		775		775
Securities Premium				
Balance as per last Balance Sheet	114,889		85,165	
Add : Addition during the year	525		29,724	
Addition on Amalgamation*	35,223		–	
	150,637		114,889	
Less : Utilised during the year [net of tax of ₹ 283 lacs (₹ Nil)] (refer Note 4.1 below)	807	149,830	–	114,889
Employees Stock Option Outstanding				
Balance as per last Balance Sheet	842		266	
Add : Transferred from Statement of Profit & Loss	513	1,355	576	842
General Reserve				
Balance as per last Balance Sheet	32,604		28,104	
Add : Transferred from Statement of Profit & Loss	20,000		10,000	
Addition on Amalgamation*	759		–	
	53,363		38,104	
Less: Transfer to Provision for Contingency on Standard Assets	–	53,363	5,500	32,604
Special Reserve				
Balance as per last Balance Sheet	29,586		19,586	
Add: Transferred from Statement of Profit & Loss	10,000		10,000	
Addition on Amalgamation*	8,813	48,399	–	29,586
Contingency Reserve				
Balance as per last Balance Sheet	–		3,500	
Less : Transferred to Provision for Contingency	–	–	3,500	–
Surplus in Statement of Profit and Loss:				
As per last Balance Sheet	12,885		6,997	
Addition on Amalgamation*	15,360		–	
Add : Profit for the year	45,185		30,636	
	73,430		37,633	
Less : Appropriations :				
General Reserve	20,000		10,000	
Special Reserve ¹	10,000		10,000	
Interim Equity Dividend	2,342		–	
Proposed Final Equity Dividend **	3,847		4,089	
Dividend for earlier year	8		8	
Tax on dividend	1,005		651	
	37,202		24,748	
Surplus closing balance		36,228		12,885
Total		310,887		191,588

* As per the Scheme of Amalgamation, erstwhile First Blue Home Finance Limited and DHFL Holdings Private Limited has amalgamated with the Company as approved by the Hon'ble High Court's of Judicature at Bombay and Delhi read with Note 27.

** The Board of Directors in its meeting held on 7th May, 2013 has recommended dividend of ₹ 3/- per equity share (refer Note 3.6).

4.1 In accordance with Section 78 of the Companies Act, 1956, during the year the company has utilized Securities Premium Account towards amortization of premium on redemption of Zero Coupon Secured Redeemable Non-Convertible Debentures amounting to ₹ 807 lacs (after netting of tax of ₹ 283 lacs).

Notes forming part of the financial Statement For the year ended 31st March, 2013

5 LONG TERM LIABILITIES		<i>(₹ in Lacs)</i>			
Particulars	Non Current Portion		Current Portion		
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012	
Secured					
Non-Convertible Debentures	310,464	152,353	35,935	32,667	
Term Loan from Banks	1,942,574	1,218,487	306,617	167,052	
Loan from Others					
From National Housing Bank	175,801	109,395	42,328	18,459	
From Financial Institutions	1,625	3,017	1,391	1,391	
Finance Lease Obligation	19	–	3	–	
Total Secured Long Term Liabilities	2,430,483	1,483,252	386,274	219,569	
Unsecured					
Non-Convertible Debentures (Perpetual)	15,020	12,520	–	–	
Non-Convertible Debentures (Subordinated issue)	110,650	61,000	3,500	4,500	
Deposit					
Fixed Deposit (including Cumulative)	99,886	44,956	70,063	48,061	
Other Deposits	432	132	123	272	
Total Unsecured Long Term Liabilities	225,988	118,608	73,686	52,833	
TOTAL LONG TERM LIABILITIES	2,656,471	1,601,860	459,960	272,402	
Current Portion of above liability is disclosed under the head “other current liabilities”. (Refer Note 11)	–	–	(459,960)	(272,402)	
Net Amount	2,656,471	1,601,860	–	–	

5.1 Non Convertible Debentures (NCD) (current and non current portion) amounting to ₹ 346,399 lacs (₹ 185,020 lacs) are secured by way of first charge read with Note 5.2 herein below and are redeemable at par, in one or more instalments, on various dates, between June, 2013 and December, 2022.

Secured NCDs also include amount outstanding for Zero Coupon Secured Redeemable Non-Convertible Debentures (ZCD) aggregating to ₹ 7,996 lacs (₹ Nil), including ₹ 5,869 lacs (₹ Nil) of the amalgamating company read with note 5.3, which are redeemable at premium on maturity. The accumulated premium payable on outstanding ZCD accrued till 31st March, 2013 amounting to ₹ 756 lacs is included above and has been provided out of the securities premium account (refer Note 4.1).

5.2 All Secured loans (Current and Non Current portion), from the National Housing Bank, other Banks, Asian Development Bank, Financial Institutions and Secured Non Convertible Debentures / ZCD are secured by way of first charge to and in favour of participating banks, Institutions, National Housing Bank and Debenture Trustees jointly ranking pari passu (read with Note 9.1), inter-se, on the Company's whole of the present and future book debts outstanding, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets, read with Note 5.3 & 5.4 hereinafter. They are further secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties of the Company, to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by the promoter directors of the Company.

5.3 The secured loans (current and non current portion) read with Note 9.1 availed by amalgamating company from various lenders/institutions are secured for the time being as under. However, the Company is in discussions with its various lenders for re-alignment of security clauses in terms of its existing debts.

- Secured NCDs and ZCDs aggregating to ₹ 66,919 lacs are secured by a first charge by way of hypothecation of book debts of specific loan assets and by way of mortgage of certain land of the Company.
- The term loans from National Housing Bank amounting to ₹ 44,721 lacs are secured by mortgage of certain immovable properties and a first exclusive charge by way of hypothecation of all movable properties, excluding specific housing and property loans & investments, of amalgamating Company. These loans are further secured by a first exclusive mortgage/ charge by way of hypothecation of specific book debts in respect of housing loans against which refinance has been availed.

Notes forming part of the financial Statement For the year ended 31st March, 2013

5 LONG TERM LIABILITIES (contd...)

- c. The term loans from Banks aggregating to ₹ 403,136 lacs are secured by a first charge by way of hypothecation of book debts of specific loan assets of the amalgamating Company and some of them are further secured by negative lien on the underlying specific properties and / or secured by demand promissory notes.
- 5.4 The National Housing Bank directives require all HFC's accepting public deposits to create a floating charge on the statutory liquid assets maintained in favour of depositors through the mechanism of a trust deed. The Company has accordingly appointed a SEBI approved trustee Company as trustee for the above by executing the trust deed.
- 5.5 Unsecured Redeemable Non Convertible Subordinated Debentures aggregating to ₹ 114,150 lacs (₹ 65,500 lacs), outstanding as at 31st March, 2013, are subordinated to present and future senior indebtedness of the company. It qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity between August 2013 and October 2023.
- 5.6 Fixed Deposits and Other Deposits, including short term fixed deposits and short term other deposits, are repayable as per individual contracted maturities ranging from 12 to 84 months from the date of deposit. The interest is payable on contracted terms depending upon the scheme opted by the depositor.
- 5.7 Department of Company affairs vide their general circular no. 4/2003 dated 16.01.2003, which has not been modified, has clarified that Housing Finance Companies registered with National Housing Bank are exempt from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. Since the Debenture issues of the Company till day are through private placement, no DRR has been created.

6 OTHER LONG TERM LIABILITIES

Particulars	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
Advance from customers	42	—
Others	235	—
Total Other Long Term Liabilities	277	—

7 DEFERRED TAX LIABILITIES / (ASSETS)

Particulars	(₹ in Lacs)			
	As at 31.03.2013		As at 31.03.2012	
Deferred Tax Asset				
On account of provision for contingency	(4,914)		(1,556)	
On account of others	—	(4,914)	(185)	(1,741)
Deferred Tax Liability				
On account of depreciation	757		711	
On account of others	3,956	4,713	3,163	3,874
Net Deferred Tax Liability / (Asset)		(201)		2,133

Current year balance includes earlier years brought forward balances of the amalgamating company.

Notes forming part of the financial Statement For the year ended 31st March, 2013

8 PROVISIONS		(₹ in Lacs)			
		Long Term Provision		Short Term Provision	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Particulars					
Provision for Contingencies					
Against Standard Assets:					
As per last Balance Sheet		10,885	1,885	–	
Addition on Amalgamation		4,307	–	–	–
Add : Provision during the year		2,739	–	–	–
Add : Transfer from Contingency Reserve		–	3,500	–	–
Add : Transfer from General Reserve		–	5,500	–	–
Less : Utilised During the year		–	–	–	–
Total		17,931	10,885	–	–
Short Term Provision		–	–	–	–
Net provision on standard loan portfolio (A)		17,931	10,885	–	–
Against NPA:					
As per last Balance Sheet		4,654	2,651	–	–
Addition on Amalgamation		2,355	-	–	–
Add : Provision during the year		1,821	2,239	–	–
Less : Utilised During the year		494	236	–	–
Total		8,336	4,654	–	–
Short Term Provision		–	–	–	–
Net provision on NPA loan portfolio (B)		8,336	4,654	–	–
Against Investment:					
As per last Balance Sheet		190	59	–	–
Add : Provision (withdrawal) during the year *		(60)	131	–	–
Less : Utilised During the year		–	–	–	–
		130	190	–	–
Less : Transfer to Provision for diminution in the value of investment		(130)	(190)	–	–
Provision for Contingencies on loan portfolio (A+B)		26,267	15,539	–	–
Provision for employee benefits					
Gratuity		–	401	–	115
Leave encashment		–	–	–	85
Provision for proposed dividend		–	–	3,847	4,089
Provision for dividend distribution tax		–	–	624	663
Provision for Income Tax (net of advance tax) (Refer note 29 & 32)		–	–	152	(1,889)
Other Provisions		93	–	–	840
Total Provisions		26,360	15,940	4,623	3,903

8.1 The Company has written off ₹ 494 lacs (₹ 236 lacs) as bad debts and by way of one time settlement to recover some of its NPA and Loss Accounts. The Company has withdrawn ₹ 494 lacs (₹ 236 lacs) from contingency provisions created out of profits of earlier years.

Notes forming part of the financial Statement For the year ended 31st March, 2013

8 PROVISIONS (contd...)

8.2 Details of Housing and Property Loans and Contingency Provisions

Housing and property loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank and are as follows:

(₹ in Lacs)

	As at 31.03.2013		As at 31.03.2012	
	Portfolio	Provisions	Portfolio	Provisions
Standard Assets				
Housing Loans	2,933,770	13,145	1,678,635	8,219
Other Property Loans	432,470	3,761	242,254	2,415
Additional Provision on Standard Assets	–	1,025	–	251
	3,366,240	17,931	1,920,889	10,885
Sub Standard Assets				
Housing Loans	9,389	1,408	6,704	1,085
Other Property Loans	2,174	326	1,803	273
	11,563	1,734	8,507	1,358
Doubtful Assets				
Housing Loans	10,522	5,211	4,167	1,847
Other Property Loans	1,615	808	1,975	649
	12,137	6,019	6,142	2,496
Loss Assets				
Housing Loans	162	163	–	–
Other Property Loans	70	70	–	–
	232	233	–	–
Additional provision on Non Performing Assets		350		800
Total (*)	3,390,172	26,267	1,935,538	15,539
Summary:				
Housing Loans	2,953,843	19,927	1,689,506	11,151
Other Property Loans	436,329	4,965	246,032	3,337
Additional provision on Standard Assets	–	1,025	–	251
Additional provision on Non Performing Assets	–	350	–	800
Total (*)	3,390,172	26,267	1,935,538	15,539

(*) Outstanding Investment of ₹ 3,656 (Nil) lacs in Mortgage Backed Class B PTC consists of securitised housing loans held by the company, is included above.

8.3 Provision for Contingencies

The Company has made full provisions for Contingencies for diminution in investment value and on standard as well as on non-performing housing loans and other property loans as per the Prudential Norms prescribed by the National Housing Bank. The Company has maintained additional provision amounting to ₹ 1,375 lacs.

Notes forming part of the financial Statement For the year ended 31st March, 2013

9 SHORT TERM BORROWINGS		<i>(₹ in Lacs)</i>	
Particulars	As at 31.03.2013	As at 31.03.2012	
Secured			
Loans Repayable on Demand			
From Banks	5,000	–	
Other Short Term Loans and Advances			
From Banks	6,882	444	
Secured short term borrowings (A)	11,882	444	
Unsecured			
Deposits			
Fixed Deposits (Refer Note 5.6)	19,567	48,061	
Other Deposits (Refer Note 5.6)	489	272	
Other short term loans and advances			
From Banks	260	–	
Commercial Papers	52,500	40,140	
Others	2,900	4,500	
Unsecured short term borrowings (B)	75,716	92,973	
TOTAL SHORT TERM BORROWINGS (A+B)	87,598	93,417	

9.1 Loans repayable on demand and other short term loans comprising of Cash credit facilities from banks includes borrowings of amalgamating company and are secured by a first charge by way of hypothecation of book debts of specific loan assets of the company and are further secured by negative lien on the underlying specific properties and / or secured by demand promissory notes. Certain Cash credit facilities are also secured by way of a first pari passu charge along with other secured loans read with Note 5.2. All cash credit facilities are repayable as per the contracted/ roll over term.

10 TRADE PAYABLES

There is no amount due and payable to 'Suppliers' registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year. No interest has been paid/ is payable by the Company during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

11 OTHER CURRENT LIABILITIES		<i>(₹ in Lacs)</i>	
Particulars	As at 31.03.2013	As at 31.03.2012	
Current maturities of long-term borrowing (Refer Note 5)	459,957	219,569	
Current maturities of Finance Lease Obligation	3	–	
Interest accrued but not due on borrowings	5,995	4,023	
Unclaimed Dividends	70	67	
Unclaimed matured deposits and interest accrued thereon	1,812	511	
Other Payables			
Advance from customers	2,869	2,181	
Amount payable under securitisation/ joint syndication transaction	6,219	1,584	
Other current liabilities	4,283	523	
TOTAL OTHER CURRENT LIABILITIES	481,208	228,458	

11.1 As required under section 205 (C) of the Companies Act, 1956, the Company has transferred unclaimed dividend of the year 2004-05 (2003-04) ₹ 6 lacs (₹ 5 lacs), unclaimed Interim dividend of the year 2005-06 (Nil) ₹ 6 lacs (₹ Nil) and ₹ 5 lacs (₹ Nil) towards unclaimed Deposits and interest accrued thereon to Investor Education & Protection Fund (IEPF) during the year. There were no amounts due for transfer to IEPF on the date of Balance Sheet.

Notes forming part of the Financial Statements

12 FIXED ASSETS												(₹ in Lacs)
Assets	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 01.04.2012	Due to Amalgamation	Addition	Deduction/ Sale	As on 31.03.2013	As on 01.04.2012	Due to Amalgamation	For the Year	Deduction/ Adjust.	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
Tangible:												
Land & Building	3,056	3	–	–	3,059	359	–	50	–	409	2,650	2,697
Leasehold Premises	–	–	9,999	–	9,999	–	–	2	–	2	9,997	–
Furniture & Fixture	1,790	1,018	523	142	3,189	346	525	256	60	1,068	2,121	1,444
Office Equipments	1,045	213	249	62	1,445	158	71	63	20	272	1,173	887
Vehicles	296	126	39	86	376	82	26	49	24	133	243	215
Computer (Hardware)	1,644	666	294	113	2,491	867	431	300	103	1,495	996	778
Sub Total	7,832	2,025	11,104	402	20,558	1,811	1,054	720	207	3,378	17,180	6,020
Intangible:												
Computer (Software)	447	–	466	–	913	45	–	126	–	171	742	402
Fixed Assets	8,278	2,025	11,570	402	21,471	1,856	1,054	846	207	3,549	17,922	6,422
Capital Work in Process	18,226	–	8,253	608	25,871	–	–	–	–	–	25,871	18,226
TOTAL	26,504	2,025	19,823	1,010	47,342	1,856	1,054	846	207	3,549	43,793	24,648
Previous Year	23,673	–	2,966	134	26,504	1,449	–	472	65	1,856	24,648	

13 NON CURRENT INVESTMENTS					(₹ in Lacs)			
Particulars	As at 31.03.2013		As at 31.03.2012		Nos.	Amount	Nos.	Amount
	Nos.	Amount	Nos.	Amount				
Trade Investments								
Investment in unquoted equity instruments								
Investment in erstwhile subsidiary:								
DHFL Holdings Private Limited	–	–	229,010,000	22,901				
Investment in associates:								
Aadhar Housing Finance Private Limited	14,900,000	1,490	50,000,000	5,000				
DHFL Vysya Housing Finance Limited	1,048,989	315	1,048,989	315				
Arthveda Fund Management Private Limited	4,692,500	586	4,692,500	586				
DHFL Venture Trustee Company Private Limited	22,500	2	22,500	2				
Avanse Financial Services Pvt. Ltd	1,673,821	585	–	–				
Investment in others:								
The Kalyan Janta Sahakari Bank Limited	10,000	1	10,000	1				
(A)		2,979		28,805				
Investment in unquoted optionally convertible preference share								
Sunborne Energy Services India Private Limited	31,775	1,271	31,775	1,271				
(B)		1,271		1,271				
Other Investments								
Investment in Mutual Funds/Venture Capital Fund - unquoted								
DHFL Venture Capital Fund		–		–				
(100% Trust Corpus - Settlement Money) (₹ 10,000/- only)								
DHFL Real Estate Assets Management Fund -	35,000	3,201	35,000	3,223				
Dream Fund I Units Class A								
DHFL Real Estate Assets Management Fund -	36,370	–	36,370	–				
Dream Fund I Units Class B (₹ 36,370/- only)								
(C)		3,201		3,223				

Notes forming part of the financial Statement For the year ended 31st March, 2013

13 NON CURRENT INVESTMENTS (contd...)				(₹ in Lacs)
Particulars	As at 31.03.2013		As at 31.03.2012	
	Nos.	Amount	Nos.	Amount
Investment in Government Securities (SLR) - quoted				
11.30% HP Infrastructure Development Board	300	300	300	300
0.00% Punjab Infrastructure Development Board 2023 Bonds	10	25	10	25
8.56% Kerala SDL 2020	200,000	203	200,000	203
8.09% Gujarat SDL 2020	500,000	504	500,000	504
8.52% Tamilnadu SDL 2020	200,000	206	200,000	206
8.42% Andhra Pradesh SDL 2020	425,000	430	425,000	430
8.39% Rajasthan SDL 2020	–	–	500,000	503
8.26% GOI 2027	600,000	596	600,000	596
8.40% Gujarat SDL 2020	250,000	252	250,000	252
8.08% GS 2022	100,000	98	100,000	98
8.60% Andhra Pradesh SDL 2021	–	–	155,000	156
8.28% GS 2032	100,000	98	100,000	98
8.60% Maharashtra SDL 2021	–	–	250,000	250
8.81% West Bengal 2021	–	–	100,000	100
9.25% Uttar Pradesh SDL 2021	–	–	150,000	155
9.23% Gujarat SDL 2021	250,000	257	250,000	257
8.99% Madhya Pradesh SDL 2022	–	–	500,000	503
8.99% Bihar SDL 2022	–	–	250,000	251
8.33% GOI 07/06/2036	1,000,000	1,025	–	–
9.15% GOI 14/11/2024	1,000,000	1,081	–	–
8.20% GOI 24/09/2025	1,000,000	1,015	–	–
8.30% GOI 31/12/2042	1,000,000	1,024	–	–
9.51% Rajasthan Rajya Vidyut Prasaran Nigam Ltd 2024	10	500	–	–
9.30% RRVNLT BONDS 2025	50	496	–	–
9.30% RRVNLT BONDS 2025	100	994	–	–
8.97% BIHAR SDL 2022	570,000	584	–	–
8.66% WEST BENGAL SDL 2023	500,000	502	–	–
7.22% REC Bonds 19/12/2022	10,000	100	–	–
5.87% GOI 2022	3,000	3	–	–
6.05% GOI 2019	14,000	14	–	–
GOI 6.13% 2028	5,000	5	–	–
GOI 5.69% 2018	41,800	39	–	–
7.99% GOI 2017	30,000	30	–	–
		10,381		4,887
Investment in Government Securities (Non - SLR) - quoted				
7.00% UBI Bonds 2015	75	750	75	750
NHB Tax Free BONDS	10	100	–	–
NHB Tax Free BONDS	5,000	500	–	–
(D)		11,731		5,637
(A+B+C+D)		19,182		38,936
Less: Provision for diminution in value of investments		130		190
TOTAL NON CURRENT INVESTMENTS		19,052		38,746
Aggregate amount of Quoted Investments		11,731		5,637
Market value of Quoted Investments		11,645		5,448
Aggregate amount of Unquoted Investments		7,451		33,299

13.1 Investment in Government and other SLR Securities aggregating to ₹ 10,381 lacs (₹ 4,887 lacs) carry a floating charge created in favour of depositors in the Fixed Deposit schemes of the Company (read with Note 5.2 and Note 5.4 above).

13.2 As required by NHB, the Company has divested its shareholding in Aadhar Housing Finance Private Limited from 50.00% to 14.90% during the year. A profit of ₹ 246 lacs was earned from the dis-investment.

Notes forming part of the financial Statement For the year ended 31st March, 2013

14 HOUSING AND PROPERTY LOANS

(₹ in Lacs)

Particulars	Non Current Portion		Current Portion	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Secured, considered good unless stated otherwise				
Housing Loans				
Standard loans	3,022,779	1,757,335	116,472	88,733
Sub-Standard loans	9,472	6,111	–	611
Doubtful loans	10,852	3,971	–	205
Loss assets	162	–	–	–
	3,043,265	1,767,417	116,472	89,549
Less : Securitised Housing Loans & Funded by Syndicate	197,846	160,154	8,047	7,306
Total Housing Loans (A)	2,845,419	1,607,263	108,425	82,243
Other Property Loans				
Standard loans	402,361	219,863	45,688	28,858
Sub-Standard loans	2,174	1,467	–	336
Doubtful loans	1,615	1,714	–	261
Loss assets	70	–	–	–
	406,220	223,044	45,688	29,455
Less : Other Property Securitised Loans	14,690	6,009	890	458
Total Other Property Loans (B)	391,530	217,035	44,798	28,997
Total Loan book (A+B) (*)	3,236,949	1,824,298	153,223	111,240
Summary:				
Housing Loans	3,043,265	1,767,417	116,472	89,549
Other Property Loans	406,220	223,044	45,688	29,455
Total Housing & Property Loans under Company's management	3,449,485	1,990,461	162,160	119,004
Less : Securitised and Syndicated portion	212,536	166,163	8,938	7,764
TOTAL HOUSING AND PROPERTY LOANS (*)	3,236,949	1,824,298	153,223	111,240

(*) Outstanding Investment of ₹ 3,656 (Nil) lacs in Mortgage Backed Class B PTC consists of securitised housing loans held by the company, is included above.

- 14.1** Property loans consists of non-housing loans such as mortgage loans, project loans, commercial loans, plot loans, lease rental finance and other loans which are all against real estate properties and which are not covered under the housing loan criteria of National Housing Bank.
- 14.2** As certified by the management, loans given by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or assignment of Life Insurance policies and/or personal guarantees and/or undertaking to create a security and/or hypothecation of assets and are considered appropriate and good.
- 14.3** Composite Loans sanctioned (i.e. loans allowed for purchase of plot and self construction of house) on or before 31st March, 2010, in which construction has not started till 31st March, 2013, as per information available with the Company, is excluded from Housing Loans and regrouped under Other Property Loans (Non Housing) in above outstanding as on 31st March, 2013 aggregating to ₹ 811 lacs (₹ 1,256 lacs).
- 14.4** The Company has entered into Loan Syndication arrangements with certain public and private sector banks to provide Housing loan to borrowers wherein DHFL originates the loan files and gets it processed under common credit norms. The said banks have agreed to participate upto 50% of the disbursed loan portfolio under loan syndication arrangement. Entire/partial processing fees and other charges/ income on these loans, depending upon the syndication arrangements, accrues to DHFL. The Company has derecognised the said loan portion syndicated to others in its books.

Notes forming part of the financial Statement For the year ended 31st March, 2013

14 HOUSING AND PROPERTY LOANS (contd...)

- 14.5 The Company has also entered into Loan Syndication arrangements with DHFL Vysya Housing Finance Limited and Aadhar Housing Finance Limited to provide Housing and Property Loans to borrowers wherein DHFL originates the loan files through its branches and gets it processed under common credit norms at the Central Processing Unit. The loan syndicate participants have agreed to participate in the disbursed loan portfolio under loan syndication arrangement. The Company has derecognised above loan portion syndicated to others in its books.
- 14.6 The Company has acquired certain assets under SARFAESI which are retained for the purpose of sale under the rules and regulations of SARFAESI involving ₹ 1,663 lacs (₹ 1,403 lacs) out of 124 (163) cases which are part of NPA portfolio for which necessary provisions have already been made.
- 14.7 The Company has securitized / assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates to ₹ 221,473 lacs (₹ 173,927 lacs). These assets have been de-recognised in the books of the Company. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of buyers / investors. In terms of the said securitization/assignment agreements, the Company pays to buyer/investor on monthly basis the prorata collection amount as per individual agreement terms.
- 14.8 Housing and other property loans (current and non-current) includes ₹ 47 lacs (₹ 42 lacs) given to the key managerial persons of the company under the normal course of business.

15 OTHER LONG TERM LOANS AND ADVANCES

Particulars	Non Current Portion		Current Portion	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Secured and considered good				
Loans against Fixed Deposits	–	–	379	41
Loans and advances to employees (Refer Note 15.1)	159	91	3	59
Other loans and advances (Refer Note 15.2)	284	–	68	–
Unsecured, considered good unless stated otherwise				
Capital advances	1,751	66	–	–
Security deposits	1,054	1,140	154	231
Loans and advances to employees	52	37	8	10
TOTAL OTHER LONG TERM LOANS AND ADVANCES	3,300	1,334	612	341
Current Portion Disclosed under “short term loans and advances” (refer Note 19)	–	–	(612)	(341)
Net Amount	3,300	1,334	–	–

- 15.1 Loans to employees are secured by the hypothecation of respective assets against which these loans have been granted.
- 15.2 Other loans and advances include servicing asset for securitization of ₹ 340 lacs (₹ Nil) secured by underlying mortgages of the specific loan assets in the securitized pool of assets and is subordinated to the rights of the senior Class PTCs. The Company shall realize these assets upon settlement of dues to the senior class PTCs as per the contracted terms and conditions for the respective securitization deals.

Notes forming part of the financial Statement For the year ended 31st March, 2013

16 CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31.03.2013		As at 31.03.2012	
	Nos.	Amount	Nos.	Amount
Trade Investments				
Investment in equity instruments- Quoted				
H.D.F.C. Limited	5,000	41	–	–
ICICI Bank Limited	5,000	59	5,000	45
Larsen & Toubro Limited	3,000	48	5,825	80
Tata Motors Limited	5,000	16	–	–
BHEL	–	–	12,500	41
Cummins India Limited	–	–	4,000	23
Development Credit Bank	–	–	10,000	5
Essar Oil Limited	–	–	10,000	14
Infosys Technologies Limited	–	–	5,000	153
NTPC Limited	–	–	15,000	35
Reliance Industries Limited	–	–	2,200	31
(A)		164		427
Other Investments				
Investment in Mutual Funds/Venture Capital Fund - Unquoted				
Axis Equity Fund - Growth	5,000,000	500	5,000,000	500
Birla Sun Life Cash Manager - IP - Growth	329,615	606	656,619	1,178
DSP Merrill Lynch - Liquid Fund - Dividend	58,701	1	58,701	1
Birla Sun Life Dynamic Bond Fund - Ret - Growth	788,411	150	–	–
HDFC Short Term Plan - Growth	918,312	200	–	–
ICICI Prudential STP - Growth	652,707	150	–	–
Kotak Bond Short Term Plan - Growth	706,884	150	–	–
IDFC SSIF - MTP - Plan A - Growth	778,170	150	–	–
Principal Cash Mgmt Fund - Growth	505,023	5,625	–	–
Goldman Sachs Liquid Exchange Traded Scheme	35,403	354	–	–
Templeton India STIP - Growth	17,727	400	–	–
Tata Treasury Manager Fund - SHIP - Growth	–	–	82,605	1,009
(B)		8,286		2,688
Investment in Unquoted Commercial Papers				
Alok Industries Limited		–		4,414
(C)		–		4,414
TOTAL CURRENT INVESTMENTS (A+B+C)		8,450		7,529
Aggregate amount of Quoted investments		164		427
Market value of Quoted investments		148		3,073
Aggregate amount of Unquoted investments		8,286		2,688

17 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
17.1 TRADE RECEIVABLES		
Secured, considered good		
EMI/PEMI, other receivable from customers	5,896	5,434
TOTAL TRADE RECEIVABLES	5,896	5,434

Notes forming part of the financial Statement For the year ended 31st March, 2013

17 TRADE RECEIVABLES AND OTHER CURRENT ASSETS (contd...) (₹ in Lacs)				
Particulars	Non Current Portion		Current Portion	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
17.2 OTHER CURRENT ASSETS				
Unsecured, considered good				
Non current portion of balances with banks in deposit accounts (Refer Note 17.3 & 18)	27,159	28,191	–	–
Interest accrued but not due	33	–	2,265	1,395
	27,192	28,191	2,265	1,395

17.3 Non Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹ 14,725 lacs (₹ Nil) being securitisation comforts provided to various Trustees/ buyer, ₹ 10,634 lacs (₹ 2,000 lacs) being earmarked for SLR requirements of NHB, ₹ 500 lacs (₹ 22,459 lacs) being margin money for bank guarantees provided for Securitisation, and ₹ 1,300 lacs (₹ Nil) under lien against Interest rate swaps.

18 CASH AND CASH EQUIVALENTS (₹ in Lacs)			
Particulars		As at 31.03.2013	As at 31.03.2012
Balances with Banks			
in Current Accounts		45,908	62,332
in Deposits accounts with original maturity of less than 3 months		–	2,540
Cash on hand		309	114
Total Cash and Cash Equivalents	A	46,217	64,986
Other Bank Balances			
Other Deposits accounts having balance maturity of less than 12 months		4,969	5,110
Deposits under lien or having balance maturity of more than 12 months (Refer Note 17.2)		27,159	28,191
Balances in unpaid dividend bank accounts		70	68
Total Other Bank Balances	B	32,198	33,369
Total Cash and Bank Balances	C = (A + B)	78,415	98,355
Less : Amounts disclosed under non-current assets (Refer Note 17.2)	D	27,159	28,191
Total Net Cash and Bank Balances	E = (C - D)	51,256	70,164
Summary:			
Total Cash and Cash Equivalents		46,217	64,986
Other Bank Balances		32,198	33,369
Amounts disclosed under non-current assets		(27,159)	(28,191)
Total Net Cash and Bank Balances		51,256	70,164

18.1 Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹ Nil (₹ 2,718 lacs), being earmarked for SLR requirements of NHB, ₹ 3,705 lacs (₹ Nil) being securitisation comfort provided to various Trustees / buyer.

19 SHORT TERM LOANS & ADVANCES (₹ in Lacs)			
Particulars		As at 31.03.2013	As at 31.03.2012
Secured and considered good			
Current maturities of other long term loans and advances (Refer Note 15)		451	100
Unsecured, considered good			
Current maturities of other long term loans and advances (Refer Note 15)		162	241
Loans and advances to related parties		183	20,213
Advances recoverable in cash or in kind		27,930	20,311
TOTAL SHORT TERM LOANS AND ADVANCES		28,726	40,865

Notes forming part of the financial Statement For the year ended 31st March, 2013

20 REVENUE FROM OPERATIONS

		(₹ in Lacs)	
Particulars	Year ended 31.03.2013	Year ended 31.03.2012	
Interest on Housing and Property Loans	374,820	216,557	
Interest on Bank Deposits	3,393	1,394	
Interest on Long Term Investments	636	373	
Other Interest	918	1,491	
Revenue from other Services (Refer note 20.1)	26,061	19,939	
Operational Treasury Income (Refer note 20.2)	6,436	7,022	
Total Revenue from operations	412,264	246,776	
20.1 Revenue from other services includes			
Loan Related Services	17,566	13,182	
Advisory Services	8,495	6,757	
Total Revenue from other services	26,061	19,939	
20.2 Operational treasury income includes:			
Income from mutual fund / financial derivatives	5,096	1,820	
Income from commodity derivatives	179	–	
Profit on sale of investments	1,031	3,114	
Dividend Income	130	2,088	
Total Operational treasury income	6,436	7,022	

21 OTHER INCOME

		(₹ in Lacs)	
Particulars	Year ended 31.03.2013	Year ended 31.03.2012	
Rent Income	100	104	
Liabilities no longer required written back	283	–	
Profit on sale of real estate	1,237	–	
Miscellaneous Income	152	88	
Total Other Income	1,772	192	

22 INTEREST AND FINANCE CHARGES

		(₹ in Lacs)	
Particulars	Year ended 31.03.2013	Year ended 31.03.2012	
Interest expenses	308,115	178,027	
Premium on redemption of Debentures	1,089	–	
Less: Securities premium utilized (Refer note 4.1)	(1,089)	–	
Other Borrowing Costs	3,821	1,896	
Total Interest and Finance charges	311,936	179,923	

23 EMPLOYEES REMUNERATION AND BENEFITS

		(₹ in Lacs)	
Particulars	Year ended 31.03.2013	Year ended 31.03.2012	
Salaries and Bonus	12,851	7,586	
Contribution to Provident Fund & Other Funds	783	263	
Staff Welfare Expenses	435	927	
Total Employees Remuneration and Benefits	14,069	8,776	

Notes forming part of the financial Statement For the year ended 31st March, 2013

24 ADMINISTRATIVE AND OTHER EXPENSES

Particulars	(₹ in Lacs)	
	Year ended 31.03.2013	Year ended 31.03.2012
Rent	2,111	1,057
Rates & Taxes	131	86
Training & Conference Expenses	242	89
Travelling & Conveyance	1,385	1,042
Printing & Stationery	392	267
Advertisement and Business Promotion expenses	2,743	3,858
Insurance	248	599
Legal & Professional Charges	4,171	3,160
Communication Expenses	949	708
General Repairs & Maintenance	649	369
Electricity	457	265
Directors Sitting Fees	17	13
Business Sourcing expenses	6,142	3,262
Loss on sale of Fixed Assets (net)	142	47
Managerial remuneration (Refer Note 36)	205	205
Office Maintenance	1,008	269
Auditors' Remuneration (Refer Note 37)	149	102
Bad Debts [Net of Provisions ₹ 494 lacs (₹ 236 lacs)]	–	–
Miscellaneous Expenses	476	193
Total Administrative and Other expenses	21,617	15,591

25 EARNING PER SHARE

Particulars	(₹ in Lacs)	
	Year ended 31.03.2013	Year ended 31.03.2012
Net Profit Attributable to Equity Shareholders		
Profit after tax	45,185	30,636
Net Profit attributable to equity shareholders	45,185	30,636
No. of Equity shares (Number)	128,218,709	116,839,981
Weighted Average No. of Equity Shares	117,470,264	105,783,756
Nominal value of Equity Shares (₹)	10	10
Earning Per Share (₹) :		
Basic	38.47	28.97
Diluted	38.30	28.67

26 LEASES

26.1 Operating Lease

The Company has taken certain premises for office and residential use for its employees under cancellable and non cancellable operating lease agreements. Terms of the lease include terms for renewal, increase in rents in future periods and terms of cancellation. The total lease rent recognized as an expense during the year under the lease agreements amounts to ₹ 2,032 lacs (Previous Year ₹ 1,058 lacs).

Expected future minimum commitments during the non-cancellable period under the lease arrangements are as follows: (₹ in Lacs)

Particulars	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
Within one year	53	–
Later than one year but not later than five years	78	–

Notes forming part of the financial Statement For the year ended 31st March, 2013

26 LEASES (contd...)

26.2 Finance Lease

The Company has acquired certain assets under finance lease arrangements. The lease is for different period. The details of finance lease obligations as at balance sheet date are as follows:

(₹ in Lacs)

	Not later than one year	Later than one year but not later than five years	Total
Minimum Lease Payment			
31.03.2013	6	24	30
31.03.2012	–	–	–
Finance Charges			
31.03.2013	3	5	8
31.03.2012	–	–	–
Principal			
31.03.2013	3	19	22
31.03.2012	–	–	–

27

- DHFL Led consortium including Caledonia Investments PLC, UK and its subsidiary have acquired 100% shareholding of Deutsche Post Bank Home Finance Ltd, a NHB registered Housing finance company, with effect from 25th March, 2011, with the ultimate object to amalgamate with DHFL, and whose name was subsequently changed to First Blue Home Finance Ltd. (FBHFL) for an aggregate amount of ₹ 1,079 Crores.
- With effect from 1st April, 2011 being appointed date for amalgamation, First Blue Home Finance Ltd. and DHFL Holding Private Limited (both subsidiaries of the Company) were amalgamated into the Company pursuant to the Scheme of amalgamation (Scheme) under Section 391 to 394 of the Companies Act, 1956 approved by the Board of Directors of all the three companies and sanctioned by the Hon'ble High Court of judicature at Bombay vide its order dated 27th July, 2012 and by the Hon'ble High Court of judicature at Delhi vide its order dated 4th January, 2013 which were filed with the Registrar of Companies on 31st January, 2013 being the effective date for the amalgamation scheme.
- The Company has carried out the accounting treatment by adopting 'purchase method' as prescribed in the Amalgamation Scheme approved by the Hon'ble High Courts. The required disclosures as per paragraph 23 & 42 of Accounting Standard 14 (AS 14) 'Accounting for Amalgamations' as prescribed under the Companies (Accounting Standards) Rules, 2006 have also been provided. Company has also been legally advised that the accounting treatment for the amalgamation is in line with the scheme approved by the Hon'ble Courts. Accordingly the Assets and Liabilities of the subsidiary companies were amalgamated with DHFL at their respective fair value.
- In consideration for the amalgamation, Company has allotted to all shareholders other than specified shareholders of FBHFL whose name was registered on record date for such allotment, a total of 108,86,375 equity shares of ₹ 10/- each credited as fully paid at share premium of ₹ 311.50 per share, being fair value as per paragraph 14 of AS 14, based on the cost of shares of FBHFL on acquisition and swap ratio recommended by ERNST & YOUNG, for the purpose of amalgamation of First Blue Home Finance Ltd into DHFL, of 10 Equity shares of DHFL for every 97 equity Shares of FBHFL and fairness opinion on the above swap ratio in relation to fairness of consideration (Exchange Ratio) for the proposed transfer, issued by Standard Chartered Bank.
- FBHFL has valued its all assets and liabilities in its books of accounts at their fair value and for this purpose, to follow the paragraph 11.1 of the scheme of merger, has appointed SEBI approved category one Merchant Banker, Antique Capital Marketing Pvt. Ltd. as independent valuer for the valuation of its Housing Loan Portfolio as on appointed date for the amalgamation and also for the subsequent period up to effective date of the amalgamation to give uniform treatment on matching principle of accounting to its all assets. As company and its both subsidiaries has already adopted the financial accounts for the year ended 31st March, 2012 in their respective AGMs, effective date has been considered as the date of amalgamation for the purpose of AS 14. As per above valuation report Fair value appreciation surplus of FBHFL Housing loan book as on 1st April, 2011 was ₹ 741 crores and ₹ 1,030 crores on effective date for amalgamation. FBHFL has also appointed another SEBI approved Category-I Merchant Banker The Trust Capital for providing fairness opinion on the above valuation report on loan portfolio. The Trust Capital has issued the fairness opinion on above valuation report of FBHFL saying that the valuation so arrived is fair in their opinion.

Notes forming part of the financial Statement For the year ended 31st March, 2013

27 (contd...)

- f. In terms of Clause 11 of the High Court approved Amalgamation Scheme, read with the Accounting Standard AS-14 issued by the Institute of Chartered Accountants of India, the difference between fair value of assets and liabilities as recorded by FBHFL in its books reduced by the issued capital and premium thereon issued by the DHFL by way of amalgamation consideration, as mentioned above and also as reduced by other statutory reserves, free reserves and balance in Profit & Loss Account of transferor companies as stipulated in clause 11.2 and clause 11.3 of the Amalgamation Scheme, are amalgamated with DHFL, amounting to ₹ 26,136 lacs, net of expenses related to amalgamation is credited to Capital Reserve account.
- g. Subsequent to the date of amalgamation, proportionate Fair value appreciation surplus amounting to ₹ 5,206 lacs has been amortized out of the above capital reserve on account of repayment / prepayment received of the housing loans portfolio amalgamated on amalgamation as fair value appreciation surplus was directly taken into capital reserves of the company.
- h. Had the court approved amalgamation scheme not prescribed the above accounting treatments for transferring of other free reserves and balance of profit and loss account aggregating to ₹ 17,430 lacs, the balance added in P&L account on account of amalgamation and other free reserves would have been lower and Capital Reserve account would have been higher by such amount.
- i. Since the figures of previous year does not include the financials of the amalgamating companies, the figures are not comparable with those of the current year.

28

In the opinion of the Board, the assets of the company have a value on realization in the ordinary course of business atleast equal to the amount at which they are stated, net of contingency provisions.

29

The Company's income tax assessment has been completed upto assessment year 2010-11. In respect of amalgamating company, additional demands have been raised by the department which are pending in appeal at various forums. Company has partially deposited the additional tax so demanded under protest. No provision has been made in the books against such demands as the company believes that the cases will be decided in its favour based on legal advice and similar precedent case laws available (Refer Note 32).

30 INTEREST RATE SWAPS:

"In compliance with Asset Liability Management Policy, the company had in past entered into interest rate swaps of notional value aggregating to ₹ 9,500 Lacs to hedge its interest rate risk which were designated as fair value hedges, in accordance with the generally accepted accounting principles.

The changes in the fair value of these derivatives are recorded in the income statement, together with any changes in the fair value of the underlying asset or liability that are attributable to the hedged risk. The Mark to Market (MTM) losses on these swaps recognized in past, is amortized over the period of the hedges. Accordingly, net gain in current year on hedging of interest rate swaps and write back of MTM losses amounting to ₹ 27 lacs (₹ Nil) has been adjusted in "Interest and Finance charges".

31

The Company operates under a single (primary) business segment viz. "Providing loans to retail customers for construction or purchase of residential property and loans against property". Further, the Company is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard on Segment Reporting (AS-17) notified u/s 211(3C) of the Companies Act, 1956 are not applicable to the Company.

32 CONTINGENT LIABILITY :

	(₹ in Lacs)	
	31.03.2013	31.03.2012
Guarantees provided by the Company	9,996	22,473
Claims against the Company not acknowledged as debts	83	54
Income Tax Demand in respect of amalgamating company (Net of amount deposited under protest ₹ 67 lacs)	430	-

33

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 49,100 lacs (₹ 160 lacs).

Notes forming part of the financial Statement For the year ended 31st March, 2013

34

Capital Work in Progress includes ₹ 25,871 lacs (₹ 17,618 lacs) paid as advance consideration for acquiring office premises under construction.

35

The Company has paid dividend ₹ 8 lacs (₹ 8 lacs) and ₹ 1 lac (₹ 1 lacs) as tax on distribution of dividend thereon to new shareholders on account of Final Dividend for the year 2011-12 as required under the Listing Agreement as those shares were allotted prior to record date for the dividend payment and after the date of earlier year balance sheet.

36

The managerial remuneration including perquisites, ₹ 175 lacs (₹ 175 lacs) paid to Chairman and Managing Director and ₹ 30 lacs (₹ 30 lacs) as commission to other non executive directors.

37 AUDITORS REMUNERATION (₹ In Lacs)(*)

	(₹ in Lacs)	
	31.03.2013	31.03.2012
Audit Fees	61	55
Tax Audit Fees	10	10
Audit Fees of Branch Auditors	40	37
Audit Fees of Amalgamating Company	34	–
Reimbursement of expenses	4	–
	149	102

38 EXPENDITURE IN FOREIGN CURRENCY

	(₹ in Lacs)	
	31.03.2013	31.03.2012
Foreign Travelling	28	64
Membership and subscription	39	5
Foreign Liaison Office Expenses	317	228
Professional Fees	51	65
Others	11	–

39 REMITTANCE IN FOREIGN CURRENCIES ON ACCOUNT OF DIVIDEND

The particulars of dividends payable to non-resident shareholders (including Foreign Institutional Investors) is as under, however, the Company does not have information as to the extent to which remittances, if any, has been made in foreign currencies on account of such dividend during the year on behalf of non-resident share holders.

	31.03.2013	31.03.2012
No. of Non-Resident Shareholders / FIIs	270	154
No. of Equity Shares held	39,619,103	36,374,043
Amount of Dividend Paid (₹ lacs)	2,203	1,273
Year to which dividend relates	FY 2011-12 Final & FY 2012-13 interim Dividend	FY 2010-11 Final Dividend

Notes forming part of the financial Statement For the year ended 31st March, 2013

40 RELATED PARTY TRANSACTIONS

As per Accounting Standard (AS 18) on "Related Party Disclosures" details of transactions with related parties as defined therein are given below:

A) List of related parties with whom transactions have taken place during the year and relationship:

1) COMPANIES

(i) Subsidiary Companies

- a. DHFL Holdings Pvt. Ltd.*
- b. First Blue Home Finance Ltd.* (formerly known as Deutsche Postbank Home Finance Ltd.)

* As per the Scheme of Amalgamation, erstwhile First Blue Home Finance Limited and DHFL Holdings Private Limited as approved by the respective Hon'ble High Court's of Judicature at Bombay and Delhi read with Note 27 was amalgamated with the Company

(ii) Associate Companies

- a. DHFL Vysya Housing Finance Ltd.
- b. DHFL Property Services Ltd.
- c. Aadhar Housing Finance Pvt. Ltd.
- d. DHFL Insurance Services Ltd.
- e. Arthveda Fund Management Pvt. Ltd.
- f. Dish Hospitality Pvt. Ltd.
- g. Wadhawan Holdings Pvt. Ltd.
- h. Wadhawan Retail Pvt. Ltd.
- i. Avanse Financial Services Pvt Ltd.
- j. DHFL Sales and Services Ltd.

2) KEY MANAGEMENT PERSONNEL

- | | |
|--------------------------|------------------------------|
| a. Shri Kapil Wadhawan | Chairman & Managing Director |
| b. Shri Anil Sachidanand | President |
| c. Shri Anoop Pabby | President |
| d. Shri Rajeev Sathe | Chief Operating Officer |

B) Details of transactions :

(₹ in Lacs)

Nature of Transactions	Subsidiary Companies	Associate Companies		Key Management Personnel
	2011-12	2012-13	2011-12	
1) Investments				
Opening Balance	21,601	9,126	13,007	—
Investment Made	1,300	485	117	—
Investment Redeemed	—	3,532	3,998	—
Closing Balance	22,901	6,079	9,126	—
2) Advances Recoverable in cash or in kind *				
Opening Balance	9,697	385	437	—
Advance given during the year	169,587	4,534	5,488	—
Recovered during the year	149,535	3,644	5,540	—
Closing Balance	29,749	1,275	385	—
3) Securitisation of loan portfolio				
Securitized during the year	18,711	450	640	—
4) Income				
Dividend	—	97	161	—
Interest	—	19	107	—
Rent	—	100	103	—
Arthveda -Dream Fund	—	845	—	—
Other income	—	57	300	—
5) Expenditure				
Remuneration	—	—	—	547 (394)
Rent, Rates & Taxes	—	12	13	—
Retainers Charges	—	1,541	—	—
Other Expenditures	21	47	39	—

Notes forming part of the financial Statement For the year ended 31st March, 2013

40 RELATED PARTY TRANSACTIONS (contd...)

B) Details of transactions : (Contd...)

(₹ in Lacs)

Details of Transactions	2011-12	Associate Companies		Key Management Personnel
		2012-13	2011-12	
ASSETS :				
1) Investments in				
DHFL Holdings Pvt Limited	1,300	–	–	–
Avanse Financial Services Pvt Ltd	–	485	–	–
Arthveda Fund Management Pvt. Ltd.	–	–	117	–
2) Advances Recoverable from				
DHFL Holdings Pvt Limited	20,052	–	–	–
DHFL Property Services Limited	–	278	(129)	–
Aadhar Housing Finance Private Limited	–	20	40	–
DHFL Insurance Services Limited	–	–	37	–
Arthveda Fund Management Pvt. Ltd. (Dream Fund)	–	886	–	–
Wadhawan Retail Private Limited	–	80	–	–
Avanse Financial Services Pvt Ltd	–	–	–	–
DHFL Sales and Services Limited	–	11	–	–
Dish Hospitality Private Limited	–	–	–	–
INCOME received from				
1) Dividend				
DHFL Vysya Housing Finance Limited	–	10	161	–
Arthveda Fund (Dream Fund)	–	87	–	–
2) Interest				
DHFL Vysya Housing Finance Limited	–	11	107	–
Aadhar Housing Finance Private Limited	–	8	–	–
3) Rent				
DHFL Property Services Ltd	–	1	–	–
Aadhar Housing Finance Private Limited	–	68	67	–
DHFL Insurance Services Limited	–	–	–	–
Avanse Financial Services Pvt Ltd	–	–	–	–
Dish Hospitality Private Limited	–	30	36	–
4) Income from Dream Fund				
Arthveda Fund (Dream Fund)	–	845	–	–
5) Other Income				
DHFL Property Services Limited	–	–	300	–
Aadhar Housing Finance Private Limited	–	33	–	–
DHFL Vysya Housing Finance Limited	–	24	–	–
EXPENDITURE:				
1) Rent, Rates & Taxes				
Wadhawan Holdings Private Limited	–	12	13	–
2) Remuneration				
Shri Kapil Wadhawan	–	–	–	168 (157)
Shri Anil Sachidanand	–	–	–	172 (117)
Shri Anoop Pabby	–	–	–	128 (48)
Shri Rajeev Sathe	–	–	–	80 (62)
2) Retainers Charges (Direct Sales Team)				
DHFL Sales and Services Limited	–	1,541	–	–
3) Other Expenditures				
First Blue Home Finance Limited	21	–	–	–
DHFL Vysya Housing Finance Limited	–	–	65	–
Dish Hospitality Private Limited	–	47	39	–

Notes

- Advances includes amounts debited towards reimbursement of expenses and income receivable
- The Subsidiary Companies viz. DHFL Holdings Pvt Ltd and First Blue Home Finance Limited have since been merged with the Company. Hence, only figures of the previous years are given.

Notes forming part of the financial Statement For the year ended 31st March, 2013

41 RETIREMENT BENEFIT PLANS

The Company makes contributions towards provident fund for qualifying employees to Regional Provident Fund Commissioner. Contribution to Defined Contribution Plan, recognised as expense for the year are as under :

	2012-13	2011-12
Employer's Contribution to Provident Fund	443	157
Employer's Contribution to Pension Fund	104	74

As required under Accounting Standard 15 [AS-15 Revised, 2005] the Company has made full provision for future gratuity liability & leave encashment liability payable at the time of retirement as on 31st March, 2013. On the basis of Gratuity and GLES report under Accounting Standard 15 [AS-15 Revised, 2005] provided by Certified Actuary and LIC of India, the Company has made necessary full contribution to LIC of India of its own liabilities.

The details of post retirement benefits for the employees (including Key Management Personnel) as mentioned hereunder are based on the above report as provided by Certified Actuary and LIC of India as mentioned above and relied upon by the auditors :

	Gratuity (Funded)		Leave Encashment (Funded)	
	2012-13	2011-12	2012-13	2011-12
A. Change in the Defined Benefit Obligations:				
Liability at the beginning of the year	401	217	551	355
Acquisition Adjustments	112	-	-	-
Current Service Cost	121	53	12	6
Interest Cost	31	17	44	28
Benefits Paid	(62)	(11)	(248)	(125)
Actuarial Loss/ (Gain)	42	125	191	287
Liability at the end of the year	645	401	549	551
B. Fair Value of Plan Assets :				
Fair Value of Plan Assets at the beginning of the year	516	291	590	379
Amalgamation Adjustments	81	-	-	-
Expected Return on Plan Assets	45	27	43	29
Contributions	225	209	241	308
Benefits Paid	(62)	(11)	(248)	(125)
Actuarial Loss/ (Gain)	(56)	-	-	-
Fair Value of Plan Assets at the end of the year	749	516	627	590
C. Actual Return on Plan Assets: :	45	26	43	29
D. Amount Recognised in the Balance Sheet:				
Liability at the end of the year	645	401	549	551
Fair Value of Plan Assets at the end of the year	749	516	627	590
Net Asset recognized in the Balance Sheet	103	115	78	39
E. Expense Recognised in the Statement of Profit and Loss:				
Current Service Cost	121	53	12	6
Interest Cost	31	17	44	28
Expected Return on Plan Assets	(45)	(26)	(43)	(29)
Net Actuarial Loss/(Gain) to be Recognised	98	125	191	287
Expense recognised in the Statement of Profit & Loss under staff expenses	205	169	203	292
F. Reconciliation of the Liability Recognised in the Balance Sheet:				
Opening Net Liability	401	217	551	355
Acquisition Adjustment	56	-	-	-
Expense Recognised	205	169	203	292
Benefits Paid	(62)	(11)	(248)	(125)
Expected Return on Plan Assets	45	26	43	29
Amount Recognised in the Balance Sheet under Provision for Employee Benefits	645	401	549	551
G. Actuarial Assumptions				
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96
Discount Rate (P. A.)	8%	8%	8%	8%
Rate of Escalation in Salary (P.A.)	6%	6%	5%	5%

The estimates of rate of escalation in salary considered in the above report, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Notes forming part of the financial Statement For the year ended 31st March, 2013

42

NHB, vide its letter dated 9th October, 2012 has levied under section 52A of the National Housing Bank Act, 1987 a penalty of ₹ 5,000/- (Rupees five thousand), which has been paid by the Company, in relation to section 29C of the National Housing Bank Act, 1987 on the Company for the years 2007-08 & 2010-11.

43

As required by the revised guidelines dated 11th October, 2010 by NHB, read with additional requirement/guidelines with reference to the interpretation of various terms/classifications, the following additional disclosures are given as under:

I Capital to Risk Assets Ratio (CRAR):

Items	As at 31.03.2013	As at 31.03.2012
i) CRAR (%)	16.52%	17.42%
ii) CRAR – Tier I Capital	11.32%	11.37%
iii) CRAR – Tier II Capital	5.20%	6.05%

II Exposure to Real Estate Sector:

(₹ in Lacs)

Category	As at 31.03.2013	As at 31.03.2012
a) Direct Exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	1,388,003	534,214
Individual Housing loans upto ₹ 15 lakh	1,560,476	1,153,464
(ii) Commercial Real Estate -		
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 ware house space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	436,329	246,032
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	3656	Nil
b. Commercial Real Estate	Nil	Nil
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

III Asset Liability Management:

Maturity pattern of certain items of assets and liabilities

(₹ in Lacs)

	Liabilities		Assets		
	Borrowings from Banks	Market Borrowings	Housing & Property Loan*	Investments	Liquid Current Assets
1 day to 14 days	8,368	8,160	9,710	8,450	46,287
14 days to 30-31 days (one month)	12,385	42,058	2,232	–	–
Over one month to 2 months	16,363	612	12,204	–	–
Over 2 months upto 3 months	32,542	26,741	12,307	–	–
Over 3 months to 6 months	82,351	46,508	37,592	–	–
Over 6 months to 1 year	208,818	58,656	79,179	–	4,969
Over 1 year to 3 years	823,249	165,812	337,204	750	27,159
Over 3 to 5 years	675,459	54,871	362,769	–	–
Over 5 to 7 years	371,689	78,757	301,843	–	–
Over 7 to 10 years	238,321	222,087	499,335	600	–
Over 10 years	9,657	16,550	1,734,089	17,832	–
Unpaid EMI/PEMI on Housing Loan	–	–	1,708	–	–
Total	2,479,202	720,812	3,390,172	27,632	78,415

* without considering prepayments.

Notes forming part of the financial Statement For the year ended 31st March, 2013

44

Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary. Since the figures of previous year do not include the financials of the amalgamating companies, the figures are not comparable with those of the current year. Figures in brackets represent previous year's figures. Further, the income and expense, fixed assets movements for the year of the amalgamating companies have been added line by line in the statement of profit and loss account, fixed assets (Refer note 12) and cash flow statement.

For **B. M. CHATURVEDI & CO.**

Chartered Accountants

ICAI FRN:114317W

Rajendra K Gupta

Partner

ICAI MN: 070165

Kapil Wadhawan

Chairman & Managing Director

Dheeraj Wadhawan

R.P. Khosla

G.P. Kohli

Anthony Hambro

V.K. Chopra

M. Venugopalan

Directors

Place: Mumbai

Date : 7th May, 2013

S.Y. Sankhe

Company Secretary





→
DHFL
Network

Our Network

Registered Office

Sl. No.	Location	Address	Contact Number
1	Fort (Mumbai)	Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai - 400 001	Tel.: (022) 22029900 Fax: (022) 22871985

Corporate Office

Sr. No.	Location	Address	Contact Number
1	Bandra (Mumbai)	HDIL Towers, 6th Floor, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400051	Tel.: (022) 26583333/334/26474333 Fax: (022) 26583344

International Representative Offices

Sr. No.	Location	Address	Contact Number
Dubai Representative Office			
1	Dubai	P. O. Box 48991, Office No. 211, 2nd Floor, Atrium Centre, Khalid Bin Al Waleed Road (Bank Street), Bur Dubai, UAE.	Tel.: 00971 - 4 - 3524905 / 00971 - 50 - 549120 / 00971 - 50 - 5072621/ 00971 - 50 - 5351172 Fax: 00 - 971 - 4 - 3524906
London Representative Office			
2	London	53-55 Uxbridge Road Ealing London W5 5SA	Tel.: 0044 - 20 - 8579 1711 Fax: 00-20-8579 1712

Mumbai Zone - Branches

Sr. No.	Location	Address	Contact Number
1	Mumbai (Zonal Office)	HDIL Towers, Gr. Floor, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400051	Tel.: (022) 61558100 / 101/ 150 /26470338 / 339 Fax: (022) 2658 2176
2	Vileparle (RO)	Shanghavi House, 18th Subhash Rd, Behind Garware Polyester, Next to Sunteck Building, Vile Parle (E), Mumbai - 400055	Tel.: (022) 67981494 / 495 Fax: (022) 67981441
3	Dahisar	Unit No. 705-706, 7th Floor, "A" Wing, Diamoda, Near Novelty Silk Compound, Dahisar (East) Mumbai - 400068	Tel.: (022) 42485411 / 42485454 Fax: (022) 42485427
4	Ambernath	Laxmi Sagar Aptt., Ground Floor, Next to UCO Bank, Shiv Mandir Rd., Ambernath (East) - 421205	Tel.: (0251) 6482801 - 803
5	Andheri (E)	Premises no. 508, 509, 5th Floor, Anjani Complex, Opp. Guru Nanak Petrol Pump, Parera Hill Road, Andheri (East), Mumbai - 400099	Tel.: (022) 42292334 - 338 Fax: (022) 42485428
6	Bhandup	Dreams mall, Upper Ground Floor, L.B.S.Marg, Bhandup (W), Mumbai - 400078	Tel.: (022) 65614551 / 539

Mumbai Zone - Branches

Sr. No.	Location	Address	Contact Number
7	Borivali (E)	Dheeraj Regency, Shop No. 19, Opp Bhore Industry, Off W.E. Highway, Borivali (E), Mumbai - 400066	Tel.: (022) 28875118 / 28851171 / 28867761 / 762 Fax: (022) 28867761
8	Borivali (W)	205/206, 2nd Floor, Ganjawala Residency, Ganjawala Lane, Behind S V Road Petrol Pump, Borivali (W), Mumbai - 400092	Tel.: (022) 28933761 / 28941944
9	Dombivali	Vitthal Apt, B-wing, 1st Floor, Shahid Bhagat Singh Road, Tai Pingale chowk, Nr. Sarvesh Hall, Dombivali (E), Thane - 421201	Tel.: (0251) 2449630 / 631
10	Fort	Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai - 400001	Tel.: (022) 22029900 / 22871529 / 22047092 Fax: (022) 22871985
11	GB Road, Thane	3rd Floor, Lake City Mall, Kapur Bawdi Junction, GB Road, Thane West - 400607	Tel.: (022) 25424414 / 415
12	Kalyan	Riddhi Siddhi Complex, Shop No. 2, 3 & 4, Kalyan Murbad Road, Opp ICICI Bank, Kalyan (W) - 421301	Tel.: (0251) 3258356 / 2328124 / 2320780
13	Mira – Bhayander Road	Shop No. 101/102, 1st Floor, Poonam Enclave, Mira-Bhayander Road, Nr Golden Nest, Mira Road (East), Thane - 401107	Tel.: (022) 28131167 / 177 / 187 / 197
14	Mumbai Metro	HDIL Towers, Gr. Floor, Anant Kanekar Marg, Station Road, Bandra (E), Mumbai - 400051	Tel.: (022) 61558100 / 101/ 150 / 26470338 / 339 Fax: (022) 2658 2176
15	Nallasopara	Shop No -9 to 14, Gr Floor, Patankar Park, Station Road, Nallasopara (W), Tal. Vasai, Thane - 401203	Tel.: 9323735373
16	Navi Mumbai	Block no.7, Raigad Bhavan, 2nd floor, Sector -11, CBD Belapur, Navi Mumbai - 400614	Tel.: (022) 27571650 / 2596 Fax: (022) 27572596
17	Navi Mumbai (Kharghar - Sales)	Office No.11, Ground Floor, Tharwani Heritage, Next to Three Star Hotel, Sector-7, Kharghar, Navi Mumbai - 410210	Tel.: (022) 27742310 / 311
18	Navi Mumbai (Kharghar - Operations)	Shop no. 10, Ground floor, Ravechi Heights, Plot no. 25, Sector -7, Kharghar, Navi Mumbai - 410210	Tel.: (022) 27742861 / 862
19	Panvel	Shop No 1 to 5, 1st Floor, Melody Tower, Sector 15 A, Opp Panvel Station Road, New Panvel - 410206	Tel.: (022) 27450061 / 063 Fax: (022) 27450061
20	Palghar	Shop No. 127 to 130, Ostwal Empire, Mahavir Market, Above Khubsurat Pink City, Opp. IDBI Bank, Boisar (West), Thane - 401404	Tel.: (02525) 267826 / 926
21	Thane	Arjun Tower, Gokhale Road, Naupada, Thane (W) - 400602	Tel.: (022) 25382400 / 700 Fax: (022) 253833100
22	Thane	202, Suraj Arcade, 2nd Floor, Near Deodhar Hospital, Gokhale Road, Naupada, Thane (W) - 400601	Tel.: (022) 41585400 - 403

Mumbai Zone - Branches

Sr. No.	Location	Address	Contact Number
23	Titwala	Office No-12345, Opp Rly Station, Titwala (West) - 421605	Tel.: (0251) 6057222 / 6067222
24	Vasai (E)	DHFL Building, Opp. HDFC Bank, Near Holy Family School, Evershine City, Gokhivare, Vasai (East) - 401208	Tel.: (0250) 2461280 / 4683
25	Vasai (W)	Shop No. 1, Milan Appartments, Opp. Bassien Catholic Bank, Station Road (Manikpur), Vasai (West) - 401202	Tel.: (0250) 3290367 - 369 / 3051342
26	Vashi (W)	A/501, BSEL Tech Park, Opp Vashi Railway Station, Vashi - 400614	Tel.: (0250) 27814038 / 039
27	Virar (W)	Shop No.2 & 3 , Sheetal Nagar, Bldg No.4, Agashi Road, Virar (W) - 401303	Tel.: (0250) 2512168 / 178
28	Virar (E)	Pushpa Plaza, Opp Railway Station, Manvel Pada Road, Virar (E) - 401305	Tel.: (0250) 2529867 / 2520109

Disbursement HUB's

29	Bhandup	Dreams mall, Upper Ground Floor, L.B.S.Marg, Bhandup(W), Mumbai - 400078	Tel.: (022) 65614551 / 539
30	Vasai	Shop no 25/26, Dewan Tower CHS, Navghar Road, Vasai West - 101202	Tel.: (0250) 3051344 / 2334887

West Zone - Branches

Sr. No.	Location	Address	Contact Number
1	Pune (Zonal Office)	Fortune House, 2nd Floor, Near Income Tax Lane, Prabhat Road, Pune - 411004	Tel.: (020) 25314000
2	Pune (RO)	3rd Floor, Fortune Plaza, Thube Park, Nr Sancheti Hospital, Shivaji Nagar, Pune - 411001	Tel.: (020) 66819595
4	Indore (RO)	4 - A. Y. N Road, Royal Gold Complex, 3rd Floor, Indore - 452001	Tel.: 0731-4235701/715
5	Ahmednagar	Office No.8, Amardeep Complex, Near Gogadeo Temple, Sarjepura, Ahmednagar - 414001	Tel.: (0241) 2431677 Fax: (0241) 2431677
6	Akola	Nakshtra Sankul, 1st Floor, Umri Road, Jatharpeth, Akola - 444005	Tel.: (0724) 2491279 / 0697 Fax: (0724) 2352643
7	Aurangabad	1st Floor, Akshay Smruti, Opp. Hotel Ellora, Nutan Colony Aurangabad - 431001	Tel.: (0240) 2351033 / 2643 / 6450570
8	Bhopal Syndication	Plot no 11, Alankar Complex, Mezanine Floor, Bank Street, M. P. Nagar, Zone II , Bhopal - 462011	Tel.: (0755) 2555088 / 4277088 / 4218376
9	Bhopal	Plot No. 11, Alankar Complex, Above ICICI Bank, Zone 2, M. P Nagar, Bhopal - 462011	Tel.: 0755-4048300/311
10	Goa	104, 1st Floor, Kamat Chambers, Opp. Hotel Neptune, Panaji, Goa - 403001	Tel.: (0832) 2230410 / 411

West Zone - Branches

Sr. No.	Location	Address	Contact Number
11	Gwalior	FF-17, 16, Orion Tower, Plot No. 11, City Center, Next to LIC Building, Gwalior - 474011	Tel.: (0751) 4218202 - 207
12	Indore	315, Orbit Mall, AB Road, Indore - 452011	Tel.: (0731) 4235700 - 715
13	Itarsi	1st Floor, 9th line, Sarafa Road, Dr.U.K. Shukla's Building, Near Tagore School, Itarsi, Madhya Pradesh - 461111	Tel.: (07572) 406275
14	Jabalpur	1627, 1st floor, Jaiswal Tower, Home Science College Road, Near Shashtri Bridge, Napier Town, Jabalpur - 482001	Tel.: (0761) 4054911 / 921
15	Jalgaon	Shiva Arcade, (Dhake Corporate Centre), Plot No - 18,19 Dhake Colony, Jalgaon - 425001	Tel.: (0257) 2222253 Fax: (0257) 2222254
16	Khargone	C-17, Radha Vallabh Market, Khargone - 451001	Tel.: (07282) 234732 / 830 / 231674
17	Kolhapur	Office No. 6 To 8A, Akshar Plaza, 1st Floor, Opp. Sasane Ground, Tarabai Park, Kolhapur - 416003	Tel.: (0231) 2660567 / 3664 Fax: (0231) 2660567
18	Nagpur	4th floor, Bhiwapurkar Chambers, Opp. Yeshwant Stadium, Dhantoli, Nagpur - 440012	Tel.: (0712) 2432448 / 2429686
19	Nasik	S-3, 2nd Floor, Suyojit Sankul, Near Rajiv Gandhi Bhavan, Sharanpur Road, Nasik - 422002	Tel.: (0253) 2316771 / 772 Fax: (0253) 2316762
20	Parbhani	Mantri Complex, 1st Floor, Wasmat Road, Ramkrushna Nagar, Parbhani - 431401	Tel.: (02452) 227691 Fax: (02452) 223326
21	Pune	Office no. 314 to 317, 4th Floor, Gera Junction, Main Lulla Nagar Chowk, Pune - 411040	Tel.: (020) 41407000 - 015
22	Sangli	Krishayan Arcade 2nd Floor, opp. ZP office, Sangli - 416416	Tel.: (0233) 2372166
23	Solapur	Shri Samarth Ramdas Sankool, 1st Floor, Datta Chowk, Solapur - 413007	Tel.: (0217) 2322241 / 3297178
24	Yavatmal	15 City Market, 1st Floor, Opp. Nilam Foam House, Hanuman Akhada Chauk, Yavatmal - 445001	Tel.: (07232) 238225
25	Pimpri	Unit No 11,12,37, Gr Floor, Jewel Of Pimpri, B wing, Opp PCMC, Pimpri Chinchwad - 411044	Tel.: 9881070809
26	Chakan	Shop no.1&2 1st floor, Vishal Market, Nr. Vishal garden, Shikrapur Rd, Chakan Tal.Khed, Dist.Pune - 410501	Tel.: 02135-310522-23
27	Swargate	206-207 Lotus Court Pune-Satara Rd, Pune - 411037	Tel.: 24225461/2/3
28	Hadapsar	L-218, 1st Floor, Mega Centre, Behind Nobble Hospital, Pune Solapur Rd, Hadapsar - 413528	Tel.: 26890964/3

West Zone - Service Centres

Sr.No.	Nodal Branch	Location	Address	Contact Number
1	Akola	Amravati	Gulshan Arcade, Near Railway Station, Amravati - 444601	Tel.: (0721)2563654
2	Khargone	Khandwa	5 Vaikhuntnagar, Civil line, Khandwa - 450001	Tel.: (0733) 2226650
3	Indore	Ujjain	Shop no41,Durga Plaza,Shreeganj,Ujjain - 456001	Tel.: (0734) 4060409
4	Hadapsar	Wagholi	Shop No. 6 & 7, Sadguru Arcade Ubale Nagar, Pune Nagar Road, Next to Mapple Hotel, Pune - 412207	Tel.: (020) 32405535
5	Swarjate	Daund	Shop No. 14, City Pride, Sahkar Chauk, Daund - 413801	Tel.: (02117) 262929
6	Chakan	Talegaon Dabhade	Office no.11 Shantai City centre, Nr. Bank of India, Talegaon Dabhade - 410506	Tel.: (02114) 222607
7	Nasik	Nasik	Shop No 5,2nd floor,Pratik Arcade, Bytco Point, Nashik Road, Nasik - 422101	Tel.: (0253) 2456762
8	Solapur	Latur	Shop no. 12 & 13, Shivkamal silver arch building, Nandi stop, Latur - 413512	Tel.: 02382-241272
9	Nagpur	Chandrapur	F 20, Sai Heritage,Old Varora Naka, Nagpur Road, Civil lines, Chandrapur - 442401	Tel.: (0717) 2273813
10	Jabalpur	Satna	1st Floor, Satna Plaza, Rewa Road, Satna - 485001	Tel.: 9301461531

Gujarat & Rajasthan Zone- Branches

Sr. No.	Location	Address	Contact Number
1	Ahmedabad (Zonal Office/ RO)	3rd Floor, Amola Chamber, Girish Cold Drink Char Rasta, C G Road, Ahmedabad - 380009	Tel.: (079) 26449521 / 564 / 1090 / 30481824 Fax: (079) 26449524
2	Jaipur (RO)	302,5, Jaipur Tower, 3rd Floor, Opp AIR, M. I. Road, Jaipur - 302001	Tel.: (0141) 2366536 / 539 Fax: (0141) 2366538
3	Ahmedabad	3rd Floor, Abhijeet IV, Mithakhali Six Roads, Law Garden Road, Ahmedabad - 380009	Tel.: (079) 40262800/22 Fax: (079) 26563269
4	Bhilwara	9-S, 11 & 12, Basant Vihar, BSL Road, Near circuit House, Bhilwara - 311001	Tel.: (01482) 235013 / 014 Fax: (01482) 235014
5	Bikaner	1-2, Yadav Complex, Near Rastra Unnati School, Rani Bazar Bikaner - 334001	Tel.: (0151) 2206352 Fax: (0151) 2205923
6	Chandkheda	207-208, 2nd Floor, Sangath Mall-II, Chandkheda - Gandhinagar Highway, Chandkheda, Ahmedabad - 382424	Tel.: 9904453100
7	Jaipur	201, SB - 154, 2nd Floor, Ganga Heights, Opp-Apex Mall, Lal Kothi, Tonk Road, Jaipur - 302015	Tel.: (0141) 4097421 - 34 Fax: (0141) 4097435
8	Jaipur Sales Office	D244 Hanuman nagar, 3rd Floor Above Union Bank Of India, Amrapalli Marg, Vaishali Nagar, Jaipur - 302021	Tel.: (0141) 2351997/ 87

Gujarat & Rajasthan Zone- Branches

Sr. No.	Location	Address	Contact Number
9	Jodhpur	76- II nd Floor, L. K. Tower, Above Dhanlakshmi Bank/ Corp Bank, Main Chopasni Road, Sardarpura, Jodhpur (Raj)- 342001	Tel.: (0291) 5104297 Fax: (0291) 5104298
10	Kota	Plot No 151, Jediya Comple, Kotri road, Gumanpura Kota - 324007	Tel.: (0744) 2391928 / 2028
11	Mehsana	25 to 29 Sunskrip shopping mall, Nr. Khodiar Restaurant, Ahmedabad Mehsana Highway, Mehsana - 384002	Tel.: (02762) 230006 / 008
12	Rajkot	Ground Floor, Ambition Tower, Indian Bank/Patel Suzuki Service station building, Near Indira Circle, Opp. Abhilasha Gas Agency, 150 feet Ring Road, Rajkot - 360005	Tel.: (0281) 2586458 / 459
13	Surat	202, 2nd Floor, Mangaldeep Complex, Near R.T.O. Ring Road, Surat - 395001	Tel.: (0261) 2471112 / 113 / 120 / 130
14	Vadodara	5, Upper Ground Level, Profit Center, Near Kalagodha Circle, Sayajigunj, Vadodara - 390005	Tel.: (0265) 2226312/ 313/ 314
15	Udaipur	3rd Floor, Centre Point Building, Opp. B. N. College, Airport Road, Udaipur - 313011	Tel.: (0294) 2418123 / 124
16	Ahmedabad	202, Ushadeep Complex, 2nd Floor, Nr. Navrangapura Railway Crossing and Police Station, Above Loot, Navrangapur, Ahmedabad -380009	Tel.: 079-26402991/94

Gujarat & Rajasthan Zone - Service Centres

Sr.No.	Nodal Branch	Location	Address	Contact Number
1	Bikaner	Nokha	Patta no. 373, Pareek Complex, Ram Gopal Bhatard Chowk, Nokha - 334803	Tel.: (01531) 220820
2	Jaipur	Dausa	Ghoshi Complex, New Mandi Road, Dausa - 303303	Tel.: (01427) 221930
3	Jaipur	Sikar	Shop No 20-21, Heera Market, Jaipur Road, Sikar - 332001	Tel.: (01572) 250185
4	Jaipur	Alwar	40-B Yash Tower , 1st Floor, Near Bhagat Singh Circle, Over Bridge Road, Alwar - 301001	Tel.: (0144) 2703386
5	Jaipur	Tonk	Subhash Bazar, Employment Office , Tonk - 304001	Tel.: (01432) 244462
6	Ahmedabad	Vastrap	G-3, Rudraksha Complex, Odhav Road, Odhav, Ahmedabad - 380026	Tel.: (079) 22972292
7	Rajkot	Jamnagar	127- Madhav Plaza, Opp SBI Bank, 1st Floor, Near Lal Banglow, Jamnagar, Gujrat - 361001	Tel.: (0288) 2558449
8	Vadodara	Bharuch	No.G/22 Aditya Complex Nr. Kasak Fountain, Bharuch - 392001	Tel.: (02642) 246194

Gujarat & Rajasthan Zone - Service Centres

Sr.No.	Nodal Branch	Location	Address	Contact Number
9	Ahmedabad	Bopal	1st Floor, Ratnam Building, Bopal Ghuma Road, Bopal, Ahmedabad - 380058	Tel.: (02717) 293070
10	Vadodara	Gotri	GF-9 Senate Square Tower - A, Opp Gangotri Complex, Nr Yas Complex, 30 mtr T . P Road Gotri Road, Vadodara - 390021	Tel.: (0265) 2371142
11	Ahmedabad	Gota	B-7, 1st Floor, Sukan Appartment, Gota, Ahmedabad - 382481	Tel.: (079) 29299920
12	Vadodara	Waghodia Road	Shop No 5, Vraj Venu complex, Tower B, Parivar Char Rasta, Waghodia road, Vadodara - 390017	Tel.: (0265) 6500370
13	Surat	Adajan	M 8.9/10, 2nd Floor, Western Plaza, Adajan Hazira Road, Adajan, Surat - 395009	Tel.: (0261) 2731266
14	Kota	Jhalawar	Shop No. 11, Sumansurbhi, Near HDFC Bank, Bus stand Road, Nirbhay Singh Circle, Jhalawar - 326001	Tel.: (07432) 232718

East Zone- Branches

Sr. No.	Location	Address	Contact Number
1	Kolkata (Zonal Office / RO)	Duck Back house, 41 Shakespear Sarani, 1st Floor, Kolkata - 700017	Tel.: (033) 40220800/11, 40220826 Fax: (033) 40220827
2	Bhubaneswar	102, Aditya Plaza, 1st Floor, 10-Bhouma Nagar, Unit-4, Bhubaneswar - 751001	Tel.: (0674) 2534142 / 3265973 Fax: (0674) 2534185
3	Durgapur	A402-B, 3rd Floor, Kamdhenu, Bengal Shristi Complex, City Centre, Durgapur, West Bengal - 713216	Tel.: (0343) 2548070 / 2351
4	Jamshedpur	2nd Floor, Om Tower, Near Indusind Bank, Bistupur, Jamshedpur - 831001	Tel.: (0657) 6541793
5	Kolkata	1 & 1A of 8/1, Middleton Row, 1st Floor, Somenath Estate, Corner of Camac Street & Park Street, Kolkata - 700071	Tel.: (033) 30220876 Fax: (033) 22275141
6	Raipur	4/91, Dr Naidu Complex, 2nd Floor, Zail Road, Raipur - 492001	Tel.: (0771) 4092956 / 4014140
7	Ranchi	S-1, 2nd Floor, Samudra Complex, 59B, Circular Road, Ranchi - 834001	Tel.: (0651) 2563005 Fax: (0651) 23563005
8	Kolkata Syndication	4N C Dutta Sarani, United Bank of India, Kolkata Milan Br, 1st Floor, Kolkata - 700001	Tel.: (033) 22315658

East Zone - Service Centres

Sr.No.	Nodal Branch	Location	Address	Contact Number
1	Durgapur	Asansol	Premises No-98(87), G T Road, Asansol - 713303	Tel.: (0341) 2274197
2	Durgapur	Bardhaman	412, BT Road, Birthata, Bardhaman Town, West Bengal - 713101	Tel.: (0342) 2568086
3	Bhubneswar	Berhampur	Room No-1 (P), Majji Gouri Tower, Ground Floor, Sale Tax Square, Near BSNL SDO-II Office, Berhampur - 760010	Tel.: (0680) 2290089
4	Raipur	Bilaspur	Shop No-BF-11, 1st Floor, Rajiv Plaza, Opp. Axis Bank, Bus Stand, Bilaspur - 495001	Tel.: (07752) 412754
5	Raipur	Durg	Trilok Plaza, 1st Floor, Infront of Dr. Dhillon Complex, Gurudwara, Station Road, Durg - 490021	Tel.: (0788) 4051919
6	Ranchi	Hazaribagh	1st Floor, Vardhan Market, Matwari, Chowk, Near Gandhi Maidan, Hazaribagh - 825301	Tel.: (06546) 263605
7	Kolkata	Rajarhat	439,451,452, Mouza Alghara. Rajarhat Road. Kolkata - 700136	Tel.: 9331288677
8	Kolkata	Chandannagar	Shop No.2/B, Premises No:602, Near Bagbazar Kali Mandir, Chandannagar, Hooghly - 712136	Tel.: 9331705680

Delhi 1 Zone- Branches

Sr. No.	Location	Address	Contact Number
1	Gurgaon (Zonal Office)	201, second floor, Vipul Agora, M. G. Road, Gurgaon - 122002	Tel.: (0124) 4724100
2	Gurgaon (RO)	129 A - 129D, 1st floor, Vipul Agora, M G Road, Gurgaon - 122002	Tel.: (0124) 4724300 Fax: (0124) 4724301
3	Bahadurgarh	RN Plaza, Rear Portion of first floor, Railway Road, Bahadurgarh - 245205	Tel.: (0127) 6235004
4	Faridabad	SCF, 39 Grd. Floor, Sector-19, Huda Market, Part 2, Faridabad - 121002	Tel.: (0129) 3052037 - 040 / 4315705 / 708 / 710
5	Faridabad	SA-03A, IIInd Floor, Crown Plaza, Sector 15 A, Faridabad - 121002	Tel.: (0129) 6517521 / 522 Fax: (0129) 2222969
6	Gurgaon	Sector 14, SCO 19, Near Axis Bank Sales Office, 2nd Floor, Gurgaon - 122001	Tel.: (0124) 3071511 - 515
7	Gurgaon	207, Second floor, Navkriti Arcade, Sushant Lok, Phase-2, Sector-55, Gurgaon, Haryana - 122002	Tel.: (0124) 4786000 - 016 Fax: (0124) 4786020
8	Janakpuri	108, Mahatta Tower, 1st Floor, 54B-Block, Community Center, Janakpuri, New Delhi - 110058	Tel.: (011) 45641724
9	Rewari	S.C.O.- 12, Ground Floor, Brass Market, Opp. LIC Of India, Rewari-, Haryana - 123401	Tel.: (01274) 221976 / 977
10	Safdarjung	B-6/9, DDA Community Centre, Near Deer Park, Safdarjung Enclave, New Delhi - 110029	Tel.: (011) 43140000 Fax: (011) 23328711

Delhi 1 Zone - Service Centre

Sr. No.	Location	Address	Contact Number
1	Vasantkunj	Unit No. S-12C, 12D, 2nd Floor, Vasant Square Mall, Plot A, Sector-B, Pocket-V, Vasant Kunj, New Delhi - 110070	Tel.: 011-32071648 / 49 / 50 / 51

Delhi 2 Zone- Branches

Sr. No.	Location	Address	Contact Number
1	Noida (Zonal Office / RO)	Plot No. - 6, Block - A, Ground Floor, Phase - I, Sector - 2, Noida - 201301	Tel.: (0120) 4862700 -099
2	Ghaziabad	FF – 8, 1st Floor, V.V. Shopping Plaza, Plot No. 12 / C – 2, Vasundhara, Ghaziabad - 201010	Tel.: (0120) 4126392 - 4132233
3	Ghaziabad - RDC	B-4,RDC Raj Nagar, Ghaziabad - 201002	Tel.: (0120) 4102160
4	New Delhi	10, Gr. Floor, Community Centre, East Of Kailash, New Delhi - 110065	Tel.: (011) 26470062 - 065
5	Noida	Plot No-12, Block No - 1, 2nd Floor, Sector - 1 Noida - 201301	Tel.: (0120) 3025030 - 033
6	Noida 1	Plot No-12, Block No - 1, 2nd Floor, Sector - 1 Noida - 201301	Tel.: (0120) 3025030 - 033
7	Pitampura	302, 3rd Floor, North Ex Apra Plaza, Vardhman Tower, Netaji Subhash Place, Pitam Pura, New Delhi - 110034	Tel.: (011) 47050254
8	Rohini	Unit No.201, 2nd floor, Plot no.4, LSC No.10, Agrawal Plaza, Sector 16, Rohini, Delhi - 110085	Tel.: (011) 27294371 / 374
9	Noida	Plot No. 6, Block-A, Ground Floor, Phase - 1, Sector - 2, Noida - 201301	Tel.: (0129) 6517521/ 522 Fax: (0120) 4862700 - 099
10	Vaishali Ghaziabad	Shop No-5&6, Plot No-GH-6, Designarch high street, Sector-5, Vaishali, Ghaziabad (U.P.) - 201012	Tel.: (0120) 2774393 - 395

North Zone- Branches

Sr. No.	Location	Address	Contact Number
1	Chandigarh (Zonal Office/ RO)	SCO 50-51, 1st floor, Near Mukat Hospital, Sector 34-A, Chandigarh - 160022	Tel.: (0172) 5007899 / 7787
2	Lucknow (RO)	27/6/1, Upper Ground Floor, Taj Plaza, Madan Mohan Malaviya Marg, Lucknow - 226001	Tel.: (0522) 2206113 / 114 Fax: (0522) 3016245
3	Chandigarh Syndication	SCO-62, 1st Floor, Above Punjab & Sind Bank, Sector-26, Madhay Marg, Chandigarh - 160019	Tel.: (0172) 5071113 / 114 / 115
4	Chandigarh	SCO 118-119, Sector-8C, Madhya Marg, Chandigarh - 160017	Tel.: (0172) 5046006 / 5085042 Fax: (0172) 5046010
5	Dehradun	33, 2nd Floor, City Centre, Opp Madhuban Hotel 56, Rajpur Road, Dehradun, Uttaranchal - 248001	Tel.: (0135) 2740474
6	Haldwani	Attam Complex, 1st Floor, Plot No. 5/452, Opp Bank of Baroda, Nainital Road - 263139	Tel.: (05946) 220246 / 247 / 210576
7	Jalandhar	SCO 13, GF, Choti Baradari Part - 1 Jalandhar - 144001	Tel.: 7508999770
8	Karnal	Gulati Building, No. 227, Basement & Gr. Floor, Sector 12, Part 1, Karnal - 132001	Tel.: (0184) 2265262 - 264
9	Ludhiana - Syndication	Saban Bazar, Near Agarsain Park, Ludhiana - 141001	Tel.: (0161) 2740717
10	Ludhiana	401, 402, 4th Floor, Lodhi Complex, Mall Road, Ludhiana - 141001	Tel.: (0161) 5029740 / 741 / 778 / 781, 5018898
11	Lucknow	203, Shalimar Square, 126/31, B N Road, LalBagh, Lucknow - 226001	Tel.: (0522) 4087000 - 011 Fax: (0522) 2200386
12	Patiala	SCO 17-18, Ground Floor, Opp ICICI Bank Ltd, Leela Bhawan Market, Patiala - 147001	Tel.: (0175) 2302195
13	Varanasi	1st Floor, D-58/19, A-4, Sigra, Land Mark-Above ICICI Bank Ltd, Varanasi - 221010	Tel.: (0542) 2222757
14	Lucknow	27/6/1, Upper Ground Floor, Taj Plaza, Madan Mohan Malaviya Marg, Lucknow	Tel.: (0522) 2206113/ 114 Fax: (0522) 3016245

North Zone - Service Centres

Sr.No.	Nodal Branch	Location	Address	Contact Number
1	Dehradun	Haridwar	Shop No-5&6, Super Complex, Opp-IDBI Bank, Chandracharya Chowk, Rani Pur More, Haridwar - 249403	Tel.: (0135) 2740474
2	Lucknow	Amethi	Flat No-106/1, First Floor, Rajput Complex, Station Road, Amethi - 227405	Tel.: (05368) 222904
3	Jalandhar	Amritsar	26, 1st Floor, Kennedy Avenue, Rialto Chowk, Amritsar - 143001	Tel.: (0183) 2223801
4	Lucknow	Kanpur	Unit No. 205, 2nd Floor, Premises No-14/144, Ratan Square, Chunni Ganj, Kanpur - 208005	Tel.: (0512) 2530865

Karnataka & Kerala Zone- Branches

Sr. No.	Location	Address	Contact Number
1	Bengaluru (Zonal Office)	S401, Brigade Plaza, Opp To Ganapati Temple, Ananda Rao Circle, Bengaluru - 560009	Tel.: (080) 22093100 - 120 Fax: (080) 22093119
2	Bengaluru (RO)	No. 82, 1st Floor, Above IDBI Bank, Dr.Rajkumar Road, 2nd Block, Rajajinagar, Bengaluru - 560010	Tel.: (080) 23329596 / 100 - 150
3	Kochi (RO)	1st Floor, KMM Building, Palarivattom, Kochi - 682025	Tel.: (0484) 2341073/83, 2340689, 2334369, 2335369, 2340687 Fax: (0484) 2334368
4	Bengaluru	No.719/A, 53-2, 46th Cross, 2nd Floor, J K Tower, Sangam Circle, Jayanagar 8th Block, Bengaluru - 560070	Tel.: (080) 43424100 Fax: (080) 43424101
5	Bengaluru Branch (Majestic)	GF-19, Brigade Plaza, Opp to Ganapati Temple, Ananda Rao Circle, Bengaluru - 560009	Tel.: (080) 22093100 - 109
6	Bengaluru Metro (Jayanagar)	280/18-2, 2nd floor, Holla Opal, 46th cross, 7th main road, Jayanagar, 5th Block, Bengaluru - 560041	Tel.: (080) 22444791 - 793
7	Bengaluru Sales Vertical (Koramangala)	No.58, L V Complex, 1st Floor, Diagonally Opp To Airtel Show Room, 7th Block, Kormangala, Bengaluru - 560091	Tel.: (080) 22093104 / 25705881 - 886
8	Bengaluru (Jayanagar)	1347/36, 2nd Floor, Ragigudda Circle, South end, Main Road, 9th Block, Jayanagar, Bengaluru - 560069	Tel.: (080) 41209254/ 55, 41479601- 04 Fax: (080) 41209256
9	Bengaluru (M.G. Road)	No. 916, Corporation No. 6/375, 9th floor, "B" Wing, Mittal Towers, M.G. Road, Bengaluru - 560001	Tel.: (080) 41536541
10	Mysore	Nakshatra, 2nd Floor, Narayanshastri Road, Near Sidappa Square, Mysuru - 570004	Tel.: (0821) 2333513 / 358
11	Davangere	273/4 - 12, Mallikarjuna Towers, 1st Floor, Above New Bata Showroom, Pravasi Mandir Road, Davangere - 577002	Tel.: (08192) 257809 / 258090 / 233955
12	Shimoga	Mahaveer Plaza, 2nd Floor, 3rd Cross Garden Area, Nehru Road, Shimoga - 577201	Tel.: (08182) 220152 / 074
13	Tumkur	No. 10, 1st Floor, Guru Shanthappa Complex, Opp. Krishna Theatre, M.G. Road, Tumkur - 5721015	Tel.: 9880789440 / 9741296408
14	Belgaum	No 4830/1, 1st & 2nd Floor, Civil Hospital Road, Opp BIMS College, Belgaum - 590001	Tel.: (0831) 2424971 / 972 Fax: (0831) 2469342
15	Bellary	8/2, Akshaya Nilya, Moka Road, Opp. Govt. Hospital Gandhi Nagar, Bellary - 583101	Tel.: (08392) 256541 - 543

Karnataka & Kerala Zone- Branches

Sr. No.	Location	Address	Contact Number
16	Bijapur	F1,F2, Mahalaxmi Complex, Opp Matala Maruthi Temple, MG Road, Bijapur - 586101	Tel.: (08352) 240971 / 632
17	Hubli	4/5, 1st Floor, Eureka Towers, Traffic Island, Hubli - 580029	Tel.: (0836) 2352929 Fax: 0836 - 2350066
18	Kannur	D No.TV-33/363N, 2nd Floor, Grand Plaza, Fort Road, Kannur - 670001	Tel.: (0497) 2707795 / 2701051 / 3258234
19	Kalburgi	No 2-243/FF/2, 1st Floor, Asian Tower, Jagat Main Road, Opp City Municipal Council, Gulbarga - 585101	Tel.: (08472) 260630 / 224906
20	Kochi	1st Floor, K M M Building, Palarivattom, Kochi - 682025	Tel.: (0484) 2341073 / 83, 2340689, 2334369, 2335369, 2340687 Fax: (0484) 2334368
21	Kochi	Door No: 38 / 696-E, 3rd Floor, Tarun Tower, SA Road, Kadavandra, Kochi - 682016	Tel.: (0484) 4011444 Fax: (0484) 4059538
22	Kolar	1st Floor, Ganesh Complex, Near Reshme Gudu Market, Opp. K.S.R.T.C. Bus Stand, Kolar - 563101	Tel.: (0815) 2220031
23	Kottayam	1st Floor, Madeena Arcade, CMS College Road, Baker Junction, Kottayam - 686001	Tel.: (0481) 2300156
24	Calicut	2nd Floor, Marina Mall, YMCA Cross Road, Calicut - 673001	Tel.: (0495) 2367697
25	Mangalore	Inland Ornate, 3rd Floor, Navbharat Circle, Mangalore - 575003	Tel.: (0824) 2441359 / 801
26	Mysore	New no. 83/B, 1st Floor, Raghvendra Mansion, Opp. Saraswathi Theatre, New Kantharaj Urs Road, Saraswathipuram, Chamaraja Mohalla, Mysore - 570009	Tel.: (0821) 4257704-05 Fax: (0821) 4257706
27	Nelamangala	1st Floor, Krishna Complex, 2 Units, Old By Pass Road, NH4, Nelamangala - 562123	Tel.: 9880547444
28	Thrissur	2nd Floor, SALPA Complex, M.G.Road, Near West Fort Junction, Thrissur, Kerala - 680004	Tel.: (0487) 2381260 / 989 / 699 Fax: (0487) 2380041
29	Trivendrum	Upper Gr. Floor, Parameshwara, Towers Near Geethanjali Hospital, Vazhuthacaud, Thriuvanthapuram - 695014	Tel.: (0487) 2333077
30	Yelahanka	GVR Castle, G.L.Raj Nagar, Bagalur Main Road, Vinayak Nagar, IAF Post, B4, Site No.98 & 163, Yelahanka - 560102	Tel.: 9845857038
31	Hosur	No.643/1D, 1st Floor, RKG Manor, Opp. Traffic Police Station, Bangalore Bye Pass Road, Hosur - 635 109	Tel.: 04344 - 245955

Karnataka & Kerala Zone - Service Centres

Sr.No.	Nodal Branch	Location	Address	Contact Number
1	Belgaum	Chikkodi	Plot no. 19, Shah Complex, K.C. Road, Chikkodi. Ist. Belgaum - 591201	Tel.: (08338) 273966
2	Belgaum	Gokak	Shop No.6, 1st Floor, Gaurav Complex, Gokak. Dist. Belgaum - 591307	Tel.: (08332) 227117
3	Davangere	Chithradurga	No: 396, 1st Floor, Siddaveerappa Complex, Santhepet, BD Road, Opp. Dwaraka Hotel, Chitradurga - 577501	Tel.: (08194) 222558
4	Davangere	Harpanahalli	No.162, 1st Floor, 10th ward, Gowlera Street, Banagerpet, Harpanahalli - 583131	Tel.: (08398) 280446
5	Hubli	Haveri	1st Floor, G.G. Magavi Chambers, P.B. Road, Haveri - 581110	Tel.: (08375) 233166
6	Hubli	Karwar	No.2, 1st Floor, Maruti Arcade Complex, Cutino Road, Opp. Anand Lodge, Karwar - 581301	Tel.: (0838) 2225586
7	Kalburgi	Bidar	1st Floor, Rubi Plaza, N/R Railway Under Bridge, Basaweshwar Circle, Bidar - 585401	Tel.: (08482) 228542
8	Kalburgi	Raichur	1st Floor, Itagi Complex, Near Veerabhadreshwara Temple, City Talkies Road, Raichur - 584101	Tel.: (08532) 232799
9	Kochi	Alleppey	Chandra Square, 1st floor, Cullen Road, Alleppey - 688004	Tel.: (0477) 2238577
10	Kochi	Aluva	503/7 Old no: VI/184, A Portion, 1st Floor, Champion Building, Opp. Federal Towers, Bank Junction, Aluva, Ernakulam Dist - 683106	Tel.: (0484) 2620247
11	Kannur	Kasaragod	First floor, SMS Centre, Nayak's Road, Kasaragode - 671121	Tel.: (04994) 227184
12	Kochi	Tripunithura	Premises No. 17/306B, Near N S S College, Temple Road, North Fort gate, Tripunithura - 682301	Tel.: (0484) 2774988
13	Thiruvanthapuram	Kollam	Sree Vighneswara Bhavan, Near Fire Station, Kadappakada, Kollam District - 691001	Tel.: (0474) 2768822
14	Thiruvanthapuram	Pathanamthitta	1st Floor, Johns Complex, Opp. Anurag Theatre, Kumbazha Road, Pathanamthitta - 691523	Tel.: (0468) 2220322
15	Thrissur	Palakkad	Safa Complex, 2nd Floor, Shornur Road, Near K.S.R.T.C Bus Stand, Palakkad - 678001	Tel.: (0491) 2504933
16	Thrissur	Manjeri	Priya Building, 2nd Floor, Kacheripadi, Manjeri, Malappuram District - 676121	Tel.: (0483) 2760026

Karnataka & Kerala Zone - Service Centres

Sr.No.	Nodal Branch	Location	Address	Contact Number
17	Mysore	Mandya	No-1663, Chikkaiah Building, R P Road, Near Church, Mandya - 571426	Tel.: (08232) 230231
18	Mangalore	Udupi	Ground Floor, M/s Simaz Commercial Complex, Moodanibambur, New Diana Circle, Udupi - 576101	Tel.: (0820) 2534109
19	Bijapur	Mudhol	3309/H, 1st Floor, Shri Siddalingeshwar Complex, Mallamma Nagar Cross Road, Mudhol - 587313	Tel.: (08350) 280275
20	Bijapur	Bagalakot	J.M.B. Complex, Next to Kumatgi TVS Showroom, Station Road, Bagalkot - 587301	Tel.: (08354) 220632
21	Kottayam	Mavelikkara	2nd Floor, Govindan Building, Opp to Municipal Office, Mavelikkara - 690101	Tel.: (0479) 2162996
22	Kottayam	Kattaapanna	Catathurayil Bldg, Sangeetha Junction, Kattaapanna, Idukki Dist. Kerala - 685508	Tel.: 9846888161
23	Shimoga	Hassan	Manjunath Arciad, Ravindra nagar, M G Road, Hassan - 573201	Tel.: 08172 267081

Andhra Pradesh Zone- Branches

Sr. No.	Location	Address	Contact Number
1	Hyderabad (Zonal Office / RO)	No. 8-3-948/949, F No: 302 & 303, 3rd Floor, Solitaire Plaza, Behind Image Hospital, Ameerpet, Hyderabad - 500073	Tel.: (040) 23742003 / 004 / 040 / 050 / 080
2	Gachibowli	Door 2- 48 / 108, 3rd Flr, SSRGI Arciad, Telecom Nagar, Main Road, Gachibowli, Hyderabad - 500032	Tel.: 9052220848
3	Guntur	D.no: 5-37-50, 4/7, Brodipet, Above Khazana Jewellery Show Room, Guntur - 522002	Tel.: (0863) 3291258 / 2244120
4	Hyderabad Main	Flat No: 201 & 202, Mahavir Lok, Himayath Nagar, Main Road, Hyderabad - 500029	Tel.: (040) 23260994 / 1002 Fax: (040) 23226277
5	Hyderabad Metro	1st Floor, Challa Estates, Opp. HIG- 222, Plot no: 3, MIG, Road No: 3, KPHB Colony, Kukatpally, Hyderabad - 500072	Tel.: (040) 23056400 / 40401105
6	Hyderabad Sales Vertical	3A & 3A/1, 3rd Floor, G.S.Plaza, Road No 1, Banjara Hills, Hyderabad - 500034	Tel.: (040) 23320192 / 193 / 194 / 23384244
7	Hyderabad	4-I, 4-II, 4-III & 4-IV, 4th Floor, Venkat Plaza, H.No- 6-3-883/5, 6-3-698/4/A & 6-3-698/4, Panjagutta, Hyderabad - 500082	Tel.: (040) 44446789 Fax: (040) 44446700
8	Kadappa	D. no -4/622/B, 2nd Floor, CPVR Towers, Arvind Nagar, R.S. Road, Opp. New APSRTC Bus stand, Kadappa - 516002	Tel.: (08562) 245400 / 323666

Andhra Pradesh Zone- Branches

Sr. No.	Location	Address	Contact Number
9	Karim Nagar	2-3/169/1, 1st Floor, Vajramma Towers, Kaman Road, Karim Nagar - 505001	Tel.: (0878) 3290878
10	Kukatpally	HNO. 15-21-36 & 15-21-42, 1st Floor, Sai Vikram Towers, Balaji Nagar, Kukatpally, Hyderabad - 500072	Tel.: (040) 30220933
11	Kurnool	D. no: 40-354-60, 1st Floor, Nandyal Gate, Opp Narayanmurthy Petrol Pump, Park Road, Kurnool - 518001	Tel.: (08518) 227217 / 311395
12	Nellore	Magna Super Market No : 16/3/210, 2nd Floor, GSR Complex, Ramalingapuram Main Road, Opp to SBI Building, Nellore - 524001	Tel.: (0861) 2340243
13	Nizamabad	Flat No.7, Second Floor, Above IDBI Bank,Surya Towers(Raj Laxmi Residency), Hyderabad Road, Nizamabad - 503002	Tel.: (08462) 236022
14	Nagole	No.28 & 15, second floor,Srinivasa chambers,Above IDBI Bank Ltd,Near Big Bazaar, L.B Nagar, Mansurabad Village,Hyderabad East, R R Dist - 500035	Tel.: 9393742836
15	Rajahmundry	D.No :6-1-14 & 15, Rangacheri Street, T Nagar, Rajahmundry - 533101	Tel.: (0883) 2441889 / 6664700
16	Sangareddy	1st Floor, Neni Complex, MIG 58, H.No.:12-95, Opp. Integrated Collector Complex, Sangareddy, Medak Dist. - 502001	Tel.: (08455) 654844 / 270098
17	Tarnaka (AS Rao Nagar)	Premises/Flat.no.4,First Floor, Crescent Krishna Metropolises, A S Rao Nagar,Beside Poulomi Hospital, ECIL Post, Hyderabad - 500062	Tel.: 9885016988
18	Tirupati	H No.8-119/A,Plot No 26,1st Floor,Jayanti Towers,Rayala Cheruvu Road(R C Road),Opp Raily coach Depo Office,Tirupati,Chittoor Dist. - 517502	Tel.: (0877) 2245580
19	Vijayawada	Door No.27-20-51, 1st Floor, Lakshmiram Plaza, Museum Road, Sonovision Opposite Road, Governor Pet, Vijayawada - 520002	Tel.: (0866) 6668918 / 25751565
20	Vishakhapatnam	Eswara Plaza, 1st Floor, Door no : 47/14/7/3, Dwaraka Nagar, Main Road, Vizag - 530016	Tel.: (0891) 2754985 / 2707908
21	Vishakhapatnam	10-1-44/7, 1st floor, Peejay Plaza, Opp. Hotel Tycoon, CBM Compound, VIP Road, Vishakapatnam - 530003	Tel.: (0891) 6620003 - 05
22	Warangal	H.NO.2-5-294/A, 2nd floor, SPS Plaza,Opp.TMC, Kaloji circle, Nakkalagutta,Hanamkonda, Warangal - 506001	Tel.: (0870) 2437999
23	Kakinada	Shop No: 10, 1st Floor, Door No: 2-1-19, Block B, Subhadra Arcade Complex, Bhanugudi Junction, Kakinada - 533003	Tel.: 9885527612

Andhra Pradesh - Service Centres

Sr.No.	Nodal Branch	Location	Address	Contact Number
1	Hyderabad	Mahabubnagar	DNO. 1-4-127, Mannem Com,Hyderabad Road, Mahabubnagar - 509001	Tel.: (08542) 241334
2	Vijayawada	Eluru	No.25-13-1 Ground floor,K G N Shariff Arcade,N R pet, Main Road, Eluru - 534001	Tel.: (08812) 222700
3	Vijayawada	Khammam	5-1-108,Floor,Kaviraju Nagar, Wyr Road,Near Ilandhu X Roads, Khammam - 567022	Tel.: (08742) 226166
4	Vishakapatnam	Srikakulam	D.no : 9-4-1, Seetharam ,Medical stores upstairs Road Junction - 532001	Tel.: (08942) 222332
5	Vishakapatnam	Vizianagaram	Shop no:8, III floor,PSN Estate, No:6, Lower Tank Bund Road, Vizianagaram - 535002	Tel.: (08922) 275477

Tamil Nadu Zone- Branches

Sr. No.	Location	Address	Contact Number
1	Chennai (Zonal Office / RO)	Door no: 118B, Mount Road, Manickam Lane, Near Hotel Zen Garden, Guindy, Chennai - 600032	Tel.: (044) 22504200 - 223 Fax: (044) 26474949
2	Chennai Main	The Blue Lace Brocade, Door No.2/75, 1st Floor, New Avadi Road, Kilpauk Garden, Chennai - 600010	Tel.: (044) 26474646 / 747 / 848 Fax: (044) 26474949
3	Chennai	Ground Floor "Guna Complex", Door No. 443,(old no.304) Anna Salai,Teynampet, Chennai - 600018	Tel.: (044) 42947250 / 251 Fax: (044) 42947252
4	Chennai-OMR	Door No.A1, Alkasha Centre, 3 / 331, Rajiv Gandhi Salai, OMR, Thoraipakkam, Chennai - 600097	Tel.: (044) 32577343
5	Chennai Metro	DHFL, DNO: 58 front wing, Second Floor, Prince Arcade, Old No. 22 A, New No. 29, Cathedral Road, Chennai - 600086	Tel.: 044 - 28117749
6	Chennai- Sales Vertical	Door no: 118B, Mount Road, Manickam Lane, Near Hotel Zen Garden, Guindy, Chennai - 600032	Tel.: (044) 22504200 - 223 Fax: (044) 26474949
7	Coimbatore	A ' Block, Sceond Floor, Damodar Center, 1050, Avinashi Road, Coimbatore - 641018	Tel.: (0422) 2524891/892/9299/2339 Fax: (0422) 2524887
8	Erode	142/6, Gr. Floor, Vinayaka Complex, Perundurai Road, Opp. to Ganesh TVS, Erode - 638011	Tel.: (0424) 2270760
9	Madurai	Ground Floor, Ra-Gem Plaza,111-112 Alagarkoil Main Road,Tallakulam,Madurai - 625002	Tel.: (0452) 2528400 / 436
10	Pondicherry	No : 27, 1st Floor, 100 Feet Road, Sundaraja Nagar, Near Indira Gandhi Statue, Puducherry - 605004	Tel.: (0413) 2200203 / 261/ 263 Fax: (0413) 2201104
11	Pondicherry	Sakthi Towers, First Floor, No - 21, Villianeer Road, Natesan Nagar, Pondicherry - 605005	Tel.: (0413) 2200213
12	Salem	No.75, 1st Floor, Santhosh Towers, Brindavan Road, Opp to New Bus Stand, Salem - 636004	Tel.: (0427) 2445144/ 2430870
13	Tambaram	No.87, GST Road, Kadepari, Tamabarm, Chennai - 636004	Tel.: (044) 22380404
14	Thirunelveli	Shop no: 1738/2A, 1st Floor, Shah Complex, Palayamkottai, Thirunelveli - 627002	Tel.: (0462) 2560079 / 080

Tamil Nadu Zone- Branches

Sr. No.	Location	Address	Contact Number
15	Trichy	Sree Naga Arcade, 1st Floor, Next to Seva Sangam Higher Secondary School, No.5, Williams Road, Contonment, Trichy - 620001	Tel.: (0431) 2400030 / 060
16	Vellore	Basement No D5, RJ Plaza, Near Palar Bridge, Katpadi Main Road, Viruthampet, Vellore - 632006	Tel.: (0416) 3207237 / 2247237

Tamil Nadu Zone - Service Centres

Sr.No.	Nodal Branch	Location	Address	Contact Number
1	Madurai	Dindigul	New no.91, Dr. P. Chockalingam Tower, New Agraharam, Dindigul - 624002	Tel.: (0451) 2424666
2	Madurai	Theni	Sri Thirumalai Complex, Old Sriram Theater Complex, Suppan Street, Theni - 625531	Tel.: (04546) 260107
3	Pondicherry	Villupuram	No: 734A, VVA Complex, Pandit Jawaharlal Nehruji Road, Villupuram - 605602	Tel.: (04146) 222100
4	Pondicherry	Thiruvannamalai	No. 115- Z/17-A , First Floor, Shree Cinthaamani Complex, Big Street, Thiruvannamalai - 606601	Tel.: (04175) 224444
5	Salem	Kallakurichi	SP. Balaraman Complex, Chennai Main Road, Kallakurichi - 606202	Tel.: 9942885185
6	Trichy	Thanjavur	No:13, Ground floor, Nalliya Shopping Complex, No.70, Srinivasan Pillai Road, Thanjavur - 613001	Tel.: (04362) 235355
7	Tirunelveli	Tutucorin	Shop No.14, S.no.2632, First floor, Toovipuram Main Road, Tuticorin - 628008	Tel.: (0461) 2321714
8	Tirunelveli	Nagercoil	Door No.49/1 -157/ A, First floor, K P Road, Ramavarmapuram, Nagercoil - 629001	Tel.: (04652) 313600
9	Madurai	Rajapalayam	K.V. Rajendra Raja Shops, No.481/1, First Floor, Ten Kasiroad, Puthupalayam, Rajapalayam - 626117	Tel.: (04563) 224345
10	Madurai	Karaikudi	Sri Vari Arcade, No.1/6, IInd Floor, Shanmuga Raja Road, Karaikudi - 630001	Tel.: (04565) 235955

PAN India Collection Centers

Sr.No.	Region	Nodal Branch	Location	Address	Contact No.
1	Gujarat and Rajasthan	Rajkot	Anand	B-408, Sanket Towers, Near GRID, Opp Anand Law College, Anand - 388001	Tel.: 9427610939
2	West	Indore	Vidisha	Opp. PWD Office, Near Over Bridge, Civil Lines, Vidisha - 464001	Tel.: 9926801978
3	East	Kolkata	Suri	Debrajpur Road, Opp. DSA Stadium, Near Rabindra Sadan, Birbhum Distt., Suri- 731101	Tel.: 9732347203
4	Karnataka and Kerela	Bangalore	Gadag	CTS No. 6734/C, Potnis Bldng., Shankarcharya Road, Vakil Chawl, Gadag - 582 101	Tel.: 8495878048

* RO: Regional Office

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Registered Office:

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

Corporate Office:

HDIL Towers, 6th Floor, Anant Kanekar Marg, Bandra (East),
Mumbai – 400 051.

Tel.: 022-2658 3333 | Fax: 022-2658 3344

Email: info@dhfl.com | Website: www.dhfl.com