



**"AAO INDIA GHAR BANAYEIN"**



**ANNUAL  
REPORT  
2013-14**



*Celebrating*  
**30** **DHFL**  
Changing Rules Changing Lives  
*Years*

**Dewan Housing Finance Corporation Ltd.**

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Over the past three decades, an organisation has been fuelling and fulfilling one of India's cornerstone dreams – of owning a 'home'.

A dream that begins from the time we commence our education; a dream that is nurtured through the time we get our academic degree; a dream that is inspired with the first job move; a dream that is catalysed by the nudge of the spouse.

While we have all grown up with this dream, the reality is that relatively few Indians have succeeded in owning their own homes.

India's home shortage of an estimated 63 million units continues to be the highest in the world. Interestingly, even as India is still engaged in catching up with the demand for homes generated over the years, the prospective demand is only going to increase further. India has added 181.96 million persons to its population during 2001-11, possibly the highest quantum increment across any country. The country's economy continues to be one of the fastest growing in the world. The proportion of the country's breadwinners aspiring to buy their first homes is rising. The number expecting to graduate from kutchra to concrete or from smaller to bigger homes is increasing.

For the last three decades, DHFL has been fulfilling the dreams of millions of aspiring Indian home buyers through affordable loans. DHFL has addressed the home financing needs of the second most populous country through economic crests and troughs. DHFL has made home financing affordable across decades of different economic periods.

This, our multi-market and multi-year vigour is encapsulated in one enthusing line.

**Aao India, ghar banayein!**

## **Vision**

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

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Late Shri Rajesh Kumar Wadhawan



## HOME. LOAN. DHFL.

Over the past three decades of our presence, we have reinforced our Vision of a home for every Indian.

The **result** is that anyone who intends to buy a home recalls DHFL as a preferred financial partner and home loan provider.


The **result** is that DHFL is no longer just a home loan provider; it is a credible brand. It is no longer just an intermediary; it is a trusted friend synonymous with 'home loans for all'.

### Who we are

DHFL was founded in 1984 by Late Shri Rajesh Kumar Wadhawan. DHFL was the second housing finance Company to be established in India with the singular objective of providing affordable housing finance to the lower and middle income groups in semi-urban and rural India.

Three decades later, DHFL continues to stay true to its commitment of serving the

lower and middle income groups. The Company remains a financial institution with efficient systems, transparent processes and consistent dedication to serve this large and growing socio-economic group. Following the acquisition and amalgamation of First Blue Home Finance in FY 2013, DHFL is better equipped to cater to the upper middle and higher income groups, while retaining its low and middle income group focus. The gratifying outcome is **home loans for all**.



DHFL continues to stay true to its commitment of serving the lower and middle income groups.

At DHFL, we encourage home ownership through a combination of home loan solutions, insurance services and unique fixed deposit schemes customised around every customer's needs.

The result of this Vision, focus and determination is that DHFL has graduated into becoming India's second largest private housing finance Company, competently placed to service customers through a pan-India network of 162 branches, 92 service centres, 20 regional processing offices, corporate and national offices in Mumbai and representative offices in London and Dubai.

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## Listing

The Company's shares are listed and actively traded on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The Company enjoyed a market capitalisation of ₹ 2,809 crore as at March 31, 2014. The promoters held 39.25% of the Company's equity capital at the close of FY 2013-14.

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## Offerings

### Housing loans

- ▶ Purchase of new house property
- ▶ Purchase of re-sale house property
- ▶ Self construction
- ▶ Extension and improvement

### Non-housing loans

- ▶ Loan against property
- ▶ Lease rental financing
- ▶ Purchase of commercial premises
- ▶ Top-up loans

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## Awards

- ▶ Accredited with the Best Employer Award at IPE BFSI Awards 2013-14
- ▶ Awarded for Excellence in Innovative Marketing at MCHI – MMR & BKC Expo 2013-14
- ▶ Honoured with Udyog Rattan Award 2013-14

# When you inspire every Indian to aspire for a home, amazing things happen.

## Operational Highlights

(₹ in crore)

	2004 - 05	2005 - 06	2006 - 07	2007 - 08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Sanctions	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	22,377.61
Disbursements	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	16,647.45
Cumulative Disbursements	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	58,810.18

## Financial Highlights

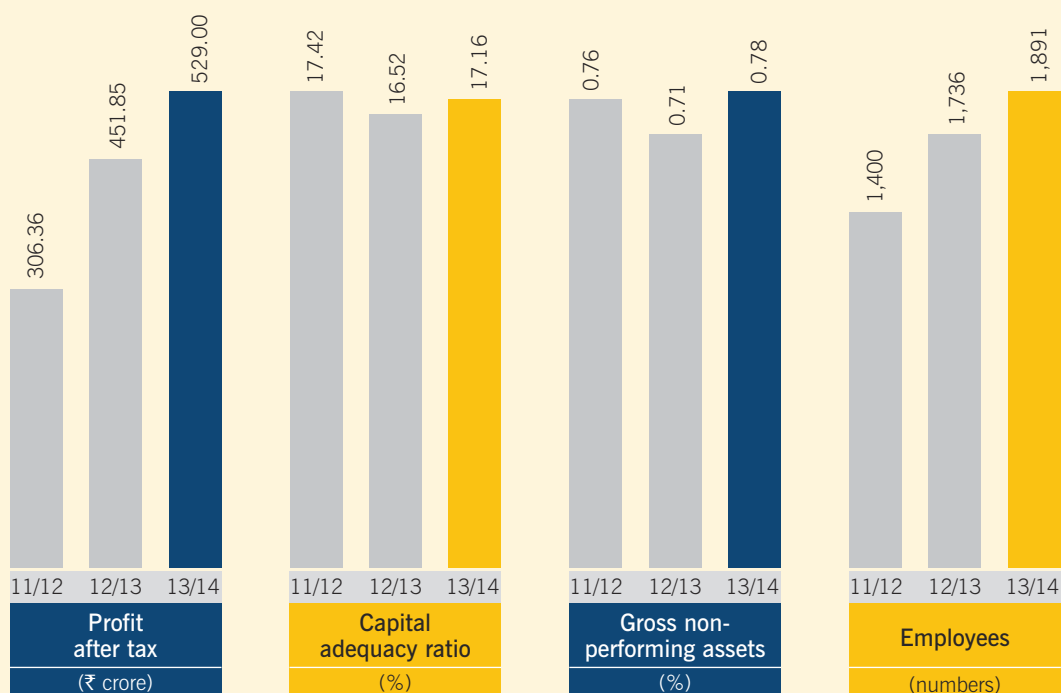
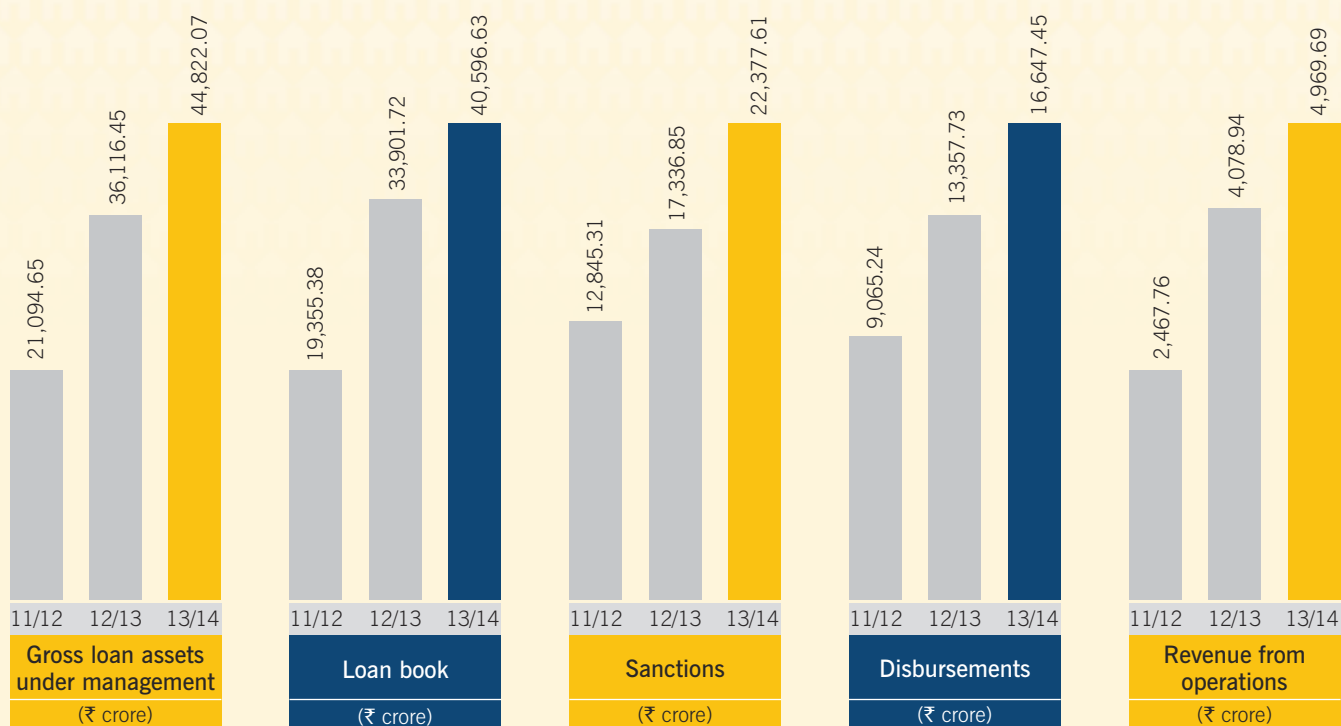
(₹ in crore)

	2004 - 05	2005 - 06	2006 - 07	2007 - 08	2008-09	2009-10	2010-11	2011-12	2012-13*	2013-14*
Gross Revenues	163.82	226.80	332.29	523.42	693.60	992.55	1,451.24	2,469.68	4,078.94	4,969.69
Profit After Tax	27.10	41.71	48.40	82.58	91.76	150.69	265.13	306.36	451.85	529.00
Shareholders' Funds	189.59	270.66	365.27	445.07	513.54	873.44	1,548.43	2,032.72	3,237.09	3,574.96
Share Capital										
Equity	50.12	50.12	50.12	60.52	60.52	82.03	104.42	116.84	128.22	128.42
Preference	-	17.66	24.16	7.00	3.00	3.00	-	-	-	-
Others	-	2.50	2.50	-	56.00	-	-	-	-	-
Reserves and Surplus	139.48	200.37	288.49	377.55	394.02	788.41	1,444.01	1,915.88	3,108.87	3,446.54
Borrowings from NHB, Banks, FIs & Others	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	36,891.43
Deposits	95.77	76.93	57.05	46.90	46.87	182.16	557.29	938.81	1,923.72	2,595.46
Housing & Other Loan Outstanding	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	40,596.63
Dividend (%)										
Equity	20.00	25.00	25.00	25.00	25.00	30.00	35.00	35.00	50	80 **
Book Value per Share (₹) (Equity)	38.00	50.00	56.00	59.19	70.67	102.86	148.32	174.04	252.47	278.38
Earnings per Share (₹) (Basic)	7.05	8.32	9.22	14.43	15.15	19.78	26.43	28.97	38.47	41.23
Earnings per Share (₹) (Diluted)	-	-	-	-	-	19.58	26.12	28.67	38.30	41.11

**Note:** \* FY 2012-13 and FY 2013-14 figures reflect the merged entity. Hence, these figures are not comparable with those of the previous years.

\*\* Includes one time special dividend of ₹3 per share to mark the 30th Anniversary.







**“DHFL is well poised and equipped to capitalise effectively on the economic recovery.”**

Your Company continues to balance organic growth with strategic acquisitions, catalysing the growth of its loan book, revenues and profits.

*Dear Members,*

Your Company has completed 30 years of living by the Vision laid down in 1984 by its Founder Chairman, Late Shri Rajesh Kumar Wadhawan of *'every Indian to have a home of his own'*. This Vision has assumed greater importance today for your Company and India, as the country's population of 1.2 billion suffers a housing gap of 63 million units. DHFL will play a crucial role in the Government's 'Mission Housing' programme to alleviate the housing gap in India.

### About your Company

Your Company has serviced millions of customers, majority accounting for small ticket loans (average loan size being below ₹ 20 lakh). During FY 2014, DHFL integrated the erstwhile First Blue Home Finance Ltd. operations with its own and in FY 2013-14 the merged entity reported a 17% PAT and 25% disbursement increase. Your Company is set to grow its asset base of ₹ 44,000 crore to ₹ 1 lakh crore by 2017.

The recent foray into insurance through DHFL Pramerica Life Insurance Company Ltd. empowers your Company to provide customers with the option of insurance to cover risks and safeguard their family.

By providing all consumer groups with relevant housing loans, insurance, education loans, fixed deposits and small savings schemes, your Company has emerged as one of the leading financial services companies in India.

### The next leap

Three decades ago, DHFL was amongst the first housing finance companies in India to focus on the country's semi-urban and low middle income segment. I am happy to say that we stayed the course and contributed to the cause of independent home ownership in what is perhaps the largest semi-urban population cluster in the world.

DHFL's relevance in its business continues to get increasingly pronounced with every passing year. Rural India is more prosperous today than ever, marked by a gradual transition of subsistence agriculture to a commercially viable model, thus leading to greater aspirations to build bigger and better

homes. Despite these positive realities, mortgage finance is still under-penetrated at only 9% of India's GDP against double digit penetration in peer ASEAN countries. At DHFL, we perceive an opportunity in this mismatch – there is a large community of customers who are credible but do not possess adequate income proof; they are trustworthy but remain unbanked.

Your Company continues to respond to this reality with a customised business strategy encompassing proprietary appraisal methodologies extending beyond simplistic documentary evidence. Your Company continues to balance organic growth with strategic acquisitions, catalysing the growth of its loan book, revenues and profits.

Your Company widened its presence across semi-urban locations in FY 2014, which will translate into enhanced customer access. Your Company is not only expanding its reach but evolving its systems and processes to build a holistically sustainable business model. There are a number of immediate factors underlining our optimism. The country's economic indices have shown an upward movement after a prolonged slowdown. The new Government appears focused in strengthening the cause of infrastructure, housing included. DHFL strengthened its reach and offerings during the slowdown and is now well poised and equipped to capitalise effectively on the economic recovery.

We invite you to be a part of India's exciting housing finance story and seek your active cooperation in our journey ahead.

**Kapil Wadhawan**


Chairman & Managing Director



**DHFL**

**Economy driver**





DHFL helped millions of Indians mobilise adequate funds to buy or build their own homes.

### At DHFL, we bring to our business a deep sense of social responsibility.

DHFL was started in 1984 with the philosophy of enabling home ownership. Since then, the Company has retained its position as one of India's largest housing finance companies, driven by the Vision to make home ownership affordable for all.

Over the decades, home finance companies like DHFL have not only influenced the social fabric of the country but also benefited from it. The Company had the foresight to address the notion that taking loans was not advisable. Concurrently, the Company capitalised on rising family incomes, shrinking family sizes and widening urbanisation.

Home finance providers like DHFL helped millions of Indians mobilise adequate funds to buy or build their own homes. In a decision, which would later be described as 'financial inclusion', DHFL selected to focus on the challenging Tier-II and Tier-III markets. Rather than fund financially comfortable customers, DHFL funded the needs of those without adequate income substantiating documentation. In doing so, DHFL didn't just address the needs of an existing market, it helped

create one. DHFL extended from merely financing homes to encouraging home building. DHFL graduated from mere transactions to catalysing the national economy.

DHFL's nation-building role was even more pronounced when the Indian economy passed through a challenging slowdown in the last decade. The performance of housing finance companies like DHFL remained one of the economy's brightest features, catalysing the offtake of nearly 300 downstream sectors.

Given this 'ripple' role, the priority is not just for the Government to make small incremental changes, but to facilitate home financing, make home ownership cheaper and in turn propel the economic engines, leading to a full-blown economic recovery.

The result is that home-building, which remained a priority across the past 30 years, will continue to be relevant for decades to come.


**Aao India, ghar banayein.**



**DHFL**

## **Promoting financial inclusion**





DHFL made India's financial inclusion meaningful; it brought the pride of home ownership to those the world would otherwise have passed by.

### At DHFL, we recognise that home ownership is not an elitist concept, but a fundamental right.

So even as we went into business at a time when home ownership was considered a rich urban concept (as opposed to the affordable rental approach), we opted to convince people that in the interest of long-term security, there could be no better counter-inflation initiative than buying one's own home.

The principal challenge in growing the business lay not in a dearth of those wanting to buy their own property; it lay in a dearth for documentation amongst those intending to buy.

Rather than waiting for the large sweep of India's population to mature to a point where it would be able to provide the necessary income substantiation, DHFL helped people comprehend financial documentation. We adapted our income appraisal mechanism to arrive at a precise understanding of the financial health of our customers. So even as the financing sector was extensively collateralised, DHFL selected to adapt to underserved customers by building in cultural appraisal filters.

To this underserved clientele, DHFL served as a consultant, providing guidance for all queries related to their funding needs. The Company offered free counseling on budgeting and construction, in addition to legal and technical guidance. So when most home loan financing

companies focused on increasing their loan book, DHFL provided an affordable and contemporised 30-year product.

DHFL's accommodating foresight resulted in an underserved clientele turning financially literate and compliant. Today, nearly 85% of DHFL's collections are routed through modern banking protocols (electronic clearing system and post-dated cheques) in full alignment with strict controls and regulatory requirements.

Besides, DHFL's comprehensive risk management framework ensures that robust processes minimise uncertainty and enhance corporate visibility.


In extending from a conventional transaction-driven perspective to one focused on building relationships, DHFL made India's financial inclusion meaningful; it brought the pride of home ownership to those the world would otherwise have passed by. It instilled in customers and their families a sense of financial discipline. It introduced a formal financial culture amongst innumerable Indians.

The result is that DHFL has not just espoused **'Aao India, ghar banayein'**; it has consistently lived this conviction.

**DHFL**

**Inspired  
by protection**





DHFL extended beyond the business of home loans to insurance services, recognising the need to provide financial security, and cover people from the risk of the unforeseen.

**At DHFL, we are convinced that financial protection represents the foundation of a mature society.**

Insurance provides the insured with a feeling that their lives are valuable. This represents the basis of their confidence. Insurance serves as a hedge against the unforeseen in a country where families are generally large and supported by single earners. DHFL extended from the business of home loans to insurance services, recognising the need to provide financial security.

India's life insurance sector, estimated at 36 crore policies, is the largest in the world. The total number of lives insured in India is more than the cumulative population of 200 countries. Despite this extensive insurance presence, India continues to be predominantly under-insured at only 3.17% of GDP. DHFL Pramerica Life Insurance Company Ltd. expects to play a meaningful role in plugging this gap by leveraging the pan-India branch network of DHFL, to reach its financial protection solutions to the nation's millions.

DHFL's deep understanding of India's terrains, lifestyles and customers indicates that the country is ready for enhanced financial protection and insurance. In line with this conviction, DHFL and its promoters entered into a joint venture with Prudential Financial Inc. (PFI) to provide life insurance solutions in India. DHFL acquired a

50% equity stake in DLF Pramerica Life Insurance Company Ltd. (DPLI), while DHFL promoter entities acquired 24% equity and PFI continued to hold 26% equity stake. Subsequently, the name of the life insurance company was changed to DHFL Pramerica Life Insurance Company Ltd. (DHFL Pramerica).

Prudential Financial Inc. is a financial services leader with ~USD 1.1 trillion worth of assets under management in United States, Asia, Europe and Latin America. Prudential Financial Inc. is committed to ethical management practices, extending the benefit of insurance to millions and enhancing security of life. Prudential Financial Inc. focuses not only on financial security but also quality counseling, which is in line with DHFL's positioning. The result is that DHFL Pramerica is more than a life insurance provider; it provides a promise of trust, understanding, commitment and protection. The combination of PFI's 138-year life insurance experience and DHFL's deep customer knowledge will reinforce the cause of financial inclusion across India and enrich the DHFL brand.


Generating a resonating recall -  
**'Aao India, ghar banayein.'**

**DHFL**

**Driven  
by opportunity**







DHFL expects to catalyse home building and extend the pride of home ownership amongst thousands of Indians.

### At DHFL, we are convinced that enduring success is derived from how one responds to opportunity.

The biggest opportunity within the home financing space lies beyond the urban horizon. Of the country's 63 million unit home shortage, a significant proportion lies in semi-urban and rural India. This represents probably the largest nascent real estate market in the world, marked by an increasing number of people who intend to build their first ever homes and a similar sizable number who expect to graduate from mud to brick dwellings.

At DHFL, we see considerable optimism relating to the sustained growth of this trend: a new Government is expected to prioritise housing for all; home building incentives could result in attractive tax breaks; agricultural reforms will put more disposable incomes in rural hands.

DHFL is future-ready for these realities through various progressive initiatives:

- ▶ The commissioning of over 100 branches in Tier-II and Tier-III cities in FY 2015;
- ▶ The sourcing of low cost funds through the Rajiv Awas Yojna Scheme which provides a 5% interest subsidy on sub-₹ 5 lakh loans;
- ▶ The proposed investment in promotional campaigns to educate customers on home loan benefits and convenience.

Through these initiatives, DHFL expects to catalyse home building and extend the pride of home ownership amongst thousands of Indians.

Seldom in years has the call of

**'Aao India, ghar banayein'**

been more relevant than it is today.

**DHFL**

**Empowered  
by partnerships**





Through complementary alliances, DHFL is competently addressing its overarching Vision of financial access.

## At DHFL, we are driven by the dream to finance homes for every Indian.

We are convinced that this dream can be achieved through complementary alliances.

As DHFL evolved into a trusted brand amongst customers and the financial community, a number of global financial institutions validated their confidence in the Company's business model. The result is that Foreign Institutional Investors (FIIs) held 31.95% stake in DHFL at the close of FY 2014 against nil a decade ago. Besides, a number of Indian banks reinforced their trust in DHFL by providing their customers access to DHFL's home loan solutions, through syndication agreements.

### Acquisitions and Alliances

#### **DHFL Pramerica Life Insurance Company**

**Limited:** A joint venture between DHFL, India's second largest private sector housing finance Company and Prudential International Insurance Holdings, Ltd. (PIIH), a fully owned subsidiary of Prudential Financial, Inc. (PFI). DHFL Pramerica will continue to offer advice, innovative products and quality service in the quest to emerge as a preferred life insurance partner for customers and distributors.

**First Blue Home Finance Limited:** DHFL, before the acquisition of First Blue Home Finance Ltd. (erstwhile Deutsche Postbank Home Finance Limited) was largely catering to the home finance needs of the lower and middle income customer segments. This alliance made it possible for DHFL to address the home financing needs of the middle and upper middle income groups as well. The acquisition accelerated growth, catering to the

housing needs of different income groups of the society.

**Aadhar Housing Finance Limited:** This associate company was formed in association with International Finance Corporation (IFC), a member of the World Bank Group, as a focused housing finance company that would address the low income segment in Uttar Pradesh, Madhya Pradesh, Odisha, Jharkhand, Chhattisgarh, Bihar, West Bengal and Gujarat. Aadhar reaches out to people who are eligible but have limited access to formal funding sources.

**DHFL Vysya Housing Finance Limited:** One of the associate companies of DHFL with a strong presence in South India. From a network of 25 branches in 2003, the Company has grown its presence across Karnataka, Andhra Pradesh, Tamil Nadu and Maharashtra. The Company continues to focus on small-ticket housing loans.

**Avanse Financial Services Limited:** Avanse marks DHFL's foray into the education loans business. Avanse is aligned with the DHFL philosophy of changing lives by providing students access to a fair means of educational finance for higher education. Avanse intends to redefine the Indian higher education finance sector in the years to come (just as DHFL has revolutionised the housing finance sector).

The result is that through these complementary alliances, DHFL expects to competently address its overarching Vision of

**Aao India, ghar banayein.**

**DHFL**

## Responding to a national opportunity

India needs to create 63 million homes to address existing housing needs. A high 95 percent of this shortage is derived from the country's economically weaker section (EWS) and the lower income group (LIG).



While millions of homes need to be built across India, the challenge is to provide accessible and affordable home finance for people who need a shelter for their families. The high cost of real estate, limited resources and financial access targeted at specific consumer groups have collectively accounted for the economically weaker sections and low-income groups being underserved.

DHFL enjoys a three decade presence in India's home finance industry, resulting in superior brand recall and trust.

Creating value for stakeholders	Enhancing access	Ensuring stability
<p>₹ 58,810.18 crore DHFL's cumulative disbursements till date</p> <p>17.59% DHFL's return on equity against 17.86% in 2012-13</p> <p>₹ 3,574.96 crore DHFL's networth against ₹ 3,237.09 crore in 2012-13</p> <p>₹ 41.11 DHFL's earning per share (diluted) against ₹ 38.30 in 2012-13</p>	<p>441 DHFL's presence</p> <p>39% DHFL's average instalment to income ratio against 41% in 2012-13</p> <p>₹ 44,822.07 crore DHFL's assets under management against ₹ 36,116 crore in 2012-13</p>	<p>35 DHFL's association with banks in its lending consortium</p> <p>17.16% DHFL's capital adequacy ratio against the statutory requirement of 12%</p> <p>53% DHFL's average loan to value ratio against 58% in 2012-13</p> <p>2.71% DHFL's net interest margin against the 2.72% in 2012-13</p>

**Customer outreach:** The Company strengthened its presence in Tier-II and Tier-III markets. The Company added touchpoints for the customers, taking its presence to 441 locations, including alliance offices, making it possible to provide housing finance to millions.

**Relationship-based sourcing:** The Company relied on exclusive sourcing of business through its branch network and direct sales agents who guide customers across the life cycle of their loan.

**Stringent appraisal mechanism:** The Company leveraged keen legal and commercial insights with rigorous credit

appraisal to screen every application in order to reduce delinquencies.

**Technical valuation:** The Company with its in-house team of civil engineers, adopted stringent technical evaluation of properties helping control delinquencies through timely property valuation.

**Superior collection processes:** The Company directs its customers to repay through banks and as a result, over 85% of the Company's collections were conducted via ECS or post-dated cheques, reducing the risk of cash management.

**Efficient operations:** The Company's

centralised processing centre ensures greater efficiency and better risk management.

**Diversified funding:** The Company enjoys a diversified funding mix (banks, FIs, NHB refinance, NCDs and multilateral agencies, among others).

**In the interest of the industry:** Through the mortgage guarantee transaction with IMGC (India Mortgage Guarantee Corporation Private Ltd.), DHFL has led the industry in yet another securitisation innovation. DHFL's focus on sustainable housing is emphasized through eco-friendly affordable housing initiation.



# Profile of Directors



**Mr. Kapil Wadhawan**  
Chairman & Managing Director



**Mr. Dheeraj Wadhawan**  
Non-Executive Director



**Mr. R. P. Khosla**  
Non-Executive Independent  
Director



**Mr. G. P. Kohli**  
Non-Executive Independent  
Director

## 01 Mr. Kapil Wadhawan, Chairman & Managing Director

Mr. Kapil Wadhawan joined DHFL in September 1996 as a Director. He became the Chairman and Managing Director of the Company in July 2009, and has since then led DHFL into becoming a world class financial services Company. Under his leadership, the Company commenced its transformational journey, reaching out to customers across the length and breadth of the country. He was instrumental behind DHFL setting up representative offices globally – at Dubai and London. He spearheaded the acquisition of the housing finance arm of ING Vysya Bank Ltd. in 2003 and the acquisition of First Blue Home Finance Ltd. (erstwhile Deutsche Postbank Home Finance Ltd.) in 2011. He also established India's low income segment specific

Company, Aadhar Housing Finance Ltd., in association with IFC, a member of the World Bank group. Mr. Kapil Wadhawan also led the foray of DHFL into the education loans sector through Avanse Financial Services Limited in 2013 and in life insurance through DHFL Pramerica Life Insurance Company Ltd. in 2014. With his focus on business excellence and industry development, Mr. Kapil Wadhawan has played a significant role in shaping policy guidelines on matters relating to the mortgage finance industry. His dynamic initiatives at DHFL have been pioneering for the industry. Mr. Kapil Wadhawan is an MBA in Finance from Edith Cowan University, Australia.

## 02 Mr. Dheeraj Wadhawan, Non-Executive Director

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

the University of London. He has over 13 years of experience in the real estate and construction industry. He joined on the Board as a Non-Executive Director on May 12, 2008.

## 03 Mr. R. P. Khosla, Non-Executive Independent Director

Mr. R. P. Khosla (Retd. IAS) is a 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 March 17, 1993.

## 04 Mr. G. P. Kohli, Non-Executive Independent Director

Mr. G. P. Kohli is the former Managing Director of Life Insurance Corporation of India (LIC) and has vast experience in insurance, housing, human resource development, information technology and marketing, having worked in different positions in LIC. He

holds a Masters Degree in English Literature MA. (Hons) and has acquired a diploma in Labour Laws, Labour Welfare and Personnel Management - LLD. Mr. G. P. Kohli is on the Board of the Company as an Independent Director since May 23, 2001.



**Mr. Ajay Vazirani**  
Non-Executive Independent  
Director



**Mr. V. K. Chopra**  
Non-Executive Independent  
Director



**Mr. Mannil Venugopalan**  
Non-Executive Independent  
Director



**Mr. Kaikhushru Vicaji  
Taraporevala**  
Nominee Director

#### **05 Mr. Ajay Vazirani, Non-Executive Independent Director**

Mr. Ajay Vazirani is a Senior Partner of M/s. Hariani & Co. He has over 17 years of experience advising clients and specialises in real estate and real estate finance transactions, corporate and commercial law, mergers and acquisitions, private equity

& 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 January 4, 2008.

#### **06 Mr. V. K. Chopra, Non-Executive Independent Director**

Mr. V. K. Chopra is a Fellow Member of the Institute of Chartered Accountants of India (FCA) by profession. Mr. V. K. Chopra had a long and illustrious career in banking, having served in the sector for over 37 years in different capacities. He was the Chairman and Managing Director of Corporation Bank and SIDBI and an Executive Director of Oriental Bank of Commerce for a

long tenure. His last assignment was with Securities Exchange Board of India (SEBI) as a whole-time member for two years until 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 May 12, 2008.

#### **07 Mr. Mannil Venugopalan, Non-Executive Independent Director**

Mr. Mannil Venugopalan holds a Bachelor of Commerce degree 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. Mr. Mannil 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 February 25, 2013.

#### **08 Mr. Kaikhushru Vicaji Taraporevala, Non-Executive, Nominee Director**

Mr. Kaikhushru Taraporevala is the Founder and Managing Director of Tethys Ventures (Singapore) Pte Ltd, a corporate finance advisory group. He has over 18 years of experience advising international companies on corporate finance and investment activities in Indian and ASEAN markets. He previously founded and led the IAP Group and worked with Lazard India

after graduating in 1994 from INSEAD (France) with an MBA. Mr. Kaikhushru Taraporevala has a M.Sc. in Physics from IIT Delhi and an MS in Material Science from Dundee University, Scotland. He joined the Board of the Company as a Nominee Director of M/s Caledonia Investments Plc., U.K. with effect from October 21, 2013.

# Corporate information

## Board of Directors

Mr. Kapil Wadhawan – Chairman & Managing Director  
 Mr. Dheeraj Wadhawan - Director  
 Mr. R. P. Khosla - Director  
 Mr. G. P. Kohli - Director  
 Mr. Ajay Vazirani – Director  
 Mr. V. K. Chopra – Director  
 Mr. Mannil Venugopalan – Director  
 Mr. Kaikhushru V. Taraporevala – Nominee Director

## Details of Committees of the Board of Directors

### Audit Committee

Mr. G. P. Kohli - Chairman  
 Mr. V. K. Chopra - Member  
 Mr. Mannil Venugopalan - Member

### Stakeholders' Relationship Committee

Mr. Ajay Vazirani - Chairman  
 Mr. Kapil Wadhawan - Member

### Finance Committee

Mr. Kapil Wadhawan - Chairman  
 Mr. Dheeraj Wadhawan - Member  
 Mr. G. P. Kohli - Member  
 Mr. Ajay Vazirani - Member

### Nomination and Remuneration Committee

Mr. R. P. Khosla - Chairman  
 Mr. G. P. Kohli - Member  
 Mr. V. K. Chopra - Member

### Corporate Social Responsibility Committee

Mr. G. P. Kohli - Chairman  
 Mr. V. K. Chopra - Member  
 Mr. Kapil Wadhawan - Member

## Chief Financial Officer

Mr. Santosh R. Sharma

## Company Secretary

Ms. Niti Arya

## Bankers

Allahabad Bank	Karur Vysya 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
Federal Bank Ltd.	State Bank of Travancore
HDFC Bank Ltd.	Syndicate Bank
ING 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.
Karnataka Bank Ltd.	

## Financial Institutions / Multilateral Agencies / Other Lenders

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

## Joint Statutory Auditors

M/s. T. R. Chadha & Co., Chartered Accountants  
 1 Smruti, Ground Floor, M. V. Panlosakar Marg,  
 Hanuman Cross Road No. 2, Vile Parle (East),  
 Mumbai - 400 057

M/s. Rajendra Neeti & Associates, Chartered Accountants  
 144 Jolly Maker Chamber II, Nariman Point,  
 Mumbai - 400 021

### Registered Office

Warden House, 2nd Floor,  
Sir P.M. Road, Fort, Mumbai - 400 001  
Tel. No.: +91 22-22029900  
Fax No.: +91 22-22871985

### Corporate Office

10th Floor, TCG Financial Centre,  
BKC Road, Bandra Kurla Complex,  
Bandra East, Mumbai - 400 051  
Tel. No.: +91 22-66006699  
Fax No.: +91 22-66006998

### Registrar & Transfer Agents (For Equity)

#### Link Intime India Private Ltd.

C - 13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai - 400078  
Tel. No.: +91 22-25946970-78  
Fax No.: +91 22-25946969  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Contact Person: Mr. Sharad Patkar,  
Executive – Corporate Registry

### Registrar & Transfer Agents (For Debentures)

#### System Support Services

209, Shivam Industrial Estate,  
Andheri – Kurla Road, Sakinaka,  
Andheri (East), Mumbai - 400 072  
Tel. No.: +91 22-28500835  
Fax No.: +91 22-28501438  
E-mail: [sysss72@yahoo.com](mailto:syss72@yahoo.com)

### Debenture Trustees

#### GDA Trusteeship Ltd.

GDA House, Plot No. 85, Bhusari Colony (Right),  
Paud Road, Pune - 411 038  
Tel. No.: +91 20-25280081, Fax No.: +91 20-25280275  
E-mail: [dt@gdatrustee.com](mailto:dt@gdatrustee.com)  
Website: [www.gdatrustee.com](http://www.gdatrustee.com)

#### IDBI Trusteeship Services Ltd.

Asian Building, Ground Floor  
17, R. Kamani Marg, Ballard Estate  
Mumbai, Maharashtra - 400 001  
Tel. No.: +91 22-40807000, Fax No.: +91 22-66311776  
Email: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com), [response@idbitrustee.com](mailto:response@idbitrustee.com)  
Website: [www.idbitrustee.com](http://www.idbitrustee.com)

### Addresses of Stock Exchanges / NSDL / CDSL

Name of Stock Exchanges	Address	Stock Code / Symbol
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	511072
National Stock Exchange of India Limited	Exchange Plaza, Bandra (East), Mumbai - 400 051	DHFL
National Securities Depository Limited	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) Limited	Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai – 400 001	

# Management discussion and analysis

## Economic Overview

The financial year 2013-14 has been decisive in more ways than one. It was a year that saw financial indicators swinging between extremes. However, they left behind some interesting lessons to be learnt and an optimistic outlook as well, for the world to again look at India with renewed interest.

As per advance estimates released by the Central Government, India's GDP growth in the year was expected to be 4.9% (4.5% in the previous year), the second successive year of a below 5% growth. Stalled infrastructure projects and subdued corporate investments contributed to the slowdown on the one hand, while consumer sentiment was affected by higher inflation and Rupee depreciation on the other.

The Reserve Bank of India reduced policy rates by 100 bps in 2012-13 and 25 bps in May 2013. Before its June 2013 policy review, following risks of external sector instability, the US Fed hinted at a gradual withdrawal of quantitative easing. This put emerging market assets under pressure, with countries running high current account deficits. Between May 2013 and August 2013, the Indian Rupee depreciated by 16.3% on the back of a USD 12.6 billion capital outflow from India's domestic equity and bond markets. The RBI undertook several policy measures to restore stability. In consultation with the Government, gold imports were restricted to reduce the pressure on CAD.

With a 1.2 billion strong population, the world's fourth largest economy appears to enjoy a robust outlook. Six and a half decades post-independence, the country has achieved a landmark agricultural revolution that has enabled the nation to reduce its dependence on grain imports. This has helped India transform into a global agricultural powerhouse, and now a net food exporter. Life expectancy has more than doubled, literacy rates have quadrupled, health conditions have improved and a sizeable middle class has emerged. India is now home to globally recognised companies in pharmaceuticals, steel, information and space technologies, and has a growing global voice in keeping with its size and potential.

Job creation will catalyse India's annual growth rate, which has been below the 5% mark for the past five quarters.

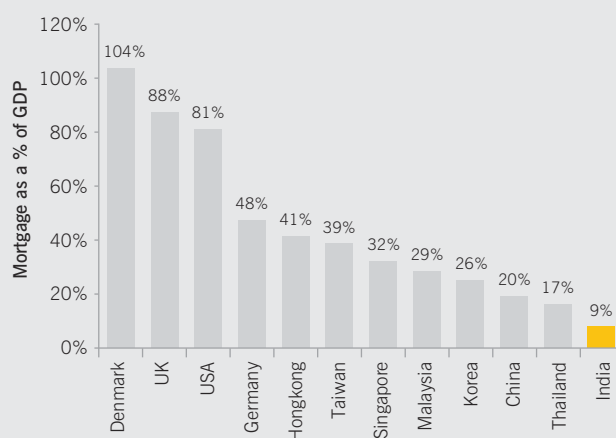
## Housing Industry Overview

The growth of the Indian economy combined with the resultant rise in the per capita income has stepped up the pace of urbanisation. This, along with the increasing availability of finance, has resulted in a growth in demand for housing in the past few years. As per CRISIL estimates, the housing stock in India stood at ~148 million during FY 2014, as compared to around 103 million a decade back.

Further improvements in the macroeconomic scenario, coupled with demographic changes in population such as changing age-mix, increasing nuclearisation of families, among others are expected to give an added impetus to the growth of the housing industry in India.

The country's housing finance companies maintained their asset quality as reflected in a GNPA of 0.84% as at December 31, 2013. Correspondingly, profitability remained largely stable for housing finance companies on account of an improvement in operating efficiencies and low credit costs.

Mortgage penetration in India, as compared to other countries





India's housing mortgage market is extensively under-penetrated. India's mortgage-to-GDP ratio is low as compared to other developing countries at 9%, having improved by 300-400 bps over the last six years. In the long-term, increasing income levels, improving affordability, rising urbanisation including emergence of Tier-II and Tier-III cities and the evolution of the nuclear family concept, ease of financing, tax incentives and widening reach of financiers will have an impact on the industry. Increase in volumes and rise in property prices will also play a significant role in determining growth in disbursements.

### Interest Rate Scenario

Interest rates in FY 2013-14 have been extremely volatile, with the Reserve Bank of India's (RBI) initiative to balance growth, stubborn inflation and rupee depreciation. RBI had set a macro forecast for FY 2013-14 – GDP at 5.7% and inflation at 5.5%.

In the month of June 2013, RBI was caught unaware by the depreciation of rupee by more than 10% due to fears of QE tapering in the US. FIIs exited debt markets taking the rupee from levels of ₹ 54 to ₹ 60 per USD. RBI had intervened to control this crisis and took unprecedented steps to raise the Marginal Standing Facility (MSF) by 300 bps from 7.25% to 10.25%. Inflation levels started inching up and reached levels of 7% by October 2013.

Post September 2013, the new RBI Governor implemented pointed steps to check on inflation and curb depreciation of the rupee. Importance was given to encourage NRI deposits in the country. These measures boosted the rupee valuation from around ₹ 65 in August 2013 to ₹ 61 in November 2013.

Inflation levels started easing and reached 4.86% in February 2014. Contrary to expectations from RBI to ease rates, RBI raised repo rates thrice from 7.25% in May 2013 to 8% in December 2013. This was due to the RBI perception that core inflation was at elevated levels and prices of prime commodities were higher.

To conclude, a tight monetary policy condition along with stubborn core inflation and sluggish economic growth kept most of the financial intermediaries risk averse. This kept borrowing costs on the higher side.

### Opportunities and optimism

**Rural demand:** Rural India accounts for 70% of the country's population, 56% of the country's total income and 33% of India's savings. Since 2000, per capita GDP has grown faster in India's rural areas than in its urban centres – a 6.2% CAGR versus 4.7%. Rural incomes are growing, and consumers are vying for discretionary goods and lifestyle products. Between 2009 and 2012, spending in rural India reached USD 69 billion, significantly higher than the USD 55 billion spent by the country's urban population.

**Housing shortage:** India's urban housing shortage touched 18.78 million units while rural shortage stood at 43.67 million units, with 90% of the shortage seen in the low income groups. Urban growth across the world is projected to double from 3.3 billion in 2007 to 6.4 billion in 2050, with more pronounced increase in the developing countries.

**Government initiatives:** According to recent reforms, FDI up to 100% has been permitted under the automatic route in townships, housing, built-up infrastructure and construction development projects. The Government of India sanctioned projects worth ₹ 41,723 crore for building 15,69,000 houses / dwelling units for economically weaker / lower income sections under the Housing Ministry's flagship scheme Jawaharlal Nehru National Urban Renewal Mission (JNNURM) programme.

**Rising proportion of the working age population:** The country's population was expected to have increased to 123 crore by March 2014 from 121.7 crore in March 2013. India's median age of 24 years makes the nation one of the youngest countries globally with a productive workforce. Nearly two-thirds of India's population is in the working age group (15-64 years).

**Rising incomes:** India's per capita income is projected to increase by 10.4% to ₹ 74,920 in 2013-14 as the country emerges as a USD 1.7 trillion economy. However, the increase in per capita income would be by only 2.8% in 2013-14 on the basis of 2004-05 prices.

**Urbanisation:** India has the highest urban population rate change amongst BRIC nations. Urban dwellers accounted for 31.6% of India's population in 2012. By 2015, India's urban population is expected to grow by 2.5%, above the 1.3% growth expected in the total population. At this rate, it is estimated that around 843 million people will live in Indian cities by 2050, offering large-scale opportunities for the housing and infrastructure development sector.

**Rising consumer class:** By 2020, India is projected to become the world's third largest middle class consumer market behind China and the US. By 2030, India is likely to surpass both countries with an aggregated consumer spend of nearly USD 13 trillion. Rising middle class incomes are driving aspirational consumer behaviour as people seek quality products, better healthcare and more sophisticated services.

**Nuclear families:** Some 56% of urban Indian households now comprise four or less members, a marked change from 10 years ago, when the median household size in urban India was between four and five members. Nuclear families are becoming the overwhelming norm in India, with 70% of households comprising just one married couple, triggering a need for new homes.

## Competitive strengths

Your Company has been mainly focusing on providing financing products to the under-served, low and middle income (LMI) segment in India for the last 30 years. The Company's lending products include retail mortgage loans and residential project loans. Retail loans are bifurcated into housing loans and loans against property (LAP). Housing loans include finance for purchase of flats, construction of homes, extension and for improvement in the flats / homes and for acquiring plots of land (which are intended to be used for construction of houses). LAP is availed for working capital and other business needs and construction of residential projects.

Your Company has a strong marketing and distribution network, with presence across India, through 162 branches, 92 service centres, 19 camps, 20 zonal / regional offices, 2 disbursement hubs and 2 collection centres in India as at March 31, 2014. In addition to the Company's network within India, your Company

has overseas representative offices located in London and Dubai. To broaden the Company's client base and to penetrate further geographically, your Company has entered into tie-ups with public and private sector banks, including Punjab & Sind Bank to cater to the Northern Indian region, United Bank of India for Eastern India, Central Bank of India for Central India and Yes Bank Limited for across India.

## The Company's business strategy and its competitive strengths are described below:

**Strong asset quality through robust risk management:** Your Company has maintained high quality loan and investment portfolios through careful targeting of the customer base, a comprehensive risk assessment process and diligent risk remediation procedure. The ratio of non-performing to customer assets stood at 0.78% as of March 31, 2014. Your Company believes to maintain a strong asset quality appropriate to the loan portfolio composition, while achieving growth.

**Focus on high earnings growth coupled with low volatility:** Your Company's profit after tax (without exceptional items) has grown at a CAGR of 26% during the four year period ending March 31, 2014. DHFL intends to maintain its focus on steady earnings growth through conservative risk management techniques and by accessing low-cost funds.

**Strengthening the brand:** Being one of the foremost HFCs in India, DHFL enjoys considerable brand loyalty. DHFL has a strong word-of-mouth presence in its target segments and plans to boost the market share by continuing to focus on competitive strengths, expanding the service network, and by engaging in competitive loan pricing to attract more customers.

**Expanding network and connectivity:** Your Company proposes to expand its operations across India in a phased manner in order to increase its share of the housing finance business, by tapping underserved segments of the Indian economy. Your management believes that this would result in optimum utilisation of the skills that your Company has attained by operating in a Lower Middle Income (LMI) segment for nearly three decades. Your Company believes that it will be able to staff the organisation with individuals capable of driving this growth, by enabling them with greater delegation of authority and de-centralising the decision-making processes.

The Company is expanding its pan-India presence by setting up new offices across regions where it has hitherto not been present including Eastern and North-Eastern India. The Company is also doing so through tie-ups with public sector banks which provide it with the necessary infrastructure and a readily available client portfolio.

To support growth, your Company has established an integrated branch network which has resulted in the optimisation of operational costs and has improved the delivery mechanism. Your Company has linked all branch offices to a central database which helps in periodic assessment of the portfolio and provides specific advantages in terms of efficiency, cross-sell and cost savings.

**Tapping new segments:** Your Company is renowned for its customer-driven approach. In doing so, it has continually endeavoured to innovate and reach out to a vast majority of the low and middle income group customers. Your Company has been continuously introducing new products and variants to suit the needs of these customers. Your Company also targets the underserved low and middle income population – the focus of the Government's inclusive growth agenda.

**Customisation of products and services:** Some of the Company's current products and services are specially designed to suit the needs of specific segments of customers and we have continuously emphasised on the development of more new products in this category.

**Reduction of funding costs:** Your Company has utilised various sources of funding to optimise funding costs, protect interest margins and maintain a diverse funding portfolio that will enable it to further achieve funding stability and liquidity. Your Company has sourced funding primarily from banks, refinance from NHB, public deposits, and Non-Convertible Debentures (NCDs) and has diversified the resources profile by accessing funds from multilateral agencies at competitive rates.

Your Company has a Credit Rating of 'CARE AA+' by the Credit Analysis and Research Ltd (CARE), as well as a credit rating of 'BWR AAA' which allows it to access debt finance at competitive rates of interest. Your Company also has a A1+ rating from CRISIL for short term instruments upto 1 year.

Your Company expects to source increased funding at competitive rates from the debt markets and reduce its proportion of bank finance to bring down its funding costs.

**Optimising cost of operations:** Your Company expects to reduce operating costs as a percentage of top-line via efficient implementation and utilisation of technical resources and optimal utilisation of manpower and infrastructure. This will be enabled by leveraging on the existing fixed costs while simultaneously increasing the business and manpower productivity.

Your Company maintains a high asset quality, thus ensuring lower levels of NPAs, subsequently resulting in savings on recovery costs.

**Strengthening treasury functions:** Your Company's treasury operations are mainly focused on meeting the Company's funding requirements and managing short-term surpluses. The Company sourced funds by issuance of commercial papers and redeemable debentures on private placement basis, refinance from National Housing Bank, public deposits, short-term funds and term loans from Banks. Your Company has developed stable long-term relationships with its lenders and has established a track record of timely repayments.

The treasury function undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the NHB requirements of asset-liability management. The objective is to ensure smooth functioning of all operations and at the same time avoiding the risk of holding of excessive cash. The Company's treasury function maintains a balance between interest earning liquid assets and cash to optimise earnings. Your Company actively manages its cash and funds flow using various cash management services provided by banks. As part of its treasury activities your Company also invests the temporary surplus funds with liquid debt-based mutual funds. The investments are made in accordance with the investment policy approved by the Board.

The Company strengthened its asset-liability and liquidity monitoring mechanism to fortify its viability. DHFL successfully maintained one of the best asset-liability matches in the country's home financing sector, relying extensively on long-tenure loans. The Company maintained a comfortable CAR of 17.16% as against the regulatory requirement of 12%.

**Competent credit management:** This assures safe asset quality on the one hand and attractive profitability on the other. This is crucial towards building a sustainable housing finance company.

At DHFL, this competence has been scaled up prudently over the years. In the previous year, this was particularly palpable, as the Company introduced products with a specific focus on the economically weaker sections (EWS) and low income groups (LIG). The Company developed a customised and effective model to ascertain customer credibility and willingness, resulting in a rich accumulation of experience within India's housing finance industry.

The Company leveraged on its legal and technical insights on the one hand, and rigorous credit appraisal expertise on the other. The Company's strong credit risk team emphasised on standardisation of credit appraisal across all its locations and credit functions.

**Stringent operational control:** Managing scale without compromising procedural control is what determines a corporate's success in this space. This success driver is of mission-critical importance at DHFL, considering that its business is spread across over various locations i.e. 162 branches, 92 service centers, 19 camps, 20 zonal / regional offices, 2 disbursement hubs and 2 collection centres across India and 2 overseas representative offices in Dubai and London. The Company responded to the challenge through the creation of a separate operations verticle. The team processes documents covering legal and technical reviews and handles disbursements and relationships across the transaction life cycle. For enhanced effectiveness, a dedicated customer service team was created from within the operations team. The Company further created several checks and processes with the objective of achieving procedural discipline. It also introduced exposure limits for several segments and reviews the local markets and builders on continuous basis as a part of its portfolio monitoring and management.

**Improved turnaround time:** The systematic process flow and establishment of a dedicated operation team reduced turnaround time from seven days to five days (sanction to disbursement) and resulted in enhanced productivity. During the year under review, creation of a new intermediate level of the customer care team helped reduce the number of complaints.

**Strong collections:** The branch managers and their staff interact closely with the customers at the time of loan disbursal. Their involvement extends to the collection process, thus ensuring higher collection efficiency and stronger relationships. Our stringent recovery procedures have led to good collections and low NPAs, on the book. As at March, 31, 2014, the NPA amount stood at ₹ 317.52 crore. The Company adopted a three-pronged approach – firstly, effective monitoring of all standard accounts to capture early alert signals and recover overdue instalments; secondly, persuasion with all NPA borrowers through personal contacts for recovery of the overdue amount, to upgrade the account to standard category; and thirdly, within one / two months of the account turning NPA, initiation of SARFAESI action. This move has helped upgrade many accounts. In the case of non-cooperative borrowers, the properties were repossessed for NPA resolution.

**Enhanced audit control:** The Company underwent two types of audits – internal audit where all branches were audited at least once a year by an internal audit team, and concurrent audit for which an external professional chartered accountancy firm conducted monthly transactional audits. During the year under review, the Company identified challenges and added audit parameters leading to enhanced effectiveness. The Company strengthened its audit team by increasing the appointment of professionals with adequate domain knowledge. The internal auditors undertook a comprehensive audit of all functional areas and operations, with their findings outlined in the report to the Audit Committee of the Board. The system minimised operational risks through effective control, systemic reviews and ongoing audits.

Your Company has well-defined business processes to ensure complete independence of the function and segregation of responsibilities. Our robust credit approval and credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving all loans at transaction level, risk management processes and policies provide for multiple checks and verifications for both legal and technical parameters, including collateral valuation and title search, document verification against any fraud and KYC check, personal meetings with clients and audit before disbursement of loans above a specific limit.

For the mortgage loans, the credit department evaluates proposals focusing on both the borrower and the security on various legal and technical parameters like title reports from empanelled lawyers. We believe our procedures have ensured that the eventual write-off due to non-recovery have remained less than 0.1% of the loan book during the last three financial years.

During the year under review, the Company introduced a systematised control mechanism to monitor project price movements and project launches, thereby enhancing sectoral intelligence. As an extension, the Company was awarded a Lifetime Corporate Membership by the Indian Institute of Valuers (India). The Company accumulated considerable amount of data from niche real estate markets and was one of the key contributors in providing data for NHB residex.

The team expects to provide relevant services to syndicated partners for their individual corporate lending portfolios where land parcels and buildings are taken as collateral.

**Creating visibility:** Over the years, this ability has been derived from a progressive widening and deepening of DHFL's geographic footprint, translating into a growing throughput across income segments, regions and market segments.

The Company accessed customers through direct sales agents, direct selling partners, direct sourcing, channel partners, builder tie-ups and advertisements. The objective of the Company was to build its brand, increase sales, create relevance at points of purchase and emerge as the point-of-first-recall. The Company engaged in below-the-line activations to enhance consumer awareness. Activities like spot sanctions, FD on wheels, transit media branding, sponsorship events, mall activations, society activations, hoardings and billboards, business meets for channel partner and business associates and retail channel tie-ups, were initiated. On the digital media front, the Company also enhanced its presence on Facebook, Twitter, LinkedIn and YouTube, creating an all-pervasive presence.

## Weakness

**Competitive cost of funding:** DHFL has, over the years emerged ahead of its sectoral peers on the basis of its ability to marshal

low-cost funding and lend with an attractive delta, thereby preserving profitability. During the fiscal gone by, it was by aligning to this strategy that DHFL staved off stiff competition from commercial banks and other housing finance companies (existing and emerging).

**Benchmarking interest rates:** A lot has been talked about establishing a benchmark index for floating interest rates in housing loans to bring in transparency, uniformity and standardisation in the rates. This would lead to more clarity for customers who, at times, are faced with an opaque system where they may not get to know about the prime lending rate to which their floating rates are linked. Currently, banks and Housing Finance Companies have their own internal benchmarks, leading to huge variations in the floating rate. Certain banks and housing finance companies introduced teaser home loan rates and schemes, wherein the interest rates were fixed for a pre-determined period lower than the prevailing market rate with the objective of attracting new customers. If these teaser rate schemes introduced by competitors gain currency, they could prompt loan pre-payment to your Company, diminishing profitability.

In such a scenario, the ability of DHFL to offset this threat would determine its ability to vie for a larger chunk of the sectoral pie.

**Lack of reasonable guidelines:** Since private housing finance companies come under the aegis of a different set of laws compared to commercial banks, they were affected by the relative inability to mobilise low-cost funds and compete effectively in the interest rate game, causing their market share to plummet.

## Outlook

Residential real estate remains the focal point of Indian real estate, regardless of the market conditions. Considering the massive demand for homes in the country, this is hardly surprising. However, the demand does not ensure equal absorption in a price-sensitive country like India, where the greatest requirement for residential properties stems from the Economically Weaker Sections (EWS) and middle income groups. The high dependence on home loans by the salaried class underscores the price sensitivity factor even further.



In general, 2013-14 was not a good year for India's residential real estate market. The sluggishness was most pronounced in the metros. Thanks to resurgence in employment-driven market sentiments and the arrival of a number of right-priced residential projects, the year ended on a comparatively positive note.

The reasons for the slowdown in most Indian cities are not hard to guess – inflation led to decreased purchasing power and financial confidence, while the RBI went through the ceiling with its spate of hikes in interest rates. This obviously led to a steep rise in the EMIs that home loan borrowers had to bear. Property prices remained high in most cities, largely because developers were hit hard by the vastly increased cost of construction and debt.

At the same time, the potential for most salaried people in the country to switch to more lucrative jobs took a nosedive because of the fallout of the economic crisis in the developed countries. All this combined to bring about a sort of stalemate between developers and property buyers in cities where inventory as well as property rates remained high.

The housing industry is bound to receive the attention of the Union Government because it is a major sector of the Indian economy. Housing is the largest component of the construction sector and is pivotal to economic growth, with a related and strong impact on employment and poverty reduction. It has implications on the healthy growth of households, their optimism and investment opportunities and it creates an environment conducive to a positive outlook in society. Housing provides a stable platform for the development of a democratic society. Globally, there is a strong correlation between economic development, housing and housing quality. It is said that alleviating the urban housing shortage could potentially raise the rate of growth of GDP and have a decisive effect on improving the basic quality of life.

In order to maintain growth, the Company plans to create a programme mediated towards long-term wealth creation through process orientation which will enhance productivity. The Company's robust IT infrastructure will further enhance turnaround time in responding to loan requests, resulting in

better customer service. DHFL will continue to enhance its visibility through marketing and branding activities based on a strategic and planned approach.

The Company plans to implement a 360 degree reward-and-recognition framework across all quarters and functions, wherein for every small contribution to business the employee is rewarded. The Company intends to strengthen its manpower allocation, following its decision to commission over 100 new branches in FY 2014-15. The Company intends to sustain investment in employee leadership programmes.

## **Risk management**

At the Company, a competent and comprehensive risk management framework ensures that robust policies and processes minimise the element of uncertainty and enhance corporate visibility.

## **Credit risk**

Credit risk is the potential for loss due to the failure of a borrower to repay debt in accordance with the agreed terms, resulting in default.

## **Risk mitigation**

At DHFL, credit risk management is governed by a comprehensive outlining of credit norms and policies.

The roles and responsibilities for originators and approvers are defined with a keen emphasis on determining credit exposure limits approved by a defined credit approval authority.

There is a structured and standardised credit approval process established, and it includes a comprehensive credit risk assessment process, which encompasses an analysis of relevant quantitative and qualitative information to ascertain borrower creditworthiness.

The Company's credit evaluation and credit portfolio management methodologies ensure consistent underwriting. A variety of techniques (lagged delinquency analysis, early default analysis and static pool analysis, among others) facilitate early default identification.

The Company commissioned a RPU (Regional Processing Unit) to act as a centralised operations facility for branches. An empowered, independent internal audit team conducted regular review of credit files on a sample basis to ensure policy adherence. The Company computed default probability in advance to assess default risk. Each customer segment and loan type was governed by approved programmes for delivery through origination centres.

Proactive portfolio management and periodic reviews helped identify emerging and troubled cases following which fresh bookings were immediately stopped to those pockets, while financing better performing pockets and segments was sustained. Based on the ongoing review mechanism, credit policies were reviewed, leading to appropriate changes.

### **Operational risk**

Operational disruptions (arising from people, technology and external factors) tend to affect profitability.

### **Risk mitigation**

The Company implemented a comprehensive operational risk management policy with a framework to identify, assess and monitor risks, strengthen controls, improve services and minimise operating losses.

The Company strengthened its robust technology platform across systems and processes. The Company has separately set up a Disaster Recovery Site for retrieval of data to operating units in case of an eventuality / system failure, as a part of Business Continuity Plan. The Company has also set up a data centre in Bengaluru to ensure all transactions are separately kept on real time basis. The in-house internal audit team looked into cases across the country while the external audit firms helped reinforce the control mechanism.

The extent of audit of each operating branch was determined based on the risk potential, which determined the extent of the branch-level control mechanism. The key risk indicators were identified function-wise for effective control.

The management of operational risks was conducted through a comprehensive system of internal control, authority delegation and responsibility separation between key functions and institution of detailed standard operating procedures.

A branch-wise team ensured business continuity. A contingency plan was formulated at the organisational level to address data recovery in case of a natural disaster. Vigilance reports / fraud reports / inputs from recovery reports / inputs from audit reports were periodically studied to detect failures with the objective of systemic remediation.

## Financial Review

### Balance sheet movements

(₹ in crore)

Particulars	March 2014	March 2013	Variance
<b>EQUITY AND LIABILITIES</b>			
Share capital	128	128	0%
Reserves and surplus	3,447	3,109	11%
Shareholders' funds	3,575	3,237	10%
Non-current liabilities	32,628	26,831	22%
Deferred tax liabilities / (assets)	1	(2)	150%
Current liabilities	7,655	5,735	33%
<b>Total liabilities</b>	<b>43,859</b>	<b>35,801</b>	<b>23%</b>
<b>ASSETS</b>			
Fixed assets	988	438	126%
Non-current investments	307	191	61%
Long-term housing and property loans	38,746	32,369	20%
Other non-current assets	211	305	-31%
<b>Non-current assets</b>	<b>40,252</b>	<b>33,303</b>	<b>21%</b>
Current assets			
Current investments	269	85	216%
Cash and bank balances	983	513	92%
Short-term portion of housing and property loans	1,850	1,532	21%
Other current assets	505	369	37%
<b>Current assets</b>	<b>3,607</b>	<b>2,498</b>	<b>44%</b>
<b>Total assets</b>	<b>43,859</b>	<b>35,801</b>	<b>23%</b>

### Authorised share capital

The authorised share capital of the Company stood at ₹ 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).

### Issued and paid-up capital

During the year under review, the Company allotted in tranches 2,01,531 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.

In view of the above, the issued, subscribed and paid-up equity share capital of the Company stands increased to ₹ 128,42,02,400 divided into 12,84,20,240 Equity Shares of face value of ₹ 10 each.

### Reserves and surplus

Your Company's reserves increased by 11% to ₹ 3,446.54 crore from ₹ 3,108.87 crore in the previous year, owing to transfer of profits to the reserves. During the year under review, your Company transferred ₹ 200 crore to general reserve.

### Fixed assets

During the year under review, your Company's gross block grew by 118% over the previous year. The additions on fixed assets were at ₹ 563.54 crore, as given below:

- ▶ Investments in capital work in progress was ₹ 537.43 crore
- ▶ Furniture and fixtures amounted to ₹ 12.20 crore
- ▶ Office equipment amounted to ₹ 9.07 crore
- ▶ Computer systems amounted to ₹ 3.21 crore
- ▶ Other additions amounted to ₹ 1.63 crore

## Profit and Loss Statement

(₹ in crore)

Particulars	2013-14	2012-13	Variance
Income:			
Revenue from operations	4,968	4,061	22%
Other income	2	18	(89)%
Total revenue	4,970	4,079	22%
Expenditure:			
Interest and finance charges	3,783	3,119	21%
Employee remuneration and benefits	176	141	25%
Administrative expenses			
(Including provision for contingencies)	265	200	33%
Depreciation	11	8	38%
Total expenditure	4,235	3,468	22%
Profit before tax	735	611	20%
Tax	206	159	30%
Profit after tax	529	452	17%

## Funding sources

Your Company has been able to maintain the cost of borrowings, keeping abreast with the market scenario to preempt any adverse liquidity and interest rate movements. Despite this adverse environment, your Company mitigated the impact of a sharp rise in borrowing costs (with reference to its interest rate benchmarks) through prudent liability management practices.

Your Company diversified its funding sources with the objective of reducing fund costs, reporting an adequate net interest margin and enhancing liquidity. As of March 31, 2014, your Company's borrowing composition is 69% from banks and financial institutions, 5% from NHB, 7% from Public Deposits, 12% from non-convertible Debentures and other innovative debt instruments, 4% from Commercial Papers and 3% from short-term funds from Banks and others.

**Term loans from banks and financial institutions:** Your Company raised ₹ 7,695 crore through term loans from banks and financial institutions. The Company's loans were secured by pari passu first charge by way of mortgage on present and future immovable properties and by first pari passu charge by way of hypothecation of moveable properties, including book debts, in favour of creditors. Your Company has 35 banks in its lending Consortium.

**Non-convertible debentures:** During the year under review, your Company mobilised ₹ 2,057.90 crore through the issue of secured redeemable non-convertible debentures on a private placement basis. As at March 31, 2014, NCDs outstanding comprised ₹ 4,908.89 crore from banks and financial institutions by way of issue of NCDs and zero coupon NCDs.

**Subordinated debt:** During the year under review, your Company mobilised ₹ 85 crore through the issue of long-term unsecured redeemable non-convertible subordinated debentures. As at March 31, 2014, the Company's subordinated debt stood at ₹ 1,191.50 crore. The debt is considered as Tier-II under the guidelines issued by the National Housing Bank (NHB).

**Innovative perpetual debt instrument:** During the year under review, your Company mobilised capital aggregating ₹ 35.50 crore through Innovative Perpetual Debt Instruments (IPDI), eligible as Tier-I capital. The mobilisation of this non-equity

capital helped your Company sustain growth and strengthen its capital adequacy ratio.

**Commercial paper:** Your Company issued commercial paper aggregating ₹ 5,320 crore during the year under review. The amount outstanding at the end of the year was ₹ 1,470 crore.

**Fixed deposits:** Your Company mobilised / renewed deposits of ₹ 1,806.30 crore during the year under review, whereas deposits of ₹ 1,134.56 crore were repaid during the year.

## Sale / assignment of loans

During 2013-14, your Company sold / assigned pool of housing loans aggregating to ₹ 1,143.90 crore. The Company also securitised pools of housing loans amounting to ₹ 1,472.37 crore through pass through certificates.

Going ahead, the Company also plans to have a larger pool of its assets securitised. Your Company is comfortably placed in terms of securitisation of its assets, as majority of its lending qualifies as priority sector lending.

## Lending operations

Despite slowdown in the country's economy and GDP growth and rising inflation, your Company's performance in 2013-14 was noteworthy. Loan sanctions during the fiscal year ended March 31, 2014 were ₹ 22,377.61 crore as against ₹ 17,336.85 crore in the previous fiscal year, registering a growth of 29%.

Loan disbursements during the fiscal year ended March 31, 2014 were ₹ 16,647.45 crore as against ₹ 13,357.73 crore in the previous year registering a growth of 25%. Cumulative disbursements (from inception to March 31, 2014) reached ₹ 58,810.18 crore. The loan book stood at ₹ 40,596.63 crore as at March 31, 2014.

## 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.



Housing finance companies are required to maintain a statutory liquidity ratio (SLR) with respect to mobilised public deposits. The SLR requirement was 12.50% of public deposits. As at March 31, 2014, your Company invested ₹ 158.83 crore in bank deposits and ₹ 150.88 crore in approved securities comprising government securities and government-guaranteed bonds. Your 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.

### Investment in Joint Ventures and Associate Companies

DHFL entered into a Joint Venture (JV) with Prudential Financial, Inc. (PFI), whereby your Company acquired 50% of equity stake in DLF Pramerica Life Insurance Company Ltd. The name of the life insurance company was subsequently changed to DHFL Pramerica Life Insurance Company Ltd. (DHFL Pramerica). Your Company made a further investment in its associate Company, Avanse Financial Services Ltd. (Avanse), to the tune of ₹ 24.39 crore, maintaining its shareholding at 48.50% of the total paid-up share capital of Avanse.

### Results of operations

**Income:** Your Company's income remained largely steady in spite of an increase in interest rate and borrowing cost. The income for the year under review increased 22% to ₹ 4,969.69 crore as against ₹ 4,078.94 crore in the previous year.

**Interest and other charges:** Owing to the increase in borrowing costs, your Company's interest outflow on loans and other charges increased from ₹ 3,119.36 crore to ₹ 3,782.58 crore.

**Administration and other expenses:** There was an increase in staff costs by 25% to ₹ 176.10 crore in 2013-14, mainly due to an increase in the work force and salary revisions. The Company also invested in training and skill upgradation.

Other operating expenses also increased 26% to ₹ 194.99 crore in 2013-14 owing to an increase in rent, rates, taxes, bank charges and miscellaneous expenditure.

**Net profit:** Profit before tax increased 20% to ₹ 735.11 crore in 2013-14 while profit after tax strengthened to ₹ 529 crore, a 17% increase over the previous year.

### Human resources

DHFL has established a reputation of being a people's organisation and an organisation that cares for its employees.

Over the years, the Company has reinforced its numbers and capabilities, strengthening its competitive edge. The Company provides an invigorating work environment, marked by team work, respect for merit and an emphasis on knowledge accretion. The Company epitomises a mix of experience and energy; the average age of the 1,891 - strong workforce was 35 years as at March 31, 2014. The Company rationalised redundant manning and enhanced productivity. The Company recruited 100 management graduates from management schools. People attrition declined from 25% in 2012-13 to 21% in 2013-14; infant attrition (less than six months) progressively declined as well.

The Company strengthened its operating environment through relevant people programmes:

- ▶ 'JUICE' (Join Us in Creating Excitement) focused on employee motivation, engagement and building relationships. This programme, in line with the core organisational values helped reinforce a holistic work-life balance and made the organisation a positive and exciting place to work.
- ▶ 'WOW' led various initiatives for women employees to help them excel in their area of work, identify and hone new talents and skills, create awareness and responsibility towards societal issues and help make the world a better place to live in. This initiative believes in continuous learning and maintaining the right work-life balance. The operative idea is to make the most out of every experience and task. WOW invited many women achievers to take part in interactive sessions and debates on various topics for the direct benefit of WOW members and has been graced by various women achievers and leaders from the corporate domain.
- ▶ 'Birds of Feather' was initiated to ensure that the Company invested at least two to four hours a month as a team to further expand their knowledge base and learn from each other. Every last Friday of the month, a knowledge-sharing programme was held. While aiding team building, the primary purpose of these monthly sessions is to ensure that participants acquire work-related knowledge, skills and competencies.

- ▶ DHFL introduced an employee assistance programme called 'Harmony' to maintain a productive, effective and functional work environment in association with PPC Worldwide. Under this programme, employees and their immediate family members are just a phone call away from counseling, independent support, information and guidance on personal, family and career-related challenges of life. This service is completely free of cost and assures utmost confidentiality.
- ▶ DHFL believes that 'A good life is inspired by love and guided by knowledge'. To facilitate the best of knowledge services for employees, DHFL introduced an online library facility across India, in association with Librarywala.

Particulars	2013-14	2012-13
Total employee base	1,891	1,736
Average employee age	35 years	35 years
Percentage of employees with the organisation for the past five years	27%	24%
Attrition rate (%)	21%	25%

The Company introduced the 'Code of Business Ethics' (COBE) policy and policy against Sexual Harassment of Women at Workplace.

## Information technology

In the business of home financing, where customers are dispersed nationally, speed in loan sanctions and disbursements makes it possible to attract customers and accelerate loan book growth. The foundation that facilitates this is proactive and prudent investment in information technology.

The Company's contemporary information technology infrastructure has integrated various processes across functions and geographies, accelerating decision-making and reducing costs.

The Company focused on benchmarking its IT platform with the best in the industry. This accelerated speed in delivery and process integration, minimised manual duplication and enhanced

productivity. The result was enhanced data accuracy and lower turnaround time in responding to loan requests, stronger MIS and real-time transparency.

The Company's IT systems have the capability of end-to-end customer data capture, computation of income, collateral data capture, and repayment management. Loan approval is controlled by the loan application system, the monthly analytics reports including through-the-door and credit-information tracking, all of which are efficient tools for ensuring risk management-controls and compliance.

The Company's systems are custom-designed for its business and help us reduce people contact time and enhance our processes and operational excellence. The systems fully integrate businesses in every aspect bringing together various departments in simple transitions and customer information updates. Technology gives us the ability to integrate cash flows in real time and allows us to take better informed decisions with instantaneous access to record and information.

## Internal control and compliance

The internal control system is a set of rules, procedures and organisational structures that, through a process of identifying, measuring, managing and monitoring the main risks, allows the sound and fair operation of the Company in line with pre-established objectives. As such, this process is aimed at pursuing the values of both procedural and substantial fairness, transparency and accountability, which are considered key factors for managing DHFL's business.

Monthly branch audit reports indicated improvement areas and checking points. The Internal Controls and audit mechanism is continuously benchmarked to the global best practices and the dynamic environment. 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.

### Cautionary note

This Annual report contains forward-looking statements and information. Such statements are based on our expectations and assumptions, which are subject to certain risks and uncertainties. Should one or more of these risks or uncertainties materialise,

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 differ from those anticipated.

# Directors' report

*Dear members*

Your Directors' are pleased to present the Thirtieth Annual Report on the business and operations of your Company together with the Audited Accounts for the financial year ended March 31, 2014.

## Financial Results

The Financial performance of the Company for the year ended March 31, 2014 is summarised below: -

(₹ in crore)

	2013-14	2012-13
<b>Gross Income</b>	<b>4,969.69</b>	<b>4,078.94*</b>
Less: Interest	3,782.58	3,119.36
Overheads	441.09	340.44*
Depreciation	10.91	8.46
<b>Profit before tax</b>	<b>735.11</b>	<b>610.68</b>
Less: Provision for taxation	206.11	158.83
<b>Profit after tax</b>	<b>529.00</b>	<b>451.85</b>
Add: Balance brought forward from the previous year	362.28	128.85
Addition on Amalgamation	-	153.60
<b>Surplus available for appropriations</b>	<b>891.28</b>	<b>734.30</b>
<b>Appropriations</b>		
Transferred to Statutory Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 read with Sec 29C of NHB Act, 1987	160.00	100.00
Transferred to General Reserve	200.00	200.00
Dividend for Earlier Year	0.03	0.08
Interim Dividend	38.50	23.42
Proposed Equity Dividend	25.69	38.47
Proposed 30th Anniversary Special Equity Dividend	38.53	-
Tax on Dividends	17.45	10.05
Balance carried over to Balance Sheet	411.08	362.28
<b>Total</b>	<b>891.28</b>	<b>734.30</b>

\* Figures of the Previous Year has been regrouped as detailed under Note no. 21 of Notes forming part of the Financial Statement for the year ended March 31, 2014.

Appropriations from net profit is as detailed in the table given above.

## Performance

Your Company was founded in 1984 with a vision to create a financial institution that believes in Inclusive Growth and which will transform the life of every Indian by enabling access to easy housing finance to fulfill his / her aspiration of home-ownership. Even after 30 years, your Company continues to remain committed to its original vision and thrive by serving the Lower and Middle Income (LMI) Group. Its systems and policies are dedicated to serving this socio-economic group.

In spite of wavering economic conditions during the year under review, your Company, in its 30th year of operations, maintained good performance across all major business and operational parameters. The interest rate levels remained elevated due to the tight monetary policy, which was mainly guided by the high inflationary scenario in the economy and volatile foreign exchange. This, coupled with an uncertain political scenario had an impact on the real estate market, which remained sluggish and saw price corrections at most locations. The new launches declined in the backdrop of subdued sales. Despite this, your Company earned Profit Before Tax of ₹ 735.11 crore for the financial year ended March 31, 2014 as against ₹ 610.68 crore in the previous financial year and the Profit After Tax of ₹ 529.00 crore as against ₹ 451.85 crore in the previous financial year. The Total Income for the year under consideration was ₹ 4,969.69 crore as against Total Income of ₹ 4,078.94 crore in the previous year. The Assets under Management (AUM) of your Company stood at ₹ 44,822.07 crore as at March 31, 2014 as against ₹ 36,116.45 crore in the previous financial year.

## Dividend

Your Directors in their meeting held on January 20, 2014 had declared interim dividend of ₹ 3.00 per equity share for the financial year 2013-14, as compared to interim dividend of ₹ 2.00 per equity share for the previous financial year 2012-13. The interim dividend was paid to the members on February 8, 2014.

In recognition of the excellent performance of the Company, during the year under review, your Directors have further recommended a dividend to be paid out of current year profits of ₹ 2.00 per equity share to the equity shareholders as final dividend, along with an additional special 30th Anniversary

celebration dividend of ₹ 3.00 per equity share. Thus, the total dividend for the financial year 2013-14 aggregates to ₹ 8.00 per equity share as compared to ₹ 5.00 per equity share for the financial year 2012-13.

The final dividend payable shall be subject to the approval of the Members at the ensuing Annual General Meeting. The total outgo on account of dividend (including dividend distribution tax) will be ₹ 120.20 crore as against ₹ 72.02 crore in the previous financial year.

The dividend on Equity Shares, if approved at the Annual General Meeting, will be paid to those members whose names shall appear on the Company's Register of Members as at July 16, 2014. In respect of the shares held in dematerialised 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 at that date.

In terms of the listing agreement, your Company has also paid dividend aggregating to ₹ 3 lakh towards Final Dividend for the year 2012-13 to the new members who were allotted shares prior to the book closure date for the dividend payment but after the date of Balance Sheet.

Similarly, Equity shares that may be allotted under Employee Stock Option Schemes or otherwise before the current 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 2013-14.

## Lending Operations

The Sanctions and Disbursements of housing / other property loans, during the year ended March 31, 2014, were ₹ 22,377.61 crore and ₹ 16,647.45 crore respectively, as against ₹ 17,336.85 crore and ₹ 13,357.73 crore, respectively, in the previous financial year. The cumulative loan disbursement of the Company since inception were ₹ 58,810.18 crore.

## Sale / Assignment of Loans

During the year, the Company has sold / assigned pool of housing loans aggregating to ₹ 1143.90 crore. The 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 through the Special Purpose Vehicle (SPV) route, housing loans and Loan against Property contracts amounting to ₹ 1,472.37 crore. The Senior Series A1 Pass Through Certificate (PTCs) issued by such SPVs carry the highest rating of AAA (SO) by the external Credit Rating Agencies involved in the process.

Simultaneously, your Company has subscribed to an amount of ₹ 60.71 crore in a subordinate Pass Through Certificates (PTCs) issued by the aforementioned SPVs. These subordinate series A2 PTCs are rated as AA-(SO) and AA(SO) by the same external rating agencies and are required to be invested in, in compliance with the Minimum Retention Requirement (MRR) prescribed by RBI in its Guidelines on Securitization issued in 2012.

### **India's first ever Mortgage Guarantee**

Your Company has led the Indian mortgage market in availing of the country's first ever mortgage guarantee. This is yet another pioneering move from your Company that provides the mortgage market a novel template for a securitisation transaction. Further, the Company's vision of ensuring homes to every Indian, especially the low and middle income group customers across the country's small towns also receives an impetus with a mortgage guarantee that releases the pressure of credit risk to a large extent. In one of the securitisation transactions, your Company has securitised a pool of priority sector housing loans with Principal Outstanding of ₹ 37.83 crore with a Mortgage Guarantee cover provided by India Mortgage Guarantee Corporation Private Limited (IMGC). IMGC is the country's first mortgage guarantee company with major shareholders being NHB and Genworth Financial Inc, USA among others.

The pool has been rated AAA (SO) by CARE Ltd. This guarantee has enabled your Company to reduce the level of credit enhancement that would have otherwise been required for securitisation, thereby releasing capital which can be redeployed to earn higher returns.

### **Loan Book**

As at March 31, 2014, the loan book stood at ₹ 40,596.63 crore as against ₹ 33,901.72 crore in the previous year.

### **Transfer of amounts to Investors Education and Protection Fund (IEPF)**

Pursuant to the provisions of Section 205A (5) and Section 205C of Companies Act, 1956, the amounts (pertaining to dividends /

deposits, etc.) that remained unclaimed and unpaid for a period of 7 years from the date it became first due for payment, have been transferred from time to time, to Investor Education And Protection Fund (IEPF) on the due dates, by the Company.

The Company has been intimating the members / depositors to lodge their claim for payments due, if any, from time to time and such information is also 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 and interest thereon to such members / depositors, certain amount still remains unclaimed.

### **Unclaimed Dividend**

In terms of Section 205C of Companies Act, 1956, during the financial year, your Company has transferred unclaimed dividend of ₹ 7.70 lakh for the financial year 2005-06 and ₹ 8.08 lakh unclaimed Interim Dividend for the financial year 2006-07 to Investor Education and Protection Fund (IEPF) established by the Central Government. As per the provisions of Companies Act, no claim would lie against the Company and that any person claiming to be entitled to any amount / shares as transferred to the said fund may apply to the authority for administration of the fund in accordance with the provisions as laid down by the Central Government.

### **Unclaimed Deposits**

During the year 2013-14, in terms of Section 205C of the Companies Act, 1956, an amount of ₹ 18.87 lakh was transferred to Investor Education and Protection Fund (IEPF) being the amount of deposits along with interest thereon, that remained unclaimed and 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 as at July 23, 2013 (i.e. the date of 29th Annual General Meeting) on the Company's website and has also filed the same with the Ministry of Corporate Affairs. Members / Depositors who have not yet claimed the previous year(s) dividend / fixed deposit amount may write to the Company or to the Registrar and Share Transfer Agent.

## Authorised Share Capital

The Authorised Share Capital of the Company stands at ₹ 828,00,00,000 (divided into 74,80,00,000 Equity shares of ₹ 10/- each, 75,000,000 Redeemable Non Convertible Preference Shares of ₹ 10/- each and 500,000 Redeemable Non Convertible Preference Shares of ₹ 100/- each). During the year, there has been no change in the Authorised Share Capital of the Company.

## Paid-up Share Capital

During the year, your Company allotted in tranches 2,01,531 equity shares of ₹ 10/- each, upon exercise of stock options to eligible employees of the Company under the Employee Stock Option Schemes – 2008 and 2009.

In view of the above, the issued, subscribed and paid-up equity share capital of the Company stands increased to ₹ 128,42,02,400 divided into 12,84,20,240 equity shares of face value of ₹ 10/- each.

## Resource Mobilisation

Despite tight liquidity conditions and subdued sentiments in the stock market, the Company's fund mobilisation from banks, institutions, issue of non-convertible debentures and securitisation of receivables continued to be smooth on account of its innovative resource mobilisation techniques, good track record of debt servicing, investors' confidence etc.

Your Company has been able to maintain the cost of borrowings, keeping abreast with the market scenario to pre-empt any adverse liquidity and interest rate movements. Your Company continued to keep tight control over the cost of borrowings through negotiations with lenders, thus raising resources at competitive rates from its lenders, ensuring proper asset-liability match. The borrowings through the issue of Commercial Papers and Short Term Loans from banks helped your Company to reduce the exposure to high cost working capital and corresponding interest cost.

Total debt funds as at March 31, 2014 amounted to ₹ 39,486.89 crore, as against ₹ 32,058.19 crore in the previous year, National Housing Bank (NHB) refinance constituted 5%, term loans from banks and financial institutions 69%, public deposits 7%, non-convertible debenture and other innovative

debts instruments 12%, commercial paper 4% and short-term funds from banks and others 3%. The Company's average cost of borrowings as at March 31, 2014 was 10.59% as against 10.63% in the previous year.

## Loans from Banks

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

Your Company continued to leverage on its long term relationship with banks and thus tied up fund based working capital limit to ₹ 500.00 crore as at the end of the financial year. Your Company also raised term loans to the extent of ₹ 7,695.00 crore during the year at the competitive rates available in the market and continued its focus on domestic sources.

## Refinance from National Housing Bank (NHB)

During the year, your Company has drawn refinance amounting to ₹ 350.00 crore under National Housing Bank'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 represent long term source of funds for the Company and the Company raised ₹ 85.00 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 March 31, 2014, your Company's outstanding subordinated debt were ₹ 1191.50 crore. The debt is subordinated to present and future senior indebtedness of your Company. Based on the balance term to maturity, as at March 31, 2014, ₹ 1048.12 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 convertible debentures on private placement basis. During the year under review, your Company has issued Secured Redeemable Non-Convertible Debentures (the "Debentures") amounting to

₹ 2,057.90 crore from banks and financial institutions by way of issue of NCDs and Zero Coupon NCDs. The outstanding balance of Debentures including interest accrued and due as at March 31, 2014 amounts to ₹ 4,908.89 crore.

Debenture Trust Agreement(s) in favour of GDA Trusteeship Services Limited and IDBI Trusteeship Services Limited for the aforesaid issues were executed. The proceeds of the aforesaid issue were utilised for making disbursements to meet the housing finance requirements of the borrowers of the Company, as well as for general corporate purposes.

Your Company has duly paid the interest due on the aforesaid Debentures on time. The Company's NCDs have been assigned the rating of CARE "AA+" by CARE and "BWR AAA" by Brickworks.

#### **Perpetual Debt Instrument**

During the year under review, your Company issued Innovative Perpetual Debt Instruments ("IPDI") qualifying for Tier II capital to increase its Capital Adequacy Ratio and fund its growing business operations. Your Company has raised the IPDI of principal amount of ₹ 35.50 crore, which qualifies as Tier II capital of the Company. The outstanding as at March 31, 2014, amounts to ₹ 185.70 crore.

#### **Commercial Paper**

The Commercial Paper (CP) program 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 ₹ 5,320.00 crore in tranches and placed them with investors at competitive rates of interest. As at March 31, 2014, Commercial Papers outstanding amount stood at ₹ 1,470.00 crore.

#### **External Commercial Borrowings (ECB)**

Your Company has drawn ECB of USD 70 million during the FY 2013 -14. As liquidity in the international market improves, your Company will endeavour to mobilise much more long term funds under the ECB window for on-lending to borrowers in the housing sector. This will equip your Company with long term

funds and enable to maintain a healthy asset-liability profile.

The security details of the 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 March 31, 2014.

#### **Deposits**

The financial year 2013-14 started off on a positive note with a Retail Liability portfolio base of ₹ 1,923.72 crore on March 31, 2013. In the year 2013-14, the Retail Liability portfolio scripted a year-on-year growth of 35% and has risen to the level of ₹ 2,595.45 crore as at March 31, 2014. Increase in depositors' accounts to 1,65,055 numbers is significant testimony of increasing customer confidence in the Company. This reflects a year-on-year growth of 37%. Your Company sees retail liability as a major source for funding and plans to have a significant proportion of it in its diversified liability portfolio. To create further impetus on this front, the Company took several initiatives during the year to extend its reach by expanding network and connecting with the customers. Several focused projects were undertaken during the year towards enhancing the productivity of the branches and upgrading customer service levels including automation of few processes, thus helping in reducing turnaround time etc.

As of March 31, 2014, 13,481 depositors who did not claim the deposits (along with interest due thereon) were aggregating to ₹ 29.42 crore. Depositors have been intimated regarding the maturity of their deposits, with a request to either renew or claim their matured deposits. Additionally, a process has been initiated whereby from the Centralised Call Centre, courtesy calls are made informing depositors of 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 the guidelines issued by the National Housing Bank. The security details of the aforesaid secured borrowings made by the Company are mentioned at Note No. 5.4 in the Notes to accounts forming part of the financial statement for the year ended March 31, 2014.

## 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				CRISILA1 +
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 AAA	-	-
Long-term Bank Loans	CARE AA+	-	-	-
Structured Obligations	CARE AAA(SO)		ICRA AAA(SO)	CRISIL AAA(SO)

## Capital Adequacy

As required under National Housing Bank Directions, your Company is presently required to maintain a minimum capital adequacy of 12% on a stand-alone basis. In addition, the National Housing Bank Directions also require that your Company transfers minimum 20% of its annual profits to a reserve fund. The following table sets out our capital adequacy ratios as at March 31, 2012, 2013 and 2014.

Particulars	As at March 31		
	2014	2013	2012
Capital Adequacy Ratio	17.16%	16.52%	17.42%

Your Company's Capital Adequacy Ratio is at 17.16% as at March 31, 2014, which provides an adequate cushion to withstand business risks and is above the minimum requirement of 12% stipulated by the National Housing Bank.

## 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. The Company did not recognise income on such NPAs

and further created provisions for contingencies on standard as well as non-performing housing loans and property loans, in accordance with the National Housing Bank Directions. The Company has also made additional provision to meet unforeseen contingencies.

The amount of Gross Non-Performing Assets (NPA) as at March 31, 2014 was ₹ 317.52 crore, which is equivalent to 0.78% of the loan portfolio of the Company, as against ₹ 239.32 crore i.e. 0.71% of the loan portfolio as at March 31, 2013. The net NPA as at March 31, 2014 has increased to ₹ 209.87 crore i.e. 0.52% of the loan portfolio vis-à-vis ₹ 155.96 crore i.e. 0.46% of the loan portfolio as at March 31, 2013. The total cumulative provision towards loan and other assets as at March 31, 2014 is ₹ 331.35 crore as against ₹ 262.67 crore in the previous year. During the year, the Company has written off ₹ 3.55 crore of loans / receivables as against ₹ 4.94 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 Securitisation 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 the data in respect thereto is being submitted, from time to time.

The Securitisations and Reconstructions 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 ₹ 44.19 crore.

## Investments

The Investment Committee constituted by the Board of Directors is responsible for approving investments in line with the policy and limits as set out by the Board. The investment policy is reviewed and revised in line with the market conditions and business requirements from time to time. During the year, the Investment policy was reviewed and revised by the Board of Directors. The decisions to buy and sell upto the approved limit delegated by the Board are taken by the Chairman & 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 National Housing Bank.

Considering the time lag between raising of resources and its deployment, 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 ₹ 63.52 crore by way of Income from Mutual Funds & financial / commodity derivatives and ₹38.26 crore by way of interest on deposits placed with banks. At the end of the year, your Company maintained ₹ 531.56 crore by way of deposits with banks.

As per National Housing Bank guidelines, Housing Finance Companies 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 March 31, 2014, your Company has invested ₹ 150.87 crore (book value - gross) in approved securities comprising of government

securities, government guaranteed bonds and by way of Bank Deposits for ₹ 158.83 crore. It is being maintained within the limits prescribed by the National Housing Bank.

## Insurance Joint Venture

During the year under review, your Company and Prudential Financial, Inc. (PFI) entered into Joint Venture (JV), whereby your Company acquired 16,29,01,250 equity shares being 50% of equity stake in DLF Pramerica Life Insurance Company Ltd., a registered life insurance Company in India regulated by Insurance Regulatory Development Authority (IRDA) from DLF Ltd at deminimus value of ₹ 1. The Company however, has capitalised the expenses incurred in relation to the above acquisition, as cost of investment. Subsequently, the Company subscribed to 72,86,589 number of equity shares of ₹ 10/- each for ₹ 729 lakh, however, maintained its holding at 50%.

Consequently, the name of the life insurance company was changed to DHFL Pramerica Life Insurance Company Ltd. (DHFL Pramerica).

Your Directors are pleased to inform you that the operations of DHFL Pramerica has recorded a turnaround since your Company entered into the said venture and is expected to start generating returns from the next financial year. This has been possible due to the strong distribution network created by your Company.

## Associate Company

During the year under review, your Company made further investment in Avanse Financial Services Ltd., a Non Banking Finance Company registered with Reserve Bank of India, to the tune of ₹ 24.39 crore. However, the percentage of shareholding in the said Company remained same at 48.50% of the total paid-up share capital of Avanse Financial Services Ltd.

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 2013-14, your Company took various steps to strengthen its IT platform, few of which are as under:

- ▶ In line with the growing business, the data centre was outsourced to IBM, making the vendor responsible for 24 x 7 hosting, management and upgradation leaving the Company



to focus on its core competencies.

- ▶ The Company implanted a disaster recovery site at a seismically less active zone to avoid data loss and termination of business operations in case of a national disaster.
- ▶ The Company has set up portals for the benefits of its fixed deposit brokers, helping them access information about their customers, saving crucial time and manpower allocation spends.
- ▶ The Company strengthened its Regional Processing Unit with adequate back-up facilities; it further strengthened connectivity with a primary fast speed network with secondary back-up network connectivity.

Your Company is working with Tata Consultancy Services to create a 5 year IT roadmap that is expected to help in terms of capacity, flexibility, accessibility and stability. Your Company further expects to implement a rule-based business management solution along with an efficient management system.

## Human Resources

Your Company's vision is to become an employer of choice by providing a compelling employee value proposition which attracts the best talent in the industry and ensures their development, retention and contribution to the Company's success. Your Company's strategy from the people perspective can be defined at three levels:

- ▶ Human Resources: Align competencies with business strategy. Increase focus on "how we achieve than what we achieve."
- ▶ Knowledge Management: Build and align information systems with business strategy. Build and share intellectual capital. Create effective management processes, programs and reporting.
- ▶ Organisation / Culture: Align culture with business strategy. Transform culture to align employee action with business objectives. Use culture to gain competitive advantage.

Thus, the key focus of your Company has always been towards development of the required skills of the employees, retention of talent, appropriate rewards and recognition policies, to organise employee engagement activities and to provide a fair performance management mechanism.

The commitment, competence and dedication of the employees of your Company have contributed to the business growth of the Company.

During the year, your Company focused on the cultural integration of erstwhile First Blue Home Finance Limited into the Company and the said integration process was completed successfully.

The workforce strength of your Company as at March 31, 2014 was 1,891. The total workforce cost during the year was ₹ 176.10 crore as compared to ₹ 140.69 crore in the previous year. The increase in cost is mainly due to the increase in workforce to meet the requirements on account of significant expansion in terms of geography as well as business volumes, and the salary revisions effected during the year.

## Learning & Development

Your Company believes in investing in people to develop and expand their capability to maximise their potential. Learning & Development is thus a part of the Corporate HR function.

During the year 2013-14, your Company created stronger depth and focus in its skill-building efforts. Your Company has been able to support professional development and empower employees to deliver improved quality of service through its training intervention, and motivating them to perform with renewed vigor and enthusiasm. Teaching expertise has been nurtured in-house, in the form of dedicated Trainers, Facilitators, Content developers and subject matter experts from business teams.

Training imparted to employees during the year covered a wide range of functional areas including sales skill development programs, Credit analytical skills and appraisal techniques, Programs for operational excellence, Risk and fraud management and Induction program for new joiners i.e Aagman and other programmes based on business grooming and etiquettes and monitoring techniques. Training on KYC & AML Policies were also imparted at all levels.

Your Company has partnered with the best-in-class leadership trainers of the country for a corporate breakthrough workshop for key position holders and business managers. External training programs and cross-functional exposure provided to the employee throughout the year was an extra edge. Your Company has also initiated to build a learning infrastructure to ensure availability of skilled and empowered workforce.

A third-party framework, benchmarked as one of the best, has been hired for administering study and analysing it, with focus on measuring and improving employee engagement and learning quotient. Taking concrete steps based on the study findings will help the organisation in building a stronger and more engaged workforce.

Thus, the Human Resources initiatives and Learning & Development systems and processes are designed to enhance employee engagement, organisational capability and vitality so as to ensure that your Company is positioned for competitive superiority and is capable of achieving ambitious plans for growth.

### Particulars of Employees

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, 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 Directors' Report is being sent to all the Members of the Company excluding the aforesaid information. Any Member interested in obtaining such particulars may write to the Company Secretary of the Company.

### Employees Stock Option Scheme (ESOS)

Pursuant to the resolution passed by the Members at the Annual General Meeting held on July 27, 2007, your Company had introduced the Employee Stock Option Scheme 2008 and 2009 (referred to as "the Scheme") to enable the employees of your Company to participate in the future growth and financial success of the Company.

The Nomination & Remuneration Committee of the Board of Directors of the Company, inter-alia, administers and monitors the Employee Stock Option Schemes of the Company, in accordance with Securities & Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guideline 1999 (SEBI Guidelines).

The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the

Members. The said Certificate would be placed at the ensuing Annual General Meeting for inspection by members.

The particulars of options granted under the said Schemes are

Particulars	ESOS -2008	ESOS 2009 Plan I	ESOS 2009 Plan II
Options Granted under the schemes	1422590	1275000	1234670
Options Exercised up to 31.03.2014	1072084	797607	Nil
Options Lapsed upto 31.03.2014	251130	237723	277520
Options Outstanding at the end of the year	99376	239670	957150
Options unvested at the end of the year	Nil	Nil	493868
Options Exercisable at the end of the year	99376	239670	463282

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

The particulars regarding foreign exchange earnings and expenditure appear at Note No. 40 in the Notes forming part of the financial statement for the year ended March 31, 2014.

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 Mortgage Reducing Term Assurance Products (MRTA) of leading insurers like ICICI Prudential LIC for 'Home Assure' product, Bajaj Allianz LIC for 'DHFL Home Shield' product, Kotak LIC for 'Group Assure' product and DHFL Pramerica LIC for 'DHFL Home Shield' product. All the above are single premium MRTA products. These products cover life risk of the borrowers to the extent of loan availed. In the event of the unfortunate demise of any borrower, the insurance Company settles the claim to

the Group Administrator by paying an amount equivalent to the outstanding loan balance and remaining balance (if any) is paid to the nominee of the borrower.

In addition, your Company also offered 'Home Safe Plus' a general insurance product from ICICI Lombard General Insurance Co. Ltd. to borrowers who have availed loan against property (LAP) to cover risk pertaining to accidental death of borrowers, damage to property, critical illness and loss of employment (upto 3 EMIs). The primary objective is to insure the loan portfolio against default due to unforeseen events with the borrowers.

Your Company has insured 94% of new customers acquired and insured 68% of total loan portfolio acquired in financial year 2013-14. The overall premium growth in financial year 2013-14 was 11% over financial year 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.

### **Directors' and Officers' Liability Insurance Policy**

Your Company has taken Directors' and Officers' Liability Insurance Policy which covers the Board of Directors and Officers of the Company (employees in managerial supervisory position) against the risk of financial loss including the expenses pertaining to defense cost, legal representation expenses arising in the normal course of business.

### **Insurance Coverage to Employees**

Your Company has in place a Mediciam policy for its employees and their dependant family members and also has Group Personal Accident Policy, which provides uniform benefits to all the employees.

### **National Housing Bank (NHB) Guidelines**

The Company has complied with the provisions of the Housing Finance Companies (NHB) Directions, 2010 as prescribed by NHB and has been in compliance with 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 Committee / Board members on the same.

## **Risk Management**

Risk Management is an integral part of your Company's business. With over three decades of experience in the lending business, your Company is successfully achieving growth while maintaining high standards of asset quality through risk management and mitigation practices that are actively focused on evaluation of credit, market and operational risk.

The risk strategy laid down by your Company helps foster a disciplined culture of risk management and control. In conjunction with these practices, your Company intends to optimise its capital needs through growth, by achieving highest returns on capital employed while managing risks appropriately.

Your Company has focused on promoting an independent Risk Management function handled by a Risk Management expert. The team is involved at all stages of the value chain – sourcing of transaction, analysing the proposals, suggesting suitable risk mitigates and risk mapping on portfolio and product levels from a risk-reward perspective. The risk management team works closely with the business team to develop a deep understanding of a rapidly evolving market environment, which helps the risk management function in optimising risk-adjusted return on capital.

Your Company continuously monitors portfolio concentration based on industry, borrower group, etc. and defines limits for the above. Portfolio level delinquency matrices are tracked at regular intervals with focus on detection of early warning signals of stress. These limits are periodically reviewed based on changes in the macro-economic environment, regulatory environment and industry dynamics. Existing credit exposure in the portfolio is continuously monitored and reviewed. Key sectors are analysed in detail to suggest strategies, considering both risks and opportunities. Corrective action, if required, is taken well in advance based on early warning signals.

Your Company follows the best industry standards for management of credit risk, market risk (comprising of liquidity risk, interest rate risk and exchange rate risk) and operational risk and has put in place a comprehensive Risk Management Policy envisaging a robust risk management programme.

## Asset Liability Management Committee (ALCO)

The Asset Liability Management Committee (ALCO) 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. The Company has also implemented NHB's Asset Liability Management Guidelines.

## Codes, Standards & Policies

### Know Your Customer & Anti Money Laundering Measure Policy

Your Company has a Board approved Know Your Customer & Anti Money Laundering Measure Policy (KYC & AML Policy) in place and adheres to the said Policy. The said Policy is in line with the National Housing Bank guidelines.

The Company has also adhered to the compliance requirement in terms of the said policy relating to the monitoring and reporting of cash / suspicious transactions. The Company furnishes to Financial Intelligence Unit (FIU), India, in the electronic medium, 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 the said Policy.

### Fair Practice Code

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

During the year under review, FPC was modified by the Board and the grievance redressal mechanism within the Company was further strengthened.

### Code of Conduct for Board Members and the Senior Management

Your Company has adopted a Code of Conduct for its Board Members and Senior Management personnel. The code requires the directors and employees of the Company to act honestly, ethically and with integrity and in a professional and respectful manner.

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 lays down guidelines, which includes procedures to be followed and disclosures to be made while dealing in the shares of the Company. The code is applicable to the promoters, directors, senior designated employees and their dependents and 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.

### Code of Business Ethics (COBE)

During the year, your Company adopted a Code of Business Ethics [COBE] which lays down principles and standards that govern the activities of the Company and its employees to ensure and promote ethical and legal behaviour within the organisation.

### Whistle Blower Policy

Your Company believes and is committed to adhere to high ethical standards and compliance with laws and regulations applicable to its business.

During the year, your Company adopted a Whistle Blower Policy which provides for a vigil mechanism that encourages and supports its Directors and employees to report to the management / Chairperson of the Audit Committee instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy.

The said policy, however, provides for adequate safeguards against the victimisation of the Whistle Blower who avail this mechanism. The policy also provides for direct access to the Chairperson of the Audit Committee in exceptional cases.

### Sexual Harassment Policy

During the year under review, the policy on "Workplace Sexual Harassment" was formulated and an Internal Complaints Committee (ICC) was also constituted as per the provisions

of "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The said policy seeks to protect women employees from sexual harassment at the place of work. The primary objective of the same is to safeguard the interest of female employees in the Company and also provides for punishment in case of false and malicious representations.

The policy has been communicated to the employees and is also posted on the Company's intranet. Few training sessions were also conducted during the year to create awareness amongst the employees on the same.

During the year, one complaint was reported to the ICC but post investigation of the matter the allegations could not be proved and thus no action was taken in the matter.

### Listing of Shares of the Company

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

The Company has paid the listing fees as payable to the BSE Ltd. and the National Stock Exchange Limited for the financial year 2013-14.

### Marketing

Your Company's purpose as articulated by its Founder Chairman, Late Shri Rajesh Kumar Wadhawan is that, *"every Indian should have a home of his own"*. During the year, your Company continued to reinforce this purpose through its various communication and engagement activities.

#### The highlights of the year included:

- ▶ Touching tens of million of lives with our brand message via traditional advertising.
- ▶ Engaging 1.2 million unique lives digitally; not only in India but also Non-Resident Indians (NRIs) residing across the globe.
- ▶ Continuous media engagement efforts resulted in DHFL maintaining the highest visibility (single brand Share of Voice) through Public Relations (PR) across television and print.
- ▶ Your Company leveraged the 'Mumbai Indians' IPL association by adopting a mix of traditional and digital media, while

innovating for newer engagement solutions.

- ▶ Your Company's innovative brand engagement ideas continued throughout the year; like online chats with experts, direct-to-consumer FD communication etc.
- ▶ As a result of the integrated marketing efforts, direct impact was seen in the business generated via DHFL Call Centre and a 38 % increase was observed in the business generated as against the corresponding previous year.
- ▶ Your Company's Chairman & Managing Director, Mr. Kapil Wadhawan, was recognised amongst the Top 100 CEOs in the Business Today listing.
- ▶ Mr. Kapil Wadhawan ranked 13th in the Business World Listing of India's Most Valuable CEOs in FY 2014.

During the year, your Company's business excellence was also recognised at various award forums, including:

- ▶ Best Employer Award at IPE BFSI Awards 2013-14.
- ▶ Excellence in Innovative Marketing Award at MCHI – MMR & BKC Expo 2013-14.
- ▶ Udyog Rattan Award 2013-14.

Your Company launched a festive campaign to promote home buying during the auspicious season. Launched as 'DHFL Express Loans', this campaign highlighted your Company's customer-centric approach and realtime home loan processing. This was further accentuated by a campaign that propagated the 30-year variant of the DHFL Express Loans.

Your Company also launched a Fixed Deposit campaign to promote deposit-taking during the festive season. This campaign reached out to small investors across the length and breadth of the country.

Your Company effectively used various mediums including print, radio and outdoors to communicate these value-driven messages across multiple locations. To propel existing demand, your Company organised various ground-level activities including 'Home Loan Melas' and 'Spot Sanction Activities' in the interiors of the country.



To render a thought-provoking message to consumers who were contemplating their home buying decision whilst living in rental accommodation, your Company launched 'Rent Banao EMI' campaign in February 2014. Your Company, in its 30th year of operations has communicated and re-instilled the aspiration of owning a home as a critical element of one's identity, safety and security - this campaign was a demonstration of this mission.

With India being a cricket-frenzy nation, association with Mumbai Indians in the IPL brought about higher brand recall for your Company. Your Company planned activations and engaged with the large Mumbai Indian fan-following through both traditional and digital channels. With ardent fans of Mumbai Indians and its customers getting the opportunity to meet their favourite squad, the association enhanced the Company's brand connect.

To leverage customers in the digital space, your Company started specific activities in the World Wide Web to generate interest in sales. Campaigns like Express Home Loan, Rent Banao EMI and NRI Service Assurance were extended to the digital space making them 360° brand campaigns. Your Company has built a huge fan-following on various social platforms including Facebook, Twitter, LinkedIn and YouTube.

Your Company has received editorial interest from various leading national and regional newspapers, magazines and TV channels during the financial year 2013-14. It has garnered over 50% share of voice with respect to the total news on housing finance and your Company has been recognised as a leading player in the financial services sector in India.

### **Branch Network**

Your Company has a strong distribution network of 162 Branches, 92 Service Centers, 19 Camp Locations, 20 Zonal / Regional Offices, 2 Disbursement Hubs and 2 Collection Centers in India. Additionally, your Company has international representative offices located at London and Dubai.

During the year, your Company shifted its Corporate Office to a new premise at TCG Financial Center, 10th Floor, BKC Road, Bandra-Kurla Complex, Bandra (E), Mumbai 400051.

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 the growing potential customer base throughout India.

### **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 ₹ 1,650 crore of assets generated through these alliances.

Your Company has taken pioneering steps during the year towards expansion of an existing alliance at Delhi NCR bringing with it large network of branches of the ally Bank, to source business. This expansion presently under operationalisation brings good potential for business. Further, improving upon its innovative business models under syndication route, implemented with Yes Bank Ltd. resulted in business benefits including fee income to your Company. Your Company also benefitted from a business generation arrangement with FedBank Financial Services Ltd.

The alliance arrangements not only reflect acknowledgement of your Company's business models and standing in the financial circles, but also add significantly to the financials of the organisation. 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.

### **Corporate Social Responsibility (CSR)**

Your Company's Business Model is based on financial inclusion and social betterment for the common man and thus it always endeavours to associate with programs having a larger social agenda. During the year, your Company participated in Mumbai Marathon in association with Mumbai Mobile Crèches. Mumbai Mobile Crèches, an NGO is in existence since 1972 and has been providing education, healthcare, nutrition and shelter for children living on construction sites, while their parents are at work.



During the year, your Company supported primary and secondary education of over 100 students from economically weaker sections of the society by contributing towards their education fees. This initiative was undertaken through Shri Rajesh Kumar Wadhawan Education Trust.

Your Company also organised Blood Donation Camps during the year, which saw tremendous participation from your Company's employees.

During the year, your Directors approved a Corporate Social Responsibility Policy basis the recommendations received from the Corporate Social Responsibility Committee of the Board. The Corporate Social Responsibility Committee has been entrusted with the responsibility of recommending to the Board the activities / projects / programs to be undertaken by the Company as per its Corporate Social Responsibility Policy.

## Directors

During the period under review, on account of the retirement of Mr. Anthony Hambro from M/s. Caledonia Investments Plc, (Caledonia) his nomination was withdrawn from the closing hours of July 23, 2013 and Mr. James Michael Beale Cayzercolvin was nominated by Caledonia as their Nominee Director with effect from July 24, 2013 in place of Mr. Anthony Hambro. However, due to the pre occupation of Mr. James Michael Beale Cayzercolvin, Caledonia withdrew his nomination and in his place Mr. Kaikhushru Vicaji Taraporevala was nominated as the Nominee Director of Caledonia effective October 21, 2013 and was appointed as an additional director on the Board of the Company. The Board places on record its appreciation for the valuable contribution made by Mr. Anthony Hambro and Mr. James Michael Beale Cayzercolvin during their tenure as Directors of the Company.

As per the provisions of Section 161 of the Companies Act, 2013, Mr. Kaikhushru Vicaji Taraporevala holds office only up to the date of the forthcoming Annual General Meeting (AGM) of the Company. The Company has received a notice in writing from a member proposing his appointment as a Director of the Company. The approval of members is being sought for appointment of Mr. Kaikhushru Vicaji Taraporevala as a Director of the Company.

In accordance with the provisions of Section 149 of the Companies Act, 2013, Members' approval is being sought for the appointment of Mr. R. P. Khosla, Mr. G. P. Kohli, Mr. Ajay Vazirani, Mr. V. K. Chopra and Mr. Mannil Venugopalan as Independent Directors for a term of 5 consecutive years, upto March 31, 2019. The Company has received requisite notices in writing from the members proposing the names of Mr. R. P. Khosla, Mr. G. P. Kohli, Mr. Ajay Vazirani, Mr. V. K. Chopra and Mr. Mannil Venugopalan for appointment as Independent Directors. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under section 149(6) of Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

In accordance with the provisions of Section 152 of the Companies Act 2013 and Article of Association, Mr. Dheeraj Wadhawan, Director of your Company retires by rotation and being eligible; offers himself for re-appointment at the ensuing Annual General Meeting.

Necessary resolutions for the appointment / 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 Thirtieth 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 / re-appointed as directors in term of sub section 2 of Section 164 the Companies Act, 2013.

## 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, Regional Offices, Zonal Offices and National / Corporate Office. The Internal Audit Department is being headed by 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 the internal control mechanism, adherence to policies and 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 function on a quarterly basis, gives direction to its functionaries and reviews effectiveness of internal control systems.

Additionally, practicing Chartered Accountant firms are engaged to conduct concurrent audit in branches covering more than 80% of the business during the financial year. Concurrently, the audit assesses and evaluates the operational effectiveness of checks and balances on a continuous basis with focus on regulatory guidelines and adherence to internal policies, procedures and guidelines issued by the management from time to time.

### Secretarial Audit Report

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Mrs. Jayshree Joshi of M/s Jayshree Dagli & Associates, Practicing Company Secretaries, Mumbai to conduct Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2014, 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, the Rules made under that Act and applicable Provisions of the Companies Act, 2013, Depositories Act, 1996 and the Regulations and Bye-Laws framed under that Act, Equity and debt Listing Agreements with the Stock Exchanges, Securities & Exchange Board of India (Employee Stock Option Scheme & 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 Takeover) Regulations, 2011, The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, Foreign Exchange Management Act, 1999 and relevant Rules, Regulations and Guidelines issued by Reserve Bank of India, and the Memorandum & Articles of Association of the Company.

### Auditors

M/s. T. R. Chadha & Co., [Firm Registration No. 06711N] Chartered Accountants together with M/s Rajendra Neeti & Associates, Chartered Accountants, (Firm Registration No. 06543C), the Joint Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Certificates have been received from them as per the provisions of Section 139 of the Companies Act, 2013 and to the effect that their re-appointment as Auditors of the Company, if made, would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for reappointment as Joint Statutory Auditors of the Company.

Based on the recommendation of the Audit Committee, the Board of Directors in their meeting held on April 30, 2014 recommended the appointment of M/s. T. R. Chadha & Co., and M/s. Rajendra Neeti & Associates, Chartered Accountants, as the Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 34th Annual General Meeting of the Company, and that, the necessary resolution for appointing them as Joint Statutory Auditors of the Company is being included in the notice of the 30th Annual General Meeting for the approval of the Members of the Company.

### Notes to Accounts and Auditors Report

The notes to the accounts referred to in the Auditors Report are self-explanatory and 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 March 31, 2014 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 M/s. T. R. Chadha & Co., Chartered Accountants together with M/s. Rajendra Neeti & Associates, Chartered Accountants, the Joint Statutory Auditors of the Company.

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, your directors confirm that to the best of their knowledge and belief :

1. In the preparation of accounts, the applicable accounting standards and the requirements as set out under Schedule VI of the Companies Act, 1956 have been followed and there is no material departure from the same.
2. The Directors 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 March 31, 2014 and of the profit of the Company for year ended on date.
3. The Directors 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.
4. The Directors have prepared the annual accounts on a going concern basis.

## Corporate Governance

Your Company adheres to the Corporate Governance norms and disclosures as laid down under the Listing Agreements with the Stock Exchanges. Pursuant to Clause 49 of the Listing Agreements, 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 confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49.

## Future Outlook

The key macro-economic indicators for the last quarter of the financial year 2013-14 showed encouraging results and indicate signs of further recovery in 2014-15. The economic growth during 2014-15 is likely to accelerate from current levels as the current logjam on the domestic policy front is expected to clear post formation of the new Government after the General Elections. The headline inflation measured by Wholesale Price Index (WPI) and Consumer Price Index (CPI) is expected to moderate further from the current levels thus providing space for liberalising the monetary policy. On the global front, signs of recovery are emerging and global growth is expected to improve to 3.6% in 2014 from 2.9% in 2013 as per IMF estimates. Your Company does not expect any pressure on the liquidity front.

Real estate experts are also optimistic about the revival of the housing market in 2014-15, which has been sluggish over the past few quarters. The real estate market in India is projected to post annual revenues of USD 180 billion by the year 2020. The demand for housing sector is anticipated to appreciate at a compound annual growth rate (CAGR) of 22% during 2013-18.

As all key business enablers are currently showing favourable signs, your Company is positive and expects another year of healthy growth in 2014-15.

## Acknowledgements

Your Directors wish to place on record their gratitude to the National Housing Bank, the Company's Customers, Bankers, Members, Debenture holders, Depositors and others for the continued support and faith reposed in the Company. The Board also places on record its deep appreciation for the dedication and commitment of the employees at all levels. The Directors also would like to thank The BSE Limited, the National Stock Exchange of India Limited, National Securities Depository Limited, Central Depository Services (India) Limited and the Credit Rating Agencies for their co-operation.

For and on behalf of the Board

Place : Mumbai

Dated : April 30, 2014

**Kapil Wadhawan**

Chairman & Managing Director

# Report on Corporate Governance

The evolving principles of good corporate governance involves a set of systems, procedures, policies, practices and standards to be put in place by a corporate to ensure that the relationship with various stakeholders is maintained in the most transparent manner. The heart of good corporate governance is transparency, disclosure, accountability and integrity which are indispensable to have effective corporate discipline. It goes beyond rules and regulations that the Government can put in place. It is about ethics and the values which drive companies in the conduct of their business.

Corporate Governance involves a set of relationships amongst the Company's management, its Board of Directors, its members, its auditors and other stakeholders. These relationships, involve various rules and incentives, provide the structure through which the objectives of the Company are set, and the means of attaining these objectives as well as monitoring the performances.

Companies around the world are realising that better corporate governance adds considerable value to their operational performance:

- ▶ It improves strategic thinking at the top by inducting independent directors who bring a wealth of experience and a host of new ideas
- ▶ It rationalises the management and monitoring of risk that a firm faces globally
- ▶ It limits the liability of top management and directors, by carefully articulating the decision-making process
- ▶ It assures the integrity of financial reports
- ▶ It has long term reputational effects among key stakeholders, both internally and externally

Thus, the key aspects of good corporate governance include corporate transparency and fairness in operations.

## Corporate Governance at DHFL

DHFL's Corporate Governance practices outlays 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 to achieve accountability and enhancement of value for all stakeholders.

DHFL's Corporate Governance policies recognises the importance of transparency and a committed approach of disclosure level to all its constituents, including employees, customers, investors and the regulatory authorities. DHFL is committed to function such corporate governance norms and practices that primates the long term interests of the members, strengthens the accountability of its management and Board of Directors and that entrusts other stakeholders' trust in the Company. The Report of the Company on Corporate Governance as per Clause 49 of the Listing Agreement is listed hereunder :-

## Board of Directors

The Board of Directors of the Company plays a key role, as they oversee the functioning of the organisation and ensures that it continues to operate in the best interest of all the stakeholders. Thus, the Company strives to keep its Board well-informed, independent and actively involved in the important decision-making process pertaining to the Company.

The Board of your Company continuously strives to strengthen the accountability mechanism, ensures value creation for its members and accountability of the organisation towards its stakeholders and regulatory authorities.

The Board monitors and approves the major financial and business strategies and policies of the Company. It reviews the operational and financial performance of the Company. The Board sets up performance objectives and monitors its implementation and ensures proper delegation of appropriate authority to the Senior Executives of the Company for effective management of operations. The Board also oversees the mechanism of financial control, internal control and risk management and ensures that the processes are in place with regard to the compliance with the applicable laws.

The Board while performing its fiduciary duties recognises its responsibilities towards its members 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 Company's business is conducted by its employees under the directions of the Chairman & Managing Director, Presidents and overall supervision of the Board.

### Composition of the Board

The Board of the Company represents an optimum combination of Executive and Non-Executive Directors as well as Independent Directors, who possess varied professional knowledge and experience in diverse fields like finance, banking, insurance, economics, corporate laws and administration. The Board is separate from the management functions and has expertise in making informed decisions, expediently with the bouquet of variety of perspectives and skills that work together in the best interest of the Company.

The Board of Directors comprises 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. The Chairman & Managing Director is the only Executive Director on the Board.

The Company is in compliance with Clause 49 of the Listing Agreements and with the provisions of the Companies Act, 2013 Companies Act, 1956 and other applicable provisions of the Companies Act, 2013, as applicable, with regard to composition of Board of Directors. None of the Director on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he is a Director.

The details of the Directors, as at March 31, 2014, including the details of their 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 Director and their DIN	Category of Directorship	Equity Investor representative	No. of Directorship #	No. of equity shares held Directors in the Company	Members of Committee## (including DHFL committees)	
					Member	Chairperson
Mr. Kapil Wadhawan (00028528)	Executive/Promoter	N.A.	9	9,00,000	3	–
Mr. Dheeraj Wadhawan (00096026)	Non-Executive/Promoter	N.A.	6	9,00,000	–	–
Mr. R. P. Khosla (00012473)	Non-Executive/Independent	N.A.	1	5,000	–	–
Mr. G. P. Kohli (00230388)	Non-Executive/Independent	N.A.	3	5,000	–	2
Mr. Anthony Hambro * (01361607)	Non-Executive/Nominee	Caledonia Investments Plc.	–	Nil	–	–
Mr. James Michael Beale Cayzercolvin ** (06610585)	Non-Executive/Nominee	Caledonia Investments Plc.	–	Nil	–	–
Mr. Kaikhushru V. Taraporevala. *** (00691210)	Non-Executive/Nominee	Caledonia Investments Plc.	2	Nil	–	1
Mr. Ajay Vazirani (02006622)	Non-Executive/Independent	N.A.	3	5,000	–	1
Mr. V. K. Chopra (02103940)	Non-Executive/Independent	N.A.	12	5,000	5	4
Mr. Mannil Venugopalan (00255575)	Non-Executive/Independent	N.A.	8	500	6	–

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

## Includes Membership / Chairmanship of Audit Committee and Shareholders Grievance Committee / Stakeholders Relationship Committee.

\* Nomination withdrawn by Caledonia w.e.f. closing hours of July 23, 2013.

\*\* Nominated as nominee director of Caledonia w.e.f. July 24, 2013, thereafter his Nomination was withdrawn by Caledonia w.e.f. October 21, 2013.

\*\*\* Nominated by Caledonia as their nominee Director w.e.f. October 21, 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. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of the Company, as and when required. Urgent matters, if any, are approved by the Board by passing resolutions through circulation as per the provisions of the Companies Act. The decisions taken by circular resolutions are placed and noted at the subsequent Board meeting.

The Agenda along with comprehensive notes and background material are circulated well in advance before each meeting to all the Directors. Presentations are made by the Senior Management on the Company's performance, operations, plans and other matters on a periodic basis. The proceedings of the meetings of the Board and its Committees are recorded in the form of minutes, which are circulated to the Board for perusal. The important decisions taken at the Board / Committee meetings are promptly communicated to the concerned departments. The Company also places an action taken report (ATR) on the

decisions / minutes of the previous meeting at the succeeding meeting of the Board / Committee for information and noting.

The information as given to the Board either as a part of the agenda of the meeting or by way of presentation during the meeting; inter alia includes:

- ▶ Annual operating plans, budgets and business strategies
- ▶ Quarterly, half-yearly and annual business performance reports
- ▶ Review of Joint Venture functioning and performance.
- ▶ Risk evaluation and control mechanism.
- ▶ Significant regulatory matters.
- ▶ Details of potential acquisition and disinvestments, merger, joint ventures.
- ▶ Details of investments and deployment of capital issue proceeds.
- ▶ Compliance with relevant legislation and regulations and review of any demand, penalty notice, showcause notice or material litigation against the Company.
- ▶ Significant development of the HR policies.

During the financial year 2013-14, five Board Meetings were held on April 3, 2013, May 7, 2013, July 23, 2013, October 21, 2013 and January 20, 2014 respectively. The details of the attendance of the Directors at the Board Meeting, Sitting fees paid and attendance at the Annual General Meeting held during the year 2013-14 are as follows:

Name of Directors	Board Meetings			Attendance at the last AGM held on July 23, 2013
	Number of Board meetings held	Number of Board Meetings attended	Sitting fees paid (#) (₹)	
Mr. Kapil Wadhawan	5	5	Nil	Yes
Mr. Dheeraj Wadhawan	5	5	75,000	Yes
Mr. R.P. Khosla	5	5	75,000	Yes
Mr. G. P. Kohli	5	5	75,000	Yes
Mr. Anthony Hambro *	5	1	Nil	No
Mr. James Michael Beale Cayzercolvin **	5	0	Nil	No
Mr. Kaikhushru V. Taraporevala ***	5	1	Nil	No
Mr. Ajay Vazirani	5	3	45,000	Yes
Mr. V. K. Chopra	5	5	75,000	Yes
Mr. Mannil Venugopalan	5	5	75,000	Yes

\* Nomination withdrawn by Caledonia Investments Plc. w.e.f. closing hours of July 23, 2013.

\*\* Nominated as nominee director of Caledonia Investments Plc. w.e.f. July 24, 2013, thereafter his Nomination was withdrawn by Caledonia w.e.f. October 21, 2013.

\*\*\* Nominated by the Caledonia Investments Plc. as their nominee Director w.e.f. October 21, 2013.



As a step towards Green Initiative and in order to reduce paper consumption, the Company has adopted e-based application, Board Meeting Organiser (BMO) for sharing Board / Committee Agenda and other related documents during the fourth quarter of financial year 2013-14. The Members of the respective committee and the Board of the Company receives the respective Agenda and relating documents in electronic form through this e-based application, which can be accessed through respective iPad using internet browser. This application has been developed to ensure that it meets high standards of security that is required to be maintained for storage and sharing of Board / Committee Agenda.

## Committees of the Board

The Board of Directors had constituted five committees namely – Audit Committee, Shareholders' / Investors' Grievance Committee, Remuneration & Compensation Committee, Finance Committee and Corporate Social Responsibility Committee, which enables the Board to deal with specific areas / activities that need a closer review and to have an appropriate structure to assist in the discharge of its responsibilities. The Board Committees meet at regular intervals and ensure to perform the duties and functions as entrusted upon them by the Board.

The terms of reference for each committee has been clearly defined as a part of good corporate governance practice. The minutes of the meetings and the recommendation, if any, of the committees are submitted to the Board for their information, ratification and approval.

Consequent upon the notification of the Companies Act, 2013, the terms of reference of the committees were revised and name of 'Shareholders' / Investors' Grievance Committee' was changed to 'Stakeholders Relationship Committee' and 'Remuneration and Compensation Committee' was changed to 'Nomination and Remuneration Committee' to align the same with the applicable provisions.

### a. 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, Accounting Standards and the Companies Act. The ability of the Audit committee to exercise independent judgment is crucial for judging the integrity of financial statements of the Company.

### Composition

The Audit committee was constituted by the Board of Directors at its meeting held on January 24, 2002. The committee consists of three Independent Directors, having adequate accounting and financial management expertise, as the members of the Committee. The composition of the Audit Committee is as per the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement. The quorum for the meeting of the Committee is two members.

### Terms of Reference

The terms of reference of the Audit Committee were revised in the Board Meeting held on April 30, 2014 to align the same with the provisions of Companies Act, 2013. The terms of reference of the Audit Committee are as follows:

- ▶ To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ▶ To recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- ▶ To approve the payment to statutory auditors for any other services rendered by the statutory auditors.
- ▶ To review, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings



- e. Compliance with listing and other legal requirements relating to financial statements
- f. Qualifications in the draft audit report.
- ▶ To review, with the management, the quarterly financial statements before submission to the Board for approval.
- ▶ To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- ▶ To review, with the management, performance of statutory and internal auditors, and monitor auditor's independence and performance and effectiveness of the audit process and adequacy of the internal control systems.
- ▶ To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ▶ To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- ▶ To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ▶ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- ▶ To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance

function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

- ▶ To consider, suggest, modification and or recommend / approve, the related party transactions of the Company.
- ▶ To scrutinise inter corporate loans and investments.
- ▶ To consider valuation of assets or undertaking of the Company wherever required.
- ▶ To evaluate internal financial controls and risk management systems.
- ▶ To review and formulate the scope, functioning, periodicity, methodology for conducting the internal audit, in consultation with the Internal Auditor and to discuss with the internal auditors any significant findings and follow-up there on.
- ▶ To have the authority to investigate into any matter as included in its terms of reference or referred to it by the Board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
- ▶ To review the Company's Vigil Mechanism as defined under the Whistle Blower Policy of the Company with regard to the process / procedure prescribed for its employees and directors to raise concerns, in confidence, about possible wrongdoing in financial reporting, accounting, auditing or other related matters. To ensure that these arrangements allow independent investigation of such matters and appropriate follow-up action.
- ▶ Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

#### Meetings

During the year, the committee met four (4) times. The gap between the two meetings did not exceed 4 months. The Chairman of the Audit Committee was present at the [29th] Twenty Ninth Annual General Meeting of the Company.

The details of meetings held and attended by the Members along with sittings fees paid are given below:

Date of the Meeting	Mr. G. P. Kohli, Chairman, Independent, Non-Executive Director		Mr. V. K. Chopra Member, Independent, Non-Executive Director		Mr. Mannil Venugopalan Member, Independent, Non-Executive Director	
	Attendance	Sitting fees paid (₹) #	Attendance	Sitting fees paid (₹) #	Attendance	Sitting fees paid (₹) #
May 7, 2013	Yes	10000	Yes	10000	Yes	10000
July 23, 2013	Yes	10000	Yes	10000	Yes	10000
October 21, 2013	Yes	10000	Yes	10000	Yes	10000
January 20, 2014	Yes	10000	Yes	10000	Yes	10000
<b>Total</b>		<b>40000</b>		<b>40000</b>		<b>40000</b>

# sitting fees paid is Net of TDS

In addition to the members of the Audit Committee, the Statutory Auditors and Head (Audit & Inspection) are invited to attend the meetings of the Committee. Senior management personnel are also invited to clarify the queries, if any, raised by the members of the Committee.

The Company Secretary acts as the Secretary to the Committee.

## **b. Stakeholders Relationship Committee**

(earlier known as Shareholders' / Investors' Grievance Committee)

The Stakeholder Relationship Committee is primarily responsible to look into the redressal of Shareholders / Investors / other securities holders' complaints. The Committee was renamed as Stakeholders Relationship Committee from Shareholders / Investors Grievance Committee and its terms of reference were expanded to align the same with the provisions of Companies Act, 2013 in the Board Meeting held on April 30, 2014.

### **Composition**

The Committee was constituted on January 24, 2002 and currently, comprises of one (1) Independent Director as Chairman and an Executive Director, as the Member. The composition of the Stakeholders Relationship Committee is as per the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

### **Terms of Reference**

The terms of reference of the Stakeholders Relationship Committee are as follows:-

- ▶ To redress the complaints of the shareholders and investors, related to transfer and transmission of securities, non-receipt of annual reports, dividends and other securities related matters.
- ▶ To review the requests / complaints received by the Registrar and Share Transfer Agent from the Shareholders relating to transfer, transmission, consolidation, replacement of share certificates, issue of duplicate certificates and dematerialisation of securities certificates.
- ▶ To review the certificates and reports submitted by the Company to the Stock Exchanges under the Listing Agreement / SEBI Regulations.
- ▶ To observe the quarterly status of the number of shares in physical as well as dematerialised form.
- ▶ To review the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Share Transfer Agent.

- ▶ To monitor and resolve / redress the grievances of Security Holders i.e. Shareholders, Fixed Depositors or Debenture Holders or Commercial Paper Investors or any other Investors of the security / ies issued by the Company.
- ▶ To recommend measures for overall improvement in the quality of investors services.
- ▶ Any other function as may be stipulated by the Companies Act , 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

### Meetings

During the year ended March 31, 2014, the Committee met four [4] times. The details of the meeting of the Committee held and attended by the members along with the sitting fees paid are given below:

Date of the Meeting	Mr. Ajay Vazirani Chairman, Independent, Non-Executive Director		Mr. Kapil Wadhawan Member, Executive Director	
	Attendance	Sitting fees paid (₹) #	Attendance	Sitting fees paid (₹) #
April 29, 2013	Yes	5000	Yes	Nil
July 16, 2013	Yes	5000	Yes	Nil
October 14, 2013	Yes	5000	Yes	Nil
January 13, 2014	Yes	5000	Yes	Nil
<b>Total</b>		<b>20000</b>		<b>Nil</b>

# sitting fees paid is Net of TDS

The Company Secretary acts as the secretary to the Committee and is the Compliance Officer.

The Company has a designated e-mail address i.e. secretarial@dhfl.com to redress investors' grievances. During the year, the Company received various 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 dematerialisation / rematerialisation of shares etc. of the above, 38 were in the nature of complaints. All the complaints were redressed to the satisfaction of the Complainant. There was no unresolved investor complaint as at the end of the financial year.

### c. Nomination and Remuneration Committee

(earlier known as Remuneration & Compensation Committee)

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

#### Composition

The Remuneration Committee was originally constituted on October 17, 2003. The said Committee was renamed as 'Remuneration and Compensation Committee' with effect from May 15, 2006 in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Committee was renamed as Nomination and Remuneration Committee from Remuneration & Compensation Committee and its terms of reference were expanded to align the same with the provisions of Companies Act, 2013 in the Board Meeting held on April 30, 2014.

The Committee comprises of three (3) Independent Non-Executive Directors, as the members of the Committee. The composition of the Nomination and Remuneration Committee is as per the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

### Terms of Reference

The terms of reference of the Nomination and Remuneration Committee as defined by the Board of Directors of the Company are as follows:-

- ▶ To recommend the annual remuneration and periodic increments payable to the Executive Director(s) which is required to be further approved by the Board.
- ▶ To recommend to the Board the appointment / reappointment of the Executive / Non-Executive Directors, the induction of Board members into various committees.
- ▶ To ensure that the overall remuneration payable to the Directors does not exceed the limits prescribed by the Companies Act and is within the limits approved by the shareholders.
- ▶ In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Committee 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.
  - Any other matter relating to administration of the scheme.
- ▶ Any other function as may be stipulated by the Companies Act , 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

The minutes of the meetings and the recommendations of the Committee are placed before the Board for their noting / approval.

### Meetings

During the financial year 2013-14, the Committee met twice. The details of meetings held and attended by the members alongwith the sitting fees paid are given below:

Date of the Meeting	Mr. R. P. Khosla Chairman, Independent, Non-Executive Director		Mr. G. P. Kohli Member, Independent, Non-Executive Director		Mr. V. K. Chopra Member, Independent, Non-Executive Director	
	Attendance	Sitting fees paid (₹) #	Attendance	Sitting fees paid (₹) #	Attendance	Sitting fees paid (₹) #
May 7, 2013	Yes	10000	Yes	10000	Yes	10000
January 20, 2014	Yes	10000	Yes	10000	Yes	10000
<b>Total</b>		<b>20000</b>		<b>20000</b>		<b>20000</b>

# sitting fees paid is Net of TDS

The Chairman of the Nomination and Remuneration Committee, was present at the 29th Annual General Meeting of the Company.  
The Company Secretary acts as the secretary to the Committee.

## Remuneration, commission and other payments to the Directors

### Executive Director

The key terms and conditions of Mr. Kapil Wadhawan upon reappointment as the Chairman and Managing Director of the Company for a term of five years, as set out in the agreement dated October 4, 2010 entered with the Company are listed below:

**Salary:** Salary payable to Mr. 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 Nomination and Remuneration Committee, subject to an overall ceiling of 1.50% of the net profits of the Company. The net profits shall be computed in a manner as set out under the provisions of the Companies Act.

**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 Nomination and Remuneration 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 include 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 Nomination and Remuneration Committee from time to time. Provided however, that the remuneration payable to Mr. Kapil Wadhawan shall not exceed the limits specified in the agreement dated October 4, 2010 entered with the Company and the limits prescribed under Schedule XIII of the Companies Act, 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 Mr. 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, 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 Mr. Kapil Wadhawan, Chairman & Managing Director for the year ended March 31, 2014 is as follows:-  
(in ₹)

Name	Salary / Allowance	Contribution to funds	Value of perquisites
Mr. Kapil Wadhawan Chairman & Managing Director	1,56,00,000	7,20,000	8,00,000

### Non-Executive Directors

The Non-Executive Directors of the Company do not have any pecuniary relationship except as mentioned herein. 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 to the members of the Audit / Finance / Nomination and Remuneration / Corporate Social Responsibility Committee and ₹ 5,000 (net of TDS) per meeting to the members of the Stakeholders Relationship Committee. As per the approval of the Board of Directors and as per shareholders' approval at the 26th Annual General Meeting of the Company held on July 27, 2010, Non-Executive Directors of 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 March 31, 2014 is as given below:

(in ₹)

Name of Non-Executive Directors	Commission (a) (Gross)	Sittings Fees (b)
Mr. R. P. Khosla	4,28,571	95,000
Mr. G. P. Kohli	4,28,571	3,95,000
Mr. Ajay Vazirani	4,28,571	2,65,000
Mr. Dheeraj Wadhawan	4,28,571	3,15,000
Mr. V. K. Chopra	4,28,571	1,45,000
Mr. Mannil Venugopalan	4,28,571	1,15,000
Mr. Anthony Hambro (*) (c)	1,32,681	Nil
Mr. James Michael Beale Cayzercolvin (**) (c)	1,05,675	Nil
Mr. Kaikhushru V. Taraporevala (***) (c)	1,90,215	Nil
<b>Total</b>	<b>30,00,000</b>	<b>13,60,000</b>

**Notes :**

(a) Subject to approval at the ensuing Annual General Meeting

(b) Net of Tax Deducted at Source.

(c) Being a Nominee Director, commission is payable to M/s. Caledonia Investments Plc. (Caledonia)

\* Nomination withdrawn by Caledonia w.e.f. closing hours of July 23, 2013.

\*\* Nominated as nominee director of Caledonia w.e.f. July 24, 2013, thereafter his Nomination was withdrawn by Caledonia w.e.f. October 21, 2013.

\*\*\* Nominated by Caledonia as their nominee Director w.e.f. October 21, 2013.

#### d. Finance Committee

The Finance Committee has been constituted by the Board of Directors to monitor resources mobilisation and to ensure efficient and timely decisions on matters relating to banking and finance activities of the Company. The Committee meets regularly to discharge its identified functions.

#### Composition

The Finance Committee was constituted on November 30, 1996. During the financial year, the committee was re-constituted on July 2, 2013. Presently, the Committee comprises of four Directors – one [1] Executive Director, one [1] Non Executive Director and two [2] Non Executive Independent Directors, as the members of the Committee.

#### Terms of Reference

The terms of reference of the Finance Committee are as follows:-

- ▶ To borrow funds for the purpose of the Company's Business in accordance with the Companies Act, and any modification and enactment thereof, if any and but not exceeding the overall limit up to which the Board of Directors of the Company are authorised / to be authorised under the Companies Act, and any modification and enactment thereof.
- ▶ 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 authorise the Directors / officers of the Company to operate the same.

- ▶ To authorise operation of accounts of the Company with its bankers and to vary the existing authorisation 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 instrument of like nature.
- ▶ To grant approval of loans upto ₹ 400 crore to any person, firm or body corporate at any time or from time to time subject to the limits prescribed under the Housing Finance Companies (NHB) Directions, 2010, as may be applicable.

### Meetings

During the financial year, the committee met Twenty Five [25] times. The details of the meetings held and attended by the member's alongwith the sitting fees paid are given below:

Date of the Meeting	Mr. Kapil Wadhawan Chairman, Executive Director		Mr. Dheeraj Wadhawan Member, Non-Executive Director		Mr. G. P. Kohli Member, Independent, Non-Executive Director		Mr. Ajay Vazirani Member, Independent, Non-Executive Director *	
	Attendance	Sitting fees paid (₹) #	Attendance	Sitting fees paid (₹) #	Attendance	Sitting fees paid (₹) #	Attendance	Sitting fees paid (₹) #
April 22, 2013	Yes	Nil	Yes	10000	Yes	10000	-	-
May 20, 2013	Yes	Nil	Yes	10000	Yes	10000	-	-
June 4, 2013	Yes	Nil	Yes	10000	Yes	10000	-	-
June 17, 2013	No	-	Yes	10000	Yes	10000	-	-
June 26, 2013	Yes	Nil	Yes	10000	Yes	10000	-	-
July 3, 2013	No	-	No	-	Yes	10000	Yes	10000
August 2, 2013	No	-	Yes	10000	Yes	10000	Yes	10000
August 12, 2013	No	-	Yes	10000	Yes	10000	Yes	10000
September 3, 2013	Yes	Nil	Yes	10000	Yes	10000	Yes	10000
September 5, 2013	No	-	Yes	10000	Yes	10000	Yes	10000
September 25, 2013	No	-	Yes	10000	Yes	10000	Yes	10000
October 8, 2013	No	-	Yes	10000	Yes	10000	Yes	10000
October 23, 2013	Yes	Nil	Yes	10000	Yes	10000	Yes	10000
October 31, 2013	Yes	Nil	Yes	10000	Yes	10000	Yes	10000
November 7, 2013	No	-	Yes	10000	Yes	10000	Yes	10000
November 22, 2013	No	-	Yes	10000	Yes	10000	Yes	10000
December 2, 2013	Yes	Nil	Yes	10000	Yes	10000	Yes	10000
December 19, 2013	Yes	Nil	Yes	10000	Yes	10000	Yes	10000
February 5, 2014	Yes	Nil	Yes	10000	Yes	10000	Yes	10000
February 27, 2014	No	-	Yes	10000	Yes	10000	Yes	10000

Date of the Meeting	Mr. Kapil Wadhawan Chairman, Executive Director		Mr. Dheeraj Wadhawan Member, Non-Executive Director		Mr. G. P. Kohli Member, Independent, Non-Executive Director		Mr. Ajay Vazirani Member, Independent, Non-Executive Director *	
	Attendance	Sitting fees paid (₹) #	Attendance	Sitting fees paid (₹) #	Attendance	Sitting fees paid (₹) #	Attendance	Sitting fees paid (₹) #
March 6, 2014	Yes	Nil	Yes	10000	Yes	10000	Yes	10000
March 11, 2014	Yes	Nil	Yes	10000	Yes	10000	Yes	10000
March 14, 2014	Yes	Nil	Yes	10000	Yes	10000	Yes	10000
March 21, 2014	Yes	Nil	Yes	10000	Yes	10000	Yes	10000
March 27, 2014	Yes	Nil	Yes	10000	Yes	10000	Yes	10000
<b>Total</b>		<b>Nil</b>		<b>240000</b>		<b>250000</b>		<b>200000</b>

# sitting fees paid is Net of TDS

\* appointed as member w.e.f. July 2, 2013

The other senior management is also invited to attend the meetings of the Committee on need basis. The Company Secretary acts as the secretary to the Committee.

#### e. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee assists the Board in fulfilling its duty towards the community and society at large by assisting in identifying the activities and programs that can be undertaken as CSR initiatives by the Company.

##### Composition

The Board of Directors on October 22, 2012 constituted Corporate Social Responsibility Committee [CSR Committee]. The committee comprises of two Independent Non Executive Directors and one Executive Director, as the Members of the Committee. The composition of the CSR Committee is as per the provision of Companies Act, 2013.

##### Terms of Reference

The terms of reference of the said CSR Committee were revised in terms of the provision of Companies Act, 2013 in the Board Meeting held on April 30, 2014. The revised terms of reference of the said Committee are as under :

- ▶ To establish and review corporate social responsibility policies.
- ▶ To identify, segment and recommend the CSR projects / programs / activities to the Board of Directors.
- ▶ To recommend the amount of expenditure to be incurred on the activities as identified for CSR by the Company.
- ▶ To oversight the implementation of corporate social responsibility projects / programs / activities.
- ▶ To review the annual budgets / expenditure with respect to corporate social responsibility programs / projects / activities.
- ▶ To work with the management to establish and develop the Company's strategic framework and objectives with respect to corporate social responsibility matters.
- ▶ To receive reports on the Company's corporate social responsibility programs / projects / activities.
- ▶ To establish and review the implementation mechanism for the CSR programs / projects / activities undertaken by the Company.
- ▶ To establish and review the monitoring mechanism of CSR projects / programs / activities.
- ▶ To review the CSR initiatives and programs / projects / activities undertaken by the Company.
- ▶ To review the Company's disclosure relating to corporate social responsibility matters in accordance with the requirements of the regulatory provisions.

- ▶ To obtain legal or other independent professional advice / assistance.
- ▶ To form and delegate authority to any sub-committee or employee(s) of the Company or one or more members of the committee.
- ▶ Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchange or any other regulatory authorities from time to time.

### Meetings

During the year under review, the Committee met once i.e. January 20, 2014. The details of meetings held and attended by the members along with the sitting fees paid are given below:

Date of the Meeting	Mr. G. P. Kohli Chairman, Independent, Non-Executive Director		Mr. V. K. Chopra Member, Independent, Non-Executive Director		Mr. Kapil Wadhawan Member, Executive Director	
	Attendance	Sitting fees paid (₹) #	Attendance	Sitting fees paid (₹) #	Attendance	Sitting fees paid (₹) #
January 20, 2014	Yes	10000	Yes	10000	Yes	Nil
<b>Total</b>		<b>10000</b>		<b>10000</b>		<b>Nil</b>

# sitting fees paid is Net of TDS

The Company Secretary acts as the secretary to the Committee.

### General Body Meetings

Location, date and time of the annual general meetings held during the previous three years are given below:

Financial Year	Location	Meeting Date and Time	Special Resolution passed at the AGM
2012-13	Indian Merchant Chambers, WHH- Walchand Hirachand Hall, 4th Floor, IMC Building, Churchgate, Mumbai- 400 020	July 23, 2013 At 12.00 Noon	Nil
2011-12	Exchange Plaza, National Stock Exchange Auditorium Ground Floor, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051	July 27, 2012 At 12.00 Noon	Nil
2010-11	Exchange Plaza, National Stock Exchange Auditorium Ground Floor, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051	July 27, 2011 At 12.00 Noon	<ul style="list-style-type: none"> <li>• Issue of securities under Employee Stock Option Scheme.</li> <li>• Issue of securities under Employee Stock Option Scheme to employees of the subsidiary companies</li> <li>• Increase in the borrowing limits from ₹ 25,000 crore to ₹ 1,00,000 crore.</li> </ul>

- No Extra-Ordinary General Meeting of the shareholders was held during the year.
- During the financial year 2013-14, 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 the Company at large.

There were no materially significant related party transactions i.e. transactions of material nature, with its promoters, directors or senior management or their relatives etc. that may have potential conflict with the interest of Company at large. Transactions with related parties as per the requirements of Accounting Standard 18 are disclosed at Note No. 42 of the Notes forming part of the Accounts in the Annual Report annexed herewith.

### 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.

The Company has complied with all the requirements of the listing agreement entered into with the Stock Exchanges and with the regulations and guidelines as prescribed by SEBI. There were no instances of non-compliance of any matter related to the capital markets during the last three years.

### iii. Details of compliance with mandatory requirements and adoption of non mandatory requirements

During the year 2013 -14, 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 the only Executive Director of the Company. The Board of the Company 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 at March 31, 2014, the Board consists of Eight (8) Directors, out of which five [5] directors are independent, meeting the criteria for independence under the listing agreement with the stock exchanges and provisions of Companies Act, 2013.

#### (2) Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee, the details of which are provided in this Report under the section "Nomination and Remuneration 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 / Registrar and Transfer Agent.

#### (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. The Company regularly provides updates to its Board members on relevant amendments in the statutory Acts / legislation, as applicable on 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**

On the recommendation of the Audit Committee, the Board of Directors of the Company, adopted the Whistle Blower Policy, which aims to provide a mechanism to the employees and directors of the Company to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimisation of employees who avail the mechanism and provides for direct access to the Chairperson of the Audit Committee in exceptional cases. There were no instances of reporting under the Whistle Blower Policy. No personnel has been denied access to the Chairman of the Audit Committee.

### **iv. Other Disclosure**

#### **1. Reconciliation of Share Capital Audit**

As stipulated by SEBI, a qualified Company Secretary-in-Practice carries out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital with the stock exchanges. The audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with Depositories). The audit report is being submitted on quarterly basis to the Stock Exchanges.

#### **2. Risk Management**

The Company has formulated a Risk Management framework, which lays down the procedures for risk assessment and mitigation. The procedures and policies for risk assessment and minimisation are regularly reviewed by the Board. A detailed note on the risk identification and mitigation is included in the Management Discussion & Analysis, annexed to the Directors Report.

#### **3. Code for Prevention of Insider Trading Practices**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations 1992, amended in 2011, the 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 i.e [www.dhfl.com](http://www.dhfl.com). The said code is in line with the provisions of the Companies Act, 2013.

In accordance with the said Code, 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 financial results are approved. However, the trading window closes for a period of 15 days prior to board meeting in case of annual financial results and reopens after 24 hours from the conclusion of Board Meeting.

#### **4. Code of conduct for the Board of Directors & Senior Management Personnel**

The Company has adopted a code of conduct for its Board of Directors & Senior Management personnel, which is applicable to the Board of Directors & Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and members of the senior management personnel have provided their affirmation to the compliance with this code. The code requires the Directors and employees to act honestly, ethically and with integrity and in a professional and respectful manner. The said code has been posted on the website of the Company i.e. [www.dhfl.com](http://www.dhfl.com).



**5. CEO / CFO Certification**

The Chairman and Managing Director and CFO of the Company have furnished certificate to the Board as contemplated in Clause 49 of the Listing Agreement and same is reviewed by the Audit Committee and was placed before the Board of Directors of the Company.

**6. Compliance Report**

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

**7. Secretarial Audit**

M/s. Jayshree Dagli & Associates, a Practicing Company Secretary, Mumbai, was appointed, to conduct Secretarial Audit of the Company for the financial year ended March 31, 2014. 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 and the Rules made under that Act and applicable provisions of the Companies Act, 2013, to the extent applicable, Depositories Act, 1996, and the Regulations and Bye-laws framed under that Act, Equity and Debt Listing Agreement with Stock Exchanges, Securities Contract (Regulation) Act, 1956 and all the Regulations of SEBI, as applicable to the Company including The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, Foreign Exchange Management Act, 1999 and relevant Rules, Regulations and Guidelines issued by Reserve Bank of India.

**8. 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 agreements with the stock exchanges. M/s. T. R. Chadha & Co. & M/s. Rajendra Neeti & Associates, Chartered Accountants, Mumbai, Joint-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 part of this Annual Report.

**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 i.e. [www.dhfl.com](http://www.dhfl.com). The Annual Report, annually / 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.

The financial results are published in leading publications such as The Economic Times, Business Standard, 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 and Registrar and Share Transfer Agent. Official news releases and presentations made to Institutional Investors and Analysts are posted on the Company's website.

All price sensitive information and matters which are material and relevant to shareholders are intimated to all the Stock Exchanges where the securities of the Company are listed.

## General Shareholders Information

### 30th Annual General Meeting:

i	<b>Day &amp; Date</b>  <b>Time</b>  <b>Venue</b>	Thursday, July 24, 2014  12.00 Noon  Exchange Plaza, National Stock Exchange Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
ii	<b>Financial Reporting Calendar : (Tentative)</b>	April 1 to March 31 <ul style="list-style-type: none"> <li>• First Quarter – By last week of July</li> <li>• Second Quarter- By last week of October</li> <li>• Third Quarter – By last week of January</li> <li>• Results for the year - April / May</li> </ul>
iii	<b>Dates of Book Closure</b>	Thursday, July 17, 2014 to Thursday, July 24, 2014 (both days inclusive)
iv	<b>Dividend Payment dates</b>	The final dividend, if declared, by the shareholders at the ensuing Annual General Meeting shall be paid on or before August 22, 2014, i.e. within 30 days from the date of declaration.
v	<b>Listing on Stock Exchanges</b>	1. BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai 400 001 Stock Code - 511072  2. National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra - Kurla Complex, Bandra East, Mumbai 400 051. Stock Code - DHFL [Annual listing fees for the financial year 2014-15 has been paid]
vi	<b>ISIN Number for NSDL &amp; CDSL</b>	INE-202B01012 [Annual Custody fees for the financial year 2014-15 has been paid]
vii	<b>Corporate Identification Number (CIN)</b>	L65910MH1984PLC032639



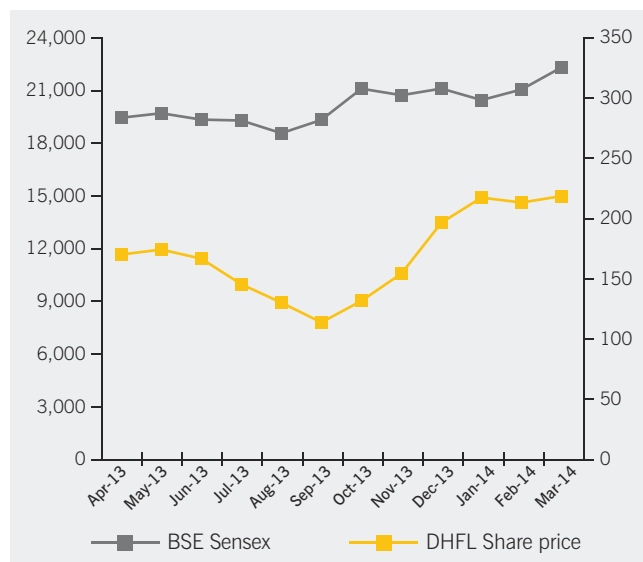
## viii. Market Price Data

The monthly high and low closing prices for the financial year 2013-14 along with the volume of shares traded at BSE and NSE are as follows :-

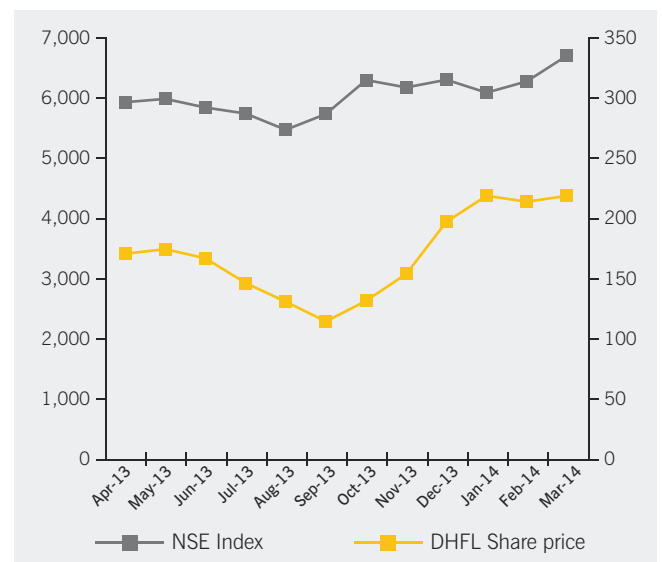
For the year 2013-14								
Month	BSE-Price		Average Price (₹)	Qty. Traded	NSE-Price		Average Price (₹)	Qty. Traded
	High (₹)	Low (₹)			High (₹)	Low (₹)		
Apr-13	184.30	156.35	170.33	149553	184.00	157.10	170.55	1587051
May-13	190.00	159.00	174.50	954945	189.50	159.30	174.40	2956941
Jun-13	176.40	157.40	166.90	140510	176.50	157.00	166.75	1894107
Jul-13	164.05	127.10	145.58	360388	164.35	128.15	146.25	2255164
Aug-13	148.40	112.00	130.20	322067	150.75	110.60	130.68	2360540
Sep-13	126.00	101.50	113.75	908160	127.00	101.60	114.30	2797297
Oct-13	159.90	103.50	131.70	6868308	160.00	102.85	131.43	23514360
Nov-13	174.00	135.00	154.50	2095907	174.00	133.60	153.80	9585702
Dec-13	232.90	161.00	196.95	3761715	232.90	161.35	197.13	14374027
Jan-14	242.65	193.00	217.83	3320655	242.45	195.10	218.78	13814982
Feb-14	228.25	199.10	213.68	1104123	228.40	199.20	213.80	4448578
Mar-14	234.95	203.25	219.10	60735840	234.80	202.60	218.70	7015055

(Sources: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com))

### Performance – Comparison with BSE Sensex



### Performance – Comparison with NSE Index



ix. Distribution of Shareholding as at March 31, 2014

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		24750	92.15	22343870	1.74
5,001	to	10,000	1025	3.82	7989070	0.62
10,001	to	20,000	483	1.80	7187740	0.56
20,001	to	30,000	148	0.55	3834960	0.30
30,001	to	40,000	81	0.30	2937250	0.23
40,001	to	50,000	61	0.23	2877470	0.23
50,001	to	1,00,000	105	0.39	7506550	0.58
1,00,001	and above		206	0.76	1229525490	95.74
<b>Total</b>			<b>26859</b>	<b>100.00</b>	<b>1284202400</b>	<b>100.00</b>

x. Shareholding Pattern of the Company as at March 31, 2014.

Category	No. of Shares	% of Shareholding
Promoters	1800000	1.40
Persons acting in concert with promoters	48609822	37.85
Bodies Corporate	20151992	15.69
Mutual Funds	179692	0.14
FII's	28298055	22.04
FDI	12731045	9.91
NRI	243936	0.19
Financial Institutions / Banks	374957	0.29
Individual / Others	15660410	12.20
Others- Clearing Members	370331	0.29
<b>Total</b>	<b>128420240</b>	<b>100.00</b>

**Note:** None of the shares of the promoters / person acting in concert with promoters are pledge or encumbered with any of the banks or financial institutions. During the year, as per regulation 10(1) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011, inter-se transfer of equity shares amongst the Promoters / Persons acting in concert took place. However, the total shareholding of the Promoters / Persons acting in concert after such inter-se transfers remains unchanged.

**xi. Address for Correspondence**
**Registrar and Transfer Agents**

For Equity Shares	For Debentures
Link Intime India Private Ltd. C - 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400078 Phone: +91 22-2594 6970-78, Fax: +91 22-2594 6969, Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Contact Person: Mr. Sharad Patkar, Executive – Corporate Registry	M/s. System Support Services 209, Shivai Industrial Estate, 89, Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai - 400072. Tel : +91 22-2850 0835 (5 lines) Fax : +91 22-2850 1438 Email: <a href="mailto:sysss72@yahoo.com">sysss72@yahoo.com</a>

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

**DHFL Secretarial Department**

Ms. Niti Arya Compliance Officer & Company Secretary TCG Financial Centre, 10th Floor, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai - 400051. Tel: +91 22-6600 6999 Email: <a href="mailto:secretarial@dhfl.com">secretarial@dhfl.com</a>	Mr. P. K. Kumar, Chief Manager - Secretarial, TCG Financial Centre, 10th Floor, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai - 400051. Tel: +91 22-6600 6999 Email: <a href="mailto:pkumar@dhfl.com">pkumar@dhfl.com</a>	Mr. Vijay Tambe, Manager - Secretarial, TCG Financial Centre, 10th Floor, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai - 400051. Tel: +91 22-6600 6999 Email: <a href="mailto:vijay.tambe@dhfl.com">vijay.tambe@dhfl.com</a>
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**Debenture Trustees**

GDA Trusteeship Limited GDA House, 94/95, Plot No. 85, Bhusari Colony, (Right) Kothrod, Pune - 411 038. Telephone No.: 95202528008 Fax No.: +91 22-25280275 Email id: <a href="mailto:dt@gdatrustee.com">dt@gdatrustee.com</a> Website: <a href="http://www.gdatrustee.com">www.gdatrustee.com</a>	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai - 400 001. Telephone No: +91 22 4080 7000 Fax No.: +91 22 6631 1776 Email id: <a href="mailto:itsl@idbitrustee.com">itsl@idbitrustee.com</a> , <a href="mailto:response@idbitrustee.com">response@idbitrustee.com</a> Website: <a href="http://www.idbitrustee.com">www.idbitrustee.com</a>
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### **Separate section for investor information on Company's website**

Shareholders are requested to visit [www.dhfl.com](http://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 acted upon within 24 hours of receipt of query.

### **Designated Exclusive email-id**

The Company has designated an exclusive email id [secretarial@dhfl.com](mailto:secretarial@dhfl.com), which would enable the shareholders to post their grievances and monitor its redressal. Any shareholder having any grievance or query may send the same to the said email address for its quick redressal.

### **xii. Share Transfer System**

All the applications regarding physical transfer, transmission, splitting of share certificates, dematerialisation and rematerialisation are processed periodically by the Registrar and Share Transfer Agents, and the same are approved by Stakeholder Relationship Committee periodically depending on the volume of transfers. In case of shares held in electronic form, the transfers are processed by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through their respective Depository Participants. 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 obtains from a Company Secretary in practice, certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement and files a copy of the same on half yearly basis with the Stock Exchanges.

### **xiii. Dematerialisation of Shares and Liquidity**

The Company's equity shares are in the list of compulsory demat settlement by all investors. As at March 31, 2014, 99.44% of the share capital of the Company representing 12,77,01,831 equity shares were held in dematerialised form and the balance 0.56% representing 7,18,409 equity shares were held in physical form by the shareholders.

## **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 (includes 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 BSE Limited and National Stock Exchange of India Limited. The Company complies with the listing requirements in this regard. GDA Trusteeship Limited and IDBI Trusteeship Services Limited acts as the debenture trustees for the debentures issued by the Company.

### **ii. Nomination Facility**

The Company is accepting nomination forms from shareholders in the prescribed form. All those who are desirous of making a nomination are requested to contact the Registrar & Share Transfer Agent (RTA). The Nomination Form can also be downloaded from the Company's website i.e. [www.dhfl.com](http://www.dhfl.com) under the section Investors – 'Investor Information'. 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. 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 which are due for transfer to the said Fund is given below:

Financial Year Ended	Date of Declaration	Due for Transfer on
2006-2007 (Final)	23/07/2007	28/08/2014
2007-2008 (Interim)	22/10/2007	27/11/2014
2007-2008 (Final)	28/07/2008	03/09/2015
2008-2009(Final)	28/07/2009	03/09/2016

As per the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules 2012, the Company has uploaded the details of the unpaid and unclaimed amounts lying with the Company as on the date of last Annual General Meeting i.e. July 23, 2013, on the website of the Company and also filed the same with the Ministry of Corporate Affairs.

**iv. Employee Stock Option Scheme (ESOS)**

The Company has two ESOS Schemes by the name ESOS – 2008 and ESOS – 2009. 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 from time to time, have been made in the Directors' Report.

**v. Electronic filing of compliances on BSE and NSE**

In terms of Clause 52 of the listing agreement, all periodical compliance filings such as Company's financial results , shareholding pattern, corporate announcement and corporate governance report etc are electronically filed with the respective stock exchanges through CFDS portal viz [www.corpfiling.co.in](http://www.corpfiling.co.in) and BSE Listing Centre developed by BSE Limited and through NEAPS developed for Corporates on National Stock Exchange of India Limited.

**vi. SEBI Complaints Redress System (SCORES):**

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

**vii. 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.
- ▶ 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 utilised for the purpose of lending for housing finance and general business requirement.

viii. 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 30th Annual General Meeting.

**ix. Subsidiary Companies**

As at March 31, 2014, the Company does not have any Subsidiary Company.

**x. Shares held in Electronic Form**

Members holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination, email address and power of attorney should be given directly to the Depository Participant.

**xi. Shares held in Physical Form**

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, nomination, email address and power of attorney should be given to the Company's RTA viz. Link Intime India Private Limited.

**xii. Electronic Clearing System**

Securities and Exchange Board of India (SEBI) vide its Circular No. CIR / MRD / DP / 10 / 2013 dated March 21, 2013 ("Circular") to all listed companies requires them to update bank details of their shareholders holding shares in demat mode and / or physical form, to enable usage of the electronic mode of remittance i.e. ECS [LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)], NEFT, etc. for distributing dividends and other cash benefits to the shareholders.

Thus, the dividend will be credited to the shareholders' bank account through NECS wherever complete core banking details are available. Incase, where such details are not available, dividend warrants will be issued to the members with the bank details printed thereon as available in the records of the Company. This will ensure safety to the members as the dividend warrants even if lost or stolen, cannot be used by any other person as the amount can be credited only in the bank account as specified on the respective dividend warrant.

**xiii. Service of documents through electronic mode**

Members who are desirous of receiving the notice and other documents through email, may kindly intimate their respective email address to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited or may send an email from their respective email id to [dewanhousinggogreen@linkintime.co.in](mailto:dewanhousinggogreen@linkintime.co.in), with a subject "Registration of email id".

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

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 on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation 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 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.

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

**For T R Chadha & Co.**  
*Chartered Accountants*  
(Firm Registration No.006711N)

**For Rajendra Neeti & Associates**  
*Chartered Accountants*  
(Firm Registration No. 006543C)

**(Pramod Tilwani)**  
*Partner*  
Membership No. 076650

**(Pranav Kumar Shukla)**  
*Partner*  
Membership No. 073832

Place : Mumbai  
Dated : April 30, 2014

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## **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 Personnel of the Company. The same is available on website of the Company as [www.dhfl.com](http://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 2013-14.

**Kapil Wadhawan**  
Chairman & Managing Director

Place : Mumbai  
Date : April 30, 2014

# 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, 2014, with reference to the provisions contained in:-

1. The Companies Act, 1956 & the Rules made under that Act and applicable provisions of the Companies Act, 2013;
2. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
3. Foreign Exchange Management Act, 1999 and relevant Rules, Regulations and Guidelines issued by Reserve Bank of India;
4. 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.
5. The Equity and Debt Listing Agreements with the BSE Limited and National Stock Exchange of India Limited.
6. We have further examined the records and documents with respect to Joint Venture Transaction with Prudential Financial, Inc (PFI) for acquisition of 74 % stake (through M/s Dewan Housing Finance Corporation Limited and its two promoter entities) in M/s DHFL Pramerica Life Insurance Company Limited (Formerly known as ‘M/s DLF Pramerica Life Insurance Company Limited’) and remaining 26% is held by Prudential International Insurance Holdings Limited, a wholly owned subsidiary of Prudential Financial, Inc.
7. We state as under :
  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’), & the Rules made under the Act, applicable provisions of the Companies Act, 2013 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 2012-13 which was held on 23rd July, 2013 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 ;
- (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 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;
- (s) Form of Balance Sheet as prescribed under revised Schedule VI to the Act and requirements as to Statement of Profit and Loss as per the said Schedule;
- (t) Boards' report;
- (u) Contracts, common seal, registered office and publication of name of the Company; and
- (v) 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 Company and its two promoter entities have entered into Shareholders' Agreement with Prudential International Insurance Holdings Limited (a wholly owned subsidiary of Prudential Financial, Inc (PFI) on 25th July, 2013.
- (b) Under the Shareholders' Agreement, the Company along with its two promoter entities have acquired 74% stake in M/s DHFL Pramerica Life Insurance Company Limited out of which the Company holds 50% stake in accordance with National Housing Bank requirements, while other two promoter entities have acquired 12% each.
- (c) The Company has received approval from National Housing Bank on 14th November, 2013 and Insurance Regulatory & Development Authority on 13th December, 2013 w.r.t. acquisition of 50% stake in M/s DHFL Pramerica Life Insurance Company Limited.
- (d) The Deed of Adherence to the Shareholders' Agreement and Deed of Adherence to Distribution Agreement was also executed on 18th December, 2013 in view of DHFL Pramerica Life Insurance Company Limited not having executed the Shareholders' Agreement and Distribution Agreement.
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 BSE Limited and the National Stock Exchange of India Limited.
- (b) The Company has complied with 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 related 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 Jayshree Dagli & Associates
- Jayshree S. Joshi  
F.C.S.1451 C.P.487
- Place : Mumbai  
Dated: April 30, 2014

The logo graphic for DHFL Financials is positioned in the upper right quadrant of the page. It features a large, semi-circular shape on the right side, filled with a vibrant orange color. To the left of this semi-circle, there is a vertical rectangular bar with a dark grey background and a repeating geometric pattern of small, light grey squares. Overlapping the orange semi-circle and the grey bar are two white, stylized upward-pointing arrows. The first arrow is larger and positioned behind the second, smaller arrow. To the right of these arrows, the text "DHFL" is written in a large, bold, grey sans-serif font. Below "DHFL", the word "Financials" is written in a smaller, bold, black sans-serif font.

**DHFL**  
**Financials**



# Independent Auditor's Report

To The Members of

**Dewan Housing Finance Corporation Limited**

## Report on the Financial Statements

We have audited the accompanying financial statements of Dewan Housing Finance Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 in accordance with accounting principles generally accepted in India. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

- (c) in the case of 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 purpose of our audit;
  - b. The reports on the accounts of the branch offices audited under Section 228 by a person other than the Company's auditor, have been provided to us, as required by Clause (c) of sub section (3) of Section 228 and have been dealt with in preparing our report in the manner considered necessary by us.
  - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the Audited Returns from the branches and with the return received from branches not visited by us.
  - d. In our opinion, the Balance Sheet, Profit & Loss Account 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 read with General Circular 15/2013 dated September 13, 2013, issued by Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For T R Chadha & Co.**  
Chartered Accountants  
(Firm Registration No.06711N)

**(Pranav Kumar Shukla)**  
Partner  
Membership No.076650

Date : April 30, 2014  
Place : Mumbai

**For Rajendra Neeti & Associates**  
Chartered Accountants  
(Firm Registration No. 006543C)

**(Pranav Kumar Shukla)**  
Partner  
Membership No. 073832

# Annexure to the Independent Auditors' Report

The Annexure Referred to in our Report to the members of Dewan Housing Finance Corporation Limited (The Company) for the year ended on March 31, 2014, we report that :

## 1. Fixed Assets

- a) The Company has maintained proper records showing full particulars including the quantitative details and situation of fixed assets.
- b) Some of the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Corporation and such disposal has, in our opinion, not affected the going concern status of the Company.

## 2. Inventories

The Company does not have any inventory due to its nature of business being housing finance company. Therefore, the provisions of Clause 13 of Para 4 of the Companies (Auditor's Report) Order are not applicable to the Company.

## 3. Secured or Unsecured Loans Granted or Taken

The Company has not granted or taken secured or unsecured loans, to or from companies, firms, or other parties covered under register maintained under Section 301 of Companies Act, 1956.

## 4. Internal Control

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of fixed assets and for sales of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

## 5. Transactions under Section 301

- a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanation given to us, the transactions made in

pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

## 6. Public Deposits

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.

## 7. Internal Audit System

In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the 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.

## 8. Cost Records

The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.

## 9. Statutory Dues

- (a) According to the information and explanations given to us in respect of statutory and other dues, the Company has been generally regular in depositing its undisputed statutory dues such as Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Service Tax, Income Tax, Sales Tax and any other statutory dues as applicable with the appropriate authorities during the year.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Service Tax, Income Tax and any other material statutory dues were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
- (c) The disputed statutory dues aggregating to ₹497 Lac have not been deposited on account of disputed matters

pending before appropriate authorities. Out of the above, a sum of ₹67 Lac has been deposited under protest. The details of disputed statutory dues are as under:

Statute Name	Nature of Dues	Amount ₹ In Lac	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	ITAT, Delhi
<b>Total</b>		<b>497</b>		

- |  |  |
|--|--|
| <p>10. 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.</p> <p>11. 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.</p> <p>12. 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.</p> <p>13. As explained, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 13 of Para 4 of the Companies (Auditor's Report) Order are not applicable to the Company.</p> <p>14. 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 &amp; 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.</p> <p>15. 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.</p> <p>16. 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.</p> <p>17. 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</p> | <p>(ALCO) prescribed by NHB and accordingly based on above information, we report that the Company has generally not used its short term funds in long term investments.</p> <p>18. 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.</p> <p>19. According to the information &amp; explanations given to us, the Company has issued secured non-convertible debentures amounting to ₹2,05,790 lakh and has created charges in respect of the debentures issued during the year.</p> <p>20. 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.</p> <p>21. According to the information and explanation given to us, no material fraud on or by Company has been noticed or reported during the year, except one instances of fraud amounting to ₹42 lakh on Company by way of misrepresentation by borrower by fabricating the financial and property documents at the time of loan approval in the earlier year. The detail of the same has been reported to NHB by the Company.</p> |
|--|--|

For **T R Chadha & Co.**  
Chartered Accountants  
(Firm Registration No.06711N)

**(Pramod Tilwani)**  
Partner  
Membership No.076650

Date : April 30, 2014  
Place : Mumbai

For **Rajendra Neeti & Associates**  
Chartered Accountants  
(Firm Registration No. 006543C)

**(Pranav Kumar Shukla)**  
Partner  
Membership No. 073832

# Balance Sheet as at March 31, 2014

( ₹ in Lakh)			
	Notes	As at March 31, 2014	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	12,842	12,822
Reserves and Surplus	4	344,654	310,887
<b>Total Shareholders' Funds</b>		<b>357,496</b>	<b>323,709</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings	5	3,229,548	2,656,471
Deferred Tax Liabilities (Net)	7	115	-
Other Long Term Liabilities	6	151	277
Long Term Provisions	8	33,135	26,360
<b>Total Non-Current Liabilities</b>		<b>3,262,949</b>	<b>2,683,108</b>
<b>Current Liabilities</b>			
Short Term Borrowings	9	159,472	87,598
Trade Payables	10	26	58
Other Current Liabilities	11	598,467	481,199
Short Term Provisions	8	7,513	4,623
<b>Total Current Liabilities</b>		<b>765,478</b>	<b>573,478</b>
<b>TOTAL</b>		<b>4,385,923</b>	<b>3,580,295</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	12		
Tangible Assets		18,465	17,180
Intangible Assets		693	742
Capital Work in Progress		79,615	25,871
		<b>98,773</b>	<b>43,793</b>
Non-Current Investments	13	30,670	19,052
Deferred Tax Assets (Net)	7	-	201
Long Term Housing and Property Loans	14	3,874,690	3,236,949
Other Long Term Loans and Advances	15	1,608	3,301
Other Non-Current Assets	20	19,451	27,192
<b>Total Non-Current Assets</b>		<b>4,025,192</b>	<b>3,330,488</b>
<b>Current Assets</b>			
Current Investments	16	26,920	8,450
Trade Receivables	17	7,745	5,896
Cash and Bank Balances	18	98,318	51,256
Short Term portion of Housing and Property Loans	14	184,973	153,223
Other Short Term Loans and Advances	19	40,281	28,717
Other Current Assets	20	2,494	2,265
<b>Total Current Assets</b>		<b>360,731</b>	<b>249,807</b>
<b>TOTAL</b>		<b>4,385,923</b>	<b>3,580,295</b>
Notes forming part of the Financial Statements	1-46		

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

For **T R CHADHA & Co.**  
Chartered Accountants  
ICAI FRN:06711N

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Kapil Wadhawan**  
Chairman & Managing Director

**Dheeraj Wadhawan**

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

**Pranav Kumar Shukla**  
Partner  
ICAI MN: 073832

**Santosh R. Sharma**  
Chief Financial Officer

**Ajay Vazirani**

**V.K. Chopra**

**M. Venugopalan**

**Kaikhushru Vicaji Taraporevala**

Place: Mumbai  
Date : April 30, 2014

**Niti Arya**  
Company Secretary

Directors

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

*( ₹ in Lakh )*

	Notes	Year ended March 31, 2014	Year ended March 31, 2013
<b>INCOME</b>			
Revenue from Operations	21	496,759	406,122
Other Income	22	210	1,772
<b>Total Revenue</b>		<b>496,969</b>	<b>407,894</b>
<b>EXPENSES</b>			
Interest & Finance Cost	23	378,258	311,936
Employees Remuneration & Benefits	24	17,610	14,069
Administrative & Other Expenses	25	19,499	15,475
Depreciation & Amortisation	12	1,091	846
Provision for Contingencies	8	7,000	4,500
<b>Total Expenses</b>		<b>423,458</b>	<b>346,826</b>
<b>Profit Before Tax</b>		<b>73,511</b>	<b>61,068</b>
Less: Tax Expense			
- Current Tax		20,295	15,518
- Deferred Tax Charge / (Credit)		316	365
<b>Profit For The Year</b>		<b>52,900</b>	<b>45,185</b>
<b>Earnings per Equity share</b>	26		
Basic (₹)		41.23	38.47
Diluted (₹)		41.11	38.30
Notes forming part of the Financial Statements	1-46		

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

For **T R CHADHA & Co.**  
Chartered Accountants  
ICAI FRN:06711N

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

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Chairman & Managing Director

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Partner  
ICAI MN: 076650

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Partner  
ICAI MN: 073832

**Santosh R. Sharma**  
Chief Financial Officer

Place: Mumbai  
Date : April 30, 2014

**Niti Arya**  
Company Secretary

**Dheeraj Wadhawan**

**Ajay Vazirani**

**V.K. Chopra**

**M. Venugopalan**

**Kaikhushru Vicaji Taraporevala**  
Directors

## Cash Flow Statement for the year ended March 31, 2014

(₹ in Lakh)

	Year ended March 31, 2014		Year ended March 31, 2013	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax		73,510		61,068
Adjustments for:				
Depreciation	1,091		846	
Employees Stock Option Expenses	273		513	
(Gain) / Loss on hedged items and hedging derivative	(25)		(27)	
(Profit) / Loss on Fixed Assets sold	197		142	
Provision for Contingencies	7,000		4,500	
ZCB Expenses	773		-	
(Profit) / Loss on Sale of Real Estate	-		(1,095)	
Liabilities Written back	(115)		-	
Other Operational Treasury Income	(6,730)	2,464	(6,436)	(1,557)
Operating Profit before Working Capital changes		75,974		59,511
Adjustments for:				
Current Assets	(8,795)		12,772	
Current Liabilities	18,326		(3,247)	
Working Capital Changes		9,532		9,525
Cash Generated from Operations During the Year		85,506		69,036
Tax Paid		(19,818)		(12,405)
<b>Net Cash Flow from Operating Activities (A)</b>		<b>65,688</b>		<b>56,631</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Net Income from Treasury Investment - MF	9,066		5,096	
Net Income from Treasury Investment - Others	(2,336)		1,340	
Net Addition to Investments	(30,088)		(4,456)	
Movement In Fixed Deposits	8,139		1,032	
Net Addition to Fixed Assets	(56,269)		(18,066)	
<b>Net Cash used in Investing Activities (B)</b>		<b>(71,488)</b>		<b>(15,053)</b>



## Cash Flow Statement for the year ended March 31, 2014

(₹ in Lakh)

	Year ended March 31, 2014		Year ended March 31, 2013	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of Equity Shares	20		49	
Premium on Issue of Equity Shares	193		525	
Proceeds from Loan Securitised	283,343		62,030	
Issue of Perpetual Debts	3,550		2,500	
Other Liability	-		2,900	
Loans Received from Banks / Institutions	811,325		853,013	
Refinance Loans Received from NHB	35,000		78,700	
Proceeds from issue of NCDs and Sub Debts	214,290		160,650	
Proceeds from issue of CP	532,000		421,463	
Fixed Deposits received	180,630	2,060,350	142,585	1,724,414
Housing Loan Repayments	582,176		336,814	
Other Loans Repayments	118,247	700,423	192,495	529,309
Loans repaid to Banks / Institution	(358,306)		(382,203)	
Refinance loans repaid / Prepaid to NHB	(55,163)		(59,962)	
Fixed Deposits Repaid	(113,456)		(49,945)	
Cash Credit Repayment	(6,480)		-	
Other Short Term Liabilities repaid	(3,160)		-	
Non-Convertible Debentures Redeemed	(67,641)		(55,167)	
CP Redeemed	(437,500)	(1,041,706)	(431,603)	(978,880)
Housing Loan Disbursed	(1,302,843)		(1,119,606)	
Other Loans Disbursed	(350,414)	(1,653,257)	(216,167)	(1,335,773)
Dividend & Dividend Distribution Tax	(8,705)		(7,469)	
Share Premium Utilised	(4,243)	(12,948)	(1,089)	(8,560)
<b>Net Cash from Financing Activities (C)</b>		<b>52,863</b>		<b>(69,489)</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>		<b>47,062</b>		<b>(27,911)</b>
<b>Cash &amp; Cash equivalents at the beginning of the year</b>		<b>51,256</b>		<b>70,164</b>
<b>Add : on amalgamation</b>		<b>-</b>		<b>9,003</b>
<b>Cash &amp; Cash Equivalents at the close of the year</b>		<b>98,318</b>		<b>51,256</b>

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

**For T R CHADHA & Co.**  
Chartered Accountants  
ICAI FRN:06711N

**For RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

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**M. Venugopalan**

**Kaikhushru Vicaji Taraporevala**

**Directors**

Place: Mumbai  
Date : April 30, 2014

**Niti Arya**  
Company Secretary

## Notes forming part of the financial statement for the year ended March 31, 2014

### 1 CORPORATE INFORMATION

Dewan Housing Finance Corporation Limited ('DHFL'), 'the Company' was incorporated in India on April 11, 1984 and has been carrying on, as its main 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 (NHB) under Section 29A of the National Housing Bank Act, 1987. DHFL has its registered office in Mumbai and has 162 branches, 92 service centers, 19 camp locations, 20 Zonal / Regional office, 2 Disbursement Hub and 2 Collection centres 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 the previous year, in accordance with the generally accepted accounting principles, provisions of the Companies Act, 1956, Housing Finance Companies, (NHB) Directions, 2010, The National Housing Bank Act 1987 and Accounting Standards (AS) notified u/s 211(3C) of the Companies Act, 1956 read with general circular 15 / 2013 dated September 13, 2013, issued by the ministry of the corporate affairs, in respect of sec 133 of Companies Act 2013.
- 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. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.
- d) Based on the nature of its activities, the Company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non current.
- e) Amounts in the financial statements are presented in ₹lakh, 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 recognised on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank. The interest income (payment) is adjusted for gain (loss) on corresponding hedge contracts / interest swap derivatives, wherever executed.
- 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 recognised as an expense in the period for which they relate as specified in Accounting Standard (AS 16) on "Borrowing Costs".

## Notes forming part of the financial statement for the year ended March 31, 2014

### 2 SIGNIFICANT ACCOUNTING POLICIES (contd.)

#### 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 recognised 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 amortised as expense or income over the life of the contract. Exchange differences on such contracts on reporting dates are recognised in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as an 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.

#### 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 the 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 lower of cost and fair value.

#### 2.7 Tangible Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation and impaired losses, if any. All directly attributable costs including borrowing 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 capitalised 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 amortisation and accumulated impairment losses, if any. Intangible assets are amortised over the estimated useful life of the asset.

#### 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 Statement of Profit and Loss account on straight line basis over the lease term.

**2** **SIGNIFICANT ACCOUNTING POLICIES** (*contd.*)**Finance Leases**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised 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 Statutory / Special Reserve:**

The Company creates Statutory / 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 Fund Scheme is considered as defined benefit plans. The Company's liability is determined on the basis of an actuarial valuation using the projected credit unit method as at Balance Sheet date. Actuarial Gains / Losses are recognised immediately in the Statement of Profit & Loss in the year on which they arise.
- c) Leave Encashment for both short term and long term are accounted for on actuarial valuation at the year end using the projected credit unit method. Actuarial Gains / Losses are recognised immediately in the Statement of Profit & Loss in the year on which they arise.

**2.14 Earnings per share:**

The Basic earning per share and diluted earning per share have been computed in accordance with Accounting Standard (AS-20) on, "Earnings Per Share" and is also shown in the Statement of Profit and Loss.

**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 to the extent that there is reasonable certainty that the assets will be realised in future. However if there are carried forward loss / depreciation then the deferred tax if any, are recognised only to the extent that there is virtual certainty that the assets will be realised 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 begun 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.

## Notes forming part of the financial statement for the year ended March 31, 2014

### 2 SIGNIFICANT ACCOUNTING POLICIES (contd.)

#### 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 Lakh)

		As at March 31, 2014	As at March 31, 2013
<b>Authorised</b>			
748,000,000	(748,000,000) Equity Shares of ₹10/- each	74,800	74,800
75,000,000	(75,000,000) Redeemable non convertible preference shares of ₹10/- each	7,500	7,500
500,000	(500,000) Redeemable non convertible preference shares of ₹100/- each	500	500
<b>TOTAL</b>		<b>82,800</b>	<b>82,800</b>
<b>Issued, Subscribed and Paid up</b>			
128,420,240	(128,218,709) Equity shares of ₹10/- each fully paid	12,842	12,822
<b>TOTAL</b>		<b>12,842</b>	<b>12,822</b>

3.1 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:

	As at March 31, 2014		As at March 31, 2013	
Particulars	No. of shares	Amount (lakh)	No. of shares	Amount (lakh)
Equity shares at the beginning	128,218,709	12,822	116,839,981	11,684
Add: Shares issued on Amalgamation	-	-	10,886,375	1,089
Add: Shares issued under ESOS	201,531	20	492,353	49
<b>Equity shares at the end</b>	<b>128,420,240</b>	<b>12,842</b>	<b>128,218,709</b>	<b>12,822</b>

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

	As at March 31, 2014		As at March 31, 2013	
Particulars	No. of shares	% holding	No. of shares	% holding
Kapil Wadhawan	900,000	0.70	10,122,836	7.89
Dheeraj Wadhawan	900,000	0.70	9,308,998	7.26
Aruna Wadhawan	1,200,000	0.93	7,980,447	6.22
Wadhawan Housing Private Limited	47,409,822	36.92	-	-
Wadhawan Holdings Private Limited	-	-	10,031,436	7.82
Caledonia Investments PLC	11,421,570	8.89	11,421,570	8.91

## Notes forming part of the financial statement for the year ended March 31, 2014

### 3 SHARE CAPITAL (contd.)

- 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 financial year 2012 - 13.

#### 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 March 31, 2009.

During the year, the Company has allotted, from time to time, 81,458 (256,094) 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 ₹8 lakh (₹137 lakh) as approved in the AGM dated July 23, 2007 and allotted at the reconsidered price approved in the EOGM dated March 31, 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 November 25, 2009.

During the year, the Company has allotted, from time to time, 120,073 (236,259) 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 ₹12 lakh (₹333 lakh) as approved in the AGM dated July 23, 2007.

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

	ESOS-2008	ESOS-2009	ESOS-2009
Particulars		Plan I	Plan II
Options granted under the schemes	1,422,590	1,275,000	1,234,670
Options exercised upto March 31, 2014	1,072,084	797,607	-
Options lapsed upto March 31, 2014	251,130	237,723	277,520
Options outstanding at the end of the year	99,376	239,670	957,150
Options unvested at the end of the year	-	-	493,868
Options exercisable at the end of the year	99,376	239,670	463,282

### 4 RESERVES & SURPLUS

(₹ in Lakh)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	20,937	7
Addition on Amalgamation	-	26,136
	20,937	26,143
Less: Utilised during the year (refer Note 28 below)	4,162	5,206
	16,775	20,937
<b>Capital Redemption Reserve</b>		
Balance as per last Balance Sheet	775	775
<b>Securities Premium</b>		
Balance as per last Balance Sheet	149,830	114,889
Add: Addition during the year	246	525
Addition on Amalgamation	-	35,223
	150,076	150,637



## Notes forming part of the financial statement for the year ended March 31, 2014

### 4 RESERVES & SURPLUS

(₹ in Lakh)

Particulars	As at March 31, 2014		As at March 31, 2013	
Less: Utilised during the year [net of tax of ₹773 lakh (₹283 lakh)] (refer Note 4.2 below)	3,470	146,606	807	149,830
<b>Employees Share Options Outstanding</b>				
Balance as per last Balance Sheet	1,355		842	
Add: Transferred from Statement of Profit & Loss	273	1,628	513	1,355
<b>General Reserve</b>				
Balance as per last Balance Sheet	53,363		32,604	
Add: Transferred from Statement of Profit & Loss	20,000		20,000	
Addition on Amalgamation	-	73,363	759	53,363
<b>Statutory Reserve (Special Reserve)</b>				
[In terms of Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987] (Refer note 4.3 below)				
Balance as per last Balance Sheet	48,399		29,586	
Add: Transferred from Statement of Profit & Loss	16,000		10,000	
Addition on Amalgamation	-	64,399	8,813	48,399
<b>Surplus in Statement of Profit and Loss:</b>				
As per last Balance Sheet	36,228		12,885	
Addition on Amalgamation	-		15,360	
Add: Profit for the year	52,900		45,185	
	<b>89,128</b>		<b>73,430</b>	
Less: Appropriations :				
General Reserve	20,000		20,000	
Statutory Reserve	16,000		10,000	
Interim Equity Dividend	3,850		2,342	
Proposed Equity Dividend	2,569		3,847	
Proposed 30th Anniversary Special Equity Dividend	3,853		-	
Dividend for earlier year	3		8	
Dividend Distribution Tax	1,745		1,005	
	<b>48,020</b>		<b>37,202</b>	
Surplus closing balance		41,108		36,228
<b>TOTAL RESERVES &amp; SURPLUS</b>		<b>344,654</b>		<b>310,887</b>

- 4.1 During the year, the Company has paid an interim dividend on equity shares @ ₹3/- (₹2/-) per share. The Board of Directors, has further recommended dividend to be paid out of current year profits @ ₹2/- (₹3/-) per equity share to the equity shareholders as final dividend along with additional special 30th Anniversary celebration dividend @ ₹3/- per equity share, aggregating to ₹8/- per equity share for the year 2013-14.
- 4.2 In accordance with Section 78 of the Companies Act, 1956, during the year, the Company has utilised Securities Premium Account towards amortisation of securities issue expenses and premium on redemption of Zero Coupon Secured Redeemable Non-Convertible Debentures amounting to ₹3,471 lakh (₹807 lakh), net of tax of ₹773 lakh (₹283 lakh).

## Notes forming part of the financial statement for the year ended March 31, 2014

### 4 RESERVES & SURPLUS (contd.)

4.3 Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol. Circular 61/2013-14 dated April 7, 2014

(₹ in Lakh)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	12,135	9,657
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	36,264	28,742
<b>c) Total</b>	<b>48,399</b>	<b>38,399</b>
<b>Addition during the year</b>		
a) Amount transferred u/s 29C of the NHB Act, 1987	3,289	2,478
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	12,711	7,522
<b>c) Total</b>	<b>16,000</b>	<b>10,000</b>
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	15,423	12,135
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	48,975	36,264
<b>c) Total</b>	<b>64,399</b>	<b>48,399</b>

### 5 LONG TERM BORROWINGS

(₹ in Lakh)

Particulars	Non Current Portion		Current Portion	
	As at Mar 31, 2014	As at Mar 31, 2013	As at Mar 31, 2014	As at Mar 31, 2013
<b>Secured</b>				
Non-Convertible Debentures	443,656	310,464	47,233	35,935
Term Loan from Banks	2,307,143	1,942,574	359,774	306,617
Loan from Others				
From National Housing Bank	160,009	175,801	37,957	42,328
From Financial Institutions	41,959	1,625	1,291	1,391
Finance Lease Obligation	-	19	-	3
<b>Total Secured Long Term Borrowings</b>	<b>2,952,767</b>	<b>2,430,483</b>	<b>446,255</b>	<b>386,274</b>
<b>Unsecured</b>				
Non-Convertible Debentures (Perpetual)	18,570	15,020	-	-
Non-Convertible Debentures (Subordinated issue)	119,150	110,650	-	3,500
Deposit				
Fixed Deposit (including Cumulative)	138,225	99,886	110,151	70,063
Other Deposits	836	432	298	123
<b>Total Unsecured Long Term Borrowings</b>	<b>276,781</b>	<b>225,988</b>	<b>110,449</b>	<b>73,686</b>
<b>TOTAL LONG TERM BORROWINGS</b>	<b>3,229,548</b>	<b>2,656,471</b>	<b>556,704</b>	<b>459,960</b>
Current Portion of above liability is disclosed under the head "Other Current Liabilities". (Refer Note 11)	-	-	(556,704)	(459,960)
<b>Net Amount</b>	<b>3,229,548</b>	<b>2,656,471</b>	<b>-</b>	<b>-</b>

## Notes forming part of the financial statement for the year ended March 31, 2014

### 5 LONG TERM BORROWINGS (contd.)

- 5.1 Non Convertible Debentures (NCD) (current and non current portion) amounting to ₹490,889 lakh (₹346,399 lakh) 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, as below.

Secured NCDs also include amount outstanding for Zero Coupon Secured Redeemable Non-Convertible Debentures (ZCD) aggregating to ₹29,862 lakh (₹7,996 lakh), which are redeemable at premium on maturity. The accumulated premium payable on outstanding ZCD accrued till March 31, 2014 amounting to ₹2,662 lakh (₹756 lakh) is included above and has been provided out of the Securities Premium Account (refer Note 4.2).

(₹ in Lakh)

Particulars	Up to 1 Year	1-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Bank					
Linked with Base Rate of respective banks (%)	359,774	883,362	631,402	792,381	2,666,919
Loan from FIIs					
9-11	1,258	67	33	-	1,358
11-12.60	33	7,638	15,209	19,011	41,892
<b>F I I Total</b>	<b>1,291</b>	<b>7,705</b>	<b>15,242</b>	<b>19,011</b>	<b>43,250</b>
Loan from NHB					
7-9	33,124	73,199	37,403	19,186	162,912
9-11	4,834	10,915	7,273	12,032	35,054
<b>N H B Total</b>	<b>37,957</b>	<b>84,114</b>	<b>44,676</b>	<b>31,218</b>	<b>197,966</b>
NCD					
5-7	-	25,000	-	25,000	50,000
9-11.60	47,233	107,637	14,327	243,930	413,127
<b>NCD Total</b>	<b>47,233</b>	<b>132,637</b>	<b>14,327</b>	<b>268,930</b>	<b>463,127</b>
NCD - ZCB					
9-11	-	26,213	1,548	-	27,762
<b>NCD - ZCB Total</b>	<b>-</b>	<b>26,213</b>	<b>1,548</b>	<b>-</b>	<b>27,762</b>
Unsecured					
C Paper					
9.80-10.85	147,000	-	-	-	147,000
<b>C Paper Total</b>	<b>147,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147,000</b>
Perpetual Debt					
12.00 -12.75	-	-	-	18,570	18,570
<b>Perpetual Debt Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,570</b>	<b>18,570</b>
Sub - Debt					
9-11.50	-	8,470	28,780	81,900	119,150
<b>Sub - Debt Total</b>	<b>-</b>	<b>8,470</b>	<b>28,780</b>	<b>81,900</b>	<b>119,150</b>

- 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.

## Notes forming part of the financial statement for the year ended March 31, 2014

### 5 LONG TERM BORROWINGS (contd.)

- 5.3 During the year, Company has availed ECB of USD 70 millions from IFC Washington for a period of 8 years. The principal amount has been hedged to protect the foreign currency risk and converted into Rupee liability of ₹41,825 lakh and reflected as Loan from Financial Institutions.
- 5.4 The National Housing Bank directives require all HFCs 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 ₹119,150 lakh (₹114,150 lakh), outstanding as at March 31, 2014, 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 on various dates read with note no 5.1.
- 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 with reference to the General Circular no. 4/2003 dated 16.01.2003, has clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. Since the Debenture issues of the Company till date are through private placement, as such no DRR has been created.

### 6 OTHER LONG TERM LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2014	As at March 31, 2013
Advance from customers	53	42
Others	98	235
<b>Total Other Long Term Liabilities</b>	<b>151</b>	<b>277</b>

### 7 DEFERRED TAX LIABILITIES / (ASSETS) NET

(₹ in Lakh)

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>Deferred Tax Asset</b>				
On account of provision for Standard Assets	(6,721)	(6,721)	(4,914)	(4,914)
<b>Deferred Tax Liability</b>				
On account of depreciation	920		757	
On account of others	5,916	6,836	3,956	4,713
<b>Net Deferred Tax Liability / (Asset)</b>		<b>115</b>		<b>(201)</b>

## Notes forming part of the financial statement for the year ended March 31, 2014

### 8 PROVISIONS

*(₹ in Lakh)*

Particulars	Long Term Provision		Short Term Provision	
	As at Mar 31, 2014	As at Mar 31, 2013	As at Mar 31, 2014	As at Mar 31, 2013
<b>Provision for Contingencies</b>				
<b>Against Standard Assets:</b>				
As per last Balance Sheet	17,931	10,885		
Addition on Amalgamation	-	4,307		
Add: Provision during the year	3,639	2,739		
<b>Net provision on standard loan portfolio (A)</b>	<b>21,570</b>	<b>17,931</b>		
<b>Against NPA:</b>				
As per last Balance Sheet	8,336	4,654		
Addition on Amalgamation	-	2,355		
Add: Provision during the year	2,784	1,821		
Less: Utilised During the year	355	494		
<b>Net provision on NPA loan portfolio (B)</b>	<b>10,765</b>	<b>8,336</b>		
<b>Against Investment:</b>				
As per last Balance Sheet	130	190		
Add: Provision (withdrawal) during the year	(130)	(60)		
	-	130		
Less: Transfer to Provision for diminution in the value of investment	-	(130)		
	-	-		
<b>Against Other Assets:</b>				
Provision during the year	707	-		
Transfer from Other Provision / Liability	93	-		
<b>Net provision on Other Assets (C)</b>	<b>800</b>	<b>-</b>		
<b>Total Provision for Contingencies (A+B+C)</b>	<b>33,135</b>	<b>26,267</b>	<b>-</b>	<b>-</b>
Provision for Proposed Dividend	-	-	6,422	3,847
Provision for Dividend Distribution Tax	-	-	1,091	624
Provision for Income Tax (net of advance tax)	-	-	-	152
(Refer note 29 & 32)				
Other Provisions	-	93	-	-
<b>TOTAL PROVISIONS</b>	<b>33,135</b>	<b>26,360</b>	<b>7,513</b>	<b>4,623</b>

## Notes forming part of the financial statement for the year ended March 31, 2014

### 8 PROVISIONS (contd.)

8.1 The Company has written off ₹355 lakh (₹494 lakh) as bad debts and by way of one time settlement to recover some of its NPA and Loss Accounts. The Company has withdrawn ₹355 lakh (₹494 lakh) from contingency provisions created out of profits of earlier years.

#### 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 its circular NHB. HFC. DIR-3/CMD/2011 dated August 5, 2011 in respect of Housing and Non Housing Loans are as follows: (₹ in Lakh)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Portfolio	Provisions	Portfolio	Provisions
<b>Standard Assets</b>				
Housing Loans	3,313,743	14,196	2,933,770	13,145
Other Property Loans	714,168	6,473	432,470	3,761
Additional provision on standard assets	-	901	-	1,025
	<b>4,027,911</b>	<b>21,570</b>	<b>3,366,240</b>	<b>17,931</b>
<b>Sub Standard Assets</b>				
Housing Loans	11,666	1,774	9,389	1,408
Other Property Loans	3,070	461	2,174	326
	<b>14,736</b>	<b>2,235</b>	<b>11,563</b>	<b>1,734</b>
<b>Doubtful Assets</b>				
Housing Loans	14,496	7,570	10,522	5,211
Other Property Loans	2,319	759	1,615	808
	<b>16,815</b>	<b>8,329</b>	<b>12,137</b>	<b>6,019</b>
<b>Loss Assets</b>				
Housing Loans	140	140	162	163
Other Property Loans	61	61	70	70
	<b>201</b>	<b>201</b>	<b>232</b>	<b>233</b>
Additional provision on Non Performing Assets		-		350
Provisions on Other Assets		800		-
<b>Total (*)</b>	<b>4,059,663</b>	<b>33,135</b>	<b>3,390,172</b>	<b>26,267</b>
<b>Summary:</b>				
Housing Loans	3,340,045	23,680	2,953,843	19,927
Other Property Loans	719,618	7,754	436,329	4,965
Additional provision on Standard Assets		901		1,025
Additional provision on Non Performing Assets		-		350
Provisions on Other Assets		800		-
<b>Total (*)</b>	<b>4,059,663</b>	<b>33,135</b>	<b>3,390,172</b>	<b>26,267</b>

(\*) Outstanding Investment of ₹14,559 lakh (₹3,656 lakh) 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 ₹901 lakh (₹1,375 lakh).



## Notes forming part of the financial statement for the year ended March 31, 2014

### 9 SHORT TERM BORROWINGS

*( ₹ in Lakh)*

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Secured</b>		
Loans repayable on demand		
From Banks	-	5,000
Other short term loans and advances		
From Banks	5,402	6,882
<b>Secured short term borrowings (A)</b>	<b>5,402</b>	<b>11,882</b>
<b>Unsecured</b>		
Deposits		
Fixed Deposits (Refer Note 5.6)	6,249	19,567
Other Deposits (Refer Note 5.6)	821	489
Other short term loans and advances		
From Banks	-	260
Commercial Papers	147,000	52,500
Others	-	2,900
<b>Unsecured short term borrowings (B)</b>	<b>154,070</b>	<b>75,716</b>
<b>TOTAL SHORT TERM BORROWINGS (A+B)</b>	<b>159,472</b>	<b>87,598</b>

- 9.1** Loans repayable on demand and other short term loans comprises of Cash credit facilities from banks 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

*( ₹ in Lakh)*

Particulars	As at March 31, 2014	As at March 31, 2013
Creditors for Expenses	26	58
<b>TOTAL TRADE PAYABLES</b>	<b>26</b>	<b>58</b>

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.

## Notes forming part of the financial statement for the year ended March 31, 2014

### 11 OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of long-term borrowing (Refer Note 5)	556,704	459,960
Interest accrued but not due on borrowings	5,560	5,995
Unclaimed Dividends	80	70
Unclaimed matured deposits and interest accrued thereon	2,965	1,812
<b>Other payables</b>		
Advance from customers	3,398	2,869
Amount payable under securitisation / joint syndication transaction	13,596	6,219
Other current liabilities	16,164	4,274
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>598,467</b>	<b>481,199</b>

11.1 As required under Section 205 (C) of the Companies Act, 1956, the Company has transferred unclaimed dividend of the year 2005-06 ₹8 lakh (₹6 lakh), unclaimed Interim dividend of the year 2006-07 ₹8 lakh (₹6 lakh) and ₹19 lakh (₹5 lakh) 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.

### 12 FIXED ASSETS

(₹ in Lakh)

ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.04.2013	Due to Amalgama- tion	Addition	Deduction / Sale	As at 31.03.2014	As at 01.04.2013	Due to Amalgama- tion	For the year	Deduction	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Tangible:</b>												
Building	3,059	-	-	-	3,059	409	-	61	-	470	2,589	2,650
Leasehold Premises	9,999	-	-	-	9,999	2	-	182	-	184	9,816	9,997
Furniture & Fixture	3,189	-	1,220	301	4,108	1,068	-	245	186	1,127	2,981	2,121
Office Equipments	1,445	-	907	70	2,281	272	-	73	19	327	1,955	1,173
Vehicles	376	-	-	168	207	133	-	13	69	76	131	243
Computer (Hardware)	2,491	-	321	129	2,683	1,495	-	305	111	1,689	994	996
<b>Sub Total</b>	<b>20,558</b>	<b>-</b>	<b>2,448</b>	<b>668</b>	<b>22,338</b>	<b>3,378</b>	<b>-</b>	<b>879</b>	<b>385</b>	<b>3,873</b>	<b>18,465</b>	<b>17,180</b>
<b>Intangible:</b>												
Computer (Software)	913	-	163	-	1,076	171	-	212	-	383	693	742
<b>Fixed Assets</b>	<b>21,471</b>	<b>-</b>	<b>2,611</b>	<b>668</b>	<b>23,414</b>	<b>3,549</b>	<b>-</b>	<b>1,091</b>	<b>385</b>	<b>4,256</b>	<b>19,158</b>	<b>17,922</b>
Capital Work in Process	25,871	-	53,743	-	79,615	-	-	-	-	-	79,615	25,871
<b>TOTAL</b>	<b>47,342</b>	<b>-</b>	<b>56,354</b>	<b>668</b>	<b>103,028</b>	<b>3,549</b>	<b>-</b>	<b>1,091</b>	<b>385</b>	<b>4,256</b>	<b>98,773</b>	<b>43,793</b>
Previous Year	26,504	2,025	19,823	1,010	47,342	1,856	1,054	846	207	3,549	43,793	-

## Notes forming part of the financial statement for the year ended March 31, 2014

### 13 NON CURRENT INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Nos	Amount	Nos	Amount
Investment in unquoted equity instruments (Face value of ₹10 each)				
<b>Investment in Associates:</b>				
Aadhar Housing Finance Limited	14,900,000	1,490	14,900,000	1,490
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 Limited	7,927,883	3,024	1,673,821	585
<b>Investment in Joint Venture:</b>				
DHFL Pramerica Life Insurance Co Ltd. (refer note no 13.2)	170,187,839	1,423	-	-
<b>Investment in others:</b>				
The Kalyan Janta Sahakari Bank Limited	10,000	1	10,000	1
(A)		6,841		2,979
<b>Investment in unquoted optionally convertible preference share (Face value of ₹10 each)</b>				
Sunborne Energy Services India Private Limited	31,775	1,271	31,775	1,271
(B)		1,271		1,271
<b>Other Investments</b>				
<b>Investment in Mutual Funds / Venture Capital Fund - unquoted</b>				
DHFL Venture Capital Fund (100% Trust Corpus - Settlement Money) (₹10,000/- only)	1	-	1	-
DHFL Real Estate Assets Management Fund - Dream Fund I Units Class A	25,834	2,583	35,000	3,201
DHFL Real Estate Assets Management Fund - Dream Fund I Units Class B (₹36,370/- only)	-	-	36,370	-
Arthveda Star Fund	58,876	600		-
(C)		3,183		3,201
<b>Investment in Government securities / Approved securities (SLR) - quoted</b>				
11.30% HP Infrastructure Development Board	-	-	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
8.26% GOI 2027	-	-	600,000	596
8.40% Gujarat SDL 2020	250,000	252	250,000	252
8.08% GS 2022	100,000	98	100,000	98
8.28% GS 2032	100,000	98	100,000	98
9.23% Gujarat SDL 2021	250,000	257	250,000	257

## Notes forming part of the financial statement for the year ended March 31, 2014

### 13 NON CURRENT INVESTMENTS (contd.)

(₹ in Lakh)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Nos	Amount	Nos	Amount
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 Raja Vidyut Prasaran Nigam Ltd 2024	10	500	10	500
9.30% RRVN Bonds 2025	150	1,490	150	1,490
8.97% Bihar SDL 2022	570,000	584	570,000	584
8.66% West Bengal SDL 2023	500,000	502	500,000	502
5.87% GOI 2022	3,000	3	3,000	3
6.05% GOI 2019	14,000	14	14,000	14
6.13% GOI 2028	5,000	5	5,000	5
5.69% GOI 2018	41,800	39	41,800	39
7.99% GOI 2017	30,000	30	30,000	30
7.16% GOI 20/05/2023	1,000,000	1,004	-	-
8.33% GOI 09/07/2026	2,000,000	2,108	-	-
8.97% GOI 05/12/2030	2,000,000	2,227	-	-
8.71% WSPF Bonds 09/05/2023	1,900	1,920	-	-
9.72% Kerala SDL 28/08/2023	70	728	-	-
9.38% MTNL Bonds 05/12/2023	38	380	-	-
8.80% FCI Bonds (Series -VB) 22/03/2028	19	178	-	-
9.85% TIIC Bonds (TIIC Bonds_2014-I) 07/03/2024	83	828	-	-
8.24% GOI 15/02/2027	500,000	473	-	-
		15,087		10,281
<b>Investment in Government / other securities (Non - SLR) - quoted</b>				
7.15% UBI Bonds 2015	75	750	75	750
7.22% REC Bonds 19/12/2022	10,000	100	10,000	100
7.19% NHB Tax Free Bonds 14/12/2022	10	100	10	100
6.82% NHB Tax Free Bonds 28/05/2023	5,000	500	5,000	500
8.01% NHB Tax Free Bonds	50	500	-	-
8.26% NHB Tax Free Bonds	3,610	181	-	-
8.41% NTPC Tax free Bonds - Series 1A	15,832	158	-	-
8.51% HUDCO Secured Non-Convertible Tax Free Bonds. Tranche II. Series 1A	50,000	500	-	-
8.23% Indian Railway Finance Corporation 18/02/2024 (Tax Free)	50,000	500	-	-
8.41% IIFCL Bonds 22/01/2024	100,000	1,000	-	-
(D)		19,376		11,731
(A+B+C+D)		30,670		19,182
Less: Provision for diminution in value of investments		-		130
<b>TOTAL NON CURRENT INVESTMENTS</b>		<b>30,670</b>		<b>19,052</b>
Aggregate amount of Quoted investments		19,377		11,731
Market value of Quoted investments		18,327		11,645
Aggregate amount of Unquoted investments		11,295		7,451

## Notes forming part of the financial statement for the year ended March 31, 2014

### 13 NON CURRENT INVESTMENTS (contd.)

- 13.1** Investment in Government and other SLR Securities aggregating to ₹15,087 lakh (₹10,281 lakh) 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** The Company has acquired 16,29,01,250 number of shares being 50% stake in DLF Pramerica Life Insurance Co Ltd, a registered life insurance company in India regulated by IRDA during the year from DLF Limited at deminimus value of ₹1. The Company had capitalised ₹694 lakh being expenses incurred in relation to the above acquisition as a cost of investment. Subsequently Company has subscribed for 72,86,589 number of shares @ ₹10 each for ₹729 lakh to maintain its holding at 50% and to augment the resources of the Company. Consequent to this acquisition name of the company has been changed to DHFL Pramerica Life Insurance Co Limited with the approval of IRDA and ROC.

### 14 HOUSING AND PROPERTY LOANS

(₹ in Lakh)

Particulars	Non Current Portion		Current Portion	
	As at Mar 31, 2014	As at Mar 31, 2013	As at Mar 31, 2014	As at Mar 31, 2013
Secured, considered good unless stated otherwise				
<b>Housing Loans</b>				
Standard loans	3,575,919	3,022,779	141,893	116,472
Sub-Standard loans	11,949	9,472	-	-
Doubtful loans	14,540	10,852	-	-
Loss assets	140	162	-	-
	<b>3,602,548</b>	<b>3,043,265</b>	<b>141,893</b>	<b>116,472</b>
Less: Securitised Housing Loans & Funded by Syndicate	387,345	197,846	17,051	8,047
<b>Total Housing Loans (A)</b>	<b>3,215,203</b>	<b>2,845,419</b>	<b>124,842</b>	<b>108,425</b>
<b>Other Property Loans</b>				
Standard loans	670,990	402,361	61,291	45,688
Sub-Standard loans	3,105	2,174	-	-
Doubtful loans	2,319	1,615	-	-
Loss assets	61	70	-	-
	<b>676,475</b>	<b>406,220</b>	<b>61,291</b>	<b>45,688</b>
Less: Other Property Securitised Loans	16,988	14,690	1,160	890
<b>Total Other Property Loans (B)</b>	<b>659,487</b>	<b>391,530</b>	<b>60,131</b>	<b>44,798</b>
<b>TOTAL LOAN BOOK (A+B) (*)</b>	<b>3,874,690</b>	<b>3,236,949</b>	<b>184,973</b>	<b>153,223</b>
<b>Summary:</b>				
Housing Loans	3,602,548	3,043,265	141,893	116,472
Other Property Loans	676,475	406,220	61,291	45,688
<b>Total Housing &amp; Property Loans under Company's management</b>	<b>4,279,023</b>	<b>3,449,485</b>	<b>203,184</b>	<b>162,160</b>
Less: Securitised and Syndicated portion	404,333	212,536	18,211	8,937
<b>TOTAL HOUSING AND PROPERTY LOANS (*)</b>	<b>3,874,690</b>	<b>3,236,949</b>	<b>184,973</b>	<b>153,223</b>

(\*) Outstanding Investment of ₹14,558 lakh (₹3,656 lakh) 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.

## Notes forming part of the financial statement for the year ended March 31, 2014

### 14 HOUSING AND PROPERTY LOANS (contd.)

(₹ in Lakh)

- 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 March 31, 2011, in which construction has not started till March 31, 2014, 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 March 31, 2014 aggregating to ₹2,206 lakh (₹811 lakh).
- 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.
- 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 ₹4,419 lakh (₹1,663 lakh) out of 148 (124) cases which are part of NPA portfolio for which necessary provisions have already been made.
- 14.7 The Company has securitised / 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 ₹422,544 lakh (₹221,473 lakh). 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 securitisation / 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 ₹139 lakh (₹47 lakh) given to the key managerial persons of the Company under the normal course of business.

### 15 OTHER LONG TERM LOANS AND ADVANCES

(₹ in Lakh)

Particulars	Non Current Portion		Current Portion	
	As at Mar 31, 2014	As at Mar 31, 2013	As at Mar 31, 2014	As at Mar 31, 2013
<b>Secured and considered good</b>				
Loans against Fixed Deposits	-	-	235	379
Loans and advances to employees (Refer Note 15.1)	94	159	2	3
Other loans and advances (Refer Note 15.2)	13	284	-	68
<b>Unsecured, considered good unless stated otherwise</b>				
Capital advances	176	1,752	-	-
Security deposits	1,285	1,054	29	154
Loans and advances to employees	40	52	8	8
<b>TOTAL OTHER LONG TERM LOANS AND ADVANCES</b>	<b>1,608</b>	<b>3,301</b>	<b>274</b>	<b>612</b>
Current Portion Disclosed under "Short Term Loans and Advances" (refer Note 19)	-	-	(274)	(612)
<b>Net Amount</b>	<b>1,608</b>	<b>3,301</b>	<b>-</b>	<b>-</b>

- 15.1 Loans to employees are secured by the hypothecation of respective assets against which these loans have been granted



**Notes forming part of the financial statement** for the year ended March 31, 2014

**16 CURRENT INVESTMENTS**

(₹ in Lakh)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Nos	Amount	Nos	Amount
<b>Trade Investments</b>				
Investment in equity instruments- quoted				
H.D.F.C. Ltd	-	-	5,000	41
ICICI Bank Limited	-	-	5,000	59
Larsen & Toubro Limited	-	-	3,000	48
Tata Motors Limited	-	-	5,000	16
(A)		-		<b>164</b>
<b>Other Investments</b>				
Investment in Mutual Funds / Venture Capital Fund - unquoted				
Axis Equity Fund - Growth	-	-	5,000,000	500
Birla Sun Life Cash Manager - I P - Growth	329,615	606	329,615	606
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
L&T Triple Ace Bond Fund - Bonus	80,392,314	10,000	-	-
DSP Merilynch - Lqd Fund - Dividend	58,701	1	58,701	1
IDFC SSIF - MTP - Plan A - Growth	-	-	778,170	150
Goldman Sachs Liquid Exchange Traded Scheme	-	-	35,403	354
Principal Cash Mgmt Fund - Growth	505,023	5,625	505,023	5,625
Templeton India STIP - Growth	-	-	17,727	400
LIC Nomura MF Liquid Fund - Dir - Growth	21,709	504	-	-
Templeton India TMA - Dir - Growth	10,871	208	-	-
Baroda Pioneer Liquid Fund - Plan B - Dir - Growth	22,950	337	-	-
HDFC FMP - 384D - March 2014 (29) - 1 - Reg - Growth	50,000,000	5,000	-	-
Sundaram Money Fund - Dir - Growth	2,389,799	646	-	-
SBI Premier Liquid Fund - Dir - Growth	52,166	1,050	-	-
Religare Invesco Liquid Fund - Dir - Growth	45,772	807	-	-
JPMorgan India Liquid Fund - Dir - Growth	3,039,858	505	-	-
ICICI Prudential Liquid -Dir- Growth	383,022	726	-	-
DWS Insta Cash Plus Fund - Dir - Growth	300,396	500	-	-
Axis Liquid Fund - Dir - Growth	28,531	405	-	-
(B)		<b>26,920</b>		<b>8,286</b>
<b>TOTAL CURRENT INVESTMENTS (A+B)</b>		<b>26,920</b>		<b>8,450</b>
Aggregate amount of quoted investments		-		164
Market value of Quoted investments		-		148
Aggregate amount of Unquoted investments		26,920		8,286

**17 TRADE RECEIVABLES**

(₹ in Lakh)

Particulars	As at March 31, 2014	As at March 31, 2013
Secured, considered good, less than six months from the due date		
EMI / PEMI, other receivable from customers	7,745	5,896
<b>TOTAL TRADE RECEIVABLES</b>	<b>7,745</b>	<b>5,896</b>

## Notes forming part of the financial statement for the year ended March 31, 2014

### 18 CASH AND BANK BALANCES

(₹ in Lakh)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
in Current Accounts	2,578	45,908
in Deposits accounts with original maturity of less than 3 months	500	-
Cheques / Drafts in hand / Remittances in Transit *	61,000	-
Cash on hand	551	309
<b>Total Cash and Cash Equivalents (A)</b>	<b>64,629</b>	<b>46,217</b>
* Cheques / Drafts in hand of ₹61,000 lakh credited by bank on April 2, 2014		
<b>Other Bank Balances</b>		
Other Deposits accounts having balance maturity of less than 12 months	33,636	4,969
Deposits under lien or having balance maturity of more than 12 months (Refer Note 20)	19,020	27,159
Balances in unpaid dividend bank accounts	53	70
<b>Total Other Bank Balances (B)</b>	<b>52,709</b>	<b>32,198</b>
<b>Total Cash and Bank Balances (C) = (A + B)</b>	<b>117,338</b>	<b>78,415</b>
Less : Amounts disclosed under non-current assets (Refer Note 20) (D)	19,020	27,159
<b>TOTAL NET CASH AND BANK BALANCES (E) = (C - D)</b>	<b>98,318</b>	<b>51,256</b>
<b>Summary:</b>		
Total Cash and Cash Equivalents	64,629	46,217
Other Bank Balances	52,709	32,198
Amounts disclosed under non-current assets	(19,020)	(27,159)
<b>TOTAL NET CASH AND BANK BALANCES</b>	<b>98,318</b>	<b>51,256</b>

18.1 Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹4,730 lakh (₹Nil) being earmarked for SLR requirements of NHB. ₹780 lakh (₹Nil) being margin money for bank guarantees, ₹24,051 lakh (₹3,705 lakh) being securitisation comforts provided to various Trustees / buyer, ₹ 2575 lakh (₹ Nil) towards sinking fund requirement of debenture provided to Trustee of debentures and ₹1,300 lakh (₹ Nil) under lien against Interest rate swaps.

### 19 SHORT TERM LOANS & ADVANCES

(₹ in Lakh)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Secured and considered good</b>		
Current maturities of other long term loans and advances (Refer Note 15)	237	450
<b>Unsecured, considered good</b>		
Current maturities of other long term loans and advances (Refer Note 15)	37	162
Loans and advances to related parties	1,559	1,255
Advances recoverable in cash or in kind	35,072	26,850
Advance Income Tax (Net of Provisions) (Refer note 30 & 33)	3,376	-
<b>TOTAL SHORT TERM LOANS AND ADVANCES</b>	<b>40,281</b>	<b>28,717</b>

## Notes forming part of the financial statement for the year ended March 31, 2014

### 20 OTHER NON CURRENT & CURRENT ASSETS

( ₹ in Lakh)

Particulars	Non Current Portion		Current Portion	
	As at Mar 31, 2014	As at Mar 31, 2013	As at Mar 31, 2014	As at Mar 31, 2013
<b>Unsecured, considered good</b>				
Non current portion of balances with banks in deposit accounts (Refer Note 18)	19,020	27,159	-	-
Interest accrued but not due	431	33	2,494	2,265
<b>Total Other Non Current and Current Assets</b>	<b>19,451</b>	<b>27,192</b>	<b>2,494</b>	<b>2,265</b>

**20.1** Non Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹7,088 lakh (₹14,725 lakh) being securitisation comforts provided to various Trustees / buyer, ₹11,153 lakh (₹10,634 lakh) being earmarked for SLR requirements of NHB, ₹Nil (₹500 lakh) being margin money for bank guarantees, and ₹Nil (₹1,300 lakh) under lien against Interest rate swaps.

### 21 REVENUE FROM OPERATIONS

( ₹ in Lakh)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Interest on Housing and Property Loans	461,368	374,820
Interest on Bank Deposits	3,826	3,393
Interest on Long Term Investments	1,395	636
Other Interest	460	918
Revenue from other services ( Refer note 21.1)	23,003	19,919
Operational treasury income ( Refer note 21.2)	6,707	6,436
<b>Total Revenue from operations</b>	<b>496,759</b>	<b>406,122</b>

#### 21.1 REVENUE FROM OTHER SERVICES INCLUDES

( ₹ in Lakh)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Loan related Services	14,556	11,424
Advisory Services	8,447	8,495
<b>Total Revenue from other services</b>	<b>23,003</b>	<b>19,919</b>

Revenue from other services is net of the amount paid / payable towards Business Sourcing and related expenses ₹9,419 lakh (₹6,142 lakh)

#### 21.2 OPERATIONAL TREASURY INCOME INCLUDES

( ₹ in Lakh)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Net Income from mutual fund & financial / commodity derivatives *	6,352	5,275
Profit on sale of investments	263	1,031
Dividend Income	92	130
<b>Total Operational Treasury Income</b>	<b>6,707</b>	<b>6,436</b>

\* Amount receivable ₹2,476 lakh (₹Nil) against the financial / commodity derivatives, written-off from the treasury income pending recoveries from NSEL

## Notes forming part of the financial statement for the year ended March 31, 2014

### 22 OTHER INCOME

( ₹ in Lakh)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Rent Income	95	100
Liabilities no longer required written back	-	283
Profit on sale of real estate	-	1,237
Miscellaneous Income	115	152
<b>Total Other Income</b>	<b>210</b>	<b>1,772</b>

### 23 INTEREST AND FINANCE COST

( ₹ in Lakh)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Interest expenses	373,857	308,115
Premium on redemption of Debentures	2,841	1,089
Less: Securities premium utilised (Refer note 4.2)	(2,841)	(1,089)
Other Borrowing Costs	4,401	3,821
<b>Total Interest and Finance Cost</b>	<b>378,258</b>	<b>311,936</b>

### 24 EMPLOYEES REMUNERATION AND BENEFITS

( ₹ in Lakh)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Salaries and Bonus	16,213	12,851
Contribution to Provident Fund & Other Funds	1,031	783
Staff Welfare Expenses	366	435
<b>Total Employees Remuneration and Benefits</b>	<b>17,610</b>	<b>14,069</b>

### 25 ADMINISTRATIVE AND OTHER EXPENSES

( ₹ in Lakh)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Rent, Rates & Taxes	2,435	2,242
Training & Conference Expenses	97	242
Travelling & Conveyance	1,537	1,385
Printing & Stationery	552	392
Advertisement and Business Promotion Expenses	4,514	2,743
Insurance	412	248
Legal & Professional Charges	5,795	4,171
Communication Expenses	1,061	949
General Repairs & Maintenance	881	649
Electricity Charges	521	457
Directors Sitting Fees	15	17
Loss on Sale of Fixed Assets (net)	197	142
Managerial Remuneration (Refer Note 37)	201	205
Office Maintenance	571	1,008
Auditors' Remuneration (Refer Note 39)	164	149
Bad Debts [Net of Provisions ₹355 lakh (₹494 lakh)]	355	494
Less: Provision for Non Performing Assets utilised	355	494
Miscellaneous Expenses	546	476
<b>Total Administrative and Other Expenses</b>	<b>19,499</b>	<b>15,475</b>

## Notes forming part of the financial statement for the year ended March 31, 2014

### 26 EARNINGS PER SHARE

*(₹ in Lakh)*

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>Net Profit Attributable to Equity Shareholders</b>		
Profit after tax	52,900	45,185
Net Profit attributable to equity shareholders	52,900	45,185
No. of Equity shares (Number)	128,420,240	128,218,709
Weighted Average No. of Equity Shares	128,317,737	117,470,264
Nominal value of Equity Shares (₹)	10	10
<b>Earnings Per Share (₹) :</b>		
Basic	41.23	38.47
Diluted	41.11	38.30

26.1 The reconciliation between the Basic and the Diluted Earning per Share is as follows:

For Amount

*(₹ in Lakh)*

Particulars	As at March 31, 2014	As at March 31, 2013
Basic Earning per share	41.23	38.47
Effect of outstanding Stock options	(0.12)	(0.17)
Diluted Earning per share	41.11	38.30

For number of share

*(₹ in Lakh)*

Particulars	As at March 31, 2014	As at March 31, 2013
Weighted average number of shares for Basic Earning per share	128,317,737	117,470,264
Dilutive effect of outstanding Stock options	360,207	516,011
Weighted average number of shares for Diluted Earning per share	128,677,944	117,986,275

### 27 LEASES

#### 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 recognised as an expense during the year under the lease agreements amounts to ₹2,051 lakh (Previous Year ₹2,032 lakh).

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

Particulars	As at March 31, 2014	As at March 31, 2013
Within one year	248	53
Later than one year but not later than five years	264	78
Later than five years	22	-

## Notes forming part of the financial statement for the year ended March 31, 2014

### 28

Two subsidiaries of the Company were amalgamated into the Company during the year 2012-13 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 July 27, 2012 and by the Hon'ble High Court of judicature at Delhi vide its order dated January 4, 2013 which were filed with the Registrar of Companies on January 31, 2013 being the effective date for the amalgamation scheme. In terms of the above scheme the Assets and Liabilities of the subsidiary companies were amalgamated with DHFL at their respective fair value in the previous year. Proportionate Fair value appreciation surplus amounting to ₹4,162 lakh (₹5,206 lakh) has been amortised out of the capital reserve in terms of the valuation report of the scheme, based on the documented repayment schedule.

### 29

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

### 30

The Company's Income Tax Assessment has been completed upto assessment year 2011-12. 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 33)

### 31 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 Lakh 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 recognised in past, is amortised 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 lakh (₹ Nil) has been adjusted in "Interest and Finance Cost".

### 32

The Company operates under a single (primary) business segment viz. "Providing loans 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.

### 33 CONTINGENT LIABILITY

(₹ in Lakh)

Particulars	As at March 31, 2014	As at March 31, 2013
Guarantees provided by the Company	10,003	9,996
Claims against the Company not acknowledged as debts	105	83
Income Tax Demand (Net of amount deposited under protest ₹67 lakh)	430	430

### 34

Contingent liability in respect of undertaking provided by the Company for meeting the shortfall in collection, if any, at the time of securitisation of receivables outstanding as at March 31, 2014 amounting to ₹29,259 lakh (₹18,929 lakh). The outflows would arise in the event of short collection, in the cash inflows of the pool of securitised receivable.



## Notes forming part of the financial statement for the year ended March 31, 2014

### 35

Capital Work in Progress includes ₹79,615 lakh (₹25,871 lakh) paid as part consideration for acquiring office premises under construction.

### 36

The Company has paid dividend ₹3 lakh (₹8 lakh) and ₹1 lakh (₹1 lakh) as tax on distribution of dividend thereon to new shareholders on account of Final Dividend for the year 2012-13 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.

### 37

The managerial remuneration including perquisites, ₹171 lakh (₹175 lakh) paid to Chairman and Managing Director and ₹30 lakh (₹30 lakh) as commission to other Non Executive Directors.

### 38

NHB, vide its letter dated March 31, 2014 in terms of provisions of paragraph 29(5) of the Housing Finance Companies (NHB) direction 2010 had levied a penalty of ₹5,000/- (Rupees five thousand), which has been paid by the Company, under protest, in relation to Section 29C of the National Housing Bank Act, 1987 on the Company for the year 2012-13.

### 39 AUDITORS' REMUNERATION

(₹ in Lakh)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Audit Fees	110	105
Audit Fees of Branch Auditors	48	40
Reimbursement of expenses	6	4
	<b>164</b>	<b>149</b>

### 40

(₹ in Lakh)

#### a) Value Of Imports:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Capital Goods	387	-

#### b) Expenditure In Foreign Currency:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Foreign Travelling	49	28
Membership and subscription	195	39
Foreign Liaison Office Expenses	397	317
Others	609	62

#### c) Foreign Currency Borrowing:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
ECB from IFC, Washington (Refer Note 5.3)	41,825	-

## Notes forming part of the financial statement for the year ended March 31, 2014

### 41 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.

Particulars	As at March 31, 2014	As at March 31, 2013
No. of Non-Resident Shareholders / FIIs	1,389	270
No. of Equity Shares held	90,857,024	39,619,103
Amount of Dividend Paid (₹lakh)	2,726	2,203
Year to which dividend relates	FY 2012-13 Final & FY 2013-14 interim Dividend	FY 2011-12 Final & FY 2012-13 interim Dividend

### 42 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) Associate Companies

- a. DHFL Vysya Housing Finance Ltd.
- b. DHFL Property Services Ltd.
- c. Aadhar Housing Finance Ltd. (Formerly known as "Aadhar Housing Finance Pvt. Ltd.")
- d. First Blue Business Advisors Ltd. (Formerly known as "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 Ltd.
- j. DHFL Sales and Services Ltd.
- k. DHFL Venture Trustee Co. Pvt. Ltd.

##### (ii) Joint Venture Company

- a. DHFL Pramerica Life Insurance Company Ltd.

##### (iii) Others

- a. Shri Rajesh Kumar Wadhawan Education Trust

##### 2) KEY MANAGEMENT PERSONNEL

- a. Mr. Kapil Wadhawan Chairman & Managing Director
- b. Mr. Anil Sachidanand President (till September 16, 2013)
- c. Mr. Anoop Pabby President (till February 9, 2014)
- d. Mr. Rakesh Makkar President
- e. Mr. Deo Shankar Tripathi President (w.e.f May 6, 2013)

## Notes forming part of the financial statement for the year ended March 31, 2014

### 42 RELATED PARTY TRANSACTIONS (contd.)

(₹ in Lakh)

#### B) Details of transactions :

Nature of Transactions	Joint Ventures		Associate Companies / Others		Key Management Personnel
	2013-14	2012-13	2013-14	2012-13	
<b>1) Investments</b>					
Opening Balance	-	-	6,179	9,126	-
Investment Made	1,423	-	3,039	585	-
Investment Redeemed	-	-	617	3,532	-
Closing Balance	1,423	-	8,600	6,179	-
<b>2) Advances Recoverable in cash or in kind</b>					
Opening Balance	-	-	1,275	385	-
Advance given during the year	10	-	1,550	4,534	-
Recovered during the year	-	-	1,216	3,644	-
Closing Balance	10	-	1,609	1,275	-
<b>3) Amount Payable</b>					
Opening Balance	-	-	43	29	-
Addition during the year	-	-	71	14	-
Payment during the year	-	-	53	-	-
Closing Balance	-	-	61	43	-
<b>4) Income</b>					
Dividend	-	-	87	97	-
Interest	-	-	7	19	-
Rent	-	-	95	100	-
Arthveda -Dream Fund and Star Fund	-	-	312	845	-
Other income	-	-	58	57	-
<b>5) Expenditure</b>					
Remuneration	-	-	-	-	1431 (482)
Rent, Rates & Taxes	-	-	12	12	-
Retainers Charges	-	-	4,544	1,541	-
Insurance Charges	36	-	-	-	-
Other Expenditures	-	-	60	47	-
Donation	-	-	20	-	-

(₹ in Lakh)

Details of Transactions	Joint Ventures		Associate Companies / Others		Key Management Personnel
	2013-14	2012-13	2013-14	2012-13	
<b>INCOME received from</b>					
<b>1) Dividend</b>					
DHFL Vysya Housing Finance Limited	-	-	79	10	-
Arthveda Fund (Dream Fund and Star Fund)	-	-	8	87	-
<b>2) Interest</b>					
DHFL Vysya Housing Finance Limited	-	-	-	11	-
Aadhar Housing Finance Limited	-	-	7	8	-
<b>3) Rent</b>					
DHFL Property Services Ltd	-	-	1	1	-
Arthveda Fund Management Private Limited	-	-	1	-	-
Aadhar Housing Finance Limited	-	-	69	68	-
First Blue Business Advisors Ltd.	-	-	-	-	-
Avanse Financial Services Ltd	-	-	24	-	-
Dish Hospitality Private Ltd.	-	-	-	30	-

## Notes forming part of the financial statement for the year ended March 31, 2014

### 42 RELATED PARTY TRANSACTIONS (contd.)

Details of Transactions	Joint Ventures		Associate Companies / Others		Key Management Personnel
	2013-14	2012-13	2013-14	2012-13	
<b>4) Income from Dream Fund</b>					
Arthveda Dream Fund	-	-	299	845	-
Arthveda Star Fund	-	-	12		-
<b>5) Other Income</b>					
Aadhar Housing Finance Limited	-	-	33	33	-
DHFL Vysya Housing Finance Limited	-	-	24	24	-
Avanse Financial Services Ltd	-	-	1	-	-
<b>EXPENDITURE:</b>					
<b>1) Rent, Rates &amp; Taxes</b>					
Wadhawan Holdings Private Limited	-	-	12	12	-
<b>2) Remuneration</b>					
Mr. Kapil Wadhawan	-	-	-	-	171 (175)
Mr. Anil Sachidanand	-	-	-	-	225 (172)
Mr. Anoop Pabby	-	-	-	-	888 (135)
Mr. Rakesh Makkar	-	-	-	-	84 (Nil)
Mr. Deo Shankar Tripathi	-	-	-	-	63 (Nil)
<b>2) Retainers Charges (Direct Sales Team)</b>					
DHFL Sales and Services Limited	-	-	4,544	1,541	-
<b>3) Insurance Charges</b>					
DHFL Pramerica Life Insurance Co Ltd	36	-	-	-	-
<b>4) Other Expenditures</b>					
Dish Hospitality Private Limited	-	-	54	47	-
Avanse Financial Services Ltd	-	-	6	-	-
<b>5) Donation</b>					
Shri Rajesh Kumar Wadhawan Education Trust	-	-	20	-	-
<b>ASSETS :</b>					
<b>1) Investments in</b>					
Avanse Financial Services Ltd	-	-	2,439	585	-
Arthveda Star Fund	-	-	600	-	-
DHFL Pramerica Life Insurance Co Ltd	1,423	-	-	-	-
<b>2) Advances Recoverable from</b>					
DHFL Property Services Limited	-	-	232	278	-
Aadhar Housing Finance Limited	-	-	-	20	-
DHFL Venture Capital Dream Fund	-	-	1,085	886	-
Arthveda Star Fund	-	-	12	-	-
Wadhawan Retail Private Limited	-	-	80	80	-
Avanse Financial Services Ltd	-	-	-	-	-
DHFL Sales and Services Limited	-	-	200	11	-
DHFL Pramerica Life Insurance Co Ltd	10	-	-	-	-
Dish Hospitality Private Limited	-	-	-	-	-

## Notes forming part of the financial statement for the year ended March 31, 2014

### 42 RELATED PARTY TRANSACTIONS (contd.)

Details of Transactions	Joint Ventures		Associate Companies / Others		Key Management Personnel
	2013-14	2012-13	2013-14	2012-13	
3) Amount Payable to					
Aadhar Housing Finance Limited	-	-	10	9	-
Dish Hospitality Private Limited	-	-	3	-	-
Wadhawan Holdings Private Limited	-	-	47	34	-

Notes:

1) Advances includes amounts debited towards reimbursement of expenses and income receivable

2) Above Income and Expenses are net of Service Tax.

During the year the Company has originated and processed housing / project loans, as a lead syndicator, wherein its two Associate Companies have participated for ₹1,801 lakh (₹5,707 lakh).

### 43 RETIREMENT BENEFIT PLANS

(₹ in Lakh)

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 :

Particulars	As at March 31, 2014	As at March 31, 2013
Employer's Contribution to Provident Fund	481	443
Employer's Contribution to Pension Fund	122	104

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 March 31, 2014 based on the Actuarial valuation done by independent actuary. The Company has made necessary full contribution against the same.

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 : (₹ in Lakh)

Nature of Transactions	Gratuity (Funded)		Leave Encashment (Funded)	
	2013-14	2012-13	2013-14	2012-13
<b>A. Change in the Defined Benefit Obligations:</b>				
Liability at the beginning of the year	645	401	550	551
Acquisition Adjustment	-	112	-	-
Current Service Cost	321	121	268	12
Interest Cost	44	31	23	44
Benefits Paid	(423)	(62)	(779)	(248)
Actuarial Loss / (Gain)	339	42	801	191
<b>Liability at the end of the year</b>	<b>926</b>	<b>645</b>	<b>862</b>	<b>550</b>

## Notes forming part of the financial statement for the year ended March 31, 2014

### 43 RETIREMENT BENEFIT PLANS (contd.)

Details of Transactions	Gratuity (Funded)		Leave Encashment (Funded)	
	2013-14	2012-13	2013-14	2012-13
<b>B. Fair Value of Plan Assets :</b>				
Fair Value of Plan Assets at the beginning of the year	749	516	626	590
Amalgamation Adjustments	-	81	-	-
Expected Return on Plan Assets	67	45	56	43
Contributions	160	225	916	241
Benefits Paid	(315)	(62)	(593)	(248)
Actuarial Loss / (Gain)	267	(56)	-	-
Fair Value of Plan Assets at the end of the year	<b>928</b>	<b>749</b>	<b>1,006</b>	<b>626</b>
<b>C. Actual Return on Plan Assets:</b>	<b>67</b>	<b>45</b>	<b>56</b>	<b>43</b>
<b>D. Amount Recognised in the Balance Sheet:</b>				
Liability at the end of the year	926	645	862	550
Fair Value of Plan Assets at the end of the year	928	749	1,006	626
Net Asset recognised in the Balance Sheet	2	104	144	77
<b>E. Expense Recognised in the Statement of Profit and Loss:</b>				
Current Service Cost	321	121	268	12
Interest Cost	44	31	23	44
Expected Return on Plan Assets	(67)	(45)	(56)	(43)
Net Actuarial Loss / (Gain) to be Recognised	72	98	801	191
Expense recognised in the Statement of Profit & Loss under staff expenses	<b>370</b>	<b>205</b>	<b>1,036</b>	<b>203</b>
<b>F. Reconciliation of the Liability Recognised in the Balance Sheet:</b>				
Opening Net Liability	(104)	(115)	(77)	(40)
Expenses Recognised	370	205	1,036	203
Contribution / Benefits Paid	268	194	1,102	241
Liability at the end of the year	(2)	(104)	(144)	(78)
<b>G. Actuarial Assumptions</b>				
Mortality Table (LIC)	2006-08 (Ultimate)	1994-96 (Ultimate)	2006-08 (Ultimate)	1994-96 (Ultimate)
Discount Rate (P. A.)	9%	8%	9%	8%
Rate of Escalation in Salary (P.A.)	5%	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.

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Amount Recognised in the Balance Sheet:</b>		
Liability at the end of the year	926	645
Fair Value of Plan Assets at the end of the year	928	749
Amount recognised in the Balance Sheet	(2)	(103)
<b>Experience Adjustment:</b>		
On Plan Liabilities	487	NA
On Plan Assets	263	NA

## Notes forming part of the financial statement for the year ended March 31, 2014

**44**
*(₹ in Lakh)*

In respect of jointly controlled entity, the Company's share of Assets, Liabilities, Income & Expenses are as follows:

Name of the Entity : DHFL Pramerica Life Insurance Co Ltd.

Interest in the above entity : 50%

Particulars	As at Dec 31, 2013	As at March 31, 2013
I) Assets	57,924	NA
II) Liabilities	16,795	NA
III) Income	14,479	NA
IV) Expenses	18,359	NA

The above information is compiled on the basis of available information with the Company as on March 31, 2014

**45**

As required by the revised guidelines dated October 11, 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 March 31, 2014	As at March 31, 2013
i) CRAR (%)	17.16%	16.52%
ii) CRAR – Tier I Capital	11.94%	11.32%
iii) CRAR – Tier II Capital	5.22%	5.20%

### II Exposure to Real Estate Sector:

*(₹ in Lakh)*

Category	As at March 31, 2014	As at March 31, 2013
<b>a) Direct Exposure</b>		
<b>(i) Residential Mortgages -</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	1,330,848	1,388,003
Individual Housing loans upto ₹15 lakh	1,994,638	1,560,476
<b>(ii) Commercial Real Estate -</b>	719,618	436,329
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		
<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -</b>		
a. Residential	14,559	3,656
b. Commercial Real Estate	Nil	Nil
<b>b) Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil



## Notes forming part of the financial statement for the year ended March 31, 2014

**45** (contd.)

### III Asset Liability Management:

#### Maturity pattern of certain items of assets and liabilities

(₹ in Lakh)

For the year ended March 31, 2014	Liabilities			Assets	
	Borrowings from Banks	Market Borrowings	Housing & Property Loan*	Investments	Liquid Current Assets
1 day to 14 days	1,486	9,833	10,267	26,920	64,182
14 days to 30-31 days (one month)	9,081	26,787	4,300	-	-
Over one month to 2 months	21,890	45,962	14,708	-	-
Over 2 months to 3 months	39,303	54,670	14,896	-	500
Over 3 months to 6 months	93,958	60,273	45,582	-	-
Over 6 months to 1 year	232,014	123,161	95,220	-	33,636
Over 1 year to 3 years	967,476	286,017	421,339	750	19,020
Over 3 to 5 years	676,078	77,718	463,460	-	-
Over 5 to 7 years	486,409	179,859	403,891	-	-
Over 7 to 10 years	329,641	193,353	649,317	18,626	-
Over 10 years	7,549	20,770	1,934,407	11,295	-
Unpaid EMI / PEMI on Housing Loan	-	-	2,276	-	-
<b>Total</b>	<b>2,864,885</b>	<b>1,068,571</b>	<b>4,059,663</b>	<b>57,590</b>	<b>117,338</b>

\* without considering prepayment of Loans given.

For the year ended March 31, 2013	Liabilities			Assets	
	Borrowings from Banks	Market Borrowings	Housing & Property Loan*	Investments	Liquid Current Assets
1 day to 14 days	8,368	8,160	9,709	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 to 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	-	-

## Notes forming part of the financial statement for the year ended March 31, 2014

### 45 (contd.)

#### Asset Liability Management: (contd.)

#### Maturity pattern of certain items of assets and liabilities

(₹ in Lakh)

For the year ended March 31, 2013	Liabilities			Assets	
	Borrowings from Banks	Market Borrowings	Housing & Property Loan*	Investments	Liquid Current Assets
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	9,656	16,550	1,734,089	17,832	-
Unpaid EMI / PEMI on Housing Loan	-	-	1,708	-	-
<b>Total</b>	<b>2,479,202</b>	<b>712,652</b>	<b>3,390,172</b>	<b>27,632</b>	<b>78,415</b>

\* without considering prepayment of Loans given.

### 46

Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary. Figures in brackets represent previous year's figures

For **T R CHADHA & Co.**  
Chartered Accountants  
ICAI FRN:06711N

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Kapil Wadhawan**  
Chairman & Managing Director

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

**Pranav Kumar Shukla**  
Partner  
ICAI MN: 073832

**Santosh R. Sharma**  
Chief Financial Officer

Place: Mumbai  
Date : April 30, 2014

**Niti Arya**  
Company Secretary

**Dheeraj Wadhawan**

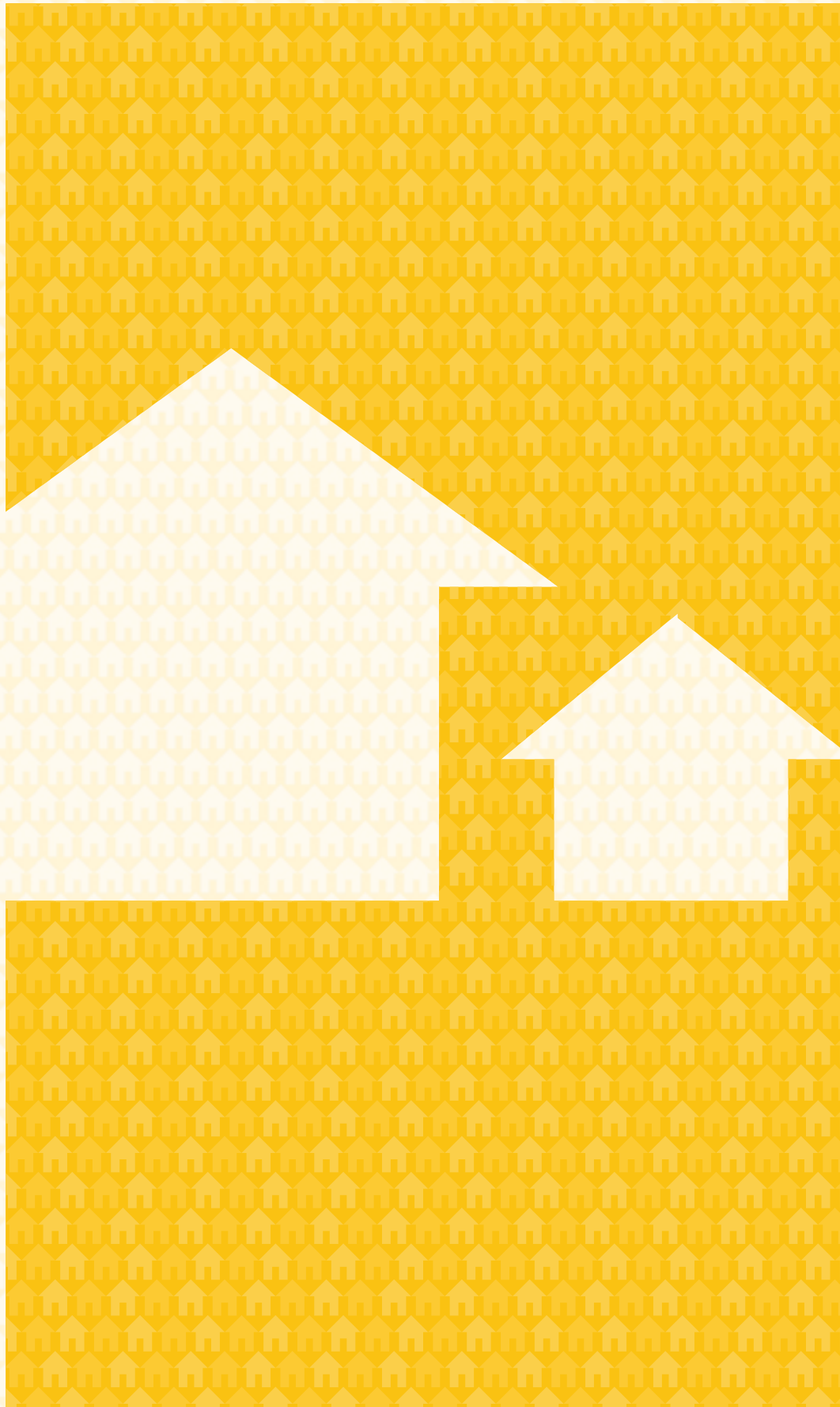
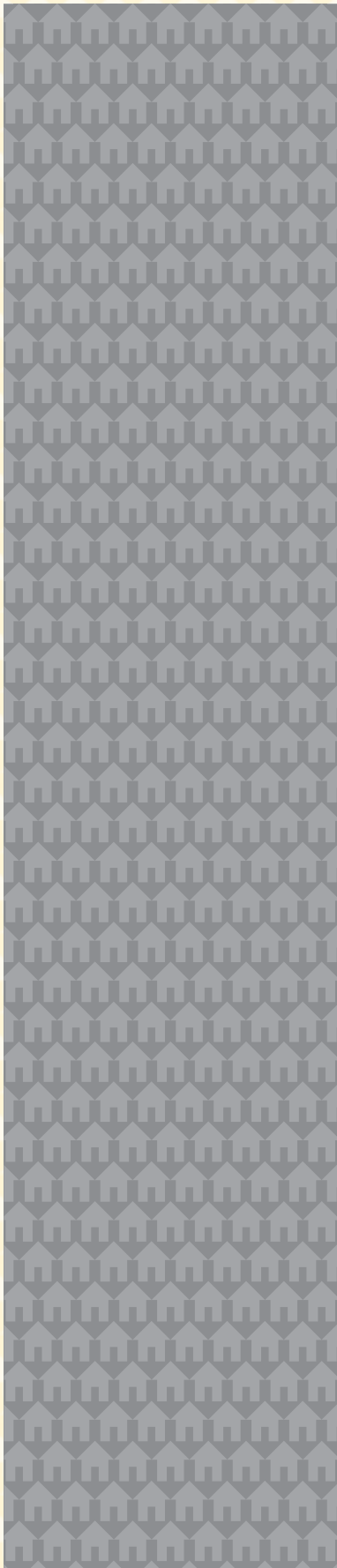
**Ajay Vazirani**

**V.K. Chopra**

**M. Venugopalan**

**Kaikhushru Vicaji Taraporevala**

Directors



The logo for DHFL Network is centered on a large, semi-circular graphic. The graphic is divided into two parts: a dark orange semi-circle on the left and a light orange semi-circle on the right. Both parts feature a repeating geometric pattern of small, interlocking squares. The text 'DHFL' is in a bold, grey, sans-serif font, and 'Network' is in a bold, black, sans-serif font, both positioned within the dark orange semi-circle.

# **DHFL** **Network**

## Our Network as at March 31, 2014

### Registered Office

Location	Address	Contact Number
Fort	Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai 400001	Tel.: (022) 61066800 / 22047092 Fax: (022) 22871985

### Corporate Office

Location	Address	Contact Number
Bandra	TCG Financial Center, 10th Floor, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai 400051	Tel.: (022) 66006999 Fax: (022) 66006998

### National Office

Location	Address	Contact Number
Bandra	HDIL Towers. 6th Floor, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai 400051	Tel.: (022) 71583333 Fax: (022) 26583344

### International Representative Office

Location	Address	Contact Number
London	53-55 Uxbridge Road Ealing London W5 5SA	Tel.: 0044 - 20 - 8579 1711 Fax: 00-20-8579 1712
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.

### West Zone - Branches

Location	Address	Contact Number
Pune (ZO)	Fortune House, 2nd Floor, Near Income Tax Lane, Prabhat Road, Pune - 411004.	Tel.: (020) 25314000
Pune (RO)	3rd Floor, Fortune Plaza, Thube Park, Near Sancheti Hospital, Shivaji Nagar, Pune - 411001.	Tel.: (020) 66819595
Indore (RO)	4 - A. Y. N Road, Royal Gold Complex, 2nd Floor, Indore - 452001.	Tel.: (0731) 4235701 - 715
Ahmednagar	Office No.8, Amardeep Complex, Near Gogadeo Temple, Sarjepura, Ahmednagar - 414001.	Tel.: (0241) 2431677 Fax: (0241) 2431677
Akola	Nakshtra Sankul, 1st Floor, Umri Road, Jatharpeth, Akola - 444005.	Tel.: (0724) 2491279/0697 Fax: (0724) 2352643
Aurangabad	N. K. Heights, 1st Floor, Opp. S B I Personal Banking, Kranti Chowk, Jalna Road, Aurangabad - 431001.	Tel.: (0240) 2351033 / 2643 /6450570

## West Zone - Branches

Location	Address	Contact Number
Bhopal	Plot no 11, Alankar Complex, Mezanine Floor, Bank Street, M. P. Nagar, Zone II, Bhopal - 462011	Tel.: (0755) 2555088 / 4277088 /4218376
Goa	104, 1st Floor, Kamat Chambers, Opp. Hotel Neptune, Panaji, Goa - 403001.	Tel.: (0832) 2230410 - 411
Gwalior	FF-17, 16, Orion Tower, Plot No. 11, City Center, Next to LIC Building, Gwalior - 474011.	Tel.: (0751) 4218202 - 207
Itarsi	1st Floor, 9th line, Sarafa Road, Dr.U.K. Shukla's Building, Near Tagore School, Itarsi, Madhya Pradesh - 461111	Tel.: (07572) 406275
Jabalpur	1627, 1st floor, Jaiswal Tower, Home Science College Road, Near Shashtri Bridge, Napier Town, Jabalpur - 482001.	Tel.: (0761) 4054911 / 921
Jalgaon	Shiva Arcade, (Dhake Corporate Centre), Plot No - 18 & 19, Dhake Colony, Jalgaon - 425001	Tel.: (0257) 2222253 Fax: (0257) 2222254
Khargone	C-17, Radha Vallabh Market, Khargone - 451001	Tel.: (07282) 234732 / 830 / 231674
Kolhapur	Office No. 6 To 8A, Akshar Plaza, 1st Floor, Opp. Sasane Ground, Tarabai Park, Kolhapur - 416003	Tel.: (0231) 2660567/3664 Fax: (0231) 2660567
Nagpur	4th floor, Bhiwapurkar Chambers, Opp. Yeshwant Stadium, Dhantoli, Nagpur - 440012	Tel.: (0712) 2432448 / 2429686
Nasik	S-3, 2nd Floor, Suyojit Sankul, Near Rajiv Gandhi Bhavan, Sharanpur Road, Nasik - 422002.	Tel.: (0253) 2316771 / 772 Fax: (0253) 2316762
Parbhani	Mantri Complex, 1st Floor, Wasmat Road, Ramkrushna Nagar, Parbhani - 431401	Tel.: (02452) 227691 Fax: (02452) 223326
Pune	Office no. 314 to 317, 4th Floor, Gera Junction, Main Lulla Nagar Chowk, Pune - 411040	Tel.: (020) 41407000 - 015
Sangli	Krishayan Arcade 2nd Floor, opp. ZP office, Sangli - 416416	Tel.: (0233) 2372166
Solapur	Office No. 1 & 8, Rohan Commercial Centre, First Floor, C. S. No. 8372/D, Old RTO Road, Railway Lines, Near Raghoji Kideny Hospital, Solapur - 413 001	Tel.: (0217) 2322241/ 3297178
Yavatmal	15 City Market, 1st Floor, Opp. Nilam Foam House, Hanuman Akhada Chauk. Yavatmal - 445001	Tel.: (07232) 238225
Pimpri	Unit No 11, 12, 37, Gr Floor, Jewel Of Pimpri, B wing, Opp PCMC, Pimpri Chinchwad - 411044.	Tel.: (020) 65331890
Indore	A. Y. N Road, Royal Gold Complex, 3rd Floor, Indore - 452001.	Tel.: (0731) 4235701 - 715
Chakan	Shop no.1&2 1st floor, Vishal Market. Near Vishal Garden, Shikrapur Road, Chakan Tal.Khed, Dist. Pune - 410501.	Tel.: 02135-310522-23
Swargate	206-207 Lotus Court Pune - Satara Road, Pune - 411037.	Tel.: (020) 24225461 - 463
Hadapsar	L-218, 1st Floor, Mega Centre. Behind Noble, Hospital, Pune Solapur Road, Hadapsar - 413528.	Tel.: (020) 26890963 - 964

## West Zone - Service Centres

Nodal Branch	Location	Address	Contact Number
Akola	Amravati	Gulshan Arcade, Near Railway Station, Amravati - 444601	Tel.: (0721) 2563654
Khargone	Khandwa	5, Vaikhuntnagar, Civil line, Khandwa - 450001	Tel.: (0733) 2226650
Indore	Ujjain	Shop no - 41, Durga Plaza, Shreeganj, Ujjain - 456001	Tel.: (0734) 4060409
Hadapsar	Wagholi	Blue Sky Icon, Office No. 205, Baif Road, Pune Nagar Road, Opp. Mojhe College, Wagholi Pune - 412207	Tel.: (020) 32405535
Swarjate	Daund	Shop No. 14, City Pride, Sahkar Chauk, Daund - 413801	Tel.: (02117) 262929
Chakan	Talegaon	Office no.11, Shantai City Centre, Near Bank of India, Talegaon Dabhade - 410506.	Tel.: (02114) 222607
Nasik	Nasik	Shop No 5, 2nd floor, Prati K Arcade, Bytco Point, Nashik Road, Nasik - 422101.	Tel.: (0253) 2456762
Solapur	Latur	Shop No.12 & 13, Shivkamal Silver Arch Building, Nandi Stop, Latur - 413512.	Tel.: (02382) 241272
Nagpur	Chandrapur	Shop No.3, Naidu Chamber's, Kasturba Road, Near Jatpura Gate, Chandrapur - 442402	Tel.: (07172) 273813
Jabalpur	Satna	1st Floor, Satna Plaza, Rewa Road, Satna - 485001	Tel.: (07672) 411303
Ahmednagar	Shrirampur	Office No 02, Popular Shopping Complex, Below Union Bank of India, Shrirampur, Ahmednagar - 413709	Tel.: (02422) 224009
Indore	Vidisha	Opp. PWD Office, Near Over Bridge, Civil Lines, Vidisha - 464001	Tel.: 9926801978
Indore	Pithampur	Shop No.62 - 63, Sudarshan Complex, Upper Ground Floor, Mahu Ninach Road, Pithampur - 454775	Tel.: 9039191444
Aurangabad	Jalna	Shop No.11, Survey No. 49/7, Misal Tower, Plot No. 4, Near Shani Mandir, Old Jalna, Jalna - 431203	Tel.: 9823624453
Hadapsar	Wagholi	Shop No. 6 & 7, Sadguru Arcade, Ubale Nagar, Pune Nagar Road, Next to Mappel Hotel, Wagholi, Pune 412207	Tel.: (020) 32405535

## Gujarat & Rajasthan Zone- Branches

Location	Address	Contact Number
Ahmedabad (ZO/ RO)	3rd Floor, Amola Chamber. Girish Cold Drink Char Rasta, C G Road, Ahmedabad - 380009.	Tel.: (079) 26449521 / 564 /1090/ 30481824 Fax: (079) 26449524
Jaipur (RO)	302, 5 - Jaipur Tower, 3rd Floor, Opp AIR, M. I. Road, Jaipur - 302001	Tel.: (0141) 2366536 - 539 Fax: (0141) 2366538
Ahmedabad	3rd Floor, Abhijeet IV, Mithakhali Six Roads, Law Garden Road, Ahmedabad - 380009.	Tel.: (079) 40262800 - 022 Fax: (079) 26563269
Bhilwara	9-S, 11 & 12, Basant Vihar, BSL Road, Near Circuit House, Bhilwara - 311001.	Tel.: (01482) 235013 - 014



### Gujarat & Rajasthan Zone- Branches

Location	Address	Contact Number
Bikaner	1 - 2, Yadav Complex. Near Rastra Unnati School, Rani Bazar Bikaner - 334001.	Tel.: (0151) 2206352 Fax: (0151) 2205923
Chandkheda	207 - 208, 2nd Floor, Sangath Mall - II, Chandkheda - Gandhinagar Highway, Chandkheda, Ahmedabad - 382424	Tel.: 9904453100
Jaipur	201, SB -154, 2nd Floor, Ganga Heights, Opp - Apex Mall, Lal Kothi, Tonk Road, Jaipur - 302015	Tel.: (0141) 4097421 Fax: (0141) 4097435
Jaipur	D - 244, Hanuman Nagar, 3rd Floor, Above Union Bank Of India, Amrapalli Marg, Vaishali Nagar, Jaipur - 302021.	Tel.: (0141) 2351997/ 987
Jodhpur	76- II nd Floor, L. K. Tower, Above Dhanlakshmi Bank/Corp Bank. Main Chopasni Road, Sardarpura, Jodhpur - 342001	Tel.: (0291) 2640150 Fax: (0291) 5104298
Kota	Plot No 151, Jadiya Complex, Kotri road, Gumanpura, Kota - 324007	Tel.: (0744) 2391928 / 2028
Mehsana	25-29 Sunskrip shopping mall, Near Khodiar Restaurant, Ahmedabad Mehsana Highway, Mehsana - 384002.	Tel.: (02762) 230006 / 008
Rajkot	Gr 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
Surat	202, 2nd Floor, Mangaldeep Complex, Near R.T.O, Ring Road, Surat - 395001	Tel.: (0261) 2471112 / 113 / 120 / 130
Vadodara	5, Upper Ground Level, Profit Center, Near Kalagodha Circle, Sayajigunj, Vadodara - 390005	Tel.: (0265) 2226312 - 314
Udaipur	3rd Floor, Centre Point Building, Opp. B. N. College, Airport Road, Udaipur - 313011	Tel.: (0294) 2418123 - 124
Ahmedabad	202, Ushadeep Complex, 2nd Floor, Near Navrangapura Railway Crossing and Police Station, Above Loot, Navrangapur, Ahmedabad - 380009	Tel.: 079-26402991 - 994
Anand	B-408, Sanket Towers, Near GRID, Opp Anand Law College, Anand - 388001	Tel.: 09898131032

## Gujarat & Rajasthan Zone - Service Centres

Nodal Branch	Location	Address	Contact Number
Bikaner	Nokha	Patta no. 373, Pareek Complex, Ram Gopal Bhatard Chowk, Nokha - 334803.	Tel.: (01531) 220820
Jaipur	Sikar	Shop No 20-21, Heera Market, Jaipur Road, Sikar - 332001.	Tel.: (01572) 250185
Jaipur	Alwar	40-B Yash Tower , 1st Floor, Near Bhagat Singh Circle, Over Bridge Road, Alwar - 301001.	Tel.: (0144) 2703386
Ahmedabad	Vastrap	G-3, Rudraksha Complex, Odhav Road. Odhav, Ahmedabad - 380026.	Tel.: (079) 22972292
Rajkot	Jamnagar	127- Madhav Plaza, Opp SBI Bank 1st Floor, Near Lal Banglow, Jamnagar, Gujarat - 361001.	Tel.: (0288) 2558449
Vadodara	Bharuch	No.G/22 Aditya Complex Near Kasak Fountain, Bharuch - 392001.	Tel.: (02642) 246194
Ahmedabad	Bopal	1st Floor, Ratnam Building, Bopal Ghuma Road, Bopal, Ahmedabad - 380058.	Tel.: (02717) 293070
Vadodara	Gotri	GF-9 Senate Square Tower - A, Opp Gangotri Complex, Near Yas Complex, 30 mtr T . P Road Gotri Road, Vadodara - 390021.	Tel.: (0265) 2371142
Ahmedabad	Gota	B-7, 1st Floor, Sukan Appartment, Gota, Ahmedabad - 382481	Tel.: (079) 29299920
Vadodara	Waghodia	Shop No 5, Vraj Venu complex, Tower B, Parivar Char Rasta, Waghodia Road, Vadodara - 390017	Tel.: (0265) 6500370
Surat	Adajan	M 8.9/10, 2nd Floor, Western Plaza, Adajan Hazira Road, Adajan, Surat - 395009.	Tel.: (0261) 2731266
Kota	Jhalawar	Shop No. 11, Sumansurbhi, Near HDFC Bank, Bus stand Road, Nirbhay Singh Circle, Jhalawar - 326001	Tel.: (07432) 232718
Surat	Vapi	Shop No 14 - 15, Mezzanine Floor, Shoppers Stop, Next to Jai Tower, Vapi Silvassa Road, Vapi - 396191	Tel.: (0260) 2425888
Jaipur	Dausa	Ghoshi Complex, New Mandi Road, Dausa, Jaipur	Tel.: (01427) 221930
Jaipur	Tonk	Subhash Bazar, Employment Office, Tonk, Jaipur	Tel.: (01432) 244462

### East Zone - Branches

Location	Address	Contact Number
Kolkata (ZO/RO)	Duck Back house, 1st Floor, 41 Shakespear Sarani, Kolkata - 700017.	Tel.: (033) 40220800/11
Jamshedpur	2nd Floor, Om Tower, Near Indusind Bank, Bistupur, Jamshedpur - 831001.	Tel.: (0657) 6541793
Bhubaneswar	102, Aditya Plaza, 1st Floor, 10-Bhouma Nagar, Unit-4, Bhubaneswar - 751001.	Tel.: (0674) 2534142 / 3265973
Durgapur	A402-B, 3rd Floor, Kamdhenu, Bengal Shristi Complex, City Centre, Durgapur, West Bengal - 713216.	Tel.: (0343) 2548070 / 2351
Kolkata	Duck Back house, 1st Floor, 41 Shakespear Sarani, Kolkata - 700017.	Tel.: (033) 40220800/11
Raipur	4/91, Dr Naidu Complex. 2nd Floor, Zail Road, Raipur 492001.	Tel.: (0771) 4092956/ 4014140
Ranchi	S-1, 2nd Floor, Samudra Complex, 59B, Circular Road, Ranchi - 834001.	Tel.: (0651) 2563005
Kolkata Syndication	1st Floor, 4N C Dutta Sarani, United Bank of India, Kolkata Milan Br, Kolkata - 700001.	Tel.: (033) 22315658

### East Zone - Service Centres

Nodal Branch	Location	Address	Contact Number
Durgapur	Asansol	Premises No-98(87), G T Road, Asansol - 713303.	Tel.: (0341) 2274197
Durgapur	Bardhaman	412, BT Road, Birthata, Bardhaman Town, West-Bengal - 713101.	Tel.: (0342) 26653695
Bhubneswar	Berhampur	Room No-1 (P), Majji Gouri Tower, Ground Floor, Sale Tax Square, Near BSNL SDO-II Office, Berhampur - 760010.	Tel.: (0680) 2290089
Raipur	Bilaspur	Shop No-BF-11, 1st Foor, Rajiv Plaza. Opp. Axis Bank, Bus Stand, Bilaspur - 495001.	Tel.: (07752) 412754
Raipur	Durg	Trilok Plaza, 1st Floor, In front of Dr. Dhillion Complex. Gurudwara Station Road, Durg - 490021.	Tel.: (0788) 4051919
Ranchi	Hazaribagh	1St Floor, Vardhan Market, Matwari, Chowk, Near Gandhi Maidan, Hazaribagh - 825301.	Tel.: 08984748680 09835136571
Kolkata	Rajarhat	439,451,452. Mouza Alghara. Rajarhat Road, Kolkata - 700136.	Tel.: 9830667505
Kolkata	Chandannagar	Shop No.2/B, Premises No:602, Near Bagbazar Kali Mandir, Chandannagar, Hooghly - 712136.	Tel.: 09874935545

## Delhi 1 Zone - Branches

Location	Address	Contact Number
Gurgaon (ZO/RO)	201 & 229, 2nd floor, Vipul Agora, M. G. Road, Gurgaon - 122002.	Tel.: (0124) 4724100
Bahadurgarh	RN Plaza, Rear Portion of first floor. Railway Road, Bahadurgarh - 245205.	Tel.: (0127) 6235004
Faridabad	SCF, 39 Gr. Floor. Sector-19, Huda Market, Part 2, Faridabad - 121002.	Tel.: (0129) 3052037 - 040 / 4315705/708 - 710
Gurgaon	Premises No. SCO-19, 2nd Floor, Sector-14, (Opp. Huda), Gurgaon.	Tel.: (0124) 3071511
Rewari	S.C.O.-12. Ground Floor, Brass Market, Opp. LIC Of India, Rewari-, Haryana - 123401.	Tel.: (01274) 221976 - 977
Safdarjung	B-6/9, DDA Community Centre, Near Deer Park, Safdurjung Enclave, New Delhi - 110029.	Tel.: (011) 43140000 Fax: (011) 23328711
Janakpuri	108, Mahatta Tower, 1st Floor, 54B-Block, Community Center, Janakpuri, New Delhi - 110058.	Tel.: (011) 45641724
Omax Mall	C-4, Omax City Center, 2nd Flr, Sohna Road, Gurgaon, Haryana.	Tel.: (0124) 4786000 - 016 Fax: (0124) 4786020
Himalaya House	C-93, 9th Floor, Himalaya House, K.G Marg, Connaught Place, New Delhi.	Tel.: (011) 32071548 - 551

## Delhi 2 Zone- Branches

Location	Address	Contact Number
Noida (ZO/RO)	Plot No. - 6, Block - A. Ground Floor, Phase - I, Sector - 2, Noida - 201301	Tel.: (0120) 4862700 /099
Noida-1	Plot No. BK 12, 2nd Floor, Noida, Distt. Gautam Budh Nagar (UP)	Tel.: (0120) 3025030-033
RDC - Ghaziabad	B-4, RDC Raj Nagar, Ghaziabad - 201002	Tel.: (0120) 4102160
East of Kailash	10, Gr. Floor, Community Centre, East Of Kailash, New Delhi - 110065.	Tel.: (011) 26470062/064-065
Noida	Plot No. 35, Block A, 1st Floor, Sector 2, Noida - 201301	Tel.: (0120) 4862700
Vaishali (Ghaziabad)	Shop No-5 & 6, Plot No - GH-6. Designarch High Street, Sector-5, Vaishali, Ghaziabad (U.P.) - 201012	Tel.: (0120) 2774394 - 95
Rajendra Place	Unit No. 167, Built No. 9, 13, 14 and 15, Rajendra Bhawan, Rajendra Place, New Delhi - 110008	Tel.: (011) 43089670 - 74
Agra	Unit No.13A & part of 13B, First Floor, Kailash Tower, Block No. E-16/8, Sanjay Place, Agra -282002	Tel.: (0562) 6888021 - 22
Meerut	Unit No. 308 & 309, 3rd Floor, Krishna Plaza Complex, Mangal Pandey Nagar, Tej Garhi Chauraha, Garh Road, Meerut - 250004	Tel.: (0121) 4055188 - 199

### North Zone- Branches

Location	Address	Contact Number
Chandigarh (ZO/ RO)	SCO 811 - 812, 2nd Floor, Sec 22 A, Chadigarh - 160022	Tel.: (0172) 5007899 / 7787
Lucknow (RO)	203, Shalimar Square, 126/31, B N Road, LalBagh, Lucknow - 226001	Tel.: (0522) 2206113 - 114 Fax: (0522) 3016245
Chandigarh Syndication	SCO-62, 1st Floor, Above Punjab & Sind Bank, Sector-26, Madhay Marg, Chandigarh - 160019	Tel.: (0172) 5071113 - 115
Chandigarh	SCO 118-119, Sector-8C, Madhya Marg, Chandigarh - 160017	Tel.: (0172) 5046006 / 5085042 Fax: (0172) 5046010
Dehradun	33, 2nd Floor, City Centre, Opp Madhuban Hotel 56, Rajpur Road, Dehradun, Uttaranchal - 248001	Tel.: (0135) 2740474
Haldwani	Attam Complex, 1st Floor, Plot No. 5/452, Opp Bank of Baroda, Nainital Road - 263139	Tel.: (05946) 220246 - 247 / 210576
Jalandhar	SCO 13. GF, Choti Baradari, Part -1, Jalandhar - 144001	Tel.: 7508999770
Karnal	Gulati Building, No. 227, Basement & Gr. Floor, Sector 12, Part 1, Karnal 132001	Tel.: (0184) 2265262 - 264
Ludhiana -Syndication	Saban Bazar, Near Agarsain Park, Ludhiana -141001	Tel.: (0161) 2740717
Ludhiana	SCO 16-17, 1st floor, Firoz Gandhi Market, Ludhiana - 141001.	Tel.: (0161) 5029740 - 741 / 778 /781
Lucknow	27/6/1, Upper Ground Floor, Taj Plaza, Madan Mohan Malaviya Marg. Lucknow - 226001	Tel.: (0522) 4087000 - 011 Fax: (0522) 2200386
Patiala	SCO 17-18, Ground Floor, Leela Bhawan Market, Patiala 147001	Tel.: (0175) 2302195
Patiala	Sco 94-95, New Leela Bhawan Market, Patiala - 147001	Tel.: (0175) 2302195
Varanasi	1st Floor, D-58/19, A-4, Sigra, Land Mark-Above ICICI Bank Ltd, Varanasi - 221010.	Tel.: (0542) 2222757
Bhatinda	SCO 123, Gugoninan Road, Bhatinda, Punjab - 151001	Tel.: 9914001009
Kanpur	Unit No. 205, 2nd Floor, Premises No-14/144, Ratan Square, Chunni Ganj, Kanpur - 208005	Tel.: (0512) 2530865

### North Zone - Service Centres

Nodal Branch	Location	Address	Contact Number
Dehradun	Haridwar	Shop No-5&6, Super Complex, Opp-IDBI Bank, Chandracharya Chowk, Rani Pur More, Haridwar - 249403	Tel.: (0135) 2740474
Lucknow	Amethi	Flat No-106/1, First Floor. Rajput Complex, Station Road, Amethi - 227405	Tel.: (05368) 222904
Jalandhar	Amritsar	26 ,1st Floor, Kennedy Avenue, Rialto Chowk, Amritsar -143001	Tel.: (0183) 2223801
Karnal	Sonepat	Arihant Plaza, 41-44, Subash Chowk, Atlas Road, Sonepat, Haryana-131001.	Tel.: (0130) 2214100
Varanasi	Allahabad	1st Flr, Shri Ram Complex, 54C Sardar Patel Marg, Landmark - Besides HDFC Bank, Allahabad.	Tel.: (0532) 2260494
Halwani	Bareilly	GKS Palace, 63/64, Ayub Khan Choupla Road, Civil Line, Bareilly, Uttar Pradesh 243001.	Tel.: 9319322318
Halwani	Muradabad	Shop No. 3/4/5, Upper Ground Floor, Parasvanath Place 2, Plot No. 3, Nilgiri Commercial Center, Mansarovar Scheme, Delhi Muradabad Road, Uttar Pradesh	Tel.: (0591) 2480128
Patiala	Sangrur	HCF 14, 1st Floor, Kaula Park, Sangrur, Punjab - 148001.	Tel.: 9888164482
Chandigarh	Ambala	5614, 1st Floor, Nicholson Road, Opp. Punjab National Bank Main Branch, Ambala, Harayana - 133001	Tel.: 9888899665
Dehradun	Saharanpur	G-42, Paraswanath Plaza, Court Road, Saharanpur, Uttar Pradesh - 247001	Tel.: 9997940202

### Mumbai Zone - Branches

Location	Address	Contact Number
Mumbai (ZO)	HDIL Towers, Ground Floor, Anant Kanekar Marg, Station Road, Bandra (E), Mumbai - 400051	Tel.: (022) 61558100 -150 / 26470338 - 339 Fax: (022) 26583344
Thane RO / Branch / HUB	Dhiraj Baug, Building "A" Ground & 1st Floor, Beside Axis Bank, Opp. Monalisa Building, Agra Road, Hari Niwas Circle, Naupada, Thane (West) - 400602	Tel.: (022) 67285858 - 922 Fax: (022) 67285859
Vasai West (HUB)	Shop no 25-26, Dewan Tower CHS, Navghar Road, Vasai (West). Thane. 101202	Tel.: (0250) 3051344 / 2334887
Vile Parle (RO)	Shanghavi House, 18th Subhash Road, Behind Garware Polyester, Next to Sunteck Building, Vile Parle (East), Mumbai 400055	Tel.: (022) 67981401 - 495 (022) 6127803 - 117 Fax: (022) 67981441
Dahisar (RO)	Rustomjee R-Cade, Rustomjee Acres, Jayawant Sawant Road, Dahisar (West), Mumbai 400 068	Tel.: (022) 61093333 Fax: (022) 61093335
Dahisar (East)	Unit No.705-706, 7th Floor, "A" Wing, Diamoda, Near Novelty Silk Compound, Dahisar (East), Mumbai 400068.	Tel.: (022) 61539700

## Mumbai Zone - Branches

Location	Address	Contact Number
Ambernath	Laxmi Sagar Apt., Ground Floor, Next to UCO Bank, Shiv Mandir Road, Ambarnath (East) 421205	Tel.: (0251) 6482801 - 803
Bhandup	Dreams Mall, Upper Ground Floor, L.B.S.Marg, Bhandup(West), Mumbai 400078	Tel.: (022) 65614551 / 539
Borivali (East)	Dheeraj Regency, Shop No. 19, Opp Bhor Industry, Off W.E.Highway, Borivali (East), Mumbai 400066	Tel.: (022) 28875118 / 28851171/ 28867761 / 762 Fax: (022) 28867761
Borivali (West)	Office no. 205-206, 2nd Floor, Ganjawala Residency, Ganjawala Lane, Behind S V Road Petrol Pump, Borivali (West), Mumbai 400092	Tel.: (022) 28933761 / 28941944
Dombivali	Vitthal Apt, B-wing, 1st Floor, Shahid Bhagat Singh Road, Tai Pingale Chowk, Near Sarvesh Hall, Dombivali (East), Thane 421201	Tel.: (0251) 2449630 / 631
Fort	Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai 400001	Tel.: (022) 61066800/ 22047092 Fax: (022) 22871985
GB Road Thane	3rd Floor, Lake City Mall, Kapur Bawdi Junction, GB Road, Thane (West) 400607	Tel.: (022) 25424414 / 415
Kalyan	Riddhi Siddhi Complex, Shop No. 2-4, Kalyan Murbad Road, Opp ICICI Bank, Kalyan (West) 421301	Tel.: (0251) 3258356 / 2328124 2320780
Mira Bhayander Road	Shop No.101-102, 1st Floor, Poonam Enclave, Mira-Bhayander Road, Near Golden Nest, Mira Road (East), Thane 401107	Tel.: (022) 28131167 / 177 / 187 / 197
Metro Office	HDIL Towers, Ground Floor, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400051	Tel.: (022) 61558100 / 101/ 150/ 26470338 / 339 Fax: (022) 2658 2176
Nallasopara	Shop No. 9-14, Ground Floor, Patankar Park, Station Road, Nallasopara (West), Tal. Vasai, Thane 401203	Tel.: (0250) 6455311/2413841
Navi Mumbai (Belapur)	Block no.7, Raigad Bhavan, 2nd floor, Sector -11, CBD Belapur, Navi Mumbai 400614	Tel.: (022) 27571650 / 2596 Fax: (022) 27572596
Navi Mumbai (Kharghar)	Shop no. 10, Ground floor, Ravechi Heights, Plot no. 25, Sector -7, Kharghar, Navi Mumbai 410210	Tel.: (022) 65308171 / 27742861
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
Boisar	Shop No.127 to 130, Ostwal Empire, Mahavir Market, Above Khubsurat Pink City, Opp. IDBI Bank, Boisar (W) Thane 401404	Tel.: (02525) 267826 / 926
Thane	202, Suraj Arcade, 2nd Floor, Near Deodhar Hospital, Gokhale Road, Naupada, Thane(W) 400601	Tel.: (022) - 61533400
Titwala	Office No-1-5, Opp Railway Station, Titwala (West), Thane 421605	Tel.: (0251) 6057222 / 6067222



### Mumbai Zone - Branches

Location	Address	Contact Number
Vasai (East)	DHFL Building , Opp. HDFC Bank, Near Holy Family School, Evershine City, Gokhivare, Vasai (East), Thane 401208	Tel.: (0250) 6510370 & 2461280
Vasai (West)	Shop No. 1, Milan Apartments, Opp. Bassien Catholic Bank, Station Road (Manikpur), Vasai (West), Thane 401202	Tel.: (0250) 3290367 - 369 / 3051342
Vashi (West)	A/501, BSEL Tech Park, Opp Vashi Railway Station, Vashi (West) Navi Mumbai 400614	Tel.: (0250) 27814038 / 039
Virar (West)	Shop No.2 & 3 , Sheetal Nagar, Bldg No.4, Agashi Road, Virar (West). Thane 401303	Tel.: (0250) 6451718 / 2512178
Virar (East)	Pushpa Plaza, Opp Railway Station, Manvel Pada Road, Virar (East), Thane. 401305	Tel.: (0250) 6510230 / 2520109
Andheri (East)	Premises no. 508, 509, 5th Floor, Anjani Complex, Opp. Guru Nanak Petrol Pump, Parera Hill Road, Andheri (East), Mumbai 400099	Tel.: (022) 65357011

### Karnataka and Kerala Zone - Branches

Location	Address	Contact Number
Bengaluru (ZO / RO)	No. 719/A, 53-2, 2nd Floor, 46th Cross road, J K Tower, Sangam Circle, Jayanagar 8th Block, Bengaluru. 560070	Tel.: (080) 43424100 -170 Fax: (080) 43424101
Banglore Extended ZO	301, 401 Brigade Plaza, Opp to Ganapati Temple, Ananda Rao Circle, Bengaluru 560009	Tel.: (080) 22093110 / 115
Bengaluru (RO)	No. 82, 1st Floor, Above IDBI Bank, Dr. Rajkumar Road, 2nd Block, Rajajinagar, Bengaluru 560010	Tel.: (080) 23329596 / 100 - 150
Kochi ( RO)	1st Floor, K M M Building, Palarivattom, Kochi 682025	Tel.: (0484) 2341073 / 83, 2340689, 2334369, 2335369, 2340687 Fax: (0484) 2334368
Kochi	Ground Floor, K M M Building, Palarivattom, Kochi 682025	Tel.: (0484) 2340689
Koramangala	No.58, L V Complex, 1st Floor, Diagonally Opp To Airtel Show Room, 7th Block, Kormangala, Bengaluru 560091	Tel.: (080) 22093104 / 25705881 - 886
Jayanagar	1347/36, 2nd floor, Ragigudda Circle, South End, Main Road, 9th Block, Jayanagar, Bengaluru 560069	Tel.: (080) 41209254/55, 41479601 - 604

### Karnataka and Kerala Zone - Branches

Location	Address	Contact Number
Kengeri	Sri Agani Complex , 2nd floor, Above Coffee day, Kengeri Upanagara,Bangalore. 560060	Tel.: (080) 28488889
Mysore	Nakshathra, 2nd floor, Narayanashastri Road, Near Sidappa Square, Mysore. 570004	Tel.: (0821) 2333513 / 358
Davangere	No. 273/4-12, Mallikarjuna Towers, 1st Floor, Above New Bata Show Room, Pravasi Mandir Road, Davangere - 577002.	Tel.: (08192) 257809 / 258090 / 233955
Shimoga	Mahaveer Plaza, 2nd Floor, 3rd Cross Garden Area, Nehru Road, Shimoga. 577201	Tel.: (08182) 220152 / 074
Tumkur	Shiny Tower, Shreeniwasa Nursing Home Road, Shri Shivakumar Swamiji Circle, B H Road, Tumkur 572102	Tel: (0816) 2275892
Belgaum	No 4830/1, 1st & 2nd Floor, Civil Hospital Road, Opp BIMS College, Belgaum 590001	Tel.: (0831) 2424971 - 972 Fax: (0831) 2469342
Bellary	8/2, Akshaya Nilya, Moka Road, Opp. Govt. Hospital Gandhi Nagar, Bellary 583101	Tel.: (08392) 256541 - 543
Bijapur	F1,F2, Mahalaxmi Complex, Opp Matala Maruthi Temple, MG Road, Bijapur. 586101	Tel.: (08352) 240971 / 632
Hubli	4-5, 1st Floor, Eureka Towers, Traffic Island, Hubli 580029	Tel.: (0836) 2352929 Fax: (0836) - 2350066
Kannur	D No.TV-33/363N, 2nd Floor, Grand Plaza, Fort Road, Kannur 670001	Tel.: (0497) 2707795 / 2701051 / 3258234
Kalburgi	No 2-243/FF/2, 1st Floor, Asian Tower, Jagat Main Road, Opp City Muncipal Council, Gulbarga 585101	Tel.: (08472) 260630 / 224906
Kochi	Ground Floor, K M M Building, Palarivattom, Kochi 682025	Tel.: (0484) 2341073 / 83, 2340689, 2334369, 2335369, 2340687 Fax: (0484) 2334368
Kolar	1st Floor, Ganesh Complex, Near Reshme Gudu Market, Opp. K.S.R.T.C. Bus Stand, Kolar 563101	Tel.: (0815) 2220031
Kottayam	1st Floor, Madeena Arcade, CMS College Road, Baker Junction, Kottayam.686001	Tel.: (0481) 2300156
Calicut	2nd Floor, Marina Mall, YMCA Cross Road, Calicut 673001	Tel.: (0495) 2367697
Mangalore	305-306,3rd floor, Inland Ornate , Navbharat Circle, Kodilabail, Mangalore 575003	Tel.: (0824) 2441359 / 801
Mysore	New no. 83/B, 1st Floor,Raghvendra Mension, Opp. Saraswathi Theatre, New Kantharaj Urs Road, Saraswathipuram, Mysore.570009	Tel.: (0821) 4257704-705 Fax: (0821) 4257706
Nelamangala	1st Floor, Krishna Complex, 2 Units, Old By Pass Road, NH4, Nelamangala.562123	Tel: 9880547444

### Karnataka and Kerala Zone - Branches

Location	Address	Contact Number
Thrissur	2nd Floor, SALPA Complex, M.G.Road, Near West Fort Junction, Thrissur, Kerala 680004	Tel.: (0487) 2381260 / 2381989 / 2381699 Fax: (0487) 2380041
Trivandrum	Upper Ground Floor, Parameswara Towers, Near Geethanjali Hospital, Vazhuthacaud P O Trivandrum 695014	Tel.: (0487) 2333077
Thriuvanthapuram	1st floor, Twinkle Plaza, Panavila, Thiruvananthapuram-Kerala 695014	Tel.: (0487) 2333077
Yelahanka	GVR Castle, G.L.Raj Nagar, Bagalur Main Road, Vinayak Nagar, IAF Post , B4, Site No.98 & 163, Yelahanka 560102	Tel.: 8884488877
Hosur	No.643/1D, 1st Floor, RKG Manor, Opp. Traffic Police Station, Bangalore Bye Pass Road, Hosur - 635 109	Tel.: (04344) 245955
Majestic	Ground Floor, Brigade Plaza, Anandarao Circle, Bangalore 560009	Tel.: (080) 22093100-109

### Karnataka & Kerala Zone - Service Centers

Nodal Branch	Location	Address	Contact Number
Belgaum	Chikkodi	Plot no. 19, Shah Complex, K.C. Road, Chikkodi, Dist. Belgaum.591201	Tel.: (08338) 273966
Belgaum	Gokak	Shop No.6, 1st Floor, Gaurav Complex, Gokak. Dist. Blgaum.591307	Tel.: (08332) 227117
Davangere	Chithradurga	No: 396, 1st Floor, Siddaveerappa Complex, Santhepet, B.D. Road, Opp.Dwaraka Hotel, Chitradurga 577501	Tel.: (08194) 222558
Davangere	Harpanahalli	No.162, 1st Floor, 10th ward, Gowlera Street, Banagerpet, Harpanahalli.583131	Tel.: (08398) 280446
Hubbali	Haveri	1st Floor, G.G. Magavi Chambers, P.B. Road, Haveri 581110	Tel.: (08375) 233166
Hubbali	Karwar	No.2, 1st Floor, Maruti Arcade Complex, Cutino Road, Opp.Anand Lodge, Karwar. 581301	Tel.: (0838) 2225586
Kalburgi	Bidar	1st Floor, Rubi Plaza, N/R Railway Under Bridge, Basaweshwar Circle, Bidar.585401	Tel.: (08482) 228542
Kalburgi	Raichur	1st Floor, Itagi Complex, Near Veerabhadreshwara Temple, City Talkies Road, Raichur 584101	Tel.: (08532) 232799
Kochi	Alleppey	Chandra Square, 1st floor, Cullen Road, Alleppey 688004	Tel.: (0477) 2238577

### Karnataka & Kerala Zone - Service Centers

Nodal Branch	Location	Address	Contact Number
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
Kannur	Kasaragod	1st Floor, SMS Centre, Nayak's Road, Kasaragod. 671121	Tel.: (04994) 227184
Kochi	Tripunithura	Premises no 17/306B, Near N.S.S. College, Temple Road, North Fort Gate, Tripunithura 682301	Tel.: (0484) 2774988
Thiruvanthapuram	Kollam	Aradhana Building, 2nd Floor, High School Junction, Kollam 691001	Tel.: (0474) 2768822
Thiruvanthapuram	Pathanamthitta	1st Floor, Johns Complex, Opp. Anurag Theatre, Kumbazha Road, Pathanamthitta, Kerala 691523	Tel.: (0468) 2220322
Thiruvanthapuram	Pathanamthitta	IX 955, 2nd floor, Mampra Heights, Pathanamthitta, Kerala 689645	Tel.: (0468) 2220322
Thrissur	Palakkad	Safa Complex, 2nd Floor, Shornur Road, Near K.S.R.T.C Bus Stand, Palakkad.678001	Tel.: (0491)2504933
Thrissur	Manjeri	Priya Building, 2nd Floor, Kacheripadi, Manjeri, Malappuram District 676121	Tel.: (0483) 2760026
Mysore	Mandya	No-1663, Chikkaiah Building, R.P.Road, Near Church, Mandya.571426	Tel.: (08232) 230231
Mangalore	Udupi	Ground floor, Simaz Commercial Complex, Moodanidambur, Near Diana Circle, Udupi 576101	Tel.: (0820) 2534109
Bijapur	Mudhol	3309/H, 1st Floor, Shri Siddalingeshwar Complex, Mallamma Nagar Cross Road, Mudhol.587313	Tel.: (08350) 280275
Bijapur	Bagalakot	J.M.B. Complex, Next to Kumtgi TVS Showroom, Station Road, Bagalkot.587301	Tel.: (08354) 220632
Kottayam	Mavelikara	2nd Floor, Govindan Building, Opp to Municipal Office, Mavelikkara.690101	Tel.: (0479) 2162996
Kottayam	Kattaapanna	Catapathncurayil Bldg., Sangeetha Junction, Kattaapanna, Idukki Dist. Kerala 685508	Tel.: 09846600567
Kottayam	Thodupuzha	2nd Floor, Puthari Tower, Near K.S.R.T.C.bus Stand, Thodupuzha, Idukki Dist. Kerala. 685584	Tel.: (04862) 224250
Shimoga	Hassan	Manjunath Arciad, Ravindra nagar, M.G.Road, Hassan.573201	Tel.: (08172) 267081
Mysore	Kushalnagar	No.90/13B, 3, Block, 1st Floor, Sri Byrabeshwara Arcade, B.M. Road, Kushalnagar, Somavarlet Taluk, Kodagu District 571324, Karnataka	Tel.: (08276) 274955
Thiruvanthapuram	Kollam	Ground Floor, Sree Vigneshwara Bhavan, Kadappakada, Kollam	Tel.: (0474) 2768822

## Andhra Pradesh Zone - Branches

Location	Address	Contact Number
Hyderabad (ZO / RO)	No. 8-3-948/949, F No: 301-303, 3rd Floor, Solitaire Plaza, Behind Image Hospital, Ameerpet, Hyderabad 500073	Tel.: (040) 23742003- 004 / 040 / 050 / 080
Gachibowli	Door 2- 48 / 108, 3rd Floor, SSRGI Arciad, Telecom Nagar, Main Road, Gachibowli, Hyderabad 500032	Tel.: (040) 64603787
Guntur	D.no: 5-37-50, 4/7, Brodipet, Above Khazana Jewellery Show Room, Guntur 522002	Tel.: (0863) 2244120
Hyderabad Main	Flat No: 201- 202, Mahavir Lok, Himayath Nagar, Main Road, Hyderabad 500029	Tel.: (040) 23260994 / 23261002 Fax: (040) 23226277
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
Hyderabad Sales Vertical	3A & 3A/1, 3rd Floor, G.S.Plaza, Road No 1, Banjara Hills, Hyderabad.500034	Tel.: (040) 23320192-194/ 23384244
Ameerpet	H.NO:6-3-853/1, F.NO:305, Meridian Plaza, Beside Lal Bungalow, Ameerpet, Hyderabad 500016	Tel.: (040) 23405988 - 989
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
Karim Nagar	2-3/169/1, 1st Floor, Vajramma Towers, Kaman Road, Karim Nagar 505001	Tel.: (0878) 3290878
Kurnool	D. no: 40-354-60, 1st Floor, Nandyal Gate, Opp Narayanmurthy Petrol Pump, Park Road, Kurnool 518001	Tel.: (08518) 227217 / 311395
Nellore	Magna Super Market No : 16/3/210, 2nd Floor, GSR Complex, Ramalingapuram Main Road, Opp to SBI Building, Nellore 524001	Tel.: (0861) 2340243
Nizamabad	DHFL, Flat No.7, 2nd Floor, Above IDBI Bank, Surya Towers, Hyderabad Road, Bharat Rani Marg, Nizamabad, Andhra Pradesh 503001	Tel.: (08462) 236022
Nagole	No.28 & 15, 2nd floor, Srinivasa Chambers, Above IDBI Bank Ltd, Near Big Bazaar, L.B Nagar, Mansurabad Village, Hyderabad East, R R Dist 500035	Tel.: (040) 64603788
Rajahmundry	D.No :6-1-14 & 15, Rangacheri Street, T Nagar, Rajahmundry 533101	Tel.: (0883) 2441889 / 6664700
Sangareddy	1st Floor, Neni Complex, MIG 58, H.No.:12/95, Opp. Integrated Collector Complex, Sangareddy, Medak Dist.502001	Tel.: (08455) 654844 / 270098
Tarnaka (AS Rao Nagar)	Premises no.4, 1st Floor, Crescent Krishna Metropolises, A S Rao Nagar, Beside Poulomi Hospital, ECIL Post, Hyderabad 500062	Tel.: (040) 27134186

### Andhra Pradesh Zone - Branches

Location	Address	Contact Number
Tirupati	H No.8-119/A,Plot No 26,1st Floor,Jayanti Towers, Rayala Cheruvu Road(R C Road), Opp Raily Coach Depot Office, Tirupati, Chittoor Dist. 517502	Tel.: (0877) 2245580
Vijayawada	Door No.27-20-51, 1st Floor, Lakshmiram Plaza, Museum Road, Sonovision Opposite Road, Governor Pet, Vijayawada 520002	Tel.: (0866) 6668918 / 25751565
Vishakhapatnam	Eswara Plaza, 1st Floor, Door no : 47/14/7/3, Dwaraka Nagar, Main Road, Vizag 530016	Tel.: (0891) 2754985 / 2707908
Vishakhapatnam	10-1-44/7, 1st floor, Peejay Plaza, Opp. Hotel Tycoon, CBM Compound, VIP Road, Vishakapatnam 530003	Tel.: (0891) 6620003 - 05
Warangal	H.NO.2-5-294/A, 2nd floor, SPS Plaza, Opp.TMC, Kaloji Circle, above liliput word, Nakkalagutta, Hanamkonda, Warangal 506001	Tel.: (0870) 2437999
Kakinada	Shop No: 10, 1st Floor, Door No: 2-1-19, Block B, Subhadra Arcade Coplex, Bhanugirdi, Kakinada 533003	Tel.: (0884) 2364499

### Andhra Pradesh Zone - Service Centers

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

## Tamil Nadu - Branches

Location	Address	Contact Number
Chennai (ZO / RO)	Door no: 118B, Mount Road, Manickam Lane, Near Hotel Zen Garden, Guindy, Chennai 600032	Tel.: (044) 22504200 - 223 Fax: (044) 26474949
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
Teynampet	Ground Floor "Guna Complex", Door No. 443, (old no.304) Anna Salai, Teynampet, Chennai 600018	Tel.: (044) 42947250 - 251 Fax: (044) 42947252
Chennai-OMR	Door No.A1, Alkasha Centre, 3 / 331, Rajiv Gandhi Salai, OMR, Thoraipakkam, Chennai 600097	Tel.: (044) 32577343
Chennai Metro	DNO;58 Front wing, 2nd Floor, Prince Arcade, Old NO:22 A, New No:29 Cathedral Road, Chennai 600086	Tel.: (044) 28117749
Chennai-Sales Vertical	No.11, 1st floor, JVR Square, Ramakrishna Street, Porur Chennai - 600116.]	Tel.: (044) 24764225 / 24764205
Coimbatore	A ' Block, 2nd Floor, Damodar Center, 1050, Avinashi Road, Coimbatore 641018	Tel.: (0422) 2224891- 892 / 2229299 / 2222339 Fax: (0422) 2524887
Erode	142/6, Ground Floor, Vinayaka Complex, Perundurai Road, Opp. To Ganesh TVS, Erode 638011	Tel.: (0424) 2270760
Madurai	Ground Floor, Ra-Gem Plaza, 111-112 Alagarkoil Main Road, Tallakulam, Madurai 625002	Tel.: (0452) 2528400 / 436
Pondicherry	No : 27, 1st Floor, 100 Feet Road, Sundaraja Nagar, Near Indira Gandhi Statue, Puducherry 605004	Tel.: (0413) 2200263 / 261/ 213 , 2204016
Salem	No.75, 1st Floor, Santhosh Towers, Brindavan Road, Opp to New Bus Stand, Salem 636004	Tel.: (0427) 2445144/ 2430870
Tambaram	No.87, GST Road, Kadeperi, Tambaram, Chennai 600045	Tel.: (044) 22380404
Thirunelveli	Shop no: 1738/2A, 1st Floor, Shah Complex, Palayamkottai, Thirunelveli 627002	Tel.: (0462) 2560079 - 080
Trichy	Sree Naga Arcade, 1st Floor, Next to Seva Sangam Higher Secondary School, No.5, Williams Road, Contonment, Trichy 620001	Tel.: (0431) 2400030 / 060
Vellore	Basement No D5, RJ Plaza, Near Palar Bridge, Katpadi Main Road, Viruthampet, Vellore 632006	Tel.: (0416) 3207237 / 2247237



### Tamil Nadu Zone - Service Centers

Nodal Branch	Location	Address	Contact Number
Madurai	Dindigul	New no.91, Dr. P. Chockalingam Tower, New Agraharam, Dindigul 624002	Tel.: (0451) 2424666
Madurai	Theni	Sri Thirumalai Complex, Old Sriram Theater Complex, Suppan Street, Theni 625531	Tel.: (04546) 260107
Pondicherry	Villupuram	No: 734A, VVA Complex, Pandit Jawaharlal Nehruji Road, Villupuram 605602	Tel.: (04146) 222100
Pondicherry	Thiruvanna- malai	No. 115- Z/17-A , 1st Floor, Shree Cinthaamani Complex, Big Street, Thiruvannamalai 606601	Tel.: (04175) 224444
Salem	Kallakurichi	SP. Balaraman Complex, Chennai Main Road, Kallakurichi 606202	Tel.: 09942885185
Trichy	Thanjavur	No:13, Ground floor, Nalliya Shopping Complex, No.70, Srinivasan Pillai Road, Thanjavur 613001	Tel.: (04362) 235355
Tirunelveli	Tutucorin	Shop No.14,S.no.2632, 1st Floor, Toovipuram Main Road, Tutucorin 628008	Tel.: (0461) 2321714
Tirunelveli	Nagercoil	Door No.49/1 -157/ A, 1st Floor, K P Road, Ramavarmapuram, Nagercoil 629001	Tel.: (04652) 313600
Madurai	Karaikudi	Sri Vari Arcade, No.1/6, 2nd Floor, Shanmuga Raja Road, Karaikudi 630001	Tel.: (04565) 235955
Madurai	Rajapalayam	K.V. Rajendra Raja Shops, No.481/1, 1st Floor, Tenkasiroad, Pudhupalayam, Rajapalayam 626117	Tel.: (04563) 224345
Salem	Attur	No.10/N-11, 90, Narayanasamy Street, Gandhi Nagar Area, Attur Town, Salem Dist, Pin - 636102	Tel.: (04282) 251144
Vellore / Tambaram	Kanchipuram	6B, Vallal Pachaippan Street, Kanchipuram Taluk, Kanchipuram - 631501	Tel.: 09994161043

### Collection Centers

Nodal Branch	Location	Address	Contact Number
Kolkata	Suri (East Zone)	Debrajpur Road, Opp. DSA Stadium, Near Rabindra Sadan, Birbhum Dist., Suri- 731101	Tel.: 9732347203
Bengaluru	Gadag (K&K Zone)	CTS No.6734/C, Potnis Bldg., Shankaracharya Road, Vakil Chawl, Gadag 582 101	Tel.: 9886673128 / (080) 43424148

\* ZO: Zonal Office

\* RO: Regional Office

## NOTES



## NOTES





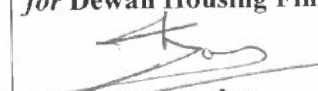
**FORM A**  
(Pursuant to Clause 31(a) of Listing Agreement)

1.	Name of the Company	Dewan Housing Finance Corporation Limited
	Corporate Identification Number	L65910MH1984PLC032639
	Registered Office	Warden House, 2 <sup>nd</sup> Floor, Sir P. M. Road, Fort, Mumbai - 400 001.
	Corporate Office	TCG Financial Centre, 10 <sup>th</sup> Floor, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Tel. : (022) 6600 6999, Fax: (022) 6600 6998 Visit us at : www.dhfl.com. email - response@dhfl.com
2.	Annual Financial Statement for the Year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit Observation	Unqualified Auditor's Report
4.	Frequency of observation	N.A.

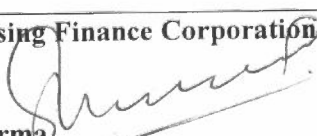
**for Dewan Housing Finance Corporation Ltd.**

  
**Kapil Wadhawan**  
**Chairman & Managing Director**

**for Dewan Housing Finance Corporation Ltd.**

  
**M. Venugopalan**  
**\*Chairman of the Audit Committee**

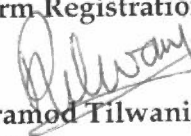
**for Dewan Housing Finance Corporation Ltd.**

  
**Santosh R. Sharma**  
**Sr. Vice President - Head Finance & Chief Financial Officer**

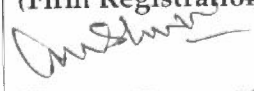
**for Dewan Housing Finance Corporation Ltd.**

  
**Niti Arya**  
**Company Secretary**

**For T R Chadha & Co.**  
**Chartered Accountants**  
**(Firm Registration No.06711N)**

  
**(Pramod Tilwani)**  
**Partner**  
**Membership No. 076650**

**For Rajendra Neeti & Associates**  
**Chartered Accountants**  
**(Firm Registration No. 006543C)**

  
**(Pranav Kumar Shukla)**  
**Partner**  
**Membership No. 073832**

- In absence of Mr. G. P. Kohli - Chairman of the Audit Committee, Mr. M. Venugopalan was elected as the Chairman of the Audit Committee Meeting held on 30<sup>th</sup> April, 2014, where the Annual Financial Accounts and report of the Auditors thereon, for financial year 2013 -14 was approved and recommended to the Board of Directors of the Company.