

S.K.KAPOOR & CO CHARTERED ACCOUNTANTS

16/98 LIC BUILDING :THE MALL :KANPUR;Ph* (0512) 2372244 ,3261222 Email:skkco@sancharnet.in

The Members of,
PNB HOUSING FINANCE Ltd.,
NEW DELHI – 110 001

AUDITORS'REPORT

We have audited the attached Balance Sheet of **PNB HOUSING FINANCE LIMITED** as at 31st March, 2011, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements, based on our audit.

We have conducted the audit in accordance with the auditing standards generally accepted in India, which require us to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as under:

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors' Report) Order, 2004 (collectively the order) issued by the Central Government, in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such test checks of the books and reports of the company as were considered appropriate and on the basis of information and explanations given to us by the management during the course of the audit, we enclose in the 'Annexure', a statement on the matters specified in paragraphs (4) & (5) of the said Order to the extent applicable to the company.
2. Subject to the above and further to our comments in the 'Annexure' referred to in paragraph 1 above, we report that: -
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of the books of account and unaudited returns, adequate for the purposes of our audit, have been received from the branches of the company, not visited by us;

- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this Report are in agreement with the books of account ;
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the requirements of Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable *except regarding non-provision of deferred tax liability on the Special Reserve of Rs 101.81 crores, created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961 as required by Accounting Standard-22, which has resulted in understatement of Provision for Deferred Tax Liability by Rs 33.03 crore and overstatement of Profit after Tax by Rs 4.18 crore (Note 11(b) of Schedule 16)*;
- e) On the basis of written representations received from the directors of the company as at 31st March, 2011 and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) Subject to 3(d) above, in our opinion and to the best of our information and according to the explanation given to us, the Balance Sheet, Profit and Loss Account and Cash Flow Statement read with the Notes on Accounts in Schedule 16 and Significant Accounting Policies in Schedule 15, give the information required by the Companies Act, 1956, in the manner so required and give **a true and fair view** in conformity with the accounting principles generally accepted in India:
- i) In the case of the Balance Sheet, of the **STATE OF AFFAIRS** of the Company as at 31st March, 2011;
 - ii) In the case of the Profit & Loss Account, of the **PROFIT** of the Company for the year ended on that date.
 - iii) In the case of the Cash Flow Statement, of the **CASH FLOWS** for the year ended on that date.

For S K Kapoor & Co
Chartered Accountants

(V B Singh)
Partner
M No :73124
FR No: 000745C

Place : New Delhi
Dated: 30.04.2011

Annexure

Annexure referred to in paragraph (1) of our Audit Report of even date on the accounts of **PNB HOUSING FINANCE LIMITED**, for the year ended 31st March 2011.

- I. (a) The company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and as per the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) During the year the company has discarded and written off obsolete/ incompatible items of Fixed Assets like computer, furniture and fixtures, Office Equipments and Electricals, which are either not usable or not compatible with present system in the opinion of management as referred to in note 14 in schedule 16 “Notes on Accounts” Discarding of these assets have no effect on going concern.

- II. (a) During the year, the company has not granted any loan to a party, listed in the register maintained under Section 301 of the Companies Act, 1956,

(b) In view of the above para (b) (c) (d) are not applicable.

(e) The Company has issued 7.25% Compulsory Convertible Debentures (CCDs) amounting to Rs 137.32 crore to Destimoney Enterprises Pvt Ltd (DEPL) which is holding 26% shares in the company in terms of the shareholder agreement dated 09-12-2009 between the Company (PNBHFL), Punjab National Bank and DEPL, listed in the register maintained under Section 301 of the Companies Act, 1956.

(f) The rate of interest paid by the company on these CCDs is not prejudicial to the interest of the company. Other terms and conditions are as per the agreement between PNBHFL, Punjab National Bank and DEPL for conversion of CCDs into equity shares at a future date. The conversion price of the CCDs into equity shares is at a predetermined price as per the terms of the said shareholders agreement decided by a competitive bidding process, therefore we do not offer any comment on the reasonableness of the predetermined price.

(g) The company is paying the interest on CCDs regularly as per the terms and conditions.

- III. On the basis of selective checks carried out during the course of our audit, in our opinion and according to the information and explanations given to us, the internal control system that are presently installed are generally adequate and commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and for the sanction, disbursement and recovery of loans given by the

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

- IV a) According to the information and explanation given to us and on the basis of representation by the management, we are of the opinion that particulars of contract or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) During the year, the company has given a service contract for procurement of loan business to DEPL which is holding 26% shares in the company, the terms of the agreement with the party are prima facie reasonable having regard to the prevailing market commission structure of corporate DMA.
- V. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A, Section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 to the extent applicable and The Housing Finance Companies (NHB) Directions, 2010 with regard to acceptance of deposits from the public.
- VI. There is a system of annual management audit of Corporate Office by PNB, the parent bank. However, there was no separate internal audit system at Corporate Office of the Company during the year. Internal Audit System presently comprising of quarterly audit of transactions at branch level, by internal auditors has been enlarged to make it commensurate with the size of the company and the nature of its business.
- VII. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, investor education & protection fund, income tax, service tax, wealth tax etc. have generally been regularly deposited with the appropriate authorities during the year. We have been informed that Government Notification about Cess payable is still awaited and considering the business of the Company, in the management's view ESI, Excise Laws, Sales Tax etc. are not applicable to the Company at present.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, and Service Tax which is outstanding for a period of more than six months as at 31st March, 2011 from the date they became payable.

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

Assessment year	Nature of Demand	Amount(Rs)
2008-09	Allocation of Common Expenses	5,730,638

- VIII. According to the information & explanations given & records examined by us, in our opinion, the Company has not defaulted in repayment of dues to Financial Institutions, Banks or Debenture Holders.
- IX. (a) The company grants loans and advances for housing interalia on the Main security of equitable mortgage of properties, its own deposits, other securities besides other collateral securities/guarantees as stated in Note No. 2 in Schedule 16. Adequate documents and records have been maintained.
- (b) The Company does not give any Loan & Advance against pledge of shares, debentures or other securities as primary security
- (c) The Demand Loan granted by the Company under Public Deposit Scheme complies with requirements of the NHB Guidelines & that of Section 58A & Section 58AA of the Companies Act, 1956.
- X. As per the information and explanations given to us, the provisions of Special Statutes/Laws applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the company.
- XI. In respect of company's transactions for sale / purchase of securities and other investments, held as Investments, proper records of the transactions have been maintained and timely entries have been made therein. We confirm that company's investments are held in its own name.
- XII. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others / third parties from Banks or Financial Institutions.
- XIII. According to the information and explanations given to us, and based upon the test verification of the books & records of the Company, the term loans raised / applied during the year have been used for business purposes.
- XIV. According to the information and explanations given to us, with a view to bring down the overall cost of funds, we observe that funds raised from Overdraft/Term Loan from Banks etc. have been used to finance Housing/Non-Housing Loans, the average repayment of which ranges from 3 to 10 years. Further we have been explained that generally the Short-term funds are not used for Long-Term investments.
- XV. According to the information and explanations given to us, the company has not made any preferential allotment of shares to any party covered in the Register maintained under section 301 of Companies Act.
- XVI. Charge has been created by the company in respect of debentures and bonds wherever applicable.
- XVII. According to the information and explanations given to us, during the year ended on 31.03.2011, 50 Suspected Fraud case involving a sum of Rs 749.71 lacs have been

noticed / reported to the Board of Directors / Audit Committee. Investigation & recovery action including taking possession of the underlying property is in progress and these accounts have been classified as NPA as per the NHB Provisioning Norms wherever applicable.

XVIII. As the company has not raised any funds by way of public issue, the end use of money needs no comment.

XIX. Other requirements of sub-para (ii), (viii), and (x) of para 4 of the order are not applicable.

For S K Kapoor & Co
Chartered Accountants

(V B Singh)

Partner

M No: 73124

FR No: 000745C

Place: New Delhi

Dated: 30.04.2011

PNB HOUSING FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2011

SOURCES OF FUNDS	SCHEDULE	RUPEES	As at March 31, 2011 RUPEES	As at March 31, 2010 RUPEES
SHAREHOLDERS' FUNDS				
Share Capital	1	300,000,000		300,000,000
Reserves & Surplus	2	<u>3,064,342,108</u>		<u>2,447,319,048</u>
			3,364,342,108	2,747,319,048
LOAN FUNDS				
Secured Loans	3	27,520,854,668		22,833,215,344
Unsecured Loans		<u>4,263,309,715</u>		<u>3,723,457,744</u>
			<u>31,784,164,383</u>	<u>26,556,673,088</u>
			<u><u>35,148,506,491</u></u>	<u><u>29,303,992,136</u></u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	4	35,864,360		57,862,971
Less: Depreciation		<u>18,066,783</u>		<u>36,065,255</u>
Net Block			17,797,577	21,797,716
INVESTMENTS				
DEFERRED TAX ASSET (NET)	5		3,107,575,618	4,295,866,000
LOANS	6	31,380,506,259	107,360,045	79,285,869
CURRENT ASSETS, LOANS AND ADVANCES	7	<u>2,096,208,483</u>		<u>1,487,721,999</u>
		33,476,714,742		26,252,599,939
LESS: CURRENT LIABILITIES AND PROVISIONS				
NET CURRENT ASSETS	8	<u>1,560,941,491</u>	<u>31,915,773,251</u>	<u>24,907,042,551</u>
			<u><u>35,148,506,491</u></u>	<u><u>29,303,992,136</u></u>

Significant Accounting Policies : Schedule '15'
Notes forming integral part of Accounts : Schedule '16'
Schedules '1' to '8' and '15' , '16' annexed hereto form part of the Balance Sheet.

(A K Singhal)
AVP

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

(Sukhvinder Kaur)
Sr. EVP

(Sanjaya Gupta)
Managing Director

(Anand Dorairaj)
Director

(Vivek Vig)
Director

(S K Jain)
Director

(P K Gupta)
Director

(Tejinder Singh Laschar)
Director

(G N Bajpai)
Director

(Vivek Arya)
Director

(Rakesh Sethi)
Director

(K R Kamath)
Chairman

In terms of our report of even date
For S K Kapoor & Co.
Chartered Accountants

PLACE: NEW DELHI
DATED:

(V B Singh)
Partner
M No : 73124
FR No : 000745C

PNB HOUSING FINANCE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE	For the year Ended March 31, 2011 RUPEES	For the year Ended March 31, 2010 RUPEES
INCOME	9	
Operating Income	3,589,741,656	3,075,749,586
Other Income	52,609,858	87,633,315
	3,642,351,514	3,163,382,901
EXPENDITURE		
Interest and Other Charges	10	1,994,927,017
Personnel Expenses	11	65,622,962
Administrative Expenses	12	32,966,074
Other Expenses	13	60,515,813
Depreciation		
- Fixed Assets	2,829,962	3,757,779
Provision for Doubtful Debts & Contingencies	82,899,228	63,761,675
Fixed Assets Discarded/Written Off	4,961,233	-
Bad Debts Written Off/Business Loss	52,226,970	1,002,241
	2,667,612,253	2,222,553,561
PROFIT BEFORE TAX	974,739,261	940,829,340
Add: Prior period adjustments	14	29,074
	975,133,122	940,858,414
Less: Provision for Tax-Current	309,000,000	275,600,000
-Earlier years(Net)	477,388	79,625
-Deferred Tax(Net)	(28,074,176)	(2,432,839)
PROFIT AFTER TAX	693,729,910	667,611,628
Add- Balance brought forward from previous year	70,866,476	56,820,248
PROFIT AVAILABLE FOR APPROPRIATION	764,596,386	724,431,876
APPROPRIATIONS:		
Special Reserve - Under Section 36(1)(viii) of the Income Tax Act, 1961	128,900,000	110,000,000
Special Reserve - Under Section 29C of NHB Act, 1987	15,300,000	23,600,000
General Reserve	450,000,000	450,000,000
Proposed Dividend	66,000,000	60,000,000
Dividend Distribution Tax	10,706,850	9,965,400
Balance carried to Balance Sheet	93,689,536	70,866,476
	764,596,386	724,431,876
Earning Per Share (Refer Note 12 of Schedule 16)		
-Basic & Diluted	23.12	22.25

Significant Accounting Policies : Schedule '15'
Notes forming integral part of Accounts : Schedule '16'
Schedules ' 9' to '16' annexed hereto form part of the Profit & Loss Account

(A K Singhal)
AVP

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

(Sukhvinder Kaur)
Sr. EVP

(Sanjaya Gupta)
Managing Director

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Director

(G N Bajpai)
Director

(Vivek Arya)
Director

(Rakesh Sethi)
Director

(K R Kamath)
Chairman

In terms of our report of even date
For S K Kapoor & Co.
Chartered Accountants

PLACE: NEW DELHI
DATED:

(V B Singh)
Partner
M No : 73124
FR No : 000745C

**SCHEDULE : 1
SHARE CAPITAL**

	As at March 31, 2011 RUPEES	As at March 31, 2010 RUPEES
AUTHORISED		
50,000,000 Equity Shares of Rs.10/- each	500,000,000	500,000,000
ISSUED, SUBSCRIBED AND PAID UP		
30,000,000 Equity Shares of Rs.10/- each fully paid up (74% Shares are held by PNB, its nominees and 26% shares are held by Destimoney Enterprises Pvt Ltd)	300,000,000	300,000,000

**SCHEDULE : 2
RESERVES AND SURPLUS**

	RUPEES	As at March 31, 2011 RUPEES	As at March 31, 2010 RUPEES
SPECIAL RESERVE			
-(In terms of Section 36(1) (viii) of the Income Tax Act, 1961)			
As per last Balance Sheet	889,181,036		779,181,036
Add : Transfer from Profit & Loss Account	128,900,000		110,000,000
		1,018,081,036	889,181,036
-(In terms of Section 29 C of NHB Act, 1987)			
As per last Balance Sheet	23,600,000		-
Add : Transfer from Profit & Loss Account (Refer Note 21 of Schedule 16)	15,300,000		23,600,000
		38,900,000	23,600,000
GENERAL RESERVE			
As per last Balance Sheet	1,463,671,536		1,013,671,536
Add : Transfer from Profit & Loss Account	450,000,000		450,000,000
		1,913,671,536	1,463,671,536
BALANCE IN PROFIT AND LOSS ACCOUNT		93,689,536	70,866,476
		3,064,342,108	2,447,319,048

**SCHEDULE : 3
LOAN FUNDS**

	RUPEES	As at March 31, 2011 RUPEES	As at March 31, 2010 RUPEES
A. SECURED			
1. INR Loans			
i) Term Loan / Overdraft from Punjab National Bank (Secured by hypothecation of book debts and negative lien on properties charged to/guarantees obtained by the company against Loans disbursed).		8,549,441,627	5,643,145,199
ii) Refinance from National Housing Bank (Secured by Hypothecation of Loans /book debts against which refinance has been availed).		3,450,435,000	3,930,653,000
iii) Term Loan from Punjab & Sind Bank (Secured by Hypothecation of Loans /book debts against which loan has been availed)		-	330,001,037
iv) Term Loan from United Bank of India (Secured by Hypothecation of Loans /book debts against which loan has been availed)		-	666,541,598
v) Term Loan from South Indian Bank (Secured by Hypothecation of Loans /book debts against which loan has been availed)		215,976,091	215,988,516
vi) Term Loan from HDFC Bank (Secured by Hypothecation of Loans /book debts against which loan has been availed)		2,999,999,999	2,333,300,000
vii) Term Loan from Union Bank of India (Secured by Hypothecation of Loans /book debts against which loan has been availed)		2,999,989,501	-

SCHEDULE : 4**FIXED ASSETS**

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2010	Additions	Deductions	As at March 31, 2011	As at April 1, 2010	For the Year	Deduction during the year	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
Furniture & Fixture	24,287,928	1,811,693	11,104,074	14,995,547	17,935,734	937,952	9,022,339	9,851,347	5,144,200	6,352,194
Office Equipment & Electrical Equipment	10,910,275	1,185,127	6,996,426	5,098,976	5,622,729	488,960	4,574,279	1,537,410	3,561,566	5,287,546
Vehicles	2,063,416	-	-	2,063,416	764,229	336,360	-	1,100,589	962,827	1,299,187
Computers	8,630,667	1,252,516	7,065,370	2,817,813	6,734,153	721,732	6,212,857	1,243,028	1,574,785	1,896,514
Building	10,888,608	-	-	10,888,608 *	3,989,451	344,958	-	4,334,409	6,554,199	6,899,157
Intangible Assets (Computer Software)	1,082,077	-	1,082,077	-	1,018,959	-	1,018,959	-	-	63,118
Total Assets	57,862,971	4,249,336	26,247,947	35,864,360	36,065,255	2,829,962	20,828,434	18,066,783	17,797,577	21,797,716
Previous Year *	63,122,640	3,726,217	8,985,886	57,862,971	40,902,910	3,757,779	8,595,434	36,065,255	21,797,716	22,219,730

*Includes Buildings of Rs.7,723,100/- (Previous Year Rs.7,723,100/-) mortgaged for securing secured redeemable bonds (see schedule 3).

SCHEDULE : 5
INVESTMENTS

	As at March 31, 2011 RUPEES	As at March 31, 2010 RUPEES
LONG TERM INVESTMENT		
QUOTED - OTHER THAN TRADE (FULLY PAID)		
i) 8.07% GOI Stock 2017 of Face Value of Rs.300,000,000/- (Previous Year Rs. 300,000,000/-)	316,650,000	316,650,000
ii) 10.25% GOI Stock 2021 of Face Value of Rs.100,000,000/- (Previous Year Rs.100,000,000/-)	125,550,000	125,550,000
CURRENT INVESTMENT		
UNQUOTED - OTHER THAN TRADE (FULLY PAID)		
Others		
i) Certificate of Deposit of UCO Bank of Face Value of Rs 750,000,000/- (Previous Year Rs 2,000,000,000/-)	748,861,179	1,953,076,000
ii) Certificate of Deposit of Central Bank of India of Face Value of Rs 700,000,000/- (Previous Year Rs Nil)	685,515,796	-
iii) Certificate of Deposit of Federal Bank Ltd of Face Value of Rs 500,000,000/- (Previous Year Rs Nil)	488,488,000	-
iv) Certificate of Deposit of Punjab National Bank of Face Value of Rs 250,000,000/- (Previous Year Rs Nil)	244,394,643	-
v) Certificate of Deposit of State Bank of Patiala of Face Value of Rs 500,000,000/- (Previous Year Rs Nil)	498,116,000	-
QUOTED - OTHER THAN TRADE (FULLY PAID)		
Bonds and Debentures		
vi) 9.75% IFCI Bonds 2025 of Face Value of Rs Nil (Previous Year Rs 809,000,000/-)	-	817,090,000
vii) 9.55% IFCI Bonds 2025 of Face Value of Rs Nil (Previous Year Rs 550,000,000/-)	-	528,275,000
viii) 8.70% P&SB Bonds of Face Value of Rs Nil (Previous Year Rs 90,000,000/-)	-	90,225,000
ix) 8.95% PFC Bonds 2025 of Face Value of Rs Nil (Previous Year Rs 465,000,000/-)	-	465,000,000
	<u>3,107,575,618</u>	<u>4,295,866,000</u>
	Cost (RUPEES)	Market Value (RUPEES)
Aggregate value of quoted investments Previous Year	442,200,000 2,342,790,000	414,850,000 2,323,740,000
Aggregate value of unquoted investments Previous Year	2,665,375,618 1,953,076,000	N.A. N.A.

Note: The particulars of securities purchased and sold during the year are:

Particulars	Face Value	Purchase	Sales
	(RUPEES)	(RUPEES)	(RUPEES)
1. 9.55% IFCI Bonds 2025	257,000,000	263,512,660	263,525,908
2. 8.79% IRFC Bonds 2030	50,000,000	50,000,000	50,003,650
3. 8.57% Central Bank of India Bonds 2025	150,000,000	150,000,000	150,001,080
4. 8.83% IRFC Bonds 2031	100,000,000	100,000,000	100,003,700
5. 8.83% IRFC Bonds 2032	100,000,000	100,000,000	100,003,700
6. 8.83% IRFC Bonds 2033	100,000,000	100,000,000	100,009,700

SCHEDULE : 6

LOANS - Secured, Considered Good
(See Note '2' Schedule '16')

	As at March 31, 2011 RUPEES	As at March 31, 2010 RUPEES
Housing Loans	24,799,889,054	19,552,643,191
Non-Housing Loans	6,580,617,205	5,212,234,749
	<u>31,380,506,259</u>	<u>24,764,877,940</u>

SCHEDULE : 7
CURRENT ASSETS, LOANS AND ADVANCES

CURRENT ASSETS	RUPEES	As at	As at
		March 31, 2011	March 31, 2010
		RUPEES	RUPEES
Interest Accrued on Investments		8,467,013	28,559,414
Cash and Bank Balance			
Cash in Hand		7,878,140	6,682,130
With scheduled Bank			
-in Current Accounts		262,530,581	62,587,736
-in Fixed Deposits		401,261,075	-
Stamps in hand		53,635	47,648
Other Assets			
Assets acquired in extinguishment of loans (Held for sale or disposal)	275,151,389		364,481,546
Less: Provision for Doubtful Debts	<u>17,382,727</u>		<u>13,383,499</u>
		257,768,662	351,098,047
LOANS AND ADVANCES			
LOANS			
(Secured, Considered Good excepting provision made for doubtful advances)			
Instalments Due from Borrowers * (Note 2 & 3 of Schedule 16)		285,698,969	309,978,547
Demand Loan against Deposits		11,837,020	9,510,559
ADVANCES			
(Unsecured, Considered Good)			
Staff Loan		3,986,034	2,832,254
Advances recoverable in cash or in kind or for value to be received		2,841,715	1,698,808
TDS and Advance Income Tax		852,710,639	712,494,305
Advance Fringe Benefit Tax		1,175,000	2,142,000
Advance Interest Tax		-	90,551
		<u>2,096,208,483</u>	<u>1,487,721,999</u>

* Net of interest de-recognised Rs.29,950,825/- (Previous Year Rs.25,502,442/-)

SCHEDULE : 8
CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES	RUPEES	As at	As at
		March 31, 2011	March 31, 2010
		RUPEES	RUPEES
Interest Accrued But Not Due- Deposits	185,495,123		212,233,639
- Bonds/Loans	14,148,822		20,212,603
Unclaimed Deposits (Including unclaimed interest accrued and due Rs.30,876,425/- Previous Year Rs. 23,647,528/-)	122,611,467		109,137,130
Sundry Creditors	26,832,681		3,727,265
Other Liabilities	<u>24,478,434</u>		<u>22,075,595</u>
		373,566,527	367,386,232
PROVISIONS			
Provision for			
- Doubtful Debts & Contingencies	271,900,000		193,000,000
- Leave Encashment	12,693,114		9,363,756
- Taxation	826,075,000		705,842,000
- Proposed Dividend (including tax thereon)	<u>76,706,850</u>		<u>69,965,400</u>
		<u>1,187,374,964</u>	<u>978,171,156</u>
		<u>1,560,941,491</u>	<u>1,345,557,388</u>

**SCHEDULE : 9
OPERATING INCOME**

	RUPEES	For the year Ended March 31, 2011 RUPEES	For the year Ended March 31, 2010 RUPEES
INTEREST INCOME			
i) on Loans			
- Housing Loans	2,463,541,136		2,115,469,792
- Non-Housing Loans (TDS Rs 18,205,463/- Previous Year Rs 11,736,832/-)	<u>908,651,395</u> 3,372,192,531		<u>701,687,101</u> 2,817,156,893
ii) on Demand loans	<u>1,272,246</u> 3,373,464,777		<u>1,060,419</u> 2,818,217,312
iii) on Deposits (TDS Rs 1,486,987/- Previous Year Rs.67,418/-)	34,865,534		8,938,007
iv) on Investments (TDS Rs Nil Previous Year Rs 182,353/-)			
- Long Term	34,458,676		86,358,986
- Current	<u>9,277,405</u>		<u>42,769,728</u>
		3,452,066,392	<u>2,956,284,033</u>
DIVIDEND		8,290,447	32,671,297
FEES & OTHER CHARGES		128,425,272	83,111,591
PROFIT/(LOSS) ON SALE OF INVESTMENTS			
- LONG TERM	-		-
- CURRENT	<u>959,545.00</u>	<u>959,545</u>	<u>3,682,665</u>
		3,589,741,656	3,075,749,586
OTHER INCOME			
Interest on Income / Interest Tax Refund	63,495		153,791
Provision for Contingencies Written Back	-		64,800,000
Miscellaneous Income (TDS Rs 1,767,036/- Previous Year Rs 916,112/-)	52,830,520		23,051,061
Profit/(loss) on sale of fixed assets	<u>(284,157)</u>		<u>(371,537)</u>
		<u>52,609,858</u>	<u>87,633,315</u>
		<u>3,642,351,514</u>	<u>3,163,382,901</u>

**SCHEDULE : 10
INTEREST AND OTHER CHARGES**

	For the year Ended March 31, 2011 RUPEES	For the year Ended March 31, 2010 RUPEES
Interest on loans	2,062,129,463	1,729,178,544
Interest on deposits	227,969,360	259,965,782
Bank Charges	3,047,628	1,841,317
Brokerage on deposits	<u>3,324,677</u>	<u>3,941,374</u>
	<u>2,296,471,128</u>	<u>1,994,927,017</u>

**SCHEDULE : 11
PERSONNEL EXPENSES**

	For the year Ended March 31, 2011 RUPEES	For the year Ended March 31, 2010 RUPEES
Salaries and Allowances	77,842,151	56,419,881
Contribution to Provident Fund	6,456,697	4,496,480
Staff Welfare & Training Expenses	<u>5,909,754</u>	<u>4,706,601</u>
	<u>90,208,602</u>	<u>65,622,962</u>

SCHEDULE : 12
ADMINISTRATIVE EXPENSES

	For the year Ended March 31, 2011 RUPEES	For the year Ended March 31, 2010 RUPEES
Rent	15,145,660	12,927,012
Repairs & Maintenance - building	103,997	322,138
Repairs & Maintenance - others	4,917,475	4,364,408
Rates & Taxes	84,897	75,178
Registration and Filing Fees	723,227	1,704,607
Electricity and Water Charges	5,270,109	4,429,404
General Office Expenses	14,431,471	9,045,747
Insurance	26,915	97,580
	<u>40,703,751</u>	<u>32,966,074</u>

SCHEDULE : 13
OTHER EXPENSES

	For the year Ended March 31, 2011 RUPEES	For the year Ended March 31, 2010 RUPEES
Travelling*	4,770,988	4,127,152
Conveyance	5,170,926	3,974,432
Printing & Stationery	2,346,701	2,057,715
Postage & Telephone	6,027,722	4,949,174
Director's Sitting Fee	195,000	164,000
Legal Expenses	1,894,494	834,612
Professional Charges	30,972,232	18,915,087
Auditors Remuneration		
- Audit Fee	551,500	441,200
- Tax Audit Fee	220,600	165,450
- Out of Pocket Expenses	401,079	357,133
- Other Certifications	275,750	220,600
Publicity	4,698,388	3,167,585
DMA Commission	36,960,081	19,733,680
Miscellaneous	2,825,918	1,407,993
	<u>97,311,379</u>	<u>60,515,813</u>

* Includes expenditure incurred in foreign currency Rs Nil (Previous Year Nil)

SCHEDULE : 14
PRIOR PERIOD ADJUSTMENT

	For the year Ended March 31, 2011 RUPEES	For the year Ended March 31, 2010 RUPEES
INCOME		
Fees & Other Charges	-	34,130
	-	34,130
EXPENDITURE		
General Office Expenses	87909	-
Professional Charges	193136	-
Postage & Telephone	14174	-
Salary & Allowances	(792486)	-
Repairs & Maintenance - others	103,406	5,056
	<u>(393,861)</u>	<u>5,056</u>
	<u>393,861</u>	<u>29,074</u>

SCHEDULE: 15
SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL METHOD AND SYSTEM OF ACCOUNTING

The accounts of the company are prepared under the Historical Cost convention on accrual method of accounting on the principle of going concern and in accordance with the Companies Act, 1956, the applicable accounting standards issued by The Institute of Chartered Accountants of India, National Housing Bank Act, 1987 and The Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank.

2. REVENUE RECOGNITION

(a) FEE AND OTHER CHARGES

Income from fee and other charges viz. Administrative Fee, Processing Fee, Penal Interest on Overdue/Additional Interest on Defaults, Pre-payment charges etc. is recognised on receipt basis.

(b) DIVIDEND INCOME

Dividend is accounted for in the year in which the same is received.

(c) OTHER INCOME

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

(d) INTEREST ON LOANS

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

3. FIXED ASSETS

Fixed Assets used in the business are capitalised at cost inclusive of all related expenses.

4. DEPRECIATION

(i) Depreciation on Fixed Assets is provided on the Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 on prorata basis. Wherever the depreciation rates are not prescribed, the rates prescribed by Income Tax Act, 1961 & Rules are used.

(ii) Assets costing upto Rs. 5000/- are charged to revenue.

5. INVESTMENTS

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

6. EMPLOYEE BENEFITS

(i) The company has taken LIC Policy to cover the accumulated gratuity liability till 31.03.2011 of its employees. LIC has made actuarial valuation on renewal date i.e. 1-1-2011. The premium on this policy has been accounted for on accrual basis in line with the Accounting Standard on

Accounting for Employee Benefits (AS-15), issued by the Institute of Chartered Accountants of India.

- (ii) Provision for leave encashment is made on the basis of actuarial valuation as on 31.3.2011.
- (iii) Retirement benefits of employees on deputation from Punjab National Bank are borne by PNB and hence no provision is considered necessary by the company.

7. TRANSACTION INVOLVING FOREIGN EXCHANGE

- (i) Foreign currency monetary liabilities are translated at the rate which reflects the liability of the company in Indian Rupee which is likely to be repaid at the balance sheet date.
- (ii) Income and expenditure items are accounted for at the exchange rate prevailing on the date of transaction.
- (iii) Generally Exchange differences arising on Foreign Currency transactions are recognised as income or expense as the case may be in the period in which they arise. However, in case of forward exchange contracts, the Exchange difference between the forward rate and the exchange rate at the date of transaction is recognised as an income or expense over the life of the forward contract in line with Accounting Standard on Accounting for the Effects of Changes in Foreign Exchange Rates (AS-11) issued by Institute of Chartered Accountants of India.

8. TAXES ON INCOME

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

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

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

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

9. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS 29)

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

10. DERIVATIVE TRANSACTIONS

- (i) The derivative transactions entered for hedging interest bearing liabilities are accounted for on accrual basis.

- (ii) Gains or losses on swaps are accounted for on the date of unwinding and are adjusted in the Interest Expenditure account.

11. POSSESSION OF SECURED ASSETS

- (i) As per the National Housing Bank Directions 2010, the land and buildings, including Assets/ Properties acquired from NPA Advances in settlement of Loans, are held as 'Other Current Assets' till their disposal. These assets are required to be disposed off within 3 years from the date of acquisition (if it exceeds 10% of net owned funds of the company) unless and until extended by the NHB. All the expenses incurred on the upkeep of the property including safeguarding, insurance, rates & taxes etc are charged to Profit & Loss Account in the year of incurrence.
- (ii) Where the possession of the secured assets has been taken by the Company under SARFAESI Act, 2002 such assets are classified in 'Current Assets' at cost or market price (as per valuation report), whichever is less till its final disposal. The diminution in value is provided as 'Provision for Doubtful Debts & Contingencies'. The loss, if any, is ascertained and accounted for in the year of its disposal.

12. INSTALMENTS - ACCOUNTING OF LOANS

- (i) Loans to the extent, the instalments have not become due as at the year end are being shown under "Loans."
- (ii) Loans to the extent the instalments have become due on or before 31st March, 2011 are being shown under "Loans and Advances".

13. PRUDENTIAL NORMS

Income recognition and Provisions on Loans & Advances are being made on the basis of prudential norms laid down by National Housing Bank (NHB).

14. UNCLAIMED DEPOSITS

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

15. SHARE/ BOND ISSUE EXPENDITURE

Expenditure incurred on issue of shares/bonds is charged to Profit & Loss Account in the year it is incurred.

16. BROKERAGE/DMA COMMISSION

Brokerage on Deposits/ DMA Commission on loans is charged to Profit & Loss Account in the year it is incurred.

17. INCENTIVE PAID TO EMPLOYEES

Cash Incentive paid to employees in terms of performance linked incentive scheme is charged to Profit & Loss Account in the year it is incurred.

SCHEDULE: 16
NOTES ON ACCOUNTS

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

	For the year Ended March 31, 2011 RUPEES	For the year Ended March 31, 2010 RUPEES
Outstanding for over six months	43,913,693	29,116,027
Outstanding for six months or less	241,785,276	280,862,520
	285,698,969	309,978,547

2. Loans and instalments due from borrowers shown under Loans and Advances are secured wholly or partly by:

- (a) Equitable Mortgage of Property
(b) Pledge of shares, units, NSCs, other securities, assignment of life insurance policies.
(c) Bank guarantees corporate guarantees, government guarantee or personal guarantees.
(d) Undertaking to create a security.

3. Advances are classified as performing and non-performing assets and provisions are made in accordance with guidelines on prudential norms issued by National Housing Bank (NHB). Detail is given hereunder:

(Rs. in lac)

Loans	Standard	Sub Standard	Doubtful	Loss	Total
Housing Loans (including instalments due from borrowers) (Previous Year)	246856.61 (195207.08)	1506.05 (1790.04)	1213.02 (731.17)	579.92 (305.97)	250155.60 (198034.26)
Provisions made (Previous Year)	1235.00 (976.00)	153.64 (179.00)	347.99 (196.34)	579.92 (305.97)	2316.55 (1657.31)
Non-Housing Loans (including instalments due from borrowers) (Previous Year)	65654.95 (52402.89)	525.36 (230.60)	326.14 (73.11)	- (7.71)	66506.45 (52714.31)
Provisions made (Previous Year)	263.33 (209.88)	52.54 (23.06)	71.58 (17.04)	- (7.71)	387.45 (257.69)
Total Loans (Previous Year)	312511.56 (247609.97)	2031.41 (2020.64)	1539.16 (804.28)	579.92 (313.68)	316662.05 (250748.57)
Total Provisions (Previous Year)	1498.33 (1185.88)	206.18 (202.06)	419.57 (213.38)	579.92 (313.68)	2704.00 (1915.00)

4. a) In view of prevailing industry scenario, uncertainties about recoveries and increasing incidence of frauds it has been considered prudent to keep a Provision of Rs 14.98 crores equivalent to 0.50%(Rs 12.35 crores Previous Year Rs 9.76 crores) of standard housing loans and 0.40%(Rs 2.63 crores Previous Year Rs 2.10 crores) of standard non-housing loans against the requirement of Rs 1.45 crores equivalent to 0.20% on loans other than individual housing loans as per NHB Directions, 2010.
- b) The company has retained a Provision for Contingencies of Rs 0.15 crore made in March 08 in respect of fraudulent encashment of a cheque pending completion of investigation.
5. Interest on non-performing assets is recognised on realisation basis as per the NHB Guidelines. Accordingly the total interest de-recognised as at the Balance Sheet date is summarised as under:-

	RUPEES
Cumulative interest B/F from last Balance Sheet	25,502,442
Less: Recovered/ written back/ written off during the year	16,319,850
Add: Interest de-recognised for the year on	
- Sub Standard Assets (Net)	17,034,829
- Doubtful/ Loss Assets	3,733,404
Total interest de-recognised as on 31.03.2011	29,950,825

6. Capital to Risk Assets Ratio (CRAR)

	Items	For the year Ended March 31, 2011	For the year Ended March 31, 2010
i	CRAR (%)	20.83	16.78
ii	CRAR – Tier I Capital (%)	12.16	11.88
iii	CRAR – Tier II Capital (%)	8.67	4.90

7. Exposure to Real Estate Sector

		Rs in crores	
	Category	For the year Ended March 31, 2011	For the year Ended March 31, 2010
a	Direct Exposure		
	(i) Residential Mortgages(including loan against residential property) - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Out of which Individual Housing Loans upto Rs 15 lacs – Rs 1252.40 crores Previous Year Rs 1070.65 crores)	3007.88	2352.66
	(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates. Exposure would also include non-fund based (NFB) limits	158.74	154.83
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a Residential	Nil	Nil
	b Commercial Real Estate	Nil	Nil
b	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

8. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

Rs in crores

	Liabilities		Assets	
	Borrowings from banks	Market Borrowings	Advances (Net of NPA Provision)	Investments
1 day to 30-31 days (one month)	215	28	20	196
Over 1 month to 2 months	2	8	20	0
Over 2 months to 3 months	53	8	20	71
Over 3 months to 6 months	112	44	60	0
Over 6 months to 1 year	190	39	149	0
Over 1 year to 3 years	876	423	333	0
Over 3 years to 5 years	358	314	288	0
Over 5 years to 7 years	7	109	553	32
Over 7 years to 10 years	11	215	516	0
Over 10 years	0	197	1196	12
Total	1824	1385	3155	311

9. Managerial remuneration:-

	For the year Ended March 31, 2011 RUPEES	For the year Ended March 31, 2010 RUPEES
Salaries and Allowances	4,213,878	688,634
Contribution to Provident Fund	238,431	39,480
Total	4,452,309	728,114
Value of perquisites (Car, Accommodation etc)	0	36,600
Travelling Expenses (Including LFC of Rs Nil Previous Year Rs 139,848/-)	135,564	1,53,078

10. Related Party Transactions:

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

a) Key Management Personnel

(Rs. in Lac)

S.No	Name of transacting related party	Amount	
1.	Sh V K Sood & Relatives Managing Director (upto 25.06.2010)	Salary & Allowances	14.15
		Cont. to PF	0.68
		Travelling exp.	0.51
		Housing Loan	7.55
2.	Sh Sanjaya Gupta & Relatives Managing Director (w.e.f. 25.06.2010)	Salary & Allowances	27.99
		Cont. to PF	1.70
		Travelling exp.	0.84

b) Other Entities:

		(Rs. in Lac)	
S.No	Name of transacting related party	Amount	
1.	Destimoney Enterprises Pvt Ltd	Board Meeting Airfare and Conveyance	6.22
		DMA Commission	9.63
		Interest on Debentures	803.41
		Dividend	156.00
		Compulsorily Convertible Debentures Issued	13732.35

c) Only the independent directors are paid sitting fees for the Board / Audit Committee meetings at the rate of Rs.5,000/- per meeting and for Other Committee meetings Rs 3,000/- per meeting besides out of pocket expenses. During the year the Company has paid a sum of Rs. 1.95 lac towards sitting fees.

11. Deferred Taxes

a) The break up of net deferred tax asset as at 31.03.2011 is as under:

Particulars	(RUPEES)	
	As at March 31, 2011 RUPEES	As at March 31, 2010 RUPEES
Deferred Tax Asset:		
De-recognised Interest	6,697,993	6,193,042
Provision for Leave Encashment	4,118,281	3,110,406
Provision for Doubtful Debts and Contingencies	93,857,781	68,555,439
Depreciation on Fixed Assets	2,685,990	1,426,982
Net deferred tax asset	107,360,045	79,285,869

b) As per the opinion of the Expert Advisory Committee of the ICAI, the Company is required to create provision of deferred tax liability on Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act,1961. As per prevalent practice amongst Housing Finance Companies, the company has not made such provision.

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

	Unit	2010-11	2009-10
a. Amount used as the numerator Profit after tax	Rupees	693,729,910	667,611,628
b. Weighted average number of equity shares used as the denominator	Number	30,000,000	30,000,000
c. Nominal value of shares	Rupees	300,000,000	300,000,000
d. Earning per share (EPS)	Rupees	23.12	22.25

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

14. Impairment of Assets (AS 28): The management feels that the Accounting Standard (AS 28) would not apply to investment, inventories and financial assets such as loans and advances. However as regard to financial assets such as loans and advances the same has been covered by provision in accordance with guidelines on prudential norms issued by National Housing Bank (NHB).

Further, during the year the company carried out exercise of identifying and discarding obsolete/incompatible items of fixed assets having written down value of Rs 0.50 crores. Most of the discarded assets have immaterial scrap value. Hence, full amount has been written off.

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

Rs in lacs				
Provision for	Opening as on 01.04.10	Addition	Reversal/Adjustment	Closing as on 31.03.2011
Doubtful Debts & Contingencies	2063.83	828.99	0	2892.82

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

16. The provision for Income Tax has been made on the basis of the accounting practices consistently followed by the Company after allowing benefits under section 36(1)(viii) of the Income Tax Act, 1961. The method of bifurcation of income & expenses for long term housing finance is the same as that of last years'.
17. As per the information available with the company, there are no amounts payable to Micro, Small and Medium Enterprises.
18. With respect to company's borrowing in FCNR (B) - Term Loan Account, the company has paid/ incurred interest amounting to Rs.11,077,986/- (Previous year Rs. 51,479,472/-) in foreign currency. Further the company has taken foreign currency fluctuation cover by way of Forward Exchange Contract from reputed approved dealers. A sum of Rs.7,881,354/- being the liability (Previous year Rs. 4,899,739/-) of company with respect to exchange difference for the Forward Exchange Contract and Rs Nil being the liability (Previous Year Rs 15,851,000/-) towards exchange difference for uncovered borrowing has been paid and accounted for as per the guidelines laid down by the Accounting Standard on accounting for the effects of changes in Foreign Exchange rates (AS-11) issued by The Institute of Chartered Accountants of India.
19. All Computer Software purchased from outsiders are being amortised as per Accounting Standard 26 (AS-26) as laid down by The Institute of Chartered Accountants of India. Considering the technological risks and issues of technological obsolescence, the Depreciation on written down value at the rate of 60% p.a. is being provided.
- All subsequent expenditure on software after its purchase and /or installation are recognised as expenditure whenever incurred.
20. As per NHB refinance guidelines, the Company is required to submit half-yearly certificate as on 30th September and 31st March disclosing therein the difference between hypothecated book debts and NHB refinance outstanding. The adverse balance, if any, is being paid back to NHB as per their guidelines (Adverse Balance as on 31.03.11 is Nil Previous Year Rs.Nil).
21. As per Section 29 C of National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36 (1) (viii) of Income Tax Act, 1961 is considered to be an eligible transfer. Accordingly, the Company has transferred Rs 12.89 crore to Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961 and Rs 1.53 crore (including Rs 0.54 crore for earlier years) to Additional Reserve (u/s 29C of NHB Act) during the year.
22. Government Notification about Cess payable u/s 441-A of the Companies Act, 1956, being not available, necessary provision has not yet been made.

23. Amount due from principal officers as at 31.03.2011 was Rs Nil (Previous year Rs 764,881/-). Maximum amount due from such officers at any time during the year was Rs 764,881/- (Previous year Rs 764,881/-).

24. Contingent liabilities not provided for

	As at March 31, 2011 RUPEES	As at March 31, 2010 RUPEES
- Estimated amount of contracts remaining unexecuted (net of advance)	0	98,000
- Claims against the Company not acknowledged as debt	70,196	0
- Income tax matters under dispute	17,009,790	17,123,453

25. Previous year figures have been rearranged/regrouped wherever necessary.

26. Figures have been rounded off to the nearest rupee.

27. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	55-33856	State Code	55
Balance Sheet Date	31.03.2011		

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	NIL	Rights issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	36,709,448	Total Assets	36,709,448
SOURCES OF FUNDS			
Paid up Capital	300,000	Reserves & Surplus	3,064,342
Secured Loans	27,520,855	Unsecured Loans	4,263,310
APPLICATION OF FUNDS			
Net Fixed Assets	17,798	Investments	3,107,576
Net Current Assets	32,023,133	Miscellaneous Expenditure	0
Accumulated Losses	0		

IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover and other income	3,642,351	Total Expenditure	2,667,612
Profit before tax	974,739	Profit After Tax	693,730
Earning per share (Rupees)	23.12	Dividend Rate (%)	22

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per Monetary terms) : Company is a single product company as per details given below :

Item code No.	N.A.
Product Description	Loans for or against properties

(A K Singhal)
AVP

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

(Sukhvinder Kaur)
Sr. EVP

(Sanjaya Gupta)
Managing Director

(Anand Dorairaj)
Director

(Vivek Vig)
Director

(S K Jain)
Director

(P K Gupta)
Director

(Tejinder Singh Laschar)
Director

(G N Bajpai)
Director

(Vivek Arya)
Director

(Rakesh Sethi)
Director

(K R Kamath)
Chairman

In terms of our report of even date

S K Kapoor & Co.

Chartered Accountants

PLACE: NEW DELHI

DATED:

(V B Singh)

Partner

M No : 73124

FR No : 000745C