

It all began with a single resolution. The obstacles seemed insurmountable. But one group of people stood firm in their belief that dreams could shape and strengthen a country's future.

The DHFL group understood that to build a country that would emerge as a global force, baby steps would have to develop into giant strides and then quantum leaps. So they decided to go about it one dream at a time.

Fuelling hopes with brick and mortar. Empowering lives with homes and the invaluable sense of security that owning one brings. Creating India Invincible, from the inside out. Because a strong family is the first step towards creating a stronger nation.

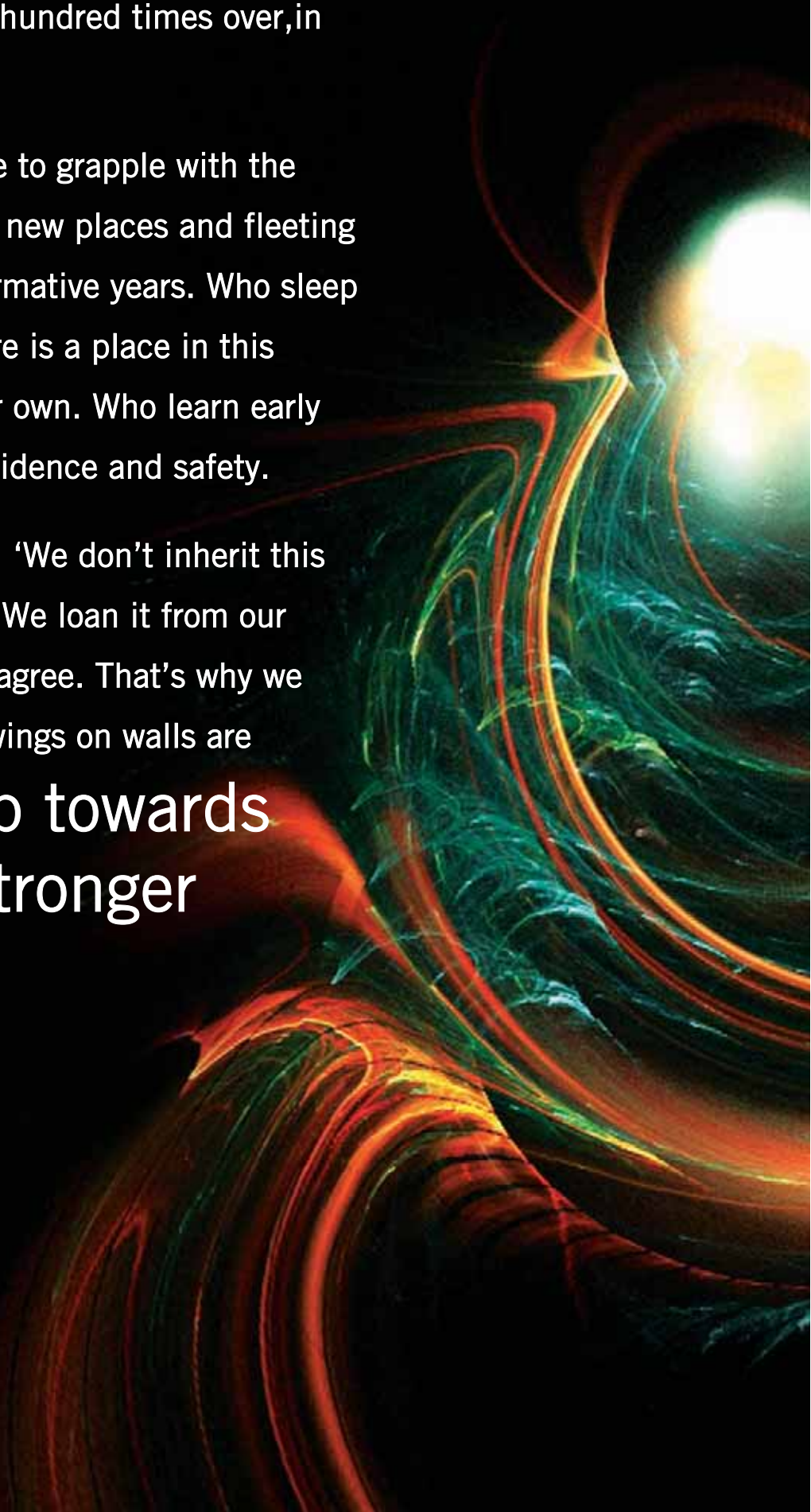
Today, this chain reaction shows no sign of slowing.

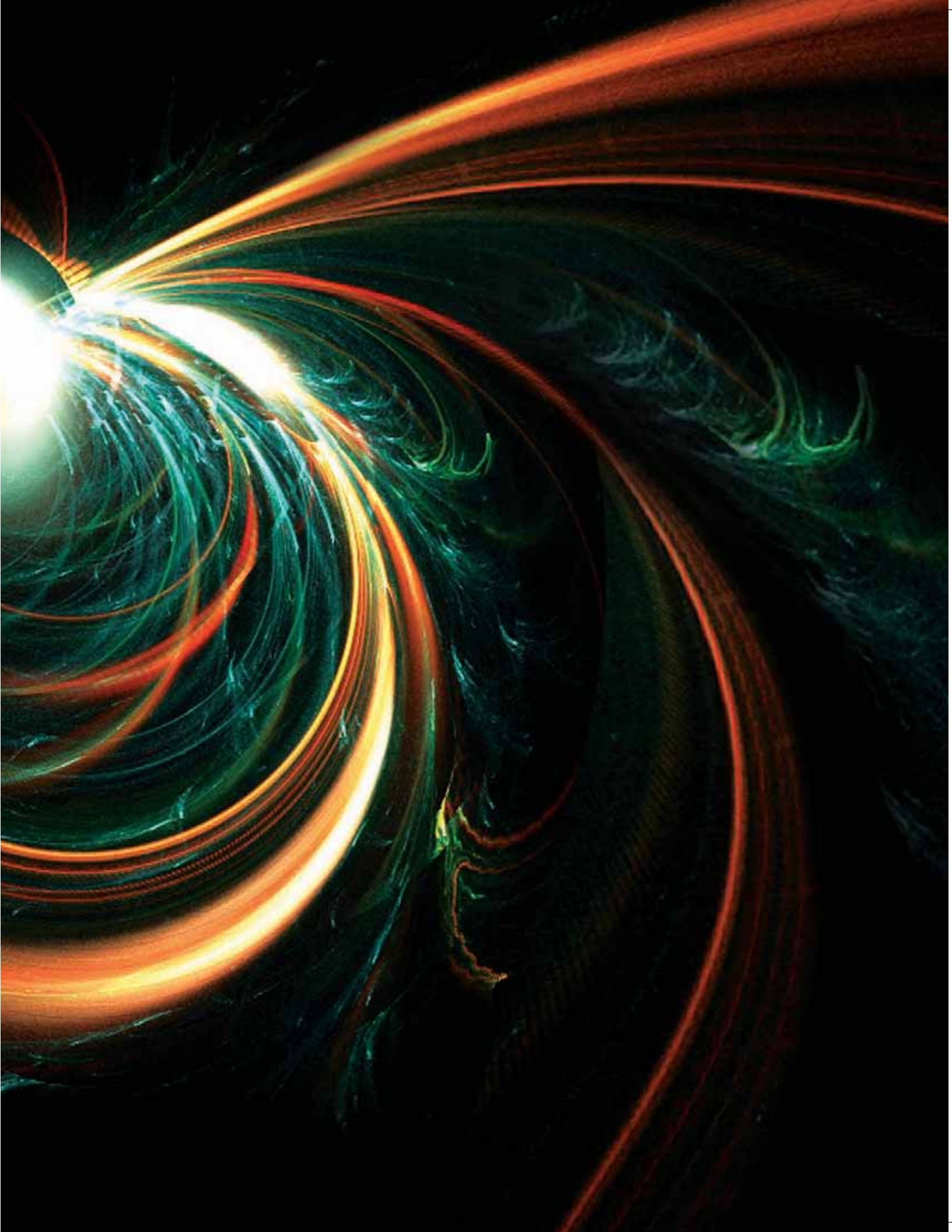
In fact, it's picking up speed with every passing day. And we intend to keep it that way.

The joy of owning a home is not an adult's alone. It is magnified a hundred times over, in the delight of children.

Children who never have to grapple with the insecurity of new faces, new places and fleeting relationships in their formative years. Who sleep easier knowing that there is a place in this world they can call their own. Who learn early on, the meaning of confidence and safety.

Kahlil Gibran once said, 'We don't inherit this world from our parents. We loan it from our children.' At DHFL, we agree. That's why we believe that crayon drawings on walls are **the first step towards creating a stronger nation.**



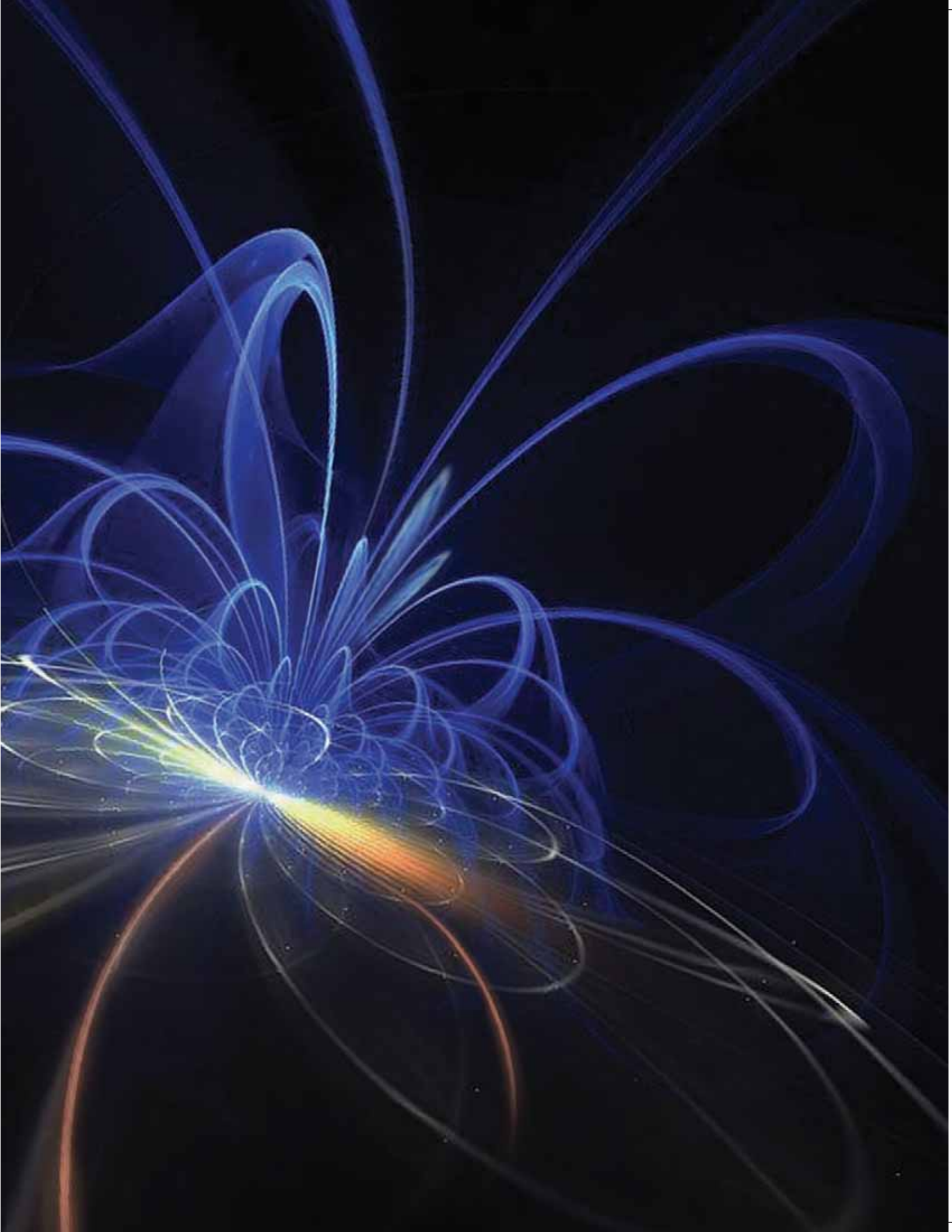



If children revel in the pleasures of their own home, can their parents be far behind? They walk tall, with heads held high. Because they have found their place in the sun, in a land of teeming billions.

Four walls hold within them countless opportunities. And when accompanied by peace of mind, these opportunities turn golden.

A home lets men and women drop anchor and concentrate on providing better lives for their loved ones. It spurs them on to bigger things and equips them with the belief that anything is possible. With a huge responsibility taken care of, they become happier people and hence more productive citizens.

DHFL believes that it is these very citizens who will lead India into a glorious tomorrow.





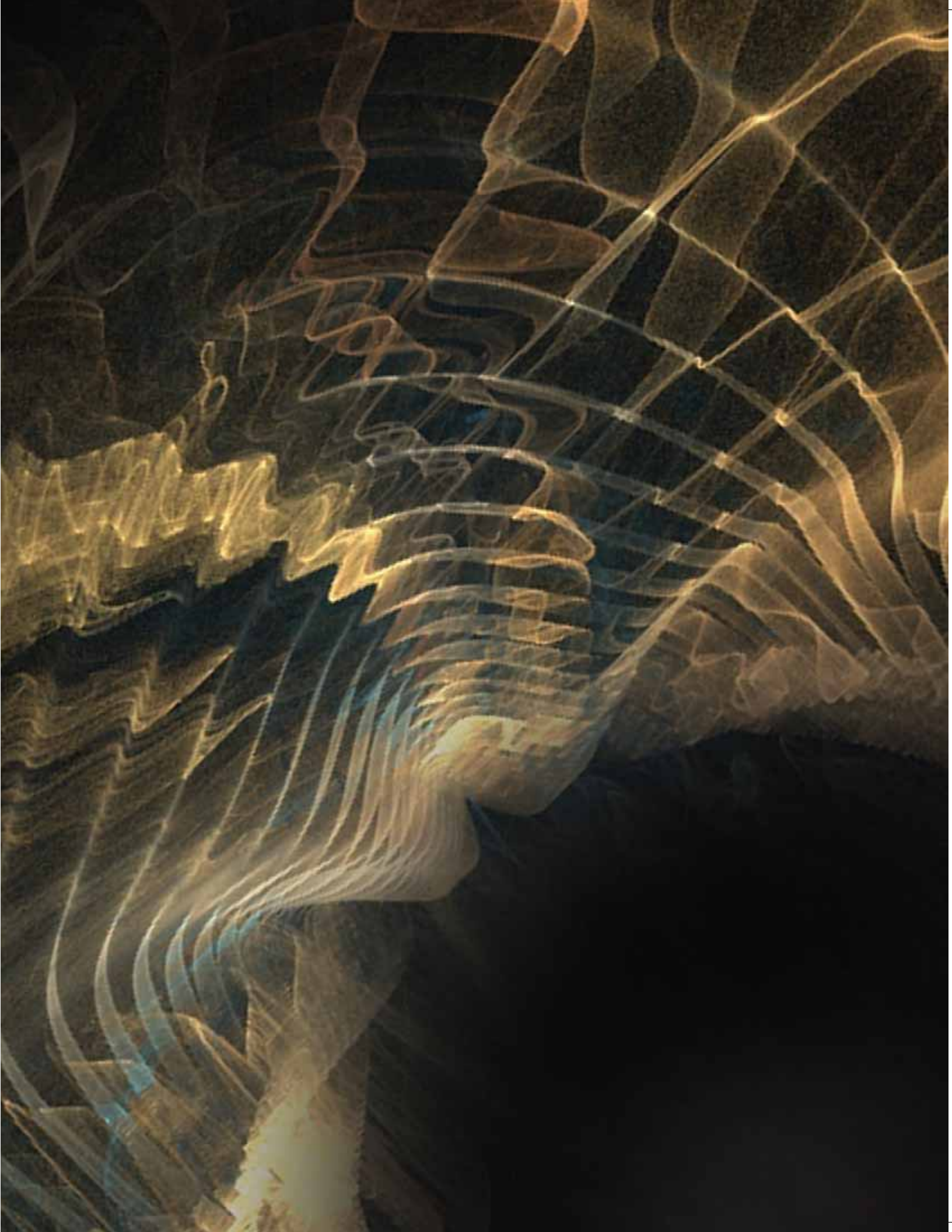
A city is only as strong as its citizens. And owning one's home is the first step to bolstering a community.

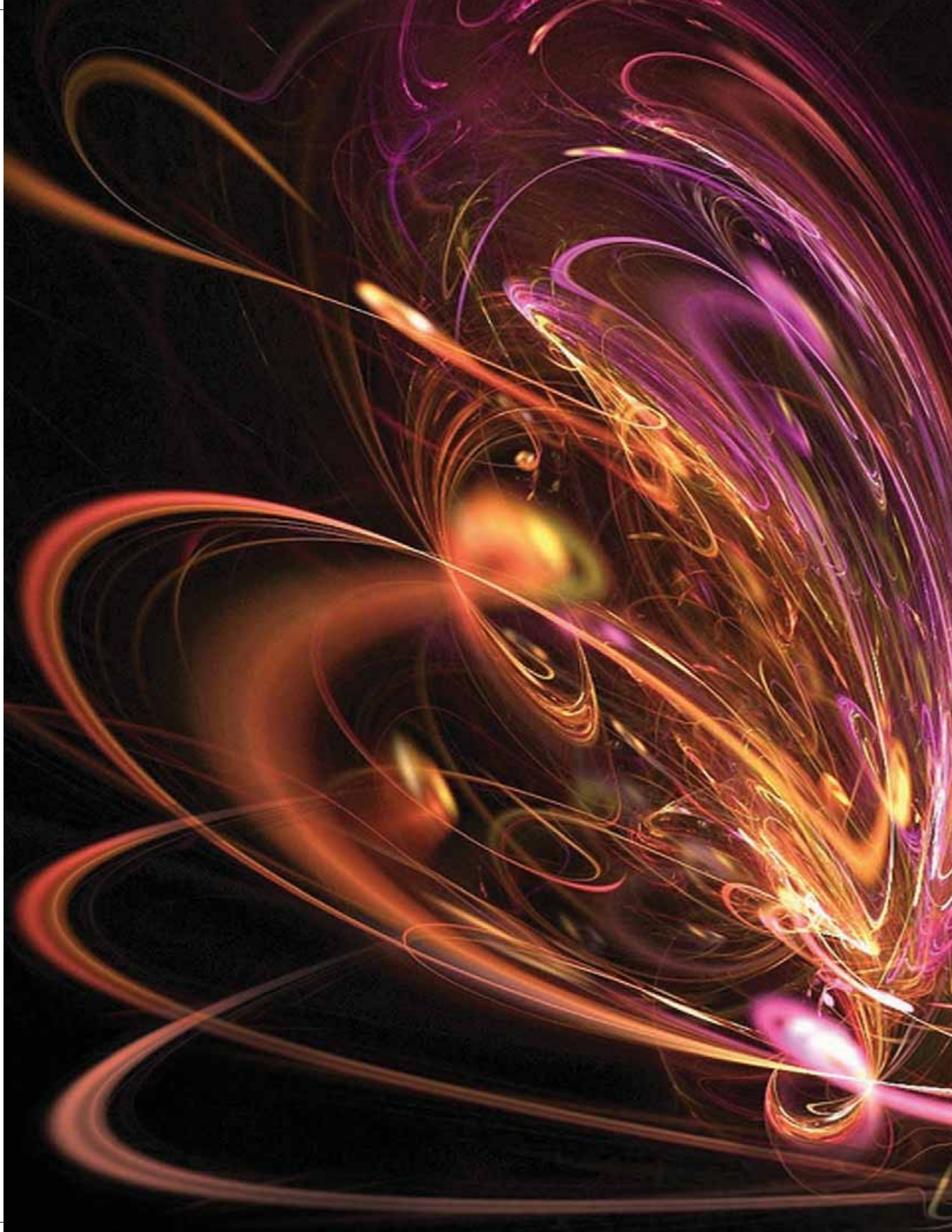
Team DHFL has always known that owning homes encourages people to reach for the stars. It gives them both, the time and the inclination to concentrate on issues that go beyond their families and are crying out to be addressed.

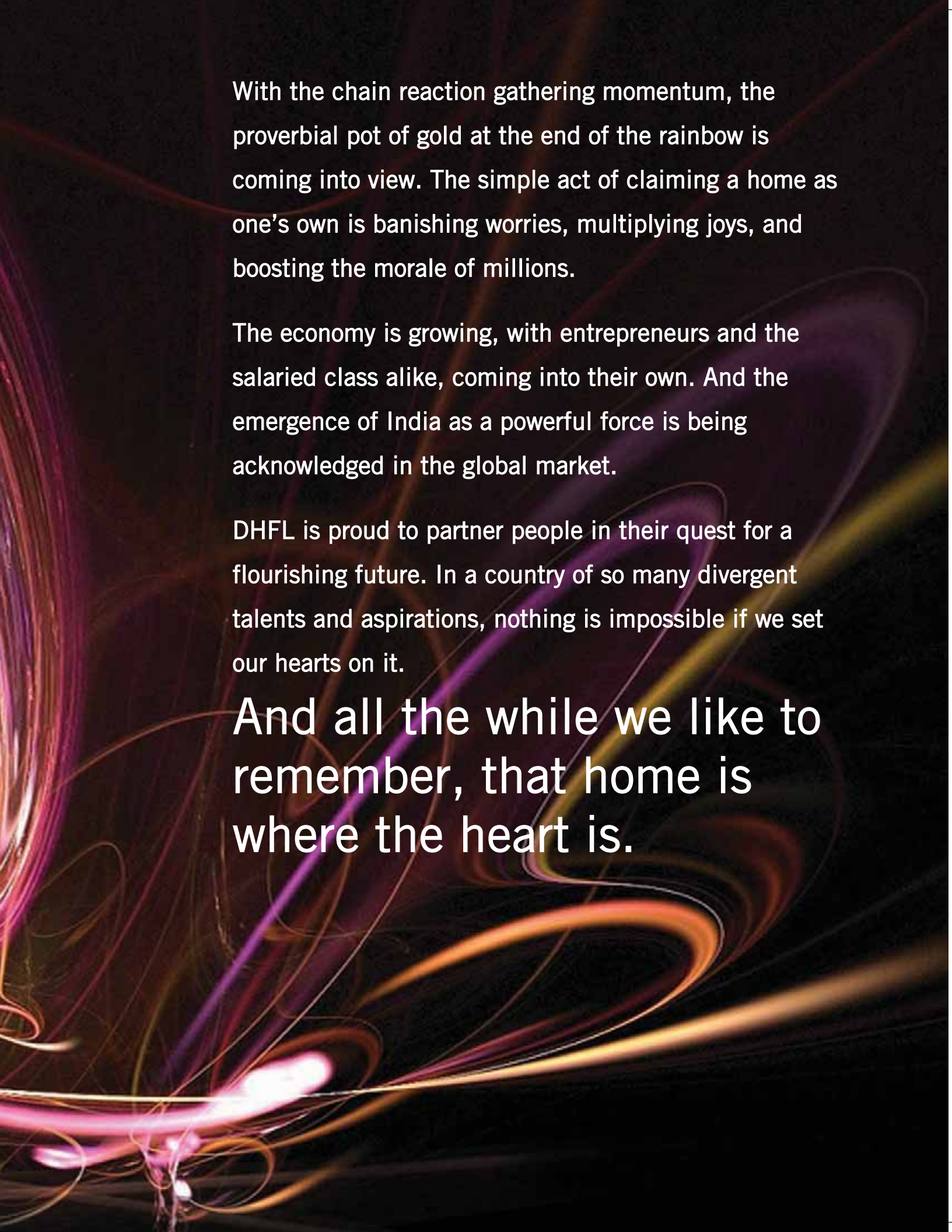
From productivity at work that boosts the economy, to social awareness that makes a place safer, cleaner and better to live in. Imagine if every city produces hundreds of thousands of citizens who have the luxury of improving upon the bigger picture. Because the smaller one is already taken care of.

Unhindered by doubts, they will work towards a **more prosperous future.**

And consequently, a stronger country.







With the chain reaction gathering momentum, the proverbial pot of gold at the end of the rainbow is coming into view. The simple act of claiming a home as one's own is banishing worries, multiplying joys, and boosting the morale of millions.

The economy is growing, with entrepreneurs and the salaried class alike, coming into their own. And the emergence of India as a powerful force is being acknowledged in the global market.

DHFL is proud to partner people in their quest for a flourishing future. In a country of so many divergent talents and aspirations, nothing is impossible if we set our hearts on it.

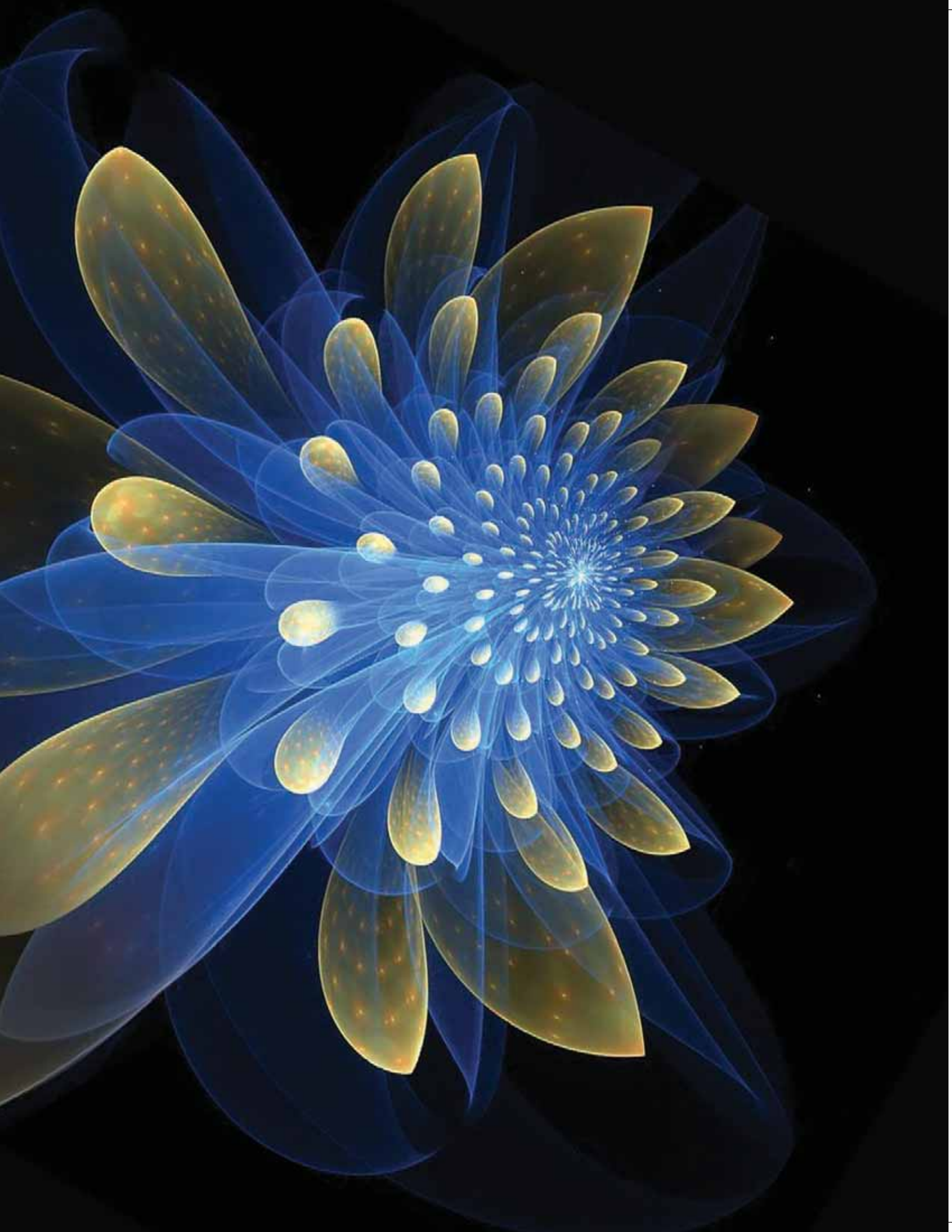
And all the while we like to remember, that home is where the heart is.

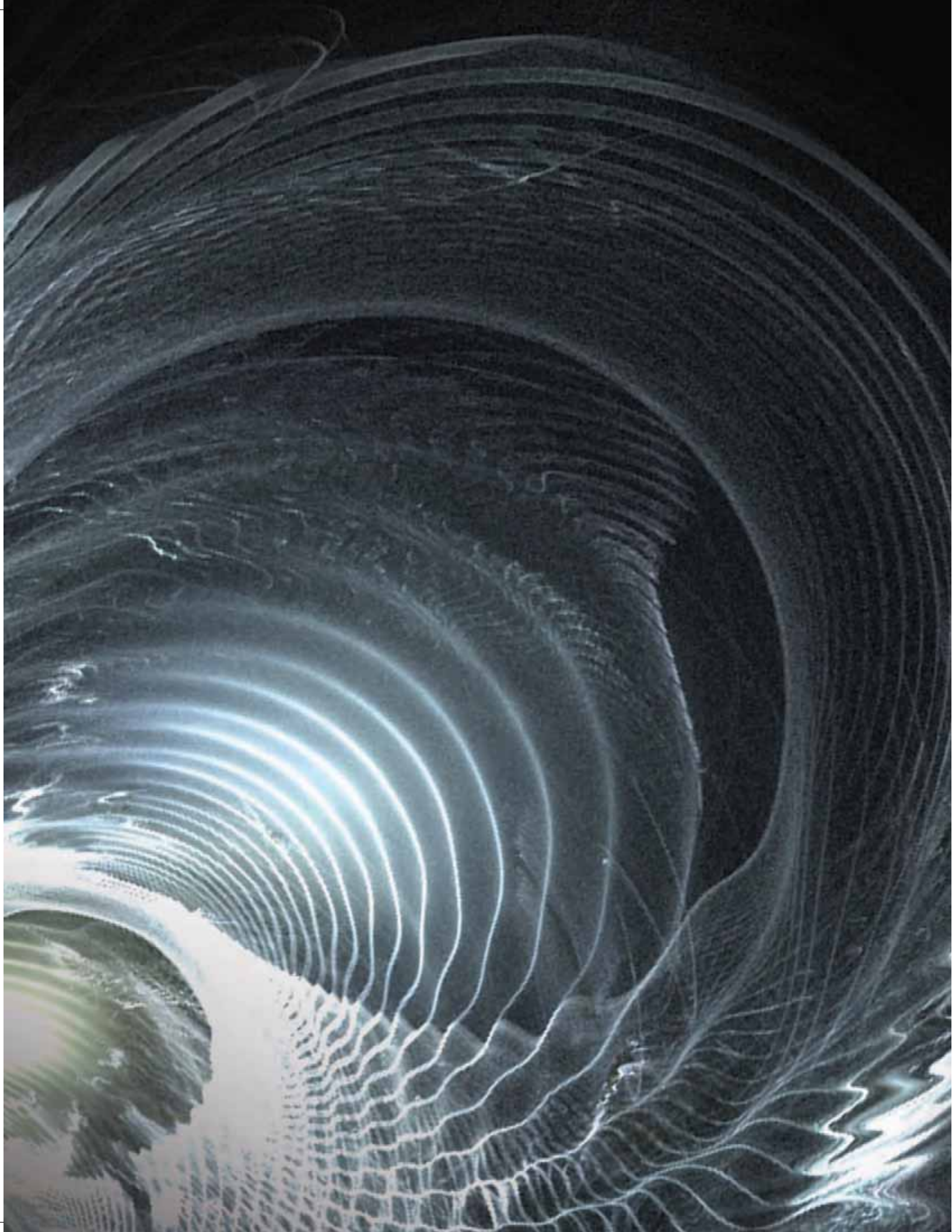
With satisfied customers dotting the landscape, one would think that the DHFL group would breathe easy. But we never forget that well begun is only half done.

The future is calling. And we're responding with solutions that provide a cocoon of security and enable people to do more with their lives. For instance, we provide not just life insurance, but cover every conceivable insurance need our customers may have. We also help them save responsibly through our fixed deposit options. Because we realise that tomorrow is as important as today. Over the years our expertise has branched out to include project loans and property services for builders as well, in a bid to stimulate the entire housing sector. Ensuring that as many Indians as possible have affordable access to homes.

While we speak of past accomplishments and chart out plans for the future, we realise that we owe everything we have achieved to the diligence and commitment of our people. They are our anchors and our strength. And we are confident, that like the Invincible country we hope to build,

they will only grow stronger.







Yours was the spark that let the light shine,
By your thoughts and beliefs, we all still abide,
Our faith in you glows brighter every day,
On this momentous journey, you will forever be our guide.



“We firmly believe that the underserved sections of our society deserve to participate in and benefit from the country’s progress as much as anyone else.”

CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The DHFL story is the India story.

As India surges forward and strengthens its mark on the global economy, the world view of this country that is home to over a billion people has changed dramatically. The land of snake charmers and elephants, the third world subcontinent that houses teeming millions of poor and illiterate has beaten the odds and risen like the proverbial phoenix.

India's stature on the global economic map and its significant role in the BRIC group is a success story straight out of celebrated text books on economics. Today, the world looks to India for leadership. And undoubtedly, that is something to be proud of. From being a debt-ridden, impoverished, 'nothing's ever going to improve here' scenario, to one where we are grappling with surpluses and speeding on the expressway to prosperity, India's journey has been an eventful one. While many of the large western economies of the world are reeling under the effects of

recession, India has managed to move ahead at a steady pace, with little impact on its economic state. So we would be absolutely right in saying that India has arrived and is here to stay. Having said that, let us acknowledge that there are miles to go before we can sleep.

When we began our journey 26 years ago, we were scoffed at for choosing the road not taken. But thanks to the foresight and resilience of our Founder Chairman, the Late Shri Rajesh Kumar Wadhawan, over the years we have made a significant contribution to the landscape of affordable housing in India. Our recognition of the need for a roof over every head, especially for the lower and middle income group, has helped carve out a unique roadmap for DHFL. And we are proud to say that we have not reneged on that core promise till date. We realize that our success is due in large measure, to staying true to the vision laid out for us, and the systems and processes we have specially designed to service this group. Needless to say, we see no reason to stray away from it.

Our economy is on the upswing and the Indian real estate sector is clearly looking at 2010 as a year to build on its successful run in 2008. While concerns over liquidity and demand constraints have eased, the industry was looking to Budget 2010 for category boosters like tax breaks for townships and an affordable housing sector. While the 'infrastructure' status still eludes the real estate sector, a clear inclination towards low-cost real estate, especially housing, was observed. Yet Budget 2010 in spite of many positives like incentives for housing projects, higher allocation under Indira Awas Yojana and other rural development and infrastructure schemes, is unlikely to meet the expectations of the industry. This is primarily due to some of the service tax proposals which may act as dampeners. There is also a dire need for long term funding at low costs, for the benefit of the common man. An external borrowing window is therefore essential, especially with the growth rate of GDP being targeted at 8 - 9%. Policy measures governing the deployment of capital in the realty industry is becoming critical.

India has an evolved housing finance system. We have, over the past 26 years, amassed a wealth of knowledge and experience with our unique model of housing finance, especially geared towards the lower and middle income segments of the society. Our expertise in this area has been widely recognized and many reputed international financial

institutions like the Asian Development Bank and IFC, Washington have extended their support to us in the past. We believe that many an economy in the world can learn from us. Our knowledge leadership has brought us to a position where we can venture into strategic partnerships with major international players, wherein DHFL will play a lead role. In this regard, we are already actively in the midst of discussions with a few prestigious institutions. Our playing field is now the globe.

Your Company continued to invest in and grow its extensive marketing network operations; with an aim to ensure that DHFL Home Loan products always have a place in the housing sector, nationwide. We intend to keep this network growing, while also creating innovative distribution channels to ensure a wider and deeper market presence than ever before. Our offshore representative offices in Dubai and London are successfully addressing the needs of our countrymen in these markets. We remain confident about the future, secure in the knowledge that we have hired talented and diligent professionals across all areas of our business.

It is heartening to note that despite the market movement last year being below expectations, the Company registered its highest ever performance across all parameters. The

disbursements increased by 73%, and our profit after tax increased by 64.22%. Therefore, the Board has recommended a dividend of 30%, the highest ever in the history of the Company. Although we delivered value to our shareholders this fiscal, the global economic trends signify a tough year ahead. The Company seeks the continued support of all its shareholders, to sail through the present economic crisis unaffected and go from strength to strength. On our part, we are absolutely committed to doing all we can to maximise stakeholder value in 2010-2011.

Over time there has been a paradigm shift in the way we as a Company, foresee our future. We not only look back with pride at the 26 fruitful years gone by, but visualise with hope, excitement and a youthful vibrancy, how we shall shape the next 100 years. We firmly believe that the under-served sections of our society deserve to participate in and benefit from the country's progress as much as anyone else. And we will continue to look at areas that will help us fulfill these objectives.

The insurance services arm of the Company has already, in the short time since its inception, established a firm foothold in the market. Our understanding of the market and its dynamics has prompted us to introduce Property Services as well, providing our expertise in marketing and project

management to small and medium sized players in the industry. In terms of future ventures, we know that India is lauded for its well established banking system. While we are an over-banked society, the Company sees a significant section of the people, especially in the hinterland, who are still under-served. The potential in banking and asset management services are therefore immense. Tomorrow could well see DHFL making in-roads into these sectors.

As we sign off for the year 2009-2010, we would like to thank our employees for their hard work and dedication, our customers for their business, and you, our shareholders, for your support and trust across 26 years of our existence. We are ever committed to progress and hope that you reciprocate our enthusiasm with your continued support in the future.

Sincerely,



Kapil Wadhawan
Chairman & Managing Director



“Post October 2008, when the world grappled with the shock of global recession and the consequent meltdown, we at DHFL also felt the ripples. In Q3 and Q4, the housing and real estate sector put the worst behind them, moving to a path of recovery, with DHFL enjoying its highest net realizations ever.”

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Dear Shareholder,

The real estate market in India was most hit by the downturn between August and October of 2008 when sales almost came to a standstill. There were some early signs of recovery in March 2009 and since then prices have stabilized and sales went on to improve considerably by the end of the year.

Affordable property is set to play a key role in the residential real estate sector in India in 2010, on the back of a significant pickup in demand. An upturn in the economy and the government's ongoing efforts to push growth in the infrastructure are expected to help the sector grow this year.

This year will be crucial for the housing industry given the Government's concern over the massive housing needs of the people, especially in urban areas. By the end of 2010 we expect prices in the real estate sector to roll back to at least 90% of the level prevalent in 2007/08. It is estimated that values have fallen by 20 to 35% on an average across different regions in the country, since August 2008.

Real estate growth expectations are based on an assessment of GDP growth by CREDAI, the global revival, domestic sentiments and on the assumption that there would be no

major unforeseen fluctuations in the economy or natural calamities this year.

Operationally, DHFL's performance was exemplary. But more significantly, operations was a core area where the Company tried to move into what business ethics experts call the "sustainability sweet spot", that is, where pursuit of profit blends seamlessly with the pursuit of common good.

As a result, optimum utilization of resources streamlined operational efficiency, saved expense, and earned profits for both the housing and verticals businesses. Disbursements' grew by a record 72.53% while sanctions grew by over 97% over the previous financial year. The Loan portfolio increased to Rs. 8758.40 crores, showing a 51.22% growth as compared to the closing of the previous financial year. During the year DHFL disbursed Rs. 3865.55 crores and loan approvals for the year stood at Rs. 5273.96 crores. Revenues increased by 43.34% to Rs. 992.55 crores as compared to Rs.692.46 crores in the financial year 2008-09. DHFL's profit after tax saw a 64.22% growth, at Rs. 150.69 crores.

Posterity would remember 2009-10 as the year of the great contrast, as the first two quarters gave no inkling of what was

to transpire in the last two. In the third quarter, as prices crashed globally, real estate developers and builder struggled to keep their heads above water. But there were some positive developments as well. As the Reserve Bank of India responded to the global crisis by boosting liquidity, the main stimulus was greater thrust on infrastructure, which translates to greater demand for affordable housing finance.

Operations, innovations and marketing converged their best practices to insulate DHFL as far as possible from the global meltdown. Financial sustainability indicators include highest ever PBT, PAT, EPS and BV. All these factors gave DHFL a good leverage when borrowing from banks/financial institutions. Our verticals business provided a thick cushion to profits:

- Total Income for the FY 2009-10 is Rs. 992.55 crores as compared to Rs.692.46 crores in the corresponding previous year, thereby registering a growth of 43.34%.
- Profit before tax for the year ended 31st March, 2010 is Rs 202.19 crores as compared to Rs.124.11 crores in the corresponding previous year, registering a growth of 62.91%.
- The net profit of the Company is Rs. 150.69 crores as compared to Rs. 91.76 crores in the previous year, registering a growth of 64.22%.
- Total assets base stood at Rs. 9804.38 crores as on 31st March, 2010.

- Earnings per share (EPS) increased to Rs. 19.78 as on 31st March, 2010.
- Book value stood at Rs. 102.86 as on 31st March, 2010.

Marketing of Home Loan product like housing loan / mortgage Loan in a global recessionary market is possible only when DHFL markets quality home loan products with intangible values. Where customers, developers and builders are equal stakeholders of the company. Where the downturn is not an excuse to lower either product quality or service. Where customer relations prove stronger than the market ripples.

In line with global trends, the interest rate scenario has been volatile. DHFL revised its Prime Lending Rate for home loan products. During the year, DHFL introduced the 'DHFL Easy Home Loan Scheme' for a period ranging up to 25 years, with an offer of the lowest EMI of Rs. 772 per lakh. This enabled DHFL to compete with the other existing housing finance companies, banks and financial institutions.

Despite a weak market, in order to increase its share of the housing finance business, by tapping underserved segments of the Indian economy, the company is expanding its pan-India presence by setting up new offices across regions where the Company has hitherto not been present, including Northern and North Eastern India, targeting customers of the LMI segments. DHFL's presence includes those places where there is little or no presence of other HFCs and private

banks in India. The geographical spread of DHFL is based on both macro and micro economic factors. The business spread is at the outskirts of cities and around 66% of the business is generated from within a 50 km radius. To support the growth, DHFL has an integrated branch network of 93 branch offices (including its representative office in London and Dubai), 71 Services Centres and 30 Camp Locations, 5 Zonal Offices, 7 Regional Processing and 2 alliance operations with nationalized banks i.e Punjab & Sind Bank and United Bank of India, spread across the length and breadth of the country. This has resulted in the optimization of its operation costs and has improved delivery mechanisms. The company has linked all branch offices to a central database which helps in periodic assessment of loan portfolio and provides specific advantages in terms of efficiency and cost savings.

People are the prime movers of any organization, and DHFL is no exception. We have a talent pool of a skilled, experienced and committed workforce, which aligns its individual goals with the business objectives of the company. A fact which has been conclusively proved in 2009-10, as our people proved their mettle through enhanced capacity utilization and productivity, as well as a high degree of ownership and corresponding low attrition rates. Our belief in the importance of Human Resources has thus been reiterated. Specifically, the thrust was on acquiring, retaining and managing talent to insulate the company from the risk of talent attrition. Job satisfaction and ownership became the

key words across all tiers in the company. We chose to move ahead by paving the way forward for our employees by outlining their career paths, building up commitment and loyalty among the workforce and a strong relationship between the organization and the employees.

Our growth as a company is also heavily dependent on the Government Policies that are formulated. We hope the government funding to the housing finance companies are raised to help us in our smooth functioning and the development. Also the interest levied plays a very important role as a more lenient rate would help us considerably in getting more people to take the benefit of our finance schemes.

To conclude, despite difficult times, we have come out winners. But our job is only half done. Moving ahead, we wish to be the preferred choice of the people and dominate the market as far as housing finance is concerned. We wish to instill in people a sense of home ownership as also increase our reach lending our services to more and more people.

Going forward, we can expect the same enthusiasm, operational efficiencies and success from all our employees.



Anil Sachidanand
Chief Executive Officer

Board of Directors

Shri Kapil Wadhawan

Chairman & Managing Director

Shri Dheeraj Wadhawan

Director

Shri R. P. Khosla, IAS (Retd.)

Former Secretary, Govt. of India
(Ministry of Steel & Mines)

Shri R. S. Hugar

(Former Chairman & Managing Director
of Corporation Bank)

Shri G. P. Kohli

Former Managing Director of LIC

Shri Anthony Hambro

Nominee Director -
M/s Caledonia Investments Plc

Shri Ajay Vazirani

Director

Shri V K Chopra

(Former Chairman & Managing
Director of Corporation Bank)

Dr. P. S. Pasricha IPS (Retd.)

Former Director General of Police

Chief Executive Officer

Anil Sachidanand

Company Secretary

Shri S. Y. Sankhe

Auditors

M/s. B. M. Chaturvedi & Co.

Chartered Accountants

Registered Office:

Warden House, 2nd floor, Sir P. M. Road, Fort, Mumbai - 400 001.
Tel.: 022-2202 9900 Fax : 022-2287 1985.

Corporate Office:

HDIL Towers, 6th floor, Anant Kanekar Marg, Bandra (East), Mumbai - 400 051.
Telephone : 022-2658 3333 (30 lines) Fax : 022-2658 3344
e-mail : info@dhfl.com Website : www.dhfl.com

Bankers

Allahabad Bank	Punjab National Bank
Axis Bank Ltd.	South Indian Bank Ltd.
Bank of Baroda	State Bank of India
Bank of India	State Bank of Bikaner and Jaipur
Bank of Maharashtra	State Bank of Hyderabad
Canara Bank	State Bank of Indore
Central Bank of India	State Bank of Mysore
Corporation Bank	State Bank of Patiala
Dena Bank	State Bank of Travancore
Indian Bank	Syndicate Bank
Indian Overseas Bank	UCO Bank
IDBI Bank Ltd.	Union Bank of India
Oriental Bank of Commerce	United Bank of India
Punjab and Sindh Bank	YES Bank

Financial Institutions/Multilateral Agencies/Other Lenders

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

Debenture Trustee

GDA Trustee & Consultancy Ltd.
Shrinivas, 1202/29, Apte Road, Shivaji Nagar, Pune - 411004.
Tel.: 91-20-25510401 Fax: 91-20-25532567 email: gdatm@vsnl.net

(Listed in alphabetical order)

DHFL Growth

OPERATIONAL HIGHLIGHTS

(Rs. In Crore)

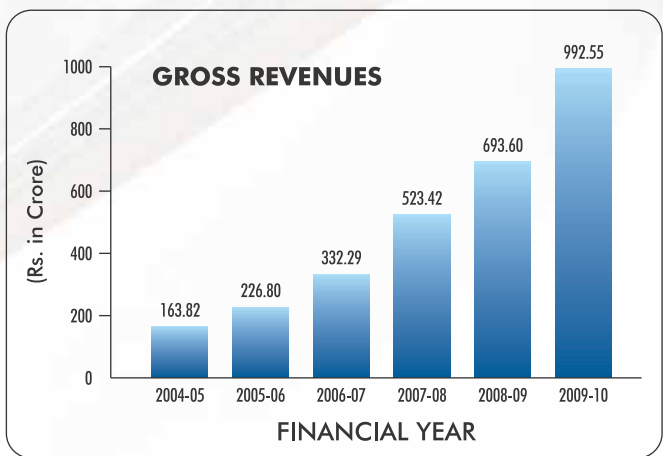
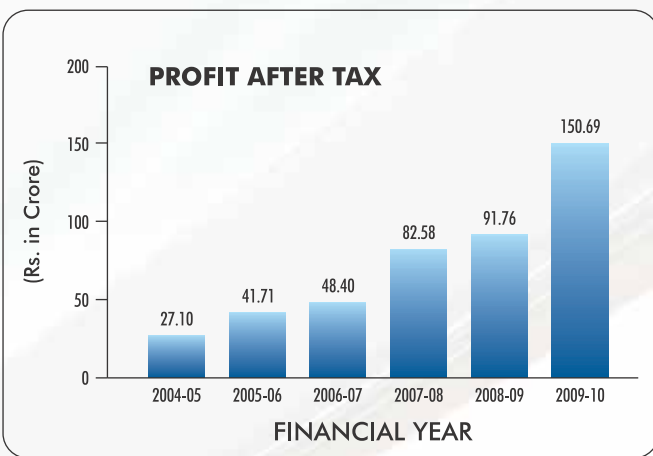
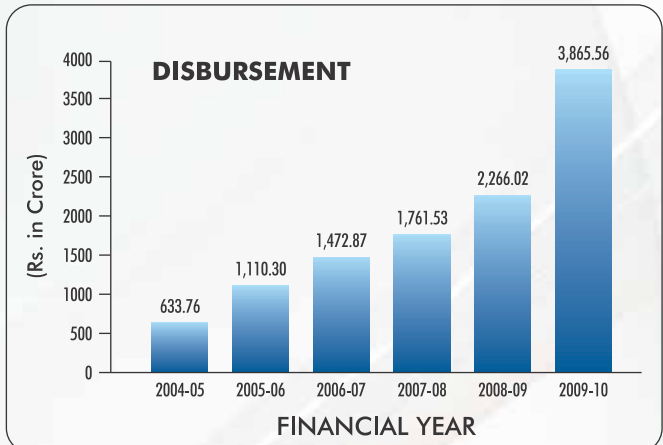
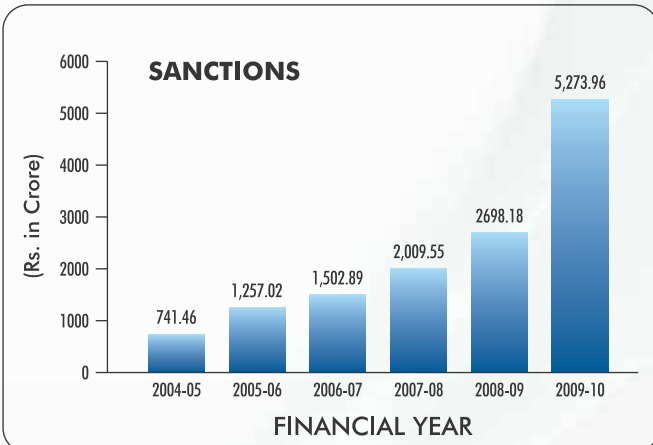
	1999 - 00	2000 - 01	2001 - 02	2002 - 03	2003 - 04	2004 - 05	2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
Approvals	181.18	206.06	215.85	447.36	525.94	741.46	1,257.02	1,502.89	2,009.55	2,698.18	5,273.96
Disbursements	163.58	161.18	203.04	418.65	468.54	633.76	1,110.30	1,472.87	1,761.53	2,266.02	3,865.56
Cumulative Disbursements	872.77	1,033.95	1,236.99	1,655.64	2,124.18	2,757.94	3,868.24	5,341.11	7,102.64	9,368.66	13,234.22

FINANCIAL HIGHLIGHTS

(Rs. In Crore)

	1999 - 00	2000 - 01	2001 - 02	2002 - 03	2003 - 04	2004 - 05	2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
Gross Revenues	90.95	103.06	115.42	130.31	146.89	163.82	226.80	332.29	523.42	693.60	992.55
Profit After Tax	14.37	16.37	17.07	19.62	22.40	27.10	41.71	48.40	82.58	91.76	150.69
Shareholders' Funds	87.42	111.19	115.58	119.91	131.70	189.59	270.66	365.27	445.07	513.54	873.44
Share Capital											
Equity	28.07	35.80	35.80	35.80	35.80	50.12	50.12	50.12	60.52	60.52	82.03
Preference	12.75	12.75	7.75	5.00	5.00	-	17.66	24.16	7.00	3.00	3.00
Others	-	-	-	-	-	-	2.50	2.50	-	56.00	-
Reserves and Surplus	46.60	62.65	72.03	79.11	90.90	139.48	200.37	288.49	377.55	394.02	788.41
Borrowings from NHB, Banks, FIs & Others	345.28	426.59	598.40	749.15	994.44	1,470.80	2,192.67	3,157.66	3,922.52	5,829.51	8,744.63
Deposits	166.77	138.80	147.06	144.23	123.02	95.77	76.93	57.05	46.90	46.87	182.16
Housing & Other Loan Outstanding	527.57	615.35	737.93	948.04	1,125.88	1,529.27	2,288.75	3,301.97	4,158.07	5,806.62	8,758.40
Dividend (%)											
Equity	15	15	15	15	25*	20	25	25	25	25	30
Book value per Share (Rs.) (Equity)	27	28	30	32	35	38	50	56	62	71	102.86
Earnings per Share (Rs.) (Basic)	4.57	4.41	4.41	5.31	6.12	7.05	8.32	9.22	14.43	15.15	19.78
											19.58

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



net profit increased by **64.22%** to Rs. 150.69 crore

an increase in operating income by **43.10%** to Rs. 992.55 crore

an increase in disbursement by **70.59%** to Rs. 3,865.56 crore

Loan Portfolio stood at Rs. **8,744.63** crore and total assets stood at Rs. **9,804.38** crore as on 31st March, 2010

Profile of Directors



Shri Kapil Wadhawan MBA from Edith Cowan University, Australia, Master in Finance. He joined the Company as a Director on 24th September 1996 and pursuant to the approval of the Central Government he was appointed as Executive Director w.e.f. 25th November, 1997. He was elevated as Managing Director on 4th October, 2000 and was designated as 'Vice Chairman and Managing Director' on 25th January, 2007. He was further elevated as Chairman and Managing Director on 28th July, 2009. Under Shri Kapil Wadhawan's leadership, the Company commenced the transformation from a national player to a significant Global player, with the Company's presence in Dubai, London and Melbourne. This was followed by acquisition of housing finance division of ING Vysya Bank Ltd. Thereafter under his guidance the Company has successfully integrated technologies along with his extensive efforts in the business has resulted improvements of profitability and operations of the Company. He has initiated steps to transform DHFL into one of the leading housing finance institutions in India. He has also played a significant role in shaping policy guidelines on matters relating to the mortgage finance industry. He has been speaker at seminars on the mortgage finance industry.



Shri Dheeraj Wadhawan, is also the Promoter and Shareholder of the Company. He is the son of late Shri Rajesh Kumar Wadhawan and brother of Shri Kapil Wadhawan, Chairman & Managing Director. He has graduated in construction management from the University of London. He has over 9 years of experience in the real estate / developers and construction industry. He joined on the Board as a Non-Executive Director on 12th May, 2008.



Shri R. P. Khosla (Retd. IAS) is the former Secretary to the Government of India and has held senior positions in various Government undertakings in the past. He is presently serving on the board of directors of various companies He has been on the Board of the Company as an Independent Director since 17th March, 1993.



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



Shri R. S. Hugar is the former Chairman & Managing Director of Corporation Bank and has vast experience in banking, finance, treasury operations and International transactions. He is presently serving on the board of directors of various companies. He has a Master Degree in Econometrics. He is also a Certified Associate from the Indian Institute of Bankers ("CAIIB"). He has been on the Board of the Company as an Independent Director since 31st July, 2002.



Shri Anthony Hambro is an Associate Director of Caledonia Investments Plc, U. K. having been involved with Caledonia Investments Plc since 2002. After a 17 years of banking career at Samuel Montagu and Grindlays Bank, in 1984 he set up his own corporate finance consultancy, Anthony Hambro & Co. From 1994 to 2002, he was an executive director of Ockham Holdings Plc., a listed insurance business. He is also non-executive director of India Investment Partners Ltd, and Novae Group Plc., JAMG Holdings SA & IAP Group Ltd. He joined on the Board as a Nominee Director of M/s Caledonia Investments Plc., U.K. w.e.f. 22nd October, 2007.



Shri Ajay Vazirani, is an Advocate and a Partner with a leading law firm, Hariani & Company, Mumbai, He has completed his graduation from Jai Hind College, Mumbai and thereafter completed his law graduation from The Government Law College, Mumbai. He has vast experience in real estate, corporate and commercial, deals relating to private placement of equity, and venture capital funding. He handles matters relating to dispute resolution including court litigation and arbitration. He is on the Board of the Company as an Independent Director since 4th January, 2008.



Shri V. K. Chopra is a Fellow Member of the Institute of Chartered Accountants of India (FCA) by profession. Shri Chopra has been a career Banker having served in the banking sector for over 36 years in different capacities. He was Chairman & Managing Director of Corporation Bank and SIDBI and Executive Director of Oriental Bank of Commerce during the long tenure. His last assignment was with Securities Exchange Board of India (SEBI) as Whole Time Member for 2 years upto March, 2008. He joined the Board as an Independent Director on 12th May, 2008.



Dr. P. S. Pasricha a Ph.D. in Traffic Management from Jamnalal Bajaj Institute of Management, Mumbai University. He joined Indian Police Service (Maharashtra Cadre) in 1970 and retired as the Chief Director General of Police in Maharashtra. Thereafter he was on deputation to the Government of India and remained as the Chief Coordinator for the Tercentenary Celebrations at Nanded – Maharashtra and also advisor to the Government of Goa on various traffic management matters. He is the recipient of the President's Police Medal for distinguished service and Indian Police Medal for meritorious service, both awarded by the President of India. He is widely acknowledged as the country's leading authority on traffic and transport management. He has varied experience in special organization like Traffic, Intelligence, CID (Crime) Anti Corruption Bureau and Training. He has also served as Commissioner of Police, Mumbai and Director General, State Anti Corruption Bureau. A man of letter Dr. Pasricha has penned noteworthy books that carry strong social safety messages such as "You Only Live Once". He joined the Board as an Independent Director on 3rd March, 2010.

Director's Report

Dear Shareholders,

Your Directors are pleased to present the 26th Annual Report on the business and operations of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

The Financial performance of your Company for year ended March 31, 2010 is summarized below:-

(Rupees in Crore)

	2009-2010	2008-2009
GROSS INCOME	992.55	692.46
Less : Interest	669.84	492.91
Overheads	109.19	67.02
Provision for Contingencies	8.50	6.00
Depreciation	2.83	2.42
Profit Before Tax	202.19	124.11
Less : Provision for taxation	51.50	32.35
Profit After Tax	150.69	91.76
Less Prior Period Adjustment	Nil	5.44
Add : Balance b/f from the previous year	24.74	21.20
Surplus available for appropriations	175.43	107.52
APPROPRIATIONS		
Transferred to Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961	35.00	20.00
Transferred to General Reserve	75.00	45.00
Dividend on Preference Shares	0.03	0.07
Dividend for Earlier Year	5.34	Nil
Proposed Equity Dividend	24.61	15.13
Tax on proposed Dividends	5.09	2.58
Balance carried over to Balance Sheet	30.36	24.74
Total	175.43	107.52

PERFORMANCE

The financial year 2009-10 which is silver jubilee year of your Company's Operation, has indeed proved to be a momentous year and your Company has further consolidated its position in the housing finance industry. The year under review has been a challenging one. Indian economy growth slowed to slightly less than 7% in the fiscal year 2009-10 due to impact of the global downturn. The core real estate / housing sector has experienced series of setbacks in 2008. While the demand for housing has been stagnant, high costs of construction, major liquidity crunch in the banking system and high interest rates on loans have caused the turbulence in the sector. But towards the latter part of 2008, the sector witnessed correction in prices between 10% to 30% in far metros depending on the location. With stimulus package and fiscal concession given to the Housing Sector, the Housing Finance Industry witnessed a hectic activity with the Banks, Financial Institutions and other corporate bodies joining the fray in a big way, Developers too have shifted in developing and offering affordable homes, which will be realistic owing to interest rates and inflation coming down. However, with stiff competition and falling rates of interest, the trend of stagnant demand for housing as end-buyers do not have enough money to even buy affordable homes due to uncertainty in the markets and economic turmoil.

Your Company registered a remarkable growth in its operations. The operating profit before charging depreciation and tax amounted to Rs. 205.02 crore as against Rs. 126.53 crore in the preceding year; representing a rise of 62.03%. Profit After Tax (PAT) went up by 64.22% to Rs 150.69 crore from Rs. 91.76 crore in the previous year. The EPS improved to Rs 19.78 as against Rs. 15.15 of the previous year.

Your Company's core business is providing housing finance and also carries on business vertical such as Insurance, Technical Consultancy and Project Management Services and Property Services. These vertical of the business are operated through Company's subsidiary /associate companies which have strong synergies with the Company and offer customer wide range of financial products and

services under DHFL brand. Detailed review of the operations of each subsidiary companies are presented in the respective Company's Directors' Report, a brief overview of the major developments thereof is also presented in the Management Discussion and Analysis, forming part of this Report.

Lending Operations

The cumulative loans disbursement of your Company as at the end of financial year 2009-10 was Rs. 13234.22 crore as compared to Rs. 9368.66 crore in the previous year. The housing loans/other loan sanctioned during the year ended 31st March, 2010 were to the extent to Rs. 5273.96 crore as against Rs. 2698.18 crore sanctioned during the previous year.

Disbursement

The loan disbursed during the year ended 31st March, 2010 was to the extent of Rs. 3805.50 crore as against Rs. 2266.02 crore disbursed during the previous year.

DIVIDEND

Keeping in view excellent financial results and fund requirements in the near future, the Board has recommended a dividend of Rs. 3/- per share [30%] on 8,20,26,544 equity shares of Rs.10/- each for the financial year ended 31st March, 2010, subject to approval of the shareholders at the ensuing Annual General Meeting. The total outgo on account of dividend (including dividend distribution tax) will be Rs. 29.70 crore as against Rs. 17.71 crore in the previous year.

Your Company paid dividend of Rs. 5.34 crore and Rs. 0.91 crore as tax on the distribution of above dividend to new shareholders on account of Final Dividend for the year 2008-09 as required under the Listing Agreement as those shares were allotted after 31st March, 2009, but prior to record date for the dividend payment.

Equity shares that may be allotted on allotment of shares under QIP, Preferential issue and exercise of options under Employee Stock Option Scheme before the date of the book closure for payment of dividend will rank pari passu with the existing shares and be entitled to receive the dividend.

SHARE CAPITAL

During the year, your Company had focused on measure to improve its net worth.

Pursuant to the special resolution passed at the Extra - Ordinary General Meeting of the Company held on Saturday, 27th, June, 2009, your Company issued and allotted following securities.

Qualified Institutional Placement:

During the year under review, your Company successfully completed issue of 1,60,12,231 equity shares of Rs. 10/- each at a price of Rs. 141/- per equity share, including a premium of Rs. 131/- per equity share, aggregating Rs. 225.77 crore to Qualified Institutional Buyers (QIBs) as per Chapter XIII-A of erstwhile SEBI (DIP) Guidelines, 2000, through the QIP. The QIP was opened for subscription to QIBs on 29 June 2009 and closed on 30th June, 2009 and the same was allotted on 7th July, 2009. The BSE and the NSE had given trading permission for the equity shares issued to QIBs on 9th July, 2009.

Equity Shares on Preferential Allotment Basis:

To further strengthen the Company's financial position and to generate resources, inter alia, for investing in the businesses of the Company, the Company issued and allotted in 16th July, 2009, 53,50,000 equity shares of Rs.10 each at a premium of Rs. 131/- each aggregating Rs. 75.44 crore to promoters and a promoter group entity on a preferential basis in terms of the relevant Guidelines for Preferential Issues, issued by the Securities and Exchange Board of India. The equity shares allotted as aforesaid Promoters are locked-in for a period of three years.

Employee Stock Option Scheme – 2008

During the year under review, the Company allotted in four [4] tranches 1,41,338 equity shares of Rs.10/- each upon exercise of stock options by the eligible employees under the Employee Stock Option Scheme - 2008.

In view of above, the issued, subscribed and paid-up equity share capital increased from 6,05,22,975 equity shares of Rs.10 each as on March 31, 2009 to 8,20,26,544 equity shares of Rs. 10/- each as on March 31, 2010..

Details of the shares issued and allotted under ESOS, as well as the disclosures in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure to this Report.

The Company has paid the listing fees payable to the BSE and the NSE for the financial year 2009-10

Further Issue of Shares

The Board of Directors of your Company by its resolution dated 21st April, 2010 has resolved to augment resources of your Company by way of issue of equity shares to (1) Qualified Institutional Buyers (2) Caledonia Investments Plc (3) Promoter Group Entities up to an amount of Rs. 500 crore, subject to the approval from the members of the Company in the Extra Ordinary General meeting scheduled to be held on 18th May, 2010.

Rights Issue

The proposal of raising of funds during the year through a Rights Issue for part funding the Company's various ongoing/proposed projects was dropped in view of the then prevailing market conditions. The Company has neither filed offer document nor announced any Record date for the same.

Commercial Paper

The Commercial Paper (CP) programme of your Company has been rated by Credit Rating and Information Services of India Limited (CRISIL) and is assigned the highest rating of P1+ (P One Plus) having validity period of twelve months. As at 31st March 2010 your Company had issued CPs to the extent of Rs. 300 crore and placed them with investors at the most competitive rates of interest. The subscription amount of the Commercial Papers is utilized for working capital.

FUNDS RAISING

Term Loans

As part of its liability management, your Company endeavors to diversify its resource base in order to achieve an appropriate maturity structure and minimize the weighted average cost of borrowed funds. During the year under review, fresh term loans of Rs 3243.84 crore were availed from the Banks and Financial Institutions, taking the total term loan outstanding to Rs. 6539.89 crore. These loans were drawn at varying spreads below the prime lending rates of the respective banks.

Refinance from National Housing Bank

During the year, your Company availed itself refinance facility of Rs.780 crore. As on 31st March, 2010 refinance outstanding from NHB is Rs. 1487.57 crore.

Non-Convertible Debentures

During the year, your Company issued secured, redeemable and non-convertible debentures (NCDs) amounting to Rs. 225 crore through private placement with institutional investors and mutual funds.

All the term loans and secured borrowings, are secured by way of the first charge on all the movable and immovable properties of your Company, both present and future and ranking pari-passu inter-se basis in favour of all the secured lenders.

FIXED DEPOSITS

During the year under review, your Company has achieved phenomenal growth in its Fixed Deposits Portfolio. The Outstanding Deposit as of March 31, 2010 stood at Rs 182.16. crore compared to Rs.46.88 crore as at 31st March, 2009, showing the growth level of 289% in FY 2009-10. During the year under review around 13,000 New Depositors have shown their confidence by investing in the Company's Fixed Deposit Scheme taking the total number of Depositors to 21,910 Accounts. Your Company now has on its panel most of the Top Line Corporate Brokers as Intermediaries promoting its Deposit Schemes.

Being the year of Silver Jubilee Celebration and to reward the confidence shown by the depositors, your Company has launched "Rajat Jayanti Depositor Scheme" in July 2009, wherein all the existing Deposits were given 25 basis point extra interest rates over and above the existing rates. In the month of December 2009, "DHFL Swayamsiddha Deposit Scheme" was launched targeting the Women Depositors. The Scheme received an overwhelming response, mobilizing as on 31st March, 2010, deposits of Rs. 12.28 crore in as many as 2209 Depositors.

Your Company has renewed the Permission of the Charity Commissioner, Govt. of Maharashtra, for Accepting Deposits from Public Trusts. During the Year, your Company has received BWR FAAA Rating from Brickwork Ratings Agency, indicating Excellent Credit Quality & Highest Safety.

As on 31st March. 2010, 37 depositors had not claimed the deposits amounting to Rs. 15.65 lakh. Depositors have been intimated regarding the maturity of their deposits, with a request to either renew or claim their matured deposits. Since then, 1(one) depositor have either renewed or claimed their deposits aggregating to Rs 1.50 lakh. The fixed deposits accepted by your Company are secured appropriately to the extent of floating charge created by way of Deed of Trust, as per the guidelines issued by NHB.

CREDIT RATING

Your Company had received rating from CRISIL as 'P1+' (pronounced as 'P one plus') for the short-term debt issue, indicating the strongest capacity for timely payment of the financial commitment.

Your Company continued to enjoy CARE AA+ (FD) rating from CARE for Fixed Deposits and Secured Non-Convertible Debentures, indicating 'high safety'.

Your Company also enjoys CARE AA+ rating from CARE for its redeemable preference shares raised / to be raised to meet capital adequacy ratio. Your Company has received a rating of CARE AA from CARE for its subordinate debts.

CAPITAL ADEQUACY

During the year the capital adequacy ratio of the Company was at a comfortable level of 17.26% as on 31st March, 2010 as against the minimum requirement of 12% stipulated by the National Housing Bank (NHB).

NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY

Your Company scrupulously adhered to the prudential guidelines for Non-Performing Assets (NPAs), issued by the National Housing Bank (NHB) under its Directions of 2001, as amended from time to time. During the year under review your Company has made required provision for contingencies in accordance with the guidelines on prudential norms issued by the National Housing Bank

The amount of loans where the installments are outstanding for over 90 days as on 31st March, 2010, aggregate to Rs.100.48 crore. The non-performing loans amount to 1.16% of the total loan portfolio as compared to 1.47% in the previous year. Your Company has initiated various measures for speedy recovery and has also taken action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and is thus able to take recovery action against the defaulters.

INVESTMENT

The Investment Committee constituted by the Company is responsible for approving investment in line with limit as set out by the Board. The decisions to buy and sell upto approved limit of Rs. 500 crore as delegated by the Board are taken by the Chairman & Managing Director, who is assisted by two senior executives. The investment functions are carried out primarily to support the core business of housing finance to ensure adequate levels of liquidity and to maintain statutory liquidity.

Housing Finance Companies (HFCs) are required to maintain liquid assets of 12.50% of the outstanding public deposits. Your Company

continued to maintain its statutory liquidity ratio (SLR) as stipulated by NHB. Accordingly, your Company has made adequate investments in approved securities and bank deposits as on March 31, 2010 to meet the requirement of SLR.

INSURANCE OF 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 even of such incidents.

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

INSURANCE COVERAGE TO BORROWERS

Your Company has tied up with Future Generali India Insurance Co. Ltd for insurance of its housing loan products called 'Sampoorna Suraksha Plan' which covers the borrowers of the company as under:

- (a) **Accidental Insurance:** Personal accident risk cover, free of cost upto an amount of outstanding loan at any particular point of time during the term/ tenure of the term loan.
- (b) **Mortgaged Property Insurance:** The property acquired out of loan, for and upto an extent of the outstanding loan amount, under risk, against fire, earthquake and allied perils affecting the concerned property.
- (c) **Loss of Employment:** Loss of job cover is upto three EMLs of loan or a maximum of Rs 25,000/-, whichever is lower.

With the consistent growth in insurance business, your Company has explored to cross sell as another revenue channel and has tied up as a Corporate Agents with SBI Life Insurance Company for life products and for non-life products with ICICI Lombard GIC. For safety of loan portfolio, your Company has also entered into an arrangement with ICICI Prudential LIC for mortgage linked term assurance product "Home Assure". Insurance products are linked with home loans of customers, both new and existing ones. Under this scheme, the borrower gets an insurance cover on his life to the

extent of the outstanding home loan. This scheme has been introduced to ensure protection from loan default to the families of deceased borrower. We have insured more than 70% of our new portfolio acquired in 2009-10.

TECHNOLOGY

During the financial year 2009-10, your Company further strengthened its IT infrastructure and systems to support its operations. It upgraded its main data centre infrastructure. Connectivity to branches was upgraded through the WAN system. New application software was implemented to provide improved information flow to branches and to further support the collection system.

In view of rapid expansion of business operations and its volume in all its loan products, the present system was not able to cope with the current business volume and as a part of implementation of software programme, your Company has engaged IBM (I) Ltd for business process re-engineering and to develop software applications as per the Company's current need of business volume.

BRANCH EXPANSION & BUSINESS TIEUP

In order to increase its share of the housing finance business by tapping underserved segments of the Indian economy, your Company is expanding its pan-India presence by setting up new offices across regions where the Company has been hitherto not present including Northern and North Eastern India to meet target customers of LMI segments. Your Company's presence includes those places where little or no presence for other HFCs and private banks in India. The geographical spread of the Company is based on both macro and micro economic factors and since business spread is at outskirts of the cities, around 66% of the business is generated from the total presence within 50 km radius. To support the growth, Company has an integrated branch network at 93 branch office (including its representative office in London and Dubai) 71 Services Centres and 30 Camp Locations, 5 Zonal Offices, 7 Regional Processing Units, and 2 alliance operations with nationalized banks i.e. Punjab & Sind Bank and United Bank of

India which spread across the length and breadth of the country, has resulted in optimization of its operational costs and has improved delivery mechanism. Your Company has linked all branch offices to a central database which helps in periodic assessment of loan portfolio and provides specific advantages in terms of efficiency and cost savings.

DEPOSITORY SYSTEM

As the members are aware the Company's share are compulsory tradable in electronic form. As on 31st March, 2010 almost 98.98% of the Company's total paid up capital representing 8,11,93,408 equity shares are in dematerialised form. In view of the numerous advantage offered by the depository system members holding shares in physical mode are advised to avail of the facility of dematerialization on either of depositories.

HUMAN RESOURCES AND TRAINING

The nature of your Company's business requires trained and skilled professionals. Your Company has been successful in attracting and retaining highly qualified professionals, with impeccable professional track record, by offering them a challenging work environment, coupled with competitive compensation including Stock Ownership. 'Owner mindset' is the basic tenet which drives your Company's human resource policy and this enables them to unleash their inner entrepreneurial energy without compromising on team work and ethics.

Housing / Financial services is a knowledge intensive sector where employee skills form a critical aspect in service delivery. Your Company has developed comprehensive in-house training modules to make sure that all employees understand your Company's vision, purpose and imbibe the ethos of the organization. Emphasis is laid on 'On the Job' trainings where an experienced and senior person mentors the junior executives In order to keep the employees abreast of the changing expectation of a growth oriented organization, wide training sessions were conducted across grades to prepare employees to bring about their best.

Your Company has also put in place Human Resource Information Management software 'People Konnect' which automated the Human Resources operations thereby reducing lead time. Employee skill development and learning has always been the focus of your Company. In order to ensure that the employees are well informed and have the requisite knowledge about the operational norms and guidelines, industry benchmarks etc, a knowledge management portal was implemented, which also helps to track employee progress towards learning.

Apart from the above, various employee engagement activities were undertaken to keep the employees involved in the day to day operations of the Company. Employee reward and recognition programs were run throughout the year.

The work force strength of your Company as on 31st March 2010 was 980. The total work force cost during the year has gone up by 46.16% from Rs. 28.40 crore to Rs. 39.05 crore. This is mainly due to the increase in work force to meet the requirements on account of significant expansion in terms of geography as well as in business volumes and the salary revisions effected during the year. Few additional positions are added for meeting business requirements and to give greater focus to functions like Credit Appraisal and Operations.

During the year your company entered into Deed of Trust with Life Insurance Corporation of India which covers the Company's employees under the group gratuity schemes with the Life Insurance Corporation of India ('LIC'). The schemes are defined benefit schemes and are funded in line with the LIC's actuarial valuation carried out at year end.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility is a sustained activity wherein an organization and its employees take up social causes with a view to serve the society. The real work in CSR extends beyond the statutory obligations and sees organizations and its people voluntarily taking up programmes and initiatives to improve the quality of life of the community and also the society at large.

Your Company in association with Mumbai Mobile Crèches participated in Standard Chartered Mumbai Marathon - 2010 on 17th January 2010. Your Company had taken initiatives to help support the cause of children of construction workers at the construction sites in Mumbai.

In line of agreement with Concern India Foundation (CIF), based in Mumbai, your Company continues to support for promoting activities linked to upliftment of members belonging to weaker sections of society. Concern India Foundation is undertaking the activities linked to the following major issues:

- Education
- Community Development
- Health
- Environment

In many ways the organizational purpose of your Company is closely linked to the above mentioned issues. The financial support to Concern India Foundation will directly benefit the following important constituents of the society:

- Women
- Children
- Senior citizens

Education Trust

Your Company also provides learning assistance to its employees who aspire to undertake higher education through its trust "Late Shri Rajesh Kumar Wadhawan DHFL Employees Welfare Trust". Besides education, the said Trust also support exigency family medical support, marriage support for deserving employees of DHFL across locations especially the staff in lower grades who runs out of cash in case of any exigencies and with such other objects of charitable nature.

DIRECTORS

Shri Rakesh Kumar Wadhawan Chairman, Shri Sarang Wadhawan and Shri Ashok Kumar Gupta Directors of the Company have resigned from the Board with effect from 28th July, 2009. Your Directors place on record their deep appreciation for the valuable contribution made by Shri Rakesh Kumar Wadhawan, Shri Sarang

Wadhawan and Shri Ashok Kumar Gupta during their tenure as Directors of the Company. Shri Rakesh Kumar Wadhawan has been associated with the Company since incorporation of the Company i.e. 1984 and has played a key role in building DHFL to its present pre-eminent position in the corporate world.

Dr. P. S. Pasricha was appointed as Additional Non-Executive Independent Director w.e.f on 3rd March, 2010. He shall hold office upto the date of the ensuing Annual General Meeting of the Company and, being eligible, offer himself for appointment.

In terms of Article 158 of the Articles of Association of the Company, Shri R. P. Khosla and Shri R. S. Hugar, retire by rotation and being eligible, offer themselves for re- appointment at the ensuing Annual General Meeting.

Consequent upon the resignation of Shri Rakesh Kumar Wadhawan as the Chairman, Shri. Kapil Wadhawan has been elevated to the post of Chairman & Managing Director w.e.f. from 28th July, 2009, by the Board, as recommended by Remuneration & Compensation Committee of the Board.

Term of appointment of Shri Kapil Wadhawan Chairman & Managing Director will expire on 4th October, 2010. As recommended by the Remuneration & Compensation Committee the Board of Directors in their meeting held on 12th May, 2010, he will be re-appointed for another term of five years subject to the approval of the shareholders in the forthcoming Annual General Meeting scheduled on 27th July 2010.

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 Report on Corporate Governance forming part of the Annual Report. None of the Directors of the Company are disqualified for being appointed/ reappointed as Directors pursuant to Section 274(1) (g) of the Companies Act, 1956.

Inter-se Transfer of Shares

As a part of business realignment and to have focused attention in the respective business, the Promoters of the Company have inter-se transferred shares between the promoters. Critically, it will empower the promoters to take independent decisions on fund-raising, joint ventures and diversification. It will also allow them to better focus on their respective businesses, bring clarity to shareholders and create fewer succession issues.

Shri Rakesh Kumar Wadhawan and Shri Sarang Wadhawan have transferred their entire shareholding of equity shares to the existing Promoter/ Promoter Group of the Company. This transfer has not resulted in any change in the aggregate promoter holding in the Company.

AUDITORS

M/s. B.M. Chaturvedi & Co., Chartered Accountants, Mumbai, bearing Registration Number 114317W, with the Institute of the Chartered Accountants of India, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. M/s. B. M. Chaturvedi & Co., have sought reappointment and confirmed that their reappointment shall be within the limits of Section 224 (1B) of the Companies Act, 1956. The necessary eligibility certificate under Section 224(1B) of the Companies Act, 1956, was received from them. The Audit Committee and Board of Directors recommend the appointment of M/s. B. M. Chaturvedi & Co., Chartered Accountants, as the auditors of your Company.

AUDITORS REPORT

The Notes to Accounts referred to in Auditors Report are self-explanatory and do not call for any further comments.

Your Company has internal audit system which is being conducted in-house. Efforts are being continued to further strengthen the internal audit system.

Systems and procedures are being upgraded to provide checks and alerts for avoiding fraud arising out of misrepresentation given by borrower/s while availing the housing loans.

SECRETARIAL AUDIT

As directed by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out at the specified period, by the Practicing Company Secretary. The findings of the secretarial audit were entirely satisfactory.

PARTICULARS OF EMPLOYEES

The Board of Directors expresses their appreciation to all the employees for their outstanding contribution to the operations of the Company during the year. Information under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employee Rules, 1975, is appended herewith.

EMPLOYEES STOCK OPTION SCHEME (ESOS)

Besides the existing Employees Stock Option Scheme 2008 (ESOS-2008), providing for 14,22,590 stock options, your Company also announced an Employees Stock Option Scheme 2009 (ESOS-2009), under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999. As approved by the Remuneration & Compensation Committee on 25th November, 2009, the ESOS-2009 provides for 25,50,000 stock options.

During the year, your Company granted 12,75,000 stock options to the employees under its ESOS-2009.

The particulars of options issued under the said Plan as required by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are appended as Annexure and forms part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The particulars regarding foreign exchange earnings and expenditure appear as Item No. B-35 in the 'Other Notes to Accounts'. (Schedule Q)

Since your Company is not engaged in any manufacturing facility, 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.

SUBSIDIARY COMPANIES

During the year under review, your Company subscribed/purchased equity shares in the subsidiary companies. The details are as given below:

- 23,28,000 equity shares of Rs. 10/- each at par in DHFL Vysya Housing Finance Ltd.
- 10,00,000 equity shares of Rs. 10/- each at par in DHFL Property Services Ltd.

DHFL Vysya Housing Finance Ltd. (DVHFL) is a housing finance company registered with NHB and has operations primarily in the States of Andhra Pradesh, Karnataka, Maharashtra and Tamil Nadu.

For the year ended March, 31, 2010, DVHFL has reported a profit after tax of Rs 8.56 crore as compared to Rs 6.32 crore in the previous year. The Board of Directors of the subsidiary company has declared an interim dividend of 15% and has recommended a final dividend of 10% making the total dividend to 25%.

DHFL Property Services Limited

During the year under review the Board at its meeting held on 11th May, 2009, has approved the investment in DHFL Property Services Limited (DPSL), a promoter group entity, upto an amount not exceeding Rs. 1 crore and making it a 100% Subsidiary of your Company. The main objects of

the company is to provide quality real estate/property services under one roof for customers, as value added services. It is expected that as a separate organization it will bring a sharper focus and improvement in the quality of these services, thus permitting your Company to focus on its core business.

The major operations of the said company began during the financial year 2009-10 and hence no comparative data is available. For the year ended 31st March, 2010, DPSL has reported a profit after tax of Rs. 17.95 lacs.

The audited accounts of DHFL Vysya Housing Finance Ltd. and DHFL Property Services Limited together with the Reports of the Director and the Auditor thereon, are attached to this Annual Report, as required under Section 212 of the Companies Act, 1956.

CONSOLIDATION OF ACCOUNTS

The audited Consolidated Accounts and Cash Flow Statement, comprising of DHFL and its subsidiary Companies, DHFL Vysya Housing Finance Ltd. and DHFL Property Services Limited are annexed to this Annual Report. The Auditors' Report on the Consolidated Accounts is also attached. The Consolidated Accounts have been prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard.

NHB GUIDELINES

Your Company has been rigorously following the various Guidelines issued by National Housing Bank (NHB) from time to time. The Circulars and the Notifications issued by NHB are also placed before the Board at regular intervals along with the compliance of the same.

During the year under review, NHB has conducted an inspection of the Company under Section 34 of the NHB Act, 1987 and Company has furnished the replies to the same.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform that the audited accounts containing the Financial Statements for the year ended 31st March, 2010, are in conformity with the requirements of the Companies Act, 1956 and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. These Financial Statements are audited by the Statutory Auditor, M/s. B. M. Chaturvedi & Co., Chartered Accountants, Mumbai.

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

- (i) in the preparation of accounts, the applicable accounting standards have been followed;
- (ii) accounting policies selected were applied consistently. Reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company as at the end of 31st March, 2010 and of the profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) the annual accounts of the Company have been prepared on a going concern basis.

CORPORATE GOVERNANCE

Your Company has complied with all the provisions of Corporate Governance as prescribed under the amended Listing Agreements of the Stock Exchanges, with which the Company's shares are listed. Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, the followings form part of this Annual Report :

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

Future Outlook

Housing / real estate sector which is slowly coming out of the Mid 2008 slump, has received good support from Union Budget 2010-11. While the budget has encouraged affordable housing below Rs 20 lakhs with 1% interest subvention for housing loan upto 10 lakhs and extension of benefits available under section 80IB by one more year, inclusion of some services are extended so as to bring under service tax impacting the industry in difficult times.

With the recent recovery in the demand for housing and real estate sectors, activities in the housing, real estate sectors and infrastructure sectors are expected to remain healthy in the coming quarters. This will lead to a rise in credit demand for housing.

The liquidity conditions of your Company has remained comfortable during the year. Your Company has successfully raised funds from banks as well as non bank sources. Your Company do not expect any pressure on the liquidity front in the months to come either. This is because liquidity conditions in the banking system will continue to remain comfortable. A healthy demand of credit for home loan coupled with comfortable liquidity conditions will lead to a rise in disbursement

ACKNOWLEDGMENTS

Your Directors wish to place on record their gratitude to the NHB, the Company's Customers, Bankers, Shareholders, Debenture holders, Depositors and others for their assistance and co-operation and who have helped the Company in its endeavour. The Board also places on record its

deep appreciation for the excellent support received from the employees at all levels during the year. The Directors also like to thank The Bombay Stock Exchange Ltd., The National Stock Exchange of India Ltd., NSDL, CDSL and the Credit Rating Agencies for their co-operation.

for and on behalf of the Board

Kapil Wadhawan
Chairman & Managing Director

Dated : 12th May, 2010
Place : Mumbai

Annexure to the Directors' Report

Information under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 and forming part of the directors' report for the year ended 31st March, 2010.

Sr. No	Name, Age and Designation	Date of appointment and qualification	Gross Remuneration (Rs. in lacs)	Experience in the Company	Previous Company and total Experience (years)	No. of Shares held in the Company
1.	Shri Kapil Wadhawan (36 Years) Chairman & Managing Director	24/09/1996 B.Com, M.B.A	126.16	14 years	NIL	9,93,60,871
2.	Shri Anil Sachidanand (42 Years) Chief Executive Officer	21/08/2008 B.Com, I.C.W.A.I, M.B.A (Marketing)	77.59	1 Year & 7 Months	Adventity BPO India Pvt. Ltd. (18 Yeras)	NIL
3.	Shri Rajeev Sathe (56 Years) Chief Operating Officer	05/02/2007 B.E., P.G.D.M	32.60	3 Years & 2 Month	State Bank of India Limited (31 Years)	NIL

Notes:

1. No employees are related to any of the Directors of the Company except Shri Dheeraj Wadhawan, Director who is related to Shri Kapil Wadhawan.
2. Remuneration includes all allowance, reimbursement of medical and leave travel expense, commission Company's contribution to provident fund etc.
3. The nature of employment of Shri Kapil Wadhawan is contractual and Shri Anil Sachidanand and Shri Rajeev Sathe are permanent employees of the Company.

Annexure to the Directors' Report:

Disclosure pursuant to the provisions of Securities and Exchange Board of India, (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999.

		Scheme I				Scheme II
		Grant I	Grant II	Grant III	Total	
(a)	Options granted	898280	140870	383440	1422590	1275000
(b)	Pricing Formula	Rs. 53.65	Rs. 53.65	Rs. 53.65		Rs. 141.00
(c)	Options vested	179656	56348	0	236004	0
(d)	Options exercised	99918	41420		141338	0
(e)	Total number of shares arising as a result of exercise of options	99918	41420		141338	0
(f)	Options lapsed (as at 31st March 2010)	28070	0	82390	110460	32250
(g)	Variation of terms options (as at 31st March 2010)	Nil	Nil	Nil	Nil	Nil
(h)	Money realized by exercise of options	5360601	2222183		7582784	0
(l)	Total number of options in force (as at 31st March 2010)	770292	99450	301050	1170792	1242750
(j)	Employee wise details of options granted to (attached)					
2	Employees to whom more than 5% options granted during the year	Nil	Nil	Nil		Nil
3	Employees to whom options more than 1% of issued capital granted during the year	Nil	Nil	Nil		Nil
(k)	Diluted EPS, pursuant to issue of shares on exercise of options				*Rs.19.58	
(l), 1	Method of calculation of employee compensation cost calculation is based on intrinsic value method.					
2	Intrinsic Value per share	Nil	Nil	Nil		Rs.43.95
3	Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	Employee compensation cost would have been higher by Rs.4.43 crores had the Company used fair value method for accounting the options issued under ESOS				
4	Impact of this difference on Profits and on EPS of the Company	Profits would have been lower by Rs. 4.43 crores and EPS would have been lower by Rs.0.58, had the Company used fair value method of accounting the options issued under ESOS				
(m) 1	Weighted average exercise price	Rs. 53.65	Rs. 53.65	Rs. 53.65		Rs. 141.00
2	Weighted average fair value of options based on Black Scholes methodology	Rs. 70.78	Rs. 70.78	Rs. 70.78		Rs. 87.15
(n)	Significant assumptions used to estimate fair value of options including weighted average					
1	Risk free interest rate	8.44%	8.44%	8.44%		7.11%
2	Exercise period (from the date of vesting)	10 years	10 years	10 years		6 years
3	Expected volatility	31.66%	31.66%	31.66%		28.38%
4	Expected growth in dividend (annual)	2.18%	2.18%	2.18%		1.35%
5	Closing market price of share on a date prior to date of grant (*-Repriced)	Rs. 53.65*	Rs. 53.65*	Rs. 53.65*		Rs. 184.95

* For the purpose of working profit figure for 2009-10 is taken same as previous year
As and when 2009-10 profit working is ready this will have to be revised

Options granted during the year to senior managerial personnel Scheme II

Sr. No.	Name	No of Options
1.	Anil Sachidanand	60760
2.	B K Madhur	47470
3.	Rajeev Sathe	36710
4.	Satish V Kotian	33370
5.	Prashant Chaturvedi	30870
6.	S Y Sankhe	22260
7.	Suma Krishnakumar	24010
8.	Neeraj Saxena	18500
9.	S. Ramratthinam	18500
10.	K.R. Piilai	17000
11.	Girija Kanta Misra	14000
12.	Prabhat Kumar Tripathy	20870
13.	D K Jiwani	21390
14.	Praveen Chaturvedi	24020

Options granted during the year to Directors Scheme II

Sr. No.	Name	No of Options
1.	R P Khosla	5000
2.	R S Hugar	5000
3.	G P Kohli	5000
4.	Ajay Vazirani	5000
5.	V K Chopra	5000

Management Discussion and Analysis

INTRODUCTION

DHFL was promoted by Late Shri Dewan Kuldeep Singh Wadhawan and Late Shri Rajesh Kumar Wadhawan. The prime objective of the Company is financing needs of the middle and lower income segments by providing adequate financial resources to fulfill their housing requirements. DHFL has emerged as one of the largest private sector HFC's in India. DHFL has, since inception, focused only on housing finance business. Its loan portfolio has since grown to Rs 8758.40 crore on 31st March, 2010. It has also promoted companies in the areas of property and insurance services. These businesses are complimentary to business carried out by DHFL.

DHFL is managed by the Board of Directors comprising of distinguished and eminent professionals from various fields of Finance, Banking, Taxation, Construction, Administration, Urban policy and development. M/s. Caledonia Investment Plc., U.K is one of the largest stakeholder in the equity of the Company and has its nominee director on the Company's Board.

During the year 2003-04, as part of DHFL's growth strategy to boost pan-India presence, DHFL and Promoters have together acquired a 91.22% equity stake in Vysya Bank Housing Finance Limited, (now known as DHFL Vysya Housing Finance Limited) a Housing Finance Company registered with the NHB having operations in the States of Andhra Pradesh, Karnataka, Maharashtra and Tamil Nadu.

DHFL has received P1+ credit rating from CRISIL for the short term debt which indicates strong capacity for timely payment of financial commitments. DHFL enjoys CARE AA+ (FD) credit rating for its Fixed Deposits and Non Convertible Debentures indicating 'high safety'. DHFL

Company also enjoys CARE AA rating for its Redeemable Preference Shares and for subordinate debts. During the year, DHFL has received BWR FAAA Rating from Brickwork Rating Agency, indicating Excellent Credit Quality and Highest Safety.

DHFL has tied - up with Punjab & Sind Bank and United Bank of India leading Public Sector Banks, to provide home loan to customers through Joint Initiatives. It has also enter into Memorandum of Understanding with Central Bank of India for similar arrangement of joint initiative for marketing DHFL's home loan products and is also working for tie-ups with other banks on long term commitment basis to further augment its home loan business.

DHFL has setup up its representative offices at London and Dubai to serve the increasing NRI population in these regions. It also plan to open representative office at Melbourne, in Australia. It has also tied - up with UAE Exchange to offer its home loan products through various UAE Exchange centers in the Gulf Co-operation Council (GCC) countries.

OVERVIEW OF THE INDIAN ECONOMY

A year after what many define as global economy's worst crisis of confidence, there seems to be growing evidence that the various strategies put in place to tide over the economic crisis are paying off. Global production and trade have bounced back while financial markets have recovered faster than expected.

After witnessing deceleration in GDP growth for five consecutive quarters, a notable turnaround in India's real GDP growth took place during Apr - Jun 09 quarter, with the GDP registering growth of 6.1% (y-o-y) as against 5.8% during the previous quarter. The rise in GDP growth, which was viewed as an incipient sign of recovery in the economy, was primarily due to the lagged impact of increase in government spending and the improved performance of industrial sector.

The fiscal and monetary stimulus measures announced earlier played a major role in

stimulating consumption and investment demand in the economy during 2009. The government final consumption expenditure continued to remain high during the first nine months of 2009, providing support to the domestic consumption and in turn to the GDP growth. Growth in government final consumption expenditure, however, witnessed substantial decline during Oct-Dec 09, indicating a gradual reduction in government spending given the high fiscal deficit. Now that the economy is firmly on the recovery path, the question that arises is; will the current pace of revival continue in case there is further reduction in the government consumption expenditure? The increased infrastructure spending by the Government coupled with the commencement of capacity expansion plans that were deferred in 2008 due to liquidity crunch and economic slowdown led to resumption in domestic investment activity. The improvement in the domestic investment activity was reflected in the sustained improvement in the growth of gross fixed capital formation during Jan-Dec 09.

Despite the strong performance of the industrial sector, a lower agriculture sector output due to the deficient monsoon led to some moderation in the real GDP growth during Jan-Dec 09. The deficient monsoon as well as floods in some parts of the country had adversely impacted the kharif output. Growth in the services sector also remained low during Jan-Dec 09 as compared to the same in the corresponding period of the previous year, indicating the lagged impact of the slowdown in the economic activity in 2008 on the services sector.

HOUSING SCENARIO

The Indian housing finance sector reported a compounded annual growth rate (CAGR) of 56% during the period 2003 to 2007, aided by benign interest rates, rising property prices, and increasing income levels. Thereafter, the growth rate slowed down, with steep real estate prices, high interest rates, exit of investors from the market, and a weak operating environment making their impact felt. In the current financial year (2009-10), there has been some revival in buyer sentiment with interest rates declining and property prices witnessing some correction.

Mortgage penetration levels (mortgage loans as percentage of GDP) in India, which had risen from around 2% as in March 2002 to a little over 7% as in March 2007, have remained at the 7% levels till date. This being significantly lower than the penetration rates in developed countries; it appears there is room for further growth. Going forward, some factors that may contribute positively to growth in mortgage penetration in the domestic market are as follows:

- Decline in rates of interest to 8% - 9% from 12% over the past one year; this amounts to a 15% - 25% reduction in the equated monthly installment (EMI) per lakh of loan
- Increase in supply of affordable homes and price correction in the residential real estate market
- Increase in economic activity
- Large inventory of unleveraged homes (which could be pledged by borrowers to raise loans)
- Increase in income of Government employees following implementation of the Sixth Pay Commission's recommendations

However, it is also likely that a further correction or even stagnation in real estate prices may lead to borrowers deferring home purchase decisions on the expectations of another round of correction.

Since early 2009, low interest rate schemes have been introduced mostly by public sector banks and this could make a positive impact on the credit growth of mortgage finance loans of such banks. Part of this growth could come from loan takeovers from existing lenders and may not add to the credit growth of the market as a whole. Over a longer term, the growth rates of banks (particularly public sector banks) would be linked to their ability to match their services to those offered by the private sector players and generate adequate risk-adjusted returns, besides being influenced by the overall growth in the mortgage finance market.

The Indian mortgage finance market went through a difficult phase in 2008-09. As property prices declined, there was a reduction in income or even temporary loss of income stream for some 70% borrowers. Consequently, 30-days past due delinquencies for some HFCs rose and the residual

tenures of home loans increased. However, close monitoring and association with the borrowers encouraged part prepayment of loans to maintain the EMI liability and keep the Gross NPA percentage (90-day-plus 10% delinquent accounts) under control (at around 1.5%). Further, Securitization and Reconstruction of Financial Assets and Enforcement of Security Interests (SARFAESI) proved quite effective (and continues to do so) in controlling asset quality, improving the speed as well as the extent of recoveries from delinquent accounts. Going forward, the asset quality indicators of HFCs could deteriorate marginally from the current levels, given the shift in the portfolio mix of some HFCs to relatively riskier products such as LAP and builder loans, and the tilt in customer profile towards the self-employed segment (based on assessed income and correction in property prices in certain pockets). Considering the current improvement in the operating environment, reduction in interest rates and the signs of stability in property prices, pressure on asset quality in the existing portfolios of HFCs could ease. Moreover, the solvency indicators of most of the HFCs are also comfortable as most of them follow aggressive provisioning policies. Considering the adequate interest spreads, it is expected the HFCs to be able to maintain a comfortable solvency profile over the medium term.

Business of the Company and its Products and Services

DHFL Home Loan

DHFL Home Loans are offered to Individuals, Co-operative Societies, Corporate bodies and Associations of Persons. The home loan seeker can avail loans up to Rs. 5,00,00,000/- but not exceeding 85% of the cost of the property. The actual loan amount is determined after taking into account factors like repayment capacity, age, educational qualifications, stability and continuity of income, number of dependents, co-applicant's income, assets, liabilities, saving habits etc. The tenure of the loan ranges from 1 to 20 years. The term however does not extend beyond the retirement age or 60 years whichever is earlier (65 years for self employed individuals). The size of the EMI depends on the quantum of loan, interest rate applicable and tenure of loan.

DHFL Home Extension Loans

Home Extension Loans are offered to individuals who wish to extend the existing accommodation, say by adding a bedroom, enclosing open balcony, building an extra room on the terrace etc. The customers can avail these loans upto Rs. 5,00,00,000/- but not exceeding 85% of the cost of the extension. The actual loan amount is determined after taking into account factors like repayment capacity, age, educational qualifications, stability and continuity of income, number of dependents, co-applicant's income, assets, liabilities, saving habits etc. The tenure of the loan ranges from 1 to 20 years. The term, however does not extend beyond the retirement age or 60 years whichever is earlier (65 years for the self employed individuals). The size of the EMI depends on the quantum of loan, interest rate applicable and tenure of loan.

DHFL Home Improvement Loans

Home Improvement Loans are offered to Individuals for the purpose of renovation and repainting their homes. Customers can avail these loans upto Rs.1,00,00,000/- but all loans availed not exceeding 85% of the total documented cost of the property. In case of new applicant LCR to be restricted to 50% of the cost of improvement. The actual loan amount is determined after taking into account factors like repayment capacity, age, educational qualifications, stability and continuity of income, number of dependents, co-applicant's income, assets, liabilities, saving habits etc. The tenure of the loan ranges from 1 to 10 years. The term however does not extend beyond the retirement age or 60 years whichever is earlier (65 years for the self employed individuals). The size of the EMI depends on the quantum of loan, interest rate applicable and tenure of loan.

NRI Care Taker Loans

NRI Home Loans are offered to Non Resident Indians (NRIs) for residential properties in India. These loans can be availed for purchase, construction, improvement & extension also. The NRI's can avail these loans upto Rs. 5,00,00,000/- but not exceeding the 85% of the cost of property/ estimate (for improvement / extension). The actual loan amount is determined after taking into account

factors like repayment capacity, age, educational qualifications, stability and continuity of income, number of dependents, co-applicant's income, assets, liabilities, saving habits etc. The tenure of the loan ranges from 1 to 15 years. The term however does not extend beyond the retirement age or 60 years whichever is earlier. The size of EMI depends on the quantum of loan, interest rate applicable and tenure of loan.

DHFL Home Plot Loans

DHFL Plot Loans can be availed by individuals, whether salaried or self employed, to purchase Residential Plot land situated within Municipal / Local Development Authority limits. The loan seekers can avail these loans upto Rs. 1,00,00,000/- but not exceeding 85% of the cost of the plot. The tenure of the loan ranges from 1 to 20 years. The term however does not extend beyond the retirement age or 60 years whichever is earlier (65 years for self employed individuals).

DHFL Home Mortgage Loans

DHFL's Mortgage Loans can be availed by professionally qualified individuals who are salaried or self employed, against the mortgage of their residential property. The loan seekers can avail these loans up to Rs. 2,00,00,000/-. The actual loan amount is determined after taking into account factors like repayment capacity, age, educational qualifications, stability and continuity of income, number of dependents, co-applicant's income, assets, liabilities, saving habits etc. The tenure of the loan ranges from 1 to 12 years. This term however does not extend beyond the retirement age or 60 years whichever is earlier. (65 years for self employed individuals).

Non Residential Property Loans [NRPL]

DHFL has also introduced a unique loan product catering to present day professionals. The Non Residential Property Loans (NRPL) are targeted at attracting professionals like medical practitioners, chartered accountants, architects and solicitors among others and will help them either buy or construct a property to operate their lines of business. Any practicing professional can avail this loan upto Rs. 2,00,00,000/- but not exceeding 85 % of the total cost of the property. The actual

loan amount will be determined after taking into account factors like repayment capacity, age, educational qualifications, stability and continuity of income, number of dependents, assets, liabilities, saving habits etc. The tenure of the loan ranges from 1 to 12 years. The term however does not extend 65 years for practicing professionals. The size of the EMI depends on the quantum of loan, interest rate applicable and tenure of loan.

Home Loan Linked Insurance Plan

- ***Sampoorna Rakshak – Free Insurance Cover***

Sampoorna Rakshak is a triple protection insurance plan designed specially for the customers of DHFL. This unique insurance plan has been arranged in association with Future Generali India Insurance Co. Ltd. This plan provides insurance cover for damage caused to property due to natural disasters/calamities, personal accident and loss of job. The plan covers your home for losses due to Fire, Lightning, Earthquake, Impact damage, Explosion & Implosion, Aircraft Damage, Bush Fire, Riot, strike, Malicious damage, Missile testing, Subsidence and landslide/rockslide, Leakage from Automatic Sprinkler Installations, Bursting and/or overflowing of Water Tanks, Apparatus and Pipes. DHFL offers Sampoorna Rakshak to its customer FREE of cost.

Third Party Insurance Product:

Attachment: (Home Loan Linked Insurance Policy)

1. **Amarchhaya**
2. **Dhanraksha Plus**
3. **Home Safe Plus**
4. **Home Assure**

Amarchhaya:

Amarchhaya is a mortgage reducing term plan (MRTP) from SBI Life Insurance Co.Ltd linked with home loan disbursement offered to new customers. It is a life insurance, single premium product funded by DHFL, covers natural as well as accidental death of insured borrower for entire home loan tenure offered to borrower.

SBI Life withdrew Amarchhaya in August'09 and launched an advance version, named Dhanraksha Plus.

Dhanraksha Plus:

Dhanraksha Plus is a mortgage reducing term plan (MRTP) from SBI Life Insurance Co. Ltd linked with home loan disbursement offered to new customers. It is a life insurance, single premium product funded by DHFL, covers natural as well as accidental death of insured borrower for entire home loan tenure offered to borrower.

Home Assure:

It is an identical product to Amarchhaya and Dhanraksha Plus linked with home loan disbursement offered to new customers. It is a life insurance, single premium product funded by DHFL, covers natural & accidental death of insured borrower.

It is fairly competitive product in terms of premium rates with SBI Life products as well as ICICI Lombard Home Safe Plus.

Home Safe Plus:

Home Safe Plus is ICICI Lombard General Insurance product linked to home loan of both new & existing Customers, covers an accidental death, permanent total disability, critical illness on diagnosis, job loss & Property insurance up to 5 years.

Marketing Strategy

DHFL work with a continuous vision to be as close to its customers as possible, this is by far evident by the fact that DHFL has 91 branches and 71 service locations across India, 30 camps managed by 7 Regional Processing Centers and 5 Zonal offices spread across the length and breadth of country. DHFL also have two international representative offices in Dubai and London to cater to the vast NRI population in these countries. This network has further been augmented with loan syndications with Punjab and Sind Bank as well as with United Bank of India. During the year under review the Company has entered into an agreement with Central Bank of India, for joint initiative of housing loan activity through a loan syndication program.

The marketing outlook has always been to device and communicate innovative product and service offerings to its potential customers and thereby position and enhance the company's Brand equity. These initiatives are worked out at two levels wherein the Corporate Office is more focused on strategic part of campaign planning which includes campaign development, selection and buying of media thereby optimizing the exposure and awareness levels.

The second level is more focused on business generation at the branch or catchment level and is oriented on increasing enquiries and walk-ins through promotional programs like

- Home Loan Melas
- Builder Meets
- Customer Referral Program
- Events and Exhibitions
- BTL Promotional Activation Programs
- Participation in Exhibitions

These programs are carried out at regular intervals and form a crucial part of the marketing calendar.

DHFL has also enhanced the brand presence in the online space with a new and revamped website which attracts on an average more than thirty thousand visitors every month. The online presence has further been supplemented through various online campaigns done throughout the year.

During the year under, two major campaigns that were executed this year were the DHFL Express Home Loan & the DHFL Easy Easy Home Loan Offer. The DHFL Express Home Loan was more focused on the hassle-free and quick servicing of the home loans while the DHFL Easy Easy Home Loan offer was a promotional offer intended to attract customers with a competitive interest rate and an extended tenure.

Future Outlook of the Company

With real estate sector on revival path the housing finance disbursements are expected to rise as affordability levels increase from the financial year 2010-11 due to improving income growth. Expected positive growth in the property prices post

2009-10 might also increase the Average Ticket Size over the next five years. With changing socio-demographic factors like nuclearization, urbanisation and shifting population in the lower age bracket would still drive the underlying asset demand and growth in the housing finance market.

Housing being one of the low risk asset classes for financiers would continue to be the major contributor to their retail lending portfolio. Moreover, a higher proportion of floating rate loans, which help financiers manage their interest rate risk, would give a boost to disbursements.

The next 10 years will witness moderate growth. A rate of 30 per cent is expected to be sustained. And DHFL will definitely attempt to keep pace with industry growth. DHFL's disbursal growth for FY 10-11 are estimated to grow at 30-35 per cent with spreads at 2.8 to 3 per cent, and NPAs should decrease to below 1 (one) per cent in the next 2-3 years.

An incremental growth rate of housing loan disbursement is about 70.59% for the year 2009-10. The year 2010-11 will be a more challenging year for HFCs and Banks. When the interest component is more, to that extent the purchasing power is reduced. However, taking into consideration the concessions allowed in the income tax, the net interest burden will be still within the affordable limits and as a result the demand will continue, and the incremental growth rate of around 30% to 35% will be maintained.

FINANCIAL HIGHLIGHTS

Balance Sheet Movements:

Share Capital

During the year the Company obtained approval of the shareholders at the Extra-Ordinary General Meeting held on 27th June, 2009, for placement of equity shares to Qualified Institutional Buyers (QIBs) and preferential issue of equity shares to the Promoters/Promoter Group. Accordingly the Committee of the Board of Directors has issued and allotted shares along with the equity shares under ESOS scheme as under:

- (a) On the 7th July, 2009, issued and allotted to QIBs 1,60,12,231 equity shares of Rs. 10/- each, at a price of Rs. 141/- per equity share (including a premium of Rs. 131/- per equity share), aggregating to Rs. 22,577.25 lacs.
- (b) On 16th July, 2009, issued and allotted to Promoters/Promoter Group 53,50,000 equity shares of Rs. 10/- each, at a price of Rs. 141/- per equity share (including a premium of Rs. 131/- per equity share), aggregating to Rs. 7,543.50 lacs.
- (c) During the year the Company has allotted in aggregate 1,41,338 equity shares of Rs. 10/- each to various eligible employees under (ESOS- 2008) at the price of Rs. 53.65 per equity share (including a premium of Rs. 43.65 per equity share) aggregating to Rs. 75.83 lacs.

Consequent to allotment of aforesaid equity shares the paid up share capital of the Company increased from 6,05,22,975 equity shares of Rs. 10/- as on 31st March, 2009 to 8,20,26,544 equity shares of Rs. 10/- as on 31st March, 2010.

Reserve & Surplus

DHFL's reserves increased by 100% to Rs. 788.41 crore from Rs 394.02 crore in the previous year on account of transfer of profit to the reserves.

Special Reserve has been created over the year in terms of Section 36(1)(viii) of the Income Tax Act, 1961 out of the distributable profits of the Company. During the year, Company has transferred Rs.35.00 crore as against Rs 20.00 crore in the previous year.

Fixed Assets

During the year, the gross block of assets has grown by 281.00% over previous year. The additions on fixed assets were at Rs. 170.25 crore. The primary reason for addition to fixed assets are

- (i) Investments in capital work in progress is Rs. 162.89 crore and in computer amounting to Rs. 2.45 crore.
- (ii) Furniture & Fixtures amounting to Rs. 2.45 crore
- (iii) Office Equipments amounting to Rs. 1.69 crore
- (iv) Other additions of Rs.0.76 crore.

Company has made contractual commitment to vendors who are executing various capital contracts. The estimated amount of such contracts remaining to be executed on capital amount and not provided for (net of advance) was Rs. 55.58 crore.

Resources and Treasury

The year witnessed some of the most challenging times for fund raising at competitive costs. Reserve Bank of India (RBI) took various monetary measures to address some of the macro economic concerns facing the industry. During the last quarter, market remained volatile due to uncertainty in the global markets and concern over inflation.

In spite of adverse environment, the Company was largely successful in mitigating the impact of any sharp rise in its cost of borrowings with reference to its interest rate benchmarks through prudent and active liability management practices. To augment the Tier I capital, the company proposes to issue equity shares to Qualified Institutional Buyers (QIBs) and on preferential basis to Promoters/ Promoter Group and Foreign Investor up to an amount of Rs. 500 crore.

During the year under review, fresh term loans of Rs. 3243.84 crore were availed from the Consortium Banks/Financial Institutions, taking the total term loan outstanding to Rs. 6539.89 crore. The loans availed from the banks qualify for priority sector lending. These loans were drawn at varying spreads below the prime lending rates of the respective banks. The consortium of banks enhanced the banking limits of the company to Rs. 3650 crore. As at the year-end, the share of funds provided by banks and other institutions accounted for 72.27% and 0.99% respectively.

During the year under review, the National Housing Bank extended refinance to your company aggregating to Rs 780.00 crore. As on 31st March 2010, the refinance outstanding from the National Bank amounted to Rs 1487.57 crore.

During the year under review, medium-term funds to the extent of Rs. 225.00 crore were raised through the private placement of non-convertible

debentures with institutional investors. Short-term borrowings were made in the form of unsecured NCD / loans to the extent of Rs. 340.76 crore.

With tie ups with corporate brokers and retail marketing through the Company's branches company was able to augment retail investors. Company was able to mobilise a total amount of Rs. 188.80 crore by way of Fixed Deposits from Public.

The term loans are secured by way of the first charge on all the movable and immovable assets of your Company, both present and future and shared on pari-passu basis with all the secured lenders and are further secured by personal guarantees of the promoter directors.

Interest Rate Scenario

With a view to support the real estate demand (largely home loans), housing finance companies including banks have reduced their lending rates by 50-125 bps and started offering sops in form of 1) fixed rate of interest on loans for certain tenure 2) Lower loan processing charges 3) Instant access to loans. The loan-to-value ratio continues to remain in the range of 80-85%. In line with global trends, the interest rate scenario has been volatile. Company revised its Prime Lending Rate during the year for the home loan products.

Housing Loan approvals and Disbursement:

The first half of 2009 saw a deceleration in the housing loan segment due to a combination of reasons including the overall economic slowdown, high property prices and high interest rates. But the home loans segment weathered the economic slowdown better than other segments due to the Government's stimulus packages and a correction in property prices. After the recession in 2008, there was growth in demand. But property prices in some pockets went up. This slowed the demand and dampened the enthusiasm of consumers. The year 2009-10 was a good one for home loan borrowers. Banks rolled out the goodies for them in the form of low interest rate offers and special home loan packages. Stable property prices also helped. Some of the housing finance institutions /banks started offering home loans below the psychological 8% level. So, the demand for home loans was

steady. An interest rate war is brewing in the home loan segment.

In spite of stiff competition and consequently the low demand for housing loan, the operational performance of Company is noteworthy in the financial year 2009-10. During the year under review, loan approvals by your Company amounted to Rs. 5273.60 crore as compared to Rs 2698.18 crore in the previous year. Loan disbursement aggregated to Rs. 3865.56 crore as compared to Rs 2266.01 crore in the previous year. Cumulative loan approvals and disbursement since inception upto the 31st March, 2010 reached Rs. 15817.33 crore and Rs. 13208.73 crore. Cumulative disbursement worked out to 83.51% of cumulative approvals.

During the year, your Company has financed an amount of Rs 878.51 crore for 14,425 units against the target of 8,800 units as set by the National Housing Bank under the Golden Jubilee Rural Housing Finance Scheme of the Government of India.

The Company's endeavour is to reach out to Low and Middle Income household in smaller town and cities.

Keeping in mind its credo of value addition, the borrower of the Company is covered under the general insurance which offers accidental and property insurance which is offered by Future General India Insurance Co. Ltd. The Company also offers optional life cover to its customers under a referral fee programme with SBI Life Insurance and ICICI Lombard.

Investments:

The decisions to invest/disinvest proposals are the in line with the limits as set out by the Board up to the approved limit is delegated to the Chairman & Managing Director who is assisted by senior officers. The investment function is carried out primarily to support the core business of housing finance to ensure adequate levels of liquidity and to maintain statutory liquidity. As at March 31, 2010, the investment portfolio stood at Rs. 132.63 crore as against Rs. 109.76 crore last year.

Housing Finance Companies (HFCs) are required to maintain a statutory liquidity ratio (SLR) in respect of public deposits raised. Currently the SLR requirement is 12.5% of public deposits. As at March 31, 2010, your Company has invested Rs. 15.07 crore in bonds and bank deposits and Rs. 5.29 crore in approved securities comprising government securities and government guaranteed bonds. As at March 31, 2010, the treasury portfolio (excluding investments in equity shares) had an average balance period to maturity of 12 months. The average yield on the non-equity portfolio for the year was 9% per annum. Your Company has classified its investments into current and long-term investments. The current investments have been entirely 'marked to market'. In respect of long-term investments, provisions have been made to reflect any permanent diminution in the value of investments.

Investments in Subsidiary / Associate Companies

During the year your Company has invested in the following subsidiary / associates companies :

- i. 23,28,000 number of equity shares by subscribing to the preferential allotment of its subsidiary DHFL Vysya Housing Finance Ltd.
- ii. 10,00,000 number of equity shares of DHFL Property Services Ltd. thereby making it a 100% subsidiary of the company.
- iii. 30,05,000 number of equity shares of DHFL Venture Capital India Pvt. Ltd by way of purchase & subscription and 562,500 equity shares received as bonus shares.

Results of Operations:

Income

DHFL's income from Operation mainly consists of interest on housing loan disbursed to customers. Income from interest on housing loans increased from Rs. 639.11 crore in fiscal 2009 to Rs. 870.94 crore in fiscal 2010 representing the growth of 36.00% as compared to the corresponding previous year. During the fiscal 2010, average return on loan book has improved as compared to fiscal 2009. The reason for increase in interest income is mainly on account of increase in the disbursement by 72%.

Company has also generated the revenue from interest income on Deposits and Bonds, Fees and other miscellaneous receipts. Other revenue constitutes Rs.93.14 crore i.e. 9.38% of total income during the fiscal 2009 as against Rs. 31.87 crore i.e. 4.60% of total income during fiscal 2009.

Interest and other Charges

Interest and other expenses has increased from Rs. 492.91 crore i.e. 71.18% of total income in fiscal 2009 to Rs. 669.84 crore i.e.67.49% of total income in fiscal 2009. The main reason for increase of interest cost is mainly on account of increase in the rate of borrowed funds.

Provisions for Contingencies

During the financial year ended March 31, 2010, Company provided Rs. 8.50 crore for provisions and contingencies as compared to Rs.6.00 crore in the corresponding previous year. The provision for contingencies is 0.86% of total income in fiscal 2010 as compared to 0.87% in fiscal 2009.

Earning before Depreciation, Tax and Amortization (EBDTA)

EBDTA during the fiscal 2010 was Rs. 205.02 crore i.e. 20.66% of total income vis-à-vis Rs. 126.53 crore i.e. 18.27% of total income during the fiscal 2009. EBDTA has increase by 62.03% of total income mainly on account of increase in the total revenue.

Net Profit

The operating profit before charging depreciation and tax amounted to Rs.205.02 crore, as against Rs.126.53 crore in the preceding year, representing a rise of 62.00%.

The Profit Before Tax (PBT) for the year under review, increased by 62.91% from Rs. 124.11 crore in the previous year to Rs. 202.19 crore during the financial year 2009-10. Profit After Tax (PAT) went up by 64.22% to Rs 150.69 crore from Rs 91.76 crore in the previous year.

Dividend

The Board of Directors has recommended a payment of dividend of Rs. 3.00 per share (30%)

as against Rs. 2.50 per share (25%) for the previous year. The total cash outgo on account dividend and tax thereon amounts to Rs. 2879.01 crore.

Earning Per Share:

The Earning Per Share (Basic), increased to Rs. 19.78 in the year ended 31st March, 2010 from Rs. 15.15 in the previous year.

Transaction in which the management is interested in their personal capacity:

During the year, there are no materially significant related party transactions entered into with the management that may have potential conflict with the interest of Company. For detailed discussions, refer Note No. 16 B of Schedule [Q] in Note to the Accounts.

Internal Audit and Compliance

The Company has an adequate Internal Control System commensurate with the size of the Company and the nature of its business and is minimizing the operational risk by way of effective internal control systems, systems review and on-going internal audit programme. The Internal Auditors of the Company undertake a comprehensive audit of functional areas and operations at all branches of the Company. The Internal Audit Reports and findings are referred to the Audit Committee of the Board. The Committee has met four times during the financial year under review.

The Company has internalised its Legal and Technical appraisal functions to ensure optimum control over these functions. The Company has a multi-level authorisation structure to ensure that higher levels of exposure are duly authorised by personnel and committees with requisite experience and authority. Training programmes and guidelines are provided with the object of implementing appropriate links between the policy goals and the operational level.

Risk Management

CREDIT:

The word 'credit' comes from the Latin word 'credere', meaning 'trust'. When sellers transfer his wealth to a buyer who has agreed to pay later, there

is a clear implication of trust that the payment will be made at the agreed date. The credit period and the amount of credit depend upon the degree of trust.

Credit is an essential marketing tool. It bears a cost, the cost of the seller having to borrow until the customer's payment arrives. Ideally, that cost is the price but, as most customers pay later than agreed, the extra unplanned cost erodes the planned net profit.

RISK:

Risk is defined as uncertain resulting in adverse outcome, adverse in relation to planned objective or expectation. It is very difficult to find a risk free investment. An important input to risk management is risk assessment. Many public bodies such as advisory committees concerned with risk management. There are mainly three types of risk they are follows

- Credit Risk
- Operational risk
- Market risk

CREDIT POLICY

Organization may follow a lenient or a stringent credit policy. The firm following a lenient credit policy tends to sell on credit to customers on very liberal terms and standards; credits are granted for longer periods even to those customers whose creditworthiness is not fully known or whose financial position is doubtful. In contrast, a firm following a stringent credit policy sells on credit on a highly selective basis only to those customers who have proven creditworthiness and who are financially strong. In practice, follow credit policies are ranging between stringent to lenient. Firms use credit policy as a marketing tool for expanding sales. In declining market, it may be used to maintain the market share. Credit Policy helps to retain old customers and create new customers by weaning them away from competitors. In a growing market, it is used to increase the firm's market share. Under a highly competitive situation or recessionary economic conditions, a firm may lose its credit policy to maintain sales or to minimize erosion of sales.

OBJECTIVES

The main objectives of Credit Policy are:

- A balanced growth of the credit portfolio which does not compromise safety.
- Adoption of a forward-looking and market responsive approach for moving into profitable new areas of lending which emerge, within the pre determined exposure ceilings.
- Sound risk management practices to identify, measure, monitor and control credit risks.
- Maximize interest yields from the credit portfolio through a judicious management of varying spreads for loan assets based upon their size, credit rating and tenure
- Ensure due compliance of various regulatory norms, including CAR, Income Recognition and Asset Classification.
- Accomplish balanced deployment of credit across various sectors and geographical regions.
- Achieve growth of credit to priority sectors / sub sectors and continue to surpass the targets stipulated by Reserve Bank of India.
- Use pricing as a tool of competitive advantage ensuring however that earnings are protected.
- Develop and maintain enhanced competencies in credit management at all levels through a combination of training initiatives and dissemination of best practices.

Policies and Processes:

All credit risk related aspects are governed by Credit and Recovery Policy. Credit Policy includes the type of products that we are offering, targeted customer profile and credit approval processes and limits.

1. There is segregation of the sourcing, verification, approval and disbursement of credit exposures to achieve independence.
2. Credit facilities with respect to products are provided as preapproved policies. We have adopted sanction committee approach to achieve independence and faster process.
3. The Credit admin is responsible for analyzing the credit portfolio, tracking the trends in the various industries, segment of the customer and periodic reporting of portfolio level changes.

Credit risk assessment process

There is structured and standardized credit approval process including a comprehensive credit risk assessment process, which encompasses analysis of relevant quantitative and qualitative information to ascertain credit worthiness of the borrower.

Credit Risk Monitoring Process

A vigilance department has been set up to manage fraud related risks through fraud prevention and through recovery of fraud losses.

Organization has corporate recovery unit structured along various geographical locations, to manage delinquency levels. The collection unit operates under guidelines of a standardized recovery process.

Credit Risk

Lending involves a number of risks, largely related to the credit-worthiness of the borrowers. Credit risk is the risk that a borrower is unable to meet its financial obligations to the lender. In other words, Credit risk involves inability or unwillingness of a customer or counterparty to meet their commitments. This is inherent and most dominant of the risks in the lending business. This is made up of transaction risk and portfolio risk. The credit risk arises because of the quality of the loan portfolio and it is extremely important to control this risk in Housing Finance Industry. We have well laid down credit policies at the product level with clear delegation of authority. The framework covers policies about "Know Your Customer" and Anti Money Laundering, regular credit assessment, new product launches, delegation matrix etc. All credit risks are governed by credit and recovery policy which states the type of products that we are offering, targeted customer profile and credit approval process. The same can be done by having a strong credit control mechanism in place with clear policies and guidelines in respect of scrutiny of any loan proposal. DHFL's credit officers evaluate the retail credit proposals based on approved product policy, Credit norms including borrower's income, age, Loan to Cost ratio.

The technical valuations are done by in house

technical teams. Field investigation such as Office verification, residential verification is conducted by internal staff. DHFL's credit evaluation and credit portfolio management methodologies are designed to ensure consistent underwriting and early identification of problematic loans using techniques like lagged delinquency analysis, early default analysis, static pool analysis etc. Based on the review mechanism, credit policies are being reviewed and appropriate changes to the policies are undertaken.

DHFL has adopted concept of Regional Processing Unit where Branch is acting as sourcing point and RPUs are acting as centralized operations centre for the branches coming under the respective RPU.

An empowered, independent internal audit team conducts regular review of credit files on a sample basis to ensure adherence to the policies.

Risk Mitigation

DHFL has a prudent credit risk management process which contains:

- A structured and standardised credit approval process.
- Credit Administration Unit provides support for analytics, database management and monitoring process.
- Ensuring adequate controls over credit risk.
- Effective training programs

Key Elements Of Credit Risk Management:

- Establishing appropriate credit risk environment.
- Operating under sound credit granting process.
- Maintaining an appropriate credit administration, measurement & Monitoring.
- Ensuring adequate control over credit risk.
- Banks should have a credit risk strategy which in our case is communicated throughout the organization through credit policy.

DHFL also use the services of credit agencies /market survey to evaluate the credit worthiness of its customers in the housing finance business. CIBIL (Credit Bureau) output data on customer borrowing behavior freely available to lenders, thereby restricting the leveraging tendency of the borrower.

This also meant that borrowers could no longer borrow from a newly established lender to pay off prior loans.

Regulatory tightness dictated on both collections management and pricing thereby forcing all financiers to adopt a similar code of conduct. The net effect of these and other changes caused some degree of polarization within the industry – the foreign players exited the business (perhaps in part due to the turmoil faced by the parent at the international scale, due to the sub-prime crisis) while the larger Indian players took a breather.

The company operates both in the Prime and Small Ticket segments with focus on housing loan requirements with an average size of Rs. 5.6 lakh. Each customer segment and loan type is governed by approved programs for delivery through the origination centre. An active process of portfolio management and periodic reviews are used to identify emerging and already-troubled parts of the portfolio. Fresh booking in these are immediately stopped while also making efforts to grow the financing in the better performing pockets and segments.

Operational Risk

Operational Risk is defined as the risk that organization will incur due to inadequate or failed internal processes, people or systems. It can be managed through a comprehensive internal control framework. During the year, the transactions of organisation have increased manifold necessitating additional focus on having robust operational controls.

Risk Mitigation

The management of operational risk is carried out through a comprehensive system of internal controls, documented delegation of authority, separation of duties between key functions and detailed standard operating procedures. In all critical functions like treasury, etc. the front office and back office functions are segregated. The key operational processes are centralised at the Corporate Office that reduces the operational risk at the branch level.

DHFL have an empowered in-house internal audit team spread across the country and also has reputed external audit firms to focus on special areas and new product launches. All the operational branches are being reviewed on the basis of a Risk Potential, which measures the effective control mechanism at the branch level. The branches are graded based on the level of activity and the frequency and coverage of audit is determined on this basis.

To enhance the control over information systems, your Company has periodic audit process to ensure information security and has also setup a remote disaster recovery site to ensure sustenance of business operations. During the year the company has reviewed the information security policy and aligned the systems to the revised policy guidelines.

Market Risk

Market risk refers to uncertainty of future earnings resulting from changes in the values of financial instruments. This could arise from changes in liquidity conditions, interest rates and foreign exchange rates as well as their correlations. The prime source of market risk is the interest risk we are exposed to as financial intermediary. Evaluating this risk and arriving at appropriate mitigating actions has assumed greater importance, due to the unprecedented volatility witnessed during the current year.

Risk Mitigation

Organization has a comprehensive Financial Risk Management Policy that limits the financial exposure of the company to acceptable levels. A management committee consisting of Senior Officials of the Company under the supervision of Chairman & Managing Director and Chief Operating Officer reviews and approves all market risk policies and recommends the tolerance limits on borrowings, the fixed vs. floating rate exposure on the borrowings, the ALM position of the company and also fixes the framework of operations for Asset Liability Management committee (ALCO). ALCO which includes members from operations, treasury, finance and accounts reviews the treasury operations and pricing of products on regular basis.

The company does not maintain a trading position in the debt or equity market.

Interest rate risk

Interest rate risk arises when there is a mismatch in the interest rate profile of assets and liabilities adversely impacting the net interest income.

Organization measures interest rate risks by the 'duration gap' method. The duration gap is a risk measure that tracks the gap between assets and liabilities sensitive to interest rate changes, to assess the impact of interest rate changes on the cost of funds to the company.

Risk Mitigation

Organization manages the duration gap within the set risk limit by altering the tenure and structure of borrowings and through the use of derivative instruments like interest rate swaps. Considering the volatility of interest rates in the market, the company strategy is to optimise its borrowings between short term and long term debt as well as floating and fixed rate instruments.

Liquidity risk

Liquidity risk is the risk that the company may be unable to meet its financial obligations in a timely manner at reasonable prices. This risk could arise out of a mismatch in maturity profile of the assets and liabilities. Managing liquidity risk is essential for the company to maintain the stakeholders' confidence.

Risk mitigation

The mitigation techniques deployed by the company is to spread the borrowing basket among different lenders like banks, financial institutions, National Housing Bank etc. to reduce the concentration risk. It also monitors the structural liquidity mismatches between the assets and the liabilities on a projected cash flow basis and periodically reviews the open credit lines available with the banks. The key elements of the framework used to manage the framework used to manage liquidity risks are as follows :

- Periodic reviews of maturity mismatch analysis after measuring and forecasting cash commitments.

- Diversifying funding sources in terms of source, instrument, term etc and reducing dependence on any one fund provider.
- Maintaining sufficient approved but un-drawn credit lines on a continuous basis to prevent disruption of business on account of liquidity constraints.

The interest risk, operational risk and the liquidity risks are reviewed on a regular basis by the ALCO and also reported periodically to the Board of the Company.

Risk Management Committee

Organization has formed an Asset Liability Committee (ALCO) which meets at periodic interval to review the Company's approval and controls to the various risks faced. The ALCO review the process of implementation of various risk management techniques analytics, system policies, procedure and evaluates as well as advices for changes required in relation to the business environment.

The Chairman and Managing Director champions these aspects and review, revamp the control oversight for each prioritized risk aspect. The Committee constitutes the various functional heads of finance, technology, operations, compliance and audit. The Head of the respective business are permanent invites to the ALCO and are encourage to table business side – from the ground items in order to ensure a two – way flow in the risk management process.

Internal Control Systems

Company has put in place extensive internal controls to mitigate risks and has established set of procedures including clear delegation of authorities and standard operating procedures for all parts of the business / functions. The in-house internal audit department evaluates the adequacy and effectiveness of controls. The critical observations are shared with the audit committee on a quarterly basis for effective monitoring of control and implementation of recommendations. The ALCO monitors the implementation for risk management and controls. On compliance matters, there is a monthly self assessment of controls existing in all

parts of the business and functions. The status of compliance of various regulations as reported by the business and functions is placed before the Audit / Board every quarter. The company has good mechanism for implementations of fraud control system and the system is very robust for fraud detection and prevention. The investigations are carried out by Vigilance Officer comprising of senior management. The company has a strong IT security system and audit to ensure information security.

DHFL has a good internal control documentation and framework as envisaged in Clause 49 of listing agreement.

Clear segregations of duties exist between various functions. Key operational process like finance and operations are centralized at head office for better independent control.

Capital/revenue expenses are subjected to budgets approved.

Weaknesses

Competitive Lending Rates

The Housing Finance Industry has witnessed the entry of Financial Institutions and major Banks in the last few years. These Institutions have access to cheaper funds and are therefore able to lend to the customers at a lower rate. There is an intense competition in the industry that can be gauged by interest rate variations from time to time.

Absence of Level Playing Field

Private Housing Finance Companies has a different set of regulations as compared to Banks. This acts as a major hindrance in obtaining cheaper source of funds and competing with banks on the interest rate front and consequently affects the market share adversely.

Internal Control Systems and their adequacy

The Company has an internal control system in place, which is commensurate with the size of its operations. The Audit Committee of the Board reviews the findings and recommendations of the internal audit department.

Operations & Technology

2009-10 has been an eventful year for operations team with building the RPU's (Regional Processing Units) in Mumbai, Delhi, Bangalore, Chennai, Hyderabad and Jaipur, setting up team to facilitate outsourcing the file storage facility, setting up branch operations structure, outsourcing the CRM activities and most importantly establishing metrics for each function to measure their performance. During the year, your Company has invested in software solutions to integrate all the retail businesses in a single platform. Company has also invested in building a robust technology infrastructure that includes high available servers and network equipments to support new business initiatives. The operational efficiency of various non-core business verticals like insurance and property consultancy has been enhanced by implementing comprehensive software applications. For aligning technology to the projected business growth for 2009-10 and beyond, measures planned for the coming financial year include a new Data Centre Environment with highest level of data and equipment security, server optimization, all-embracing new software applications for Human Resources, General Ledger, Customer Relationship Management, Wealth Management and Treasury.

Human Resources

Company has experienced Promoters and management whom the Company rely on to anticipate industry trends and capitalize on new business opportunities that may emerge. Company believe that a combination of reputation in the market, its working environment and competitive compensation programs allow the Company to attract and retain these talented people. Company's HR policy is encapsulated by its belief about "Getting extra ordinary work out of ordinary people". Company's HR policies and practices have focused on recruiting and training employees who can empathize and deal with potential and existing borrowers.

The management has also, simultaneously, molded its policies relating to hiring, deployment, transfers, promotion, training, including its performance-linked bonuses, with the clear aim of building a

'cadre-based organization', whose cadre understands the company's customers, their problems, issues and aspirations; and is committed to the cause of providing housing finance for the majority of Indians.

During the year, Company has significantly increased the number of employee from 809 to over 908, for scaling up its housing finance business nationally. Company has taken Health and Personal Accident Policy for employees and dependants.

Subsidiaries and Consolidated Results

Income from Operation

Consolidated income from operation comprises mainly the interest income on housing loan disbursed to Company's borrowers. Company also generates revenue from deposits, Bonds, mutual funds and other miscellaneous income.

Consolidated income from operation increased from Rs 732.64 crore in fiscal year 2009 to Rs 1041.12 crore in fiscal year 2010. Company's revenue has grown by 42.02% in fiscal year 2010 as against 55.88% in fiscal year 2009. Revenue has grown at a CAGR of 43.51% over the last three financial years.

Company recognizes interest income on performing assets on accrual basis and on non performing assets on realization basis as per the prudential guidelines prescribed by the National Housing Bank. Dividend on investment, fees and additional interest income on delayed EMI/PEMI are recognized on receipt basis

Interest and other Charges

Interest cost comprises mainly the cost of borrowed funds from Banks and financial institutions. It also comprises the interest towards deposits, Debenture interest and other charges

Company's consolidated interest and other charges has increased from Rs 522.17 crore i.e.71.09% of total income during fiscal 2009 to Rs. 700.63 crore i.e. 67.16% of total income during fiscal 2010. The total expenditure has

increased by 37.72% in fiscal 2010. The reason for increase in expenses is mainly on account of increase in the rate of interest prevailing in the market.

Cautionary Note

Some of the statements included in the 'Management Discussion and Analysis' may be forward looking statements based on the management's current expectations and beliefs concerning future developments and their potential effect upon the Company and its subsidiaries. There can be no assurance that future development and their potential effects upon DHFL and its subsidiaries. These forward-looking statements are not a guarantee of future performance and involve risk and uncertainties, and there are important factors that could cause actual results to differ, possibly materially, from expectations reflected in such forward looking statements.

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

Corporate Governance is about commitment to values and ethical business conduct. It is about how an organization is managed viz., its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial position of the Company, its performance and ownership forms part of the Corporate Governance.

“Corporate Governance is about promoting corporate fairness, transparency and accountability.” Corporate Governance deals with laws, procedures, practices and implicit rules that determine a Company’s ability to take informed managerial decisions vis - a - vis its claimants – in particular, its shareholders, creditors, customers, the State and employees. There is a global consensus about the objective of “good’ Corporate Governance maximising long-term shareholders value.” Thus, Corporate Governance is a reflection of a Company’s culture, policies, its relationship with the stakeholders and its commitment to values. Corporate Governance is journey for constantly improving sustainable value creation.

CORPORATE GOVERNANCE AT DHFL

We at DHFL are committed to the highest standards of corporate governance in all its activities and processes. DHFL has always believed in and practiced various elements of Corporate Governance since its inception. The Board has adopted Corporate Governance principles to ensure that the Board remains informed, independent and involved in the Company. The Board recognizes that there will be ongoing efforts on better Corporate Governance and it will review these principles and other aspects of governance periodically.

Sound corporate governance practices are crucial to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and stakeholders and provide shareholder value. The Corporate Governance philosophy of the Company is driven by the following fundamental principles:

- Adhere to corporate governance standards beyond the letter of law.
- Maintain transparency and high degree of disclosure levels.
- Maintaining a clear distinction between the personal interest and corporate interest.
- Transparent corporate structure driven by business needs and
- Ensuring compliance with applicable laws.

DHFL understands that the customer is the purpose of our business and every customer is an important stakeholder of your Company, performing ethically and efficiently to generate long term value and wealth for all its stakeholders. The Report on Corporate Governance, as per the applicable provisions of Clause 49 of the Listing Agreement is as under:

BOARD OF DIRECTORS

The Corporate Governance principles of the Company ensures that the board remains informed, independent and involved in the Company and that there are ongoing efforts towards better corporate governance to mitigate “non business” risks.

The Board is fully aware of its fiduciary responsibilities and recognizes its responsibilities to shareholders and other stakeholders to uphold the highest standards in all matters concerning the Company and has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review processes.

Directors of DHFL possess the personal and professional ethics, integrity and values and are committed to representing the long-term interests of the stakeholders. The basic responsibility of the board is to provide effective governance over the Company’s affairs exercising its reasonable

business judgments on behalf of the Company. The Company's business is conducted by its employees under the direction of the Chairman & Managing Director, Chief Executive Officer, Chief Operating Officer and the overall supervision of the Board. The Company has in place an appropriate Risk Management System covering various risks of the Company including fraud risks, which are discussed and reviewed by the Board from time to time.

DHFL's commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, the senior management and all other employees of the company. Consistent with its values and beliefs, the Company has formulated a Code of Conduct applicable to the Board and senior management. Further, the Company has also adopted an Insider Trading Code for prevention of insider trading.

Composition of the Board

The Board has been constituted in a manner, which will result in an appropriate mixture of executive /non-executive and independent directors to ensure proper governance and management. The Board members have collective experience in diverse

fields like finance, banking, insurance, economics, corporate laws and administration. As on 31st March, 2010, seven [7] Directors are independent, meeting the criteria for independence under the listing agreement with the stock exchanges. The directors are appointed based on their qualification and experience in varied fields as well as company's business needs.

As on 31st March, 2010, the Board of Directors comprised of Nine [9] members of which Eight [8] are Non-Executive Directors (including a Nominee Director) and an Executive Director. The Chairman & Managing Director is the only Executive Director on the Board. The goal has been to achieve an optimum combination of Executive and Non-Executive Directors as well as independent directors so that the Board is cohesive and has the expertise for quick and informed decision making.

The details of the directors, as at 31st March, 2010 including the details of the other board directorship reckoned in line with clause 49 of the listing agreement, committee membership (including DHFL) and their shareholding in the Company, are given below:

Name of Director	Executive Non-Executive Independent/ Promoter	No of Directorship*	No. of shares held in the company	Members of Committee	
				Member	Chairperson
Shri Kapil Wadhawan	Executive/Promoter Director	4	99,36,087	...	1
Shri Dheeraj Wadhawan	Non-Executive/Promoter Director	1	93,08,998
Shri R. P. Khosla	Non-Executive/Independent Director	2	Nil	...	2
Shri G. P. Kohli	Non-Executive/Independent Director	3	Nil	2	...
Shri R. S. Hugar	Non-Executive/Independent Director	3	Nil	...	2
Shri Anthony Hambro	Non-Executive/Independent Director	4	Nil
Shri Ajay Vazirani	Non-Executive/Independent Director	2	Nil	1	...
Shri V. K. Chopra	Non-Executive/Independent Director	14	Nil	7	3
Dr. P. S. Pasricha	Non-Executive/Independent Director	1	Nil

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

Board Meetings

The Board of Directors meet at regular intervals with a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The Board is regularly briefed

and updated on the key activities of the business and is provided with briefings and presentations on Business Operations and other matters concerning the Company on a need basis. Besides, information about statutory compliance, Regulatory Changes, minutes of all the subsidiary companies and sub-

committees of the board and information as required under listing guidelines are also provided to the Directors on a regular basis.

The dates of the Board Meetings are fixed in advance at the closure of the previous year to enable maximum attendance from directors. During the year ended

31st March, 2010, five [5] meetings of the Board of Directors were held i.e. 11th May, 2009, 27th June, 2009, 28th July, 2009, 27th October, 2009, 27th January, 2010, The attendance of Directors at the last Annual General Meeting and the above mentioned Board Meetings along with the sitting fees paid to them are listed below:

Name of Director	Board Meetings		Attendance at the last AGM held on 28th July, 2009
	Number of Board meetings attended	Sittings fees paid (Rs.)	
Shri Kapil Wadhawan, Chairman & Managing Director	5	Nil	Yes
Shri Dheeraj Wadhawan	2	30,000	Yes
Shri R.P. Khosla	4	60,000	No
Shri G. P. Kohli	5	75,000	Yes
Shri R. S. Hugar	5	75,000	Yes
Shri Anthony Hambro	3	45,000	Yes
Shri Ajay Vazirani	3	45,000	Yes
Shri V. K. Chopra	3	45,000	No
Dr. P. S. Pasricha *	Nil	Nil	NA

*Appointed w.e.f. 3rd March, 2010

Leave of absence was granted to directors who could not attend the respective board meeting

Changes in the Board Constitution

Resignation of Directors

During the year ended 31st March, 2010, Shri Rakesh Kumar Wadhawan, Shri Sarang Wadhawan and Shri Ashok Kumar Gupta stepped down from their position as director effective 28th July, 2009.

Appointment of Directors

Dr. P. S. Pasricha was appointed as Additional Non-Executive Independent Director w.e.f. 3rd March, 2010.

Information on details of the Directors seeking re-appointment/appointment as required under Clause 49 of the Listing Agreement has been given under the Notice to the shareholders. None of the directors of the Company are disqualified for being appointed/reappointed as Directors pursuant to Section 274(1) (g) of the Companies Act, 1956.

Committee of the Board

Various committees of the Board have been constituted to assist the board in discharging its responsibilities

There are four committees constituted by the board – the Audit Committee, the Shareholders/Investors' Grievance Committee, the Remuneration & Compensation Committee and Finance Committee.

The Board at the time of constitution of each committee has fixed the terms of reference for each committee and also delegates powers from time to time. Various recommendations of the committees are submitted to the Board for approval. The minutes of the meetings of all the committees are circulated to the Board for its information. Besides the members of the committees, senior management team also attends the meetings of the committees as and when necessary.

Audit Committee

Terms of Reference

The primary role of the audit committee is overseeing the financial reporting process and disclosure of financial information, reviewing the financial statements before submission to the board, reviewing adequacy of internal control systems and reviewing findings of internal investigations besides recommending appointment / removal of statutory auditors, internal auditors and recommending their remuneration. The committee holds discussions with the statutory auditors and internal auditors periodically.

Composition and Meetings

Consequent upon the resignation of Shri Ashok Kumar Gupta, the Audit Committee of the Company was re-constituted on 28th July, 2009 by inducting Shri V. K. Chopra as a member in place of Shri Ashok Kumar Gupta. Thus, the committee consists of Shri R. S. Hugar - Chairman of the Committee and Shri G. P. Kohli and Shri V. K. Chopra as independent members of the Committee. All the members of the Committee have accounting and financial management expertise. The quorum for the meeting of the Committee is two members. Shri S. Y. Sankhe, Company Secretary, acts as Secretary of the Committee. The statutory auditors, General Manager (Audit & Inspection) are invited to attend the meetings of the committee. In addition, senior management personnel are also called to clarify the queries, if any.

During the year under review, the committee met four times. The meetings were held on 12th May, 2009, 28th July, 2009, 27th October, 2009, 27th January, 2010. The Chairman of the Audit Committee was present at the [25th] Twenty-Fifth Annual General Meeting of the Company.

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

Members	Number of Meetings attended	Sitting Fees paid (Rs.)
Shri R. S. Hugar (Chairman the Committee)	4	40,000/-
Shri G. P. Kohli	4	40,000/-
Shri V. K. Chopra	2	20,000/-

Shareholders'/ Investors' Grievance Committee

Terms of reference

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

Composition and Meetings

The Committee consists of Shri Kapil Wadhawan, Chairman & Managing Director (Chairman of the

Committee) and Shri Ajay Vazirani - Independent Director as the member. Shri S. Y. Sankhe, Company Secretary is the Compliance Officer. During the year ended 31st March, 2010, the Committee met four [4] times i.e. on 29th April, 2009, 22nd July, 2009, 22nd October, 2009 and 21st January, 2010.

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

Members	Number of Meetings attended	Sitting Fees paid (Rs.)
Shri Kapil Wadhawan (Chairman of the Committee)	4	Nil
Shri Ajay Vazirani	4	20,000/-

The Company has a designated e-mail address, secretarial@dhfl.com to redress investors' grievances. During the year, the Company received a total of 563 correspondence from its shareholders relating to Change of Address, non receipt of shares after transfers, non-receipt / revalidation of dividend warrants, request for issue of duplicate share certificates, splitting / consolidation of share certificates and dematerialization / rematerialization of shares etc. Of the above, 98 were in the nature of complaints. All the said correspondence was redressed in accordance with the service standards and the standard operating procedures adopted by the Company. There was no unresolved Investor complaint as at the end of the financial year.

Finance Committee

Terms of Reference

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

The role of the committee includes review of the finance and resources of the Company including approval and review of business proposals, review

of credit and investment policies, consider opening of bank accounts of the Company, approve borrowings within the limits prescribed by the Board, approve assignment of receivables, overseeing the asset liability management system of the company and review the risk management policies of the company. Besides, the committee also considers and recommends to the board the issue of non-convertible debentures and other operations related matters from time to time.

Composition & Meetings

Consequent upon the resignation of Shri Rakesh Kumar Wadhawan as the Member/Chairman of the Finance Committee, the Board of Directors of the Company at its meeting held on 11th May, 2009, reconstituted the Finance Committee by inducting Shri Dheeraj Wadhawan as the Member of the said Committee.

Further to re-constitution, the Finance Committee comprises of three Directors - Shri Kapil Wadhawan (Chairman of the Committee), Shri Dheeraj Wadhawan and Shri G. P. Kohli as the members of the Committee. The other senior management personnel are also invited to attend the meetings of the committee on need basis. The Committee held seventeen (17) meetings during the year ended 31st March, 2010.

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

Members	Number of Meetings attended	Sitting Fees paid (Rs.)
Shri Kapil Wadhawan (Chairman the Committee)	14	NIL
Shri Dheeraj Wadhawan	14	1,40,000/-
Shri G. P. Kohli	17	1,70,000/-

Remuneration & Compensation Committee

Terms of reference

The role of the Committee includes, determining the Company's policy on specific remuneration packages for executive director including pension rights and any compensation payment and the

remuneration package, including the periodic increments in salary of the executive director(s). The Committee is also empowered to determine the annual commission/incentives of the executive director(s) and the minimum remuneration of the executive director(s) in the event of inadequacy of profits besides implementing, administering and monitoring the employee stock option plan/schemes of the Company. The Committee further considers and recommends nominees for board positions. Decision for selecting a director nominee is based on the merit, qualification, competency and the Company's business needs. Such candidates shall be free of conflict of interest that would interfere with their ability to discharge their duties. The recommendations of the Committee are placed before the board for its approval.

The Remuneration Committee solely comprises of Independent Directors, viz., Shri R. P. Khosla as the Chairman of the Committee, Shri R. S. Hugar and Shri G. P. Kohli as the members of the Committee. During the year ended 31st March, 2010, the Committee met three [3] times i.e. on 28th July, 2009, 27th October 2009 and 25th November 2009. The details of the attendance of the members of the committee along with sitting fees paid are listed below:

Members	Number of Meetings attended	Sitting Fees paid (Rs.)
Shri R. P. Khosla (Chairman the Committee)	2	20,000/-
Shri R. S. Hugar	3	30,000/-
Shri G. P. Kohli	3	30,000/-

Remuneration of Directors

Remuneration Policy

The compensation of the executive director(s) comprises a fixed component and a performance incentive by way of commission. The compensation is determined based on levels of responsibility and scales prevailing in the industry. The commission is determined based on certain pre-agreed performance parameters. The executive director(s) are not paid sitting fees for any board / committee meetings attended by them. The compensation of the non-executive directors takes the form of commission on profits. Though the shareholders have approved payment of commission upto 1% of net profits of the Company for each year calculated as per the provisions of the Companies Act, 1956, the actual commission paid to the directors is restricted to a fixed sum which is currently at Rs.10,00,000/-. This sum is reviewed periodically taking into consideration various factors such as performance of the company, time spent by the directors for attending to the affairs and business of the company and extent of responsibilities cast on directors under general law and other relevant factors. Further, the aggregate commission paid to all non-executive directors is well within the limit of 1% of the net profits as approved by the shareholders. The non-executive directors are also paid sitting fees as permitted by government regulations for every board / committee meeting(s) attended by them.

Directors' Remuneration & Sittings Fees

Details of remuneration of Directors for the year ended 31st March 2010 are as follows:

Non- Executive Directors

(In Rupees)

Name of Director	Commission*	Sittings Fees
Shri R. P. Khosla	1,12,269	80,000
Shri G. P. Kohli	1,12,269	3,15,000
Shri R. S. Hugar	1,12,269	1,45,000
Shri Anthony Hambro	73,349	45,000
Shri Ajay Vazirani	1,12,270	65,000
Shri Dheeraj Wadhawan	1,12,270	1,70,000
Shri V. K. Chopra	1,12,270	65,000
Dr. P. S. Pasricha #	8,920	Nil
TOTAL	7,55,886	885,000

•Net of Tax Deducted at Source

joined w.e.f 03/03/2010

Executive Directors

(In Rupees)

Name	Salary/Allowance	Contribution to funds	Value of perquisites
Shri Kapil Wadhawan Chairman & Managing Director	42,00,000	5,04,000	84,16,000

In accordance with the approval of the shareholders in the Annual General Meeting held on 25th July, 2005, the Company has entered into an agreement with the Managing Director for a period of five years. A notice of atleast three months is required from either of the party to the agreement for termination. Pursuant to the shareholder approval in the 24th Annual General Meeting held on 28th July, 2008, the remuneration of Shri Kapil Wadhawan - Chairman & Managing Director was revised w.e.f 1st July, 2008 for residual period of his employment and a fresh agreement was executed between the Company and Shri Kapil Wadhawan.

As on 31st March, 2010, the Company has not granted any Stock Options either to the Chairman & Managing Director or the promoter directors of the Company. The Company has granted 25,000 stock options to five independent non-executive directors.

Employees Stock Option Scheme

The Company has in place Employees Stock Option Scheme (ESOS) to enhance the ownership amongst the employees and to attract and retain talent. The Shareholders approved the scheme at the Annual General Meeting held on 23rd July, 2007 and also at the subsequent Extra Ordinary General Meeting held on 31st March, 2009, where the stock option granted were re-priced at Rs.53.65 had given consent to the Board of Directors to issue stock option up to 5% of the issued and paid up capital of the Company in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, in accordance with the same. The Remuneration and Compensation Committee also administer Company's Stock Option plans. The stock options granted by the Committee have been discussed in detail in the Director Report.

General Body Meetings

Particulars of venue, date and time of the previous three annual general meetings and the details of special resolutions passed in the meeting are given below:

Particulars	Date & time	Venue
25th A. G. M	28th July, 2009 12.00 Noon	Exchange Plaza, National Stock Exchange Auditorium Ground Floor, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051.
E. G. M	27th June 2009 11.00 a.m.	Exchange Plaza, National Stock Exchange Auditorium Ground Floor, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051.
E. G. M	31st March, 2009 12.00 Noon	Exchange Plaza, National Stock Exchange Auditorium Ground Floor, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051.
24th A. G. M	28th July, 2008 12.00 Noon	Exchange Plaza, National Stock Exchange Auditorium Ground Floor, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051.
E.G.M	6th February, 2008 12.00 Noon	M C Ghia Hall, Bhogilal Hargovindas Bldg, 2nd Floor, 18/20, Kaikshushru Dubash Marg, Mumbai 400 001.
23rd A.G.M.	23rd July, 2007 12.00 Noon	M C Ghia Hall, Bhogilal Hargovindas Bldg, 2nd Floor, 18/20, Kaikshushru Dubash Marg, Mumbai 400 001.

Special Resolutions passed at the previous AGMs/EGM

25th Annual General Meeting held on Tuesday, 28th July, 2009:

- Increase in the borrowings power from Rs. 10,000 crore to Rs. 25,000 crore.

Extra Ordinary General Meeting held on Saturday, 27th June, 2009:

- Issue of equity shares to Qualified Institutional Buyers (QIBs) upto an amount of Rs. 300 crore.
- Issue of equity shares to Promoter/Promoter Group of the Company on preferential basis upto 1 crore equity share.

Extra Ordinary General Meeting held on Tuesday, 31st March, 2009:

- Issue of Equity Shares on Rights Basis
- Re-pricing of Options granted under ESOS.

24th Annual General Meeting held on 28th July, 2008:

- Reclassification in the Authorised Share Capital of the Company.
- Insertion of new clause in the Share Capital Clause of the Articles of Association of the Company.
- Revision in Remuneration payable to Vice Chairman & Managing Director.
- Issue of Redeemable Preference Shares.

Extra Ordinary General Meeting held on Wednesday, 6th February, 2008:

- Issue of Equity Shares to Qualified Institutional Buyers (QIBs).
- Issue of Convertible Equity Warrants to the Promoter Group.
- Increase in limits of FII Investment in the Paid up capital of the Company.

23rd Annual General Meeting held on Monday, 23rd July, 2007:

- Reclassification in the Authorised Share Capital and alteration in the Memorandum of Association.
- Increase in borrowing limits upto a sum of Rs. 10,000 crore.
- Issue of equity stock options, under the Employee Stock Option Scheme (ESOS)
- Re-issue of Forfeited Shares.
- Creation of charges and/or mortgages on the assets of the Company.

Postal Ballot

During the year 2009-10, the Company has not passed any special resolution through postal ballot.

Compliance Report

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

Code of Conduct

As required vide Clause 49 of the listing agreement on Corporate Governance, the board has laid down a code of conduct for all members and senior management team of the Company. The said code of conduct has been posted on the website of the Company www.dhfl.com. All Board members and senior management personnel of the Company have affirmed the requirements of the said code of conduct.

Disclosures

Related Party Transactions

Transactions with related parties are disclosed in note B-16 of Schedule Q to the Accounts in the annual report. There were no materially significant related party transactions i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large. There were no instances of non-compliance on any matter related to capital markets during the last three years.

Risk Management

The Company has laid down procedures to inform board members about the risk assessment and minimisation procedures. The board periodically discusses the significant business risks identified by the management and the mitigation process being taken up. A detailed note on the risk identification and mitigation is included in management discussion and analysis, annexed to the directors' report.

Proceeds from Private Placement Issue

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

- Equity shares to Qualified Institutional Buyers (QIBs).
- Equity shares to Promoter/Promoter Group of the Company on preferential basis.
- Equity shares to employees under Employee Stock Option Scheme.
- Commercial Papers to Financial Institutions.
- Non-Convertible Debentures (Secured /Unsecured).

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

CEO/CFO Certification

CEO/CFO have furnished certificate to the Board as contemplated in clause 49 of the Listing Agreement and same is reviewed by the Audit committee and the Board.

Secretarial Audit

A qualified Practicing Company Secretary carried out secretarial audit of the Company on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued paid up capital is in agreement with the total

number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL and the shares issued from time to time were listed with the Stock Exchanges.

Compliance with Corporate Governance Norms

The Company has complied with all mandatory requirements of corporate governance norms as enumerated in clause 49 of the listing agreements with stock exchanges. M/s. B. M. Chaturvedi, Chartered Accountants, Mumbai, Statutory Auditor of the Company have certified that the Company has complied with the conditions of corporate governance as stipulated under clause 49 of the listing agreement, which is annexed hereto.

Means of Communication

The main channel of communication with the shareholders is through the Annual Report which includes Director's Report, Report on Corporate Governance, Management Discussion and Analysis and Audited Financial Results.

In order to ensure corporate disclosure and reporting requirements, the quarterly/half yearly/annual financial results are generally published in widely circulated national and local dailies like The Economic Times in English, Maharashtra Times in Marathi and Economic Times in Gujarati.

The Company also ensures effective interaction with the shareholders at the Annual General Meeting. Special attention is paid in answering the various queries raised by the shareholders at the Annual General Meeting.

Corporate filing System

SEBI had, vide circular no. SEBI / CFD / DIL / LA / 4 / 2007/2712 dated 27th December, 2007, introduced a clause in Equity Listing Agreement, which inter-alia mandated electronic filing of certain corporate information such as the quarterly, half-yearly and annual results, annual report and the shareholding pattern of the Company through

the Electronic Data Information Filing and retrieval (EDIFAR) system hosted by the National Informatics Centre. SEBI has discontinued the said requirement with effect from 1st April, 2010. In view of above a new portal, viz., CFDS put in place jointly by BSE and NSE at the URL www.corpfiling.co.in. CFDS offers a XBRL enable common platform for listed companies to file their returns with stock exchanges and also a common place for investors to view information related to listed companies.

By amendments to listing agreement by Securities Exchange of India (SEBI) vide circular no. SEBI / CFD/DIL/LA/4/2007/27/12 dated December 27, 2007 has introduced a new clause viz. Clause 52 in Equity Listing Agreement, requiring listed companies to file the information with the stock exchanges only through CFDS.

In compliance with the above circular, the Company has registered itself with National Informatics Centre and has initiated filing the corporate information through CFDS.

The Company's results and official news release are also displayed on the Company's website and on the website of The Bombay Stock Exchange Ltd., and The National Stock Exchange of India Ltd.

Management Discussions and Analysis

A detailed report on Management Discussions and Analysis is included in the Annual Report.

GENERAL SHAREHOLDERS INFORMATION

Twenty – Sixth Annual General Meeting:

Date	Tuesday, 27th July, 2010
Time	12.00 Noon
Venue	Exchange Plaza, National Stock Exchange Auditorium Ground Floor, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051.
Financial Reporting Calendar: 2009-10	1st of April to 31st March <ul style="list-style-type: none"> • First Quarter – By last week of July • Second Quarter- By last week of October • Third Quarter – By last week of January • Results for the year - May/June
Dates of Book Closure	Wednesday, 21st July, 2010 to Tuesday, 28th July, 2010 (both days inclusive)
Dividend Payment date	The dividend, if declared by the shareholders at the Annual General Meeting shall be paid on or before 26th August, 2010, i.e. within 30 days from the date of declaration.
Listing on Stock Exchanges	<ol style="list-style-type: none"> 1. Bombay Stock Exchange Ltd. Phiroze Jeejebhoy Towers, Dalal Street, Fort, Mumbai 400 001. Stock Code - 511072 2. National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051. Stock Code - DEWANHOUS <p>[Annual listing fees as prescribed have been paid to both the stock Exchanges for the year 2009- 10.]</p>
ISIN Number for NSDL & CDSL	INE-202B01012

Non- Mandatory Requirements

a) Remuneration and Compensation Committee	The Company has constituted a Remuneration and Compensation Committee, comprising of 3 independent directors, Shri R. P. Khosla, Shri R. S. Hugar and Shri G. P. Kohli
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Market Price Data

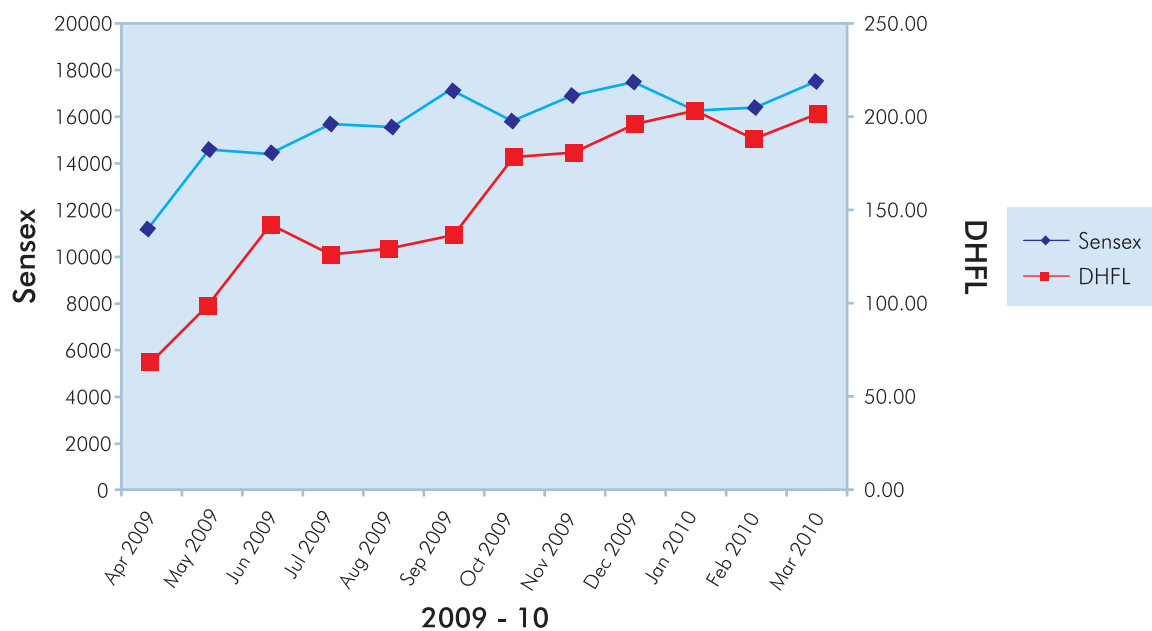
The monthly high and low closing prices of the Company along with the volume of shares traded at BSE and NSE:

For the year 2009-2010

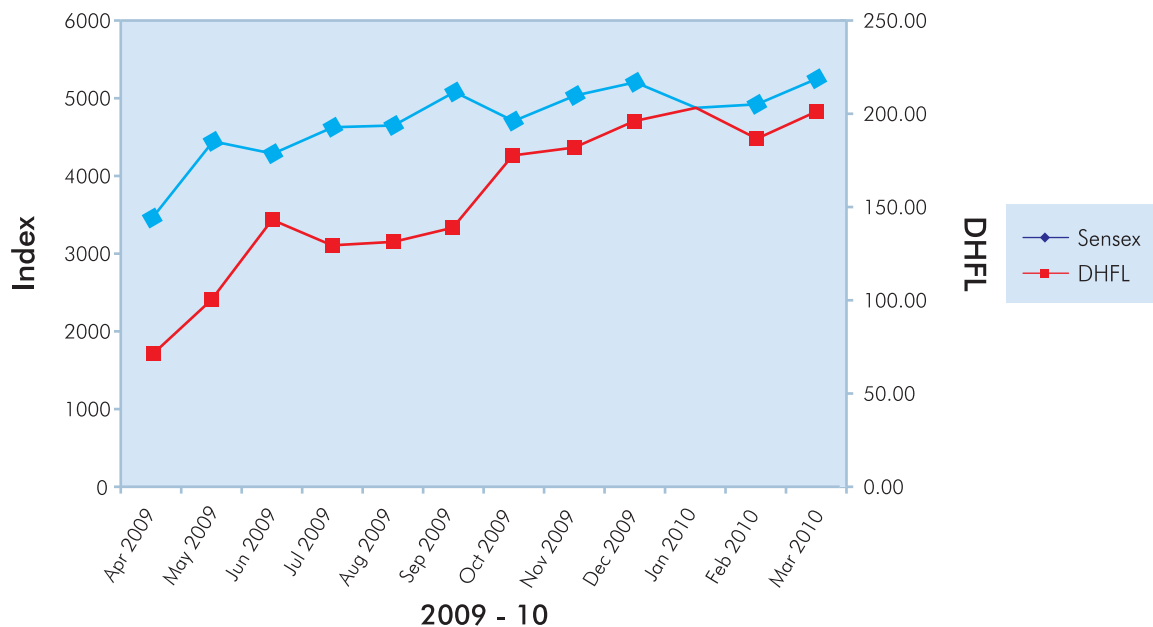
Period	BSE-Price Rs.			NSE-Price Rs		
	High	Low	Qty. Traded	High	Low	Qty. Traded
Apr - 2009	87.35	54.95	1570373	88.70	54.10	2122856
May - 2009	131.15	70.20	1937212	130.60	71.10	3488041
Jun - 2009	164.70	123.00	3745449	165.00	121.50	5845143
Jul - 2009	156.00	102.10	2028037	156.50	102.20	3184627
Aug - 2009	142.50	120.05	947995	142.50	120.00	2649020
Sept - 2009	150.80	126.00	2563101	150.00	127.60	6421622
Oct - 2009	219.45	137.50	9178658	219.60	137.00	22419394
Nov - 2009	205.90	158.50	3995443	205.00	159.00	7746721
Dec - 2009	209.00	184.15	2543778	209.00	184.50	6362288
Jan - 2010	220.65	187.00	2631418	220.95	187.00	6268293
Feb - 2010	199.00	178.00	262395	199.75	175.15	947047
Mar - 2010	217.70	185.15	1421992	217.25	185.30	11757609

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

Performance – Comparison with BSE Sensex



Performance – Comparison with NSE Index



Distribution of Shareholding as on 31st March, 2010

Shares holding of nominal Value			Share Holders		Share Amount	
Rupees			Number	% to Total Nos	In Rupees	% to Total Amount
1			2	3	4	5
Upto	5,000		13587	90.68	1590998	1.94
5,001	to	10,000	754	5.03	595959	0.73
10,001	to	20,000	282	1.88	406972	0.50
20,001	to	30,000	83	0.55	210095	0.26
30,001	to	40,000	50	0.33	178271	0.22
40,001	to	50,000	41	0.27	194043	0.24
50,000	to	1,00,000	59	0.39	430501	0.52
1,00,000	and	above	128	0.85	78419705	95.60
Total			14984	100.00	82026544	100.00

Shareholding Pattern of the Company as on 31st March, 2010

Category	No of Shares	% of Shareholding
Promoters	19245085	23.46
Persons acting in concert with promoters	18013605	21.96
Bodies Corporate	9648736	11.76
Mutual Funds	1581302	1.93
FII's	18881488	23.02
FDI	7065456	8.61
NRI	48571	0.06
Financial Institutions / Banks	1159573	1.41
Individual	6382728	7.78
Total	82026544	100.00

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

Registrar and Share Transfer Agents

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

Link Intime India Private Ltd.

C - 13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai-400078
Phone: 022 - 2594 6970 - 78,
Fax: 022 - 25946969,
e-mail- rnt.helpdesk@linkintime.co.in
Contact Person: Shri Sharad Patkar,
Designation: Executive - Corporate Registry.

Share Transfer System

All the applications regarding physical transfer, transmission, splitting of share certificates, dematerialization and rematerialization are processed by the Registrar and Share Transfer Agents and approved by Shareholder's / Investor's Grievance Committee periodically (the Chairman & Managing Director periodically depending on the volume of transfers.) Share Certificates are dispatched within the time prescribed under the Listing Agreement/SEBI Guidelines.

Dematerialization of Shares and Liquidity

The Company has signed agreement with both the depositories in the country, namely National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The Company's shares are in the list of compulsory demat settlement by all investors. As on 31st March, 2010, 98.98% of the share capital of the Company representing 8,11,93,408 equity shares were held in dematerialized form and the balance 1.02% representing 8,33,136 equity shares were held in physical form.

Listing of Debt Securities

Pursuant to the directions of Securities & Exchange Board of India (SEBI) all the secured debentures issued by the Company on private placement basis have been listed in the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of

India Limited. The Company complies with the listing requirements in this regard.

Nomination Facility

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

Electronic Clearing Service (ECS) in case of share held in Physical Form

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

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

ECS in case of shares held in Electronic Form

The statements of beneficial ownership furnished by NSDL and CDSL for the purpose of payment of dividend inter alia includes the name, address, bank account details, 9 digit MICR code of the beneficial owners. The Company will arrange to remit the dividend through ECS, to those beneficial owners whose 9 digit MICR code is available and if

the said MICR code pertains to a bank located at any of the cities mentioned above or if their bank is part of the Core Banking Solution system. After remittance of dividend through ECS, a confirmation will be sent to the concerned shareholders.

Transfer of unclaimed dividend to Investor Education and Protection Funds:

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 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 unpaid dividend account of the Company between the due dates 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 when due for transfer to the said Fund is given below:

Financial Year ended	Date of Declaration	Due for Transfer on
2002-2003	31/07/2003	04/09/2010
2003-2004	24/07/2004	24/08//2011
2004-2005	25/07/2005	24/08//2012

Online Information

Shareholders are requested to visit www.dhfl.com for online information about the company. The financial results, share price information, dividend announcements of the company are posted on the website of the company. Investor Correspondence is periodically updated with all developments, for the information of shareholders. 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. The company has also been filing the financial results, shareholding pattern and other reports in the new portal viz Corporate Filing and Dissemination System (CFDS) put in place jointly by BSE and NSE at the URL www.corpfiling.co.in

Shareholders may also contact the following for any assistance:-

Registrar & Transfer Agent	DHFL Secretarial Department	
Shri Sharad Patkar, Executive – Corporate Registry Link Intime India Private Ltd. C - 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400078. Tel: 91-22-2594 6970 – 78, Fax: 91-22-25946969 e-mail- rnt.helpdesk@linkintime.co.in	Shri S. Y. Sankhe Compliance Officer & Company Secretary 6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400 051. Tel: 91-22- 2658 3333 Fax: 91-22-2658 3344 email: secretarial@dhfl.com	Shri P. K. Kumar, Sr. Manager - Secretarial, 6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400 051. Tel: 91-22- 2658 3333 Fax: 91-22-2658 3344 email: pkumar@dhfl.com

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

Report of the Auditors on Corporate Governance

To the Members,
Dewan Housing Finance Corporation Ltd.

We have examined the compliance of conditions of Corporate Governance by Dewan Housing Finance Corporation Ltd. for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

For **B. M. Chaturvedi & Co.**
Chartered Accountants.

B. M. Chaturvedi
ICAI M. No. 17607

Place : Mumbai
Dated : 12th May, 2010

Declaration Regarding Compliance By Board Members And Senior Management Personnel With The Company's Code Of Conduct

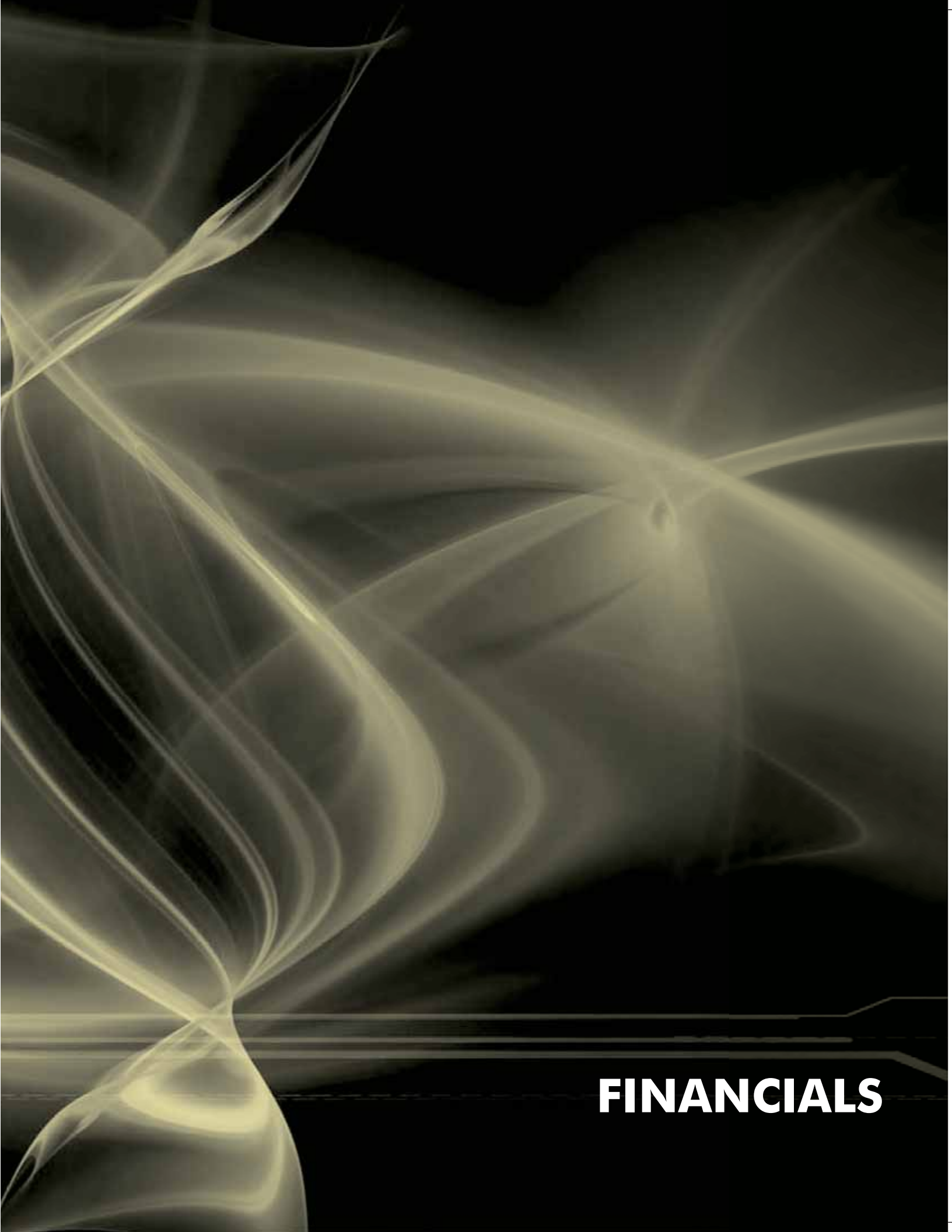
This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is available on website of the Company at www.dhfl.com.

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 2009-10.

Kapil Wadhawan
Chairman & Managing Director

Place : Mumbai
Date : 12th May, 2010





FINANCIALS

Auditors' Report

To the Members,
Dewan Housing Finance Corporation Limited

We have audited the attached Balance Sheet of **Dewan Housing Finance Corporation Limited**, as at **31st March 2010**, the Profit & Loss Account and the Cash Flow Statement of the Company 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 our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An 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 that,

1. 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.
2. In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us. The Branch Auditors' reports have been forwarded to us and have been appropriately dealt with.
3. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts and with the Audited returns from the branches.
4. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement read with Notes thereon dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the Directors of the Company as on 31st March 2010, and taken on record by the Board, we report that none of the Directors is disqualified as at 31st March 2010 from being appointed as a Director under Section 274 (1) (g) of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes thereon 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - ii) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
7. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government, in terms of Section 227 (4A) of the Companies Act, 1956, we further state that,
 - i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

- ii) The Company does not have any inventory due to the nature of its business of housing finance.
- iii) The Company has received unsecured loan in the nature of inter corporate deposit aggregating to Rs. 2000 lacs from its subsidiary company covered in the register maintained under Section 301 of the Companies Act, 1956 and has repaid the full amount along with interest leaving Nil balance at the year end. The rate of interest & other terms and conditions of such loan are, in our opinion, prima facie not prejudicial to the interest of the Company and repayment of principal & interest has been regular and as per stipulation during the year.
- iv) There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and sale of services. The Company has no purchase or sale of goods.
- v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has accepted deposits from the public. In our opinion and according to the information and explanations given to us, the Company has, during the year, complied with the directives issued by the National Housing Bank under the Housing Finance Companies [NHB] Directions, 2001 with regard to deposits accepted from public and the rules framed thereunder and the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956.
- vii) In our opinion, and according to the information and explanations given to us, the Company has an internal audit system commensurate with its size and nature of its business, implemented by in house department and supported by various independent professional firms of Chartered Accountants appointed as concurrent auditor by the management to carry out concurrent audit function at all its branches.
- viii) Central Government has not prescribed maintenance of any cost records in respect of the business of the Company.
- ix) According to the records of the Company, it is regular in depositing undisputed statutory dues such as Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Service Tax and any other statutory dues whichever is applicable to the Company with the appropriate authorities. However, Company has deposited full amount of disputed Income Tax pending in appeals on the subject matters before appropriate appellate authorities and has no unpaid demands of the department.
- x) The Company has positive net worth, which is more than its equity capital and has neither any accumulated losses nor it has incurred any cash losses in the current financial year.

- xi) The Company has not defaulted in repayment of dues to any financial institutions or banks or debenture holders.
- xii) The Company has maintained adequate documents and records for the loans and advances granted by it on the basis of security by way of residential houses and properties, pledge of shares, debentures, and other securities.
- xiii) The Company is not engaged in the business of any Chit fund / nidhi / mutual benefit fund or society.
- xiv) The Company is maintaining proper records of the transactions and contracts about the dealings in securities & investments and has made timely entries in records. The shares, securities, debentures and other securities have been held by the Company, in its own name.
- xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) The Company has generally applied the amount raised by it by way of term loans for the purpose for which those loans were obtained, other than temporary deployment pending application of those funds.
- xvii) The Company is engaged in the housing finance business and is governed by National Housing Bank [NHB] Directions for raising deposits and deployment of its funds in its business and the Company has followed the NHB guidelines for fund raising and its deployment and adhering to the Asset Liabilities Management guidelines (ALCO) prescribed by NHB and accordingly based on above we confirm that the Company has generally not used its short term funds in long term investments.
- xviii) The Company has made preferential allotment of equity shares during the year as approved by the members in its EOGM for the quantity and pricing thereof. Accordingly the price at which such shares are allotted are not prima facie prejudicial to the interest of the Company.
- xix) According to the information & explanations given to us, the Company has created securities and charges on secured debentures issued during the year.
- xx) The Company has not raised any money by way of public issue of equity share capital during the year save and except preferential allotment, Qualified Institutional Placement and allotment of equity shares under Employee Stock Option Scheme as detailed in Note no. B-1 of Schedule 'Q'.
- xxi) As explained to us, no material fraud on or by the Company has been noticed during the year except some instances of fraud by way of misrepresentation by borrowers to avail housing loans or about its repayment in certain accounts involving an amount of about Rs. 36.90 lacs as reported to NHB by the Company. The Company has initiated legal proceedings against such parties and is hopeful of recoveries. However, the Company has provided for appropriate contingencies that may arise in future in respect thereof.

For **B.M. CHATURVEDI & CO.**
Chartered Accountants
Registration No. 114317W

Place : Mumbai
Date : 12th May, 2010

B.M. Chaturvedi
ICAI. M. No. 17607

Balance Sheet As At 31st March, 2010

(Rs. in Lacs)

	Schedule	As at 31.03.2010		As at 31.03.2009	
SOURCES OF FUNDS:					
Shareholders Fund					
Share Capital	A	8,502.65		6,352.30	
Reserves & Surplus	B	78,841.06		39,401.74	
Share Application Money		-	87,343.71	5,600.00	51,354.04
Loan Funds					
Secured Loans	C	866,462.74		574,950.77	
Unsecured Loans	D	26,216.24	892,678.98	12,687.53	587,638.30
Deferred Tax Liability	E		415.01		458.59
Total			980,437.70		639,450.93
APPLICATION OF FUNDS:					
Fixed Assets:					
Gross Block	F	22,808.20		5,980.06	
Less : Depreciation		1,159.22		996.10	
Net Block			21,648.98		4,983.96
Housing & Other Loans	G		875,840.13		580,662.48
Investment	H		13,137.43		10,850.77
Current Assets, Loans & Advances	I	83,721.11		54,638.28	
Less : Current Liabilities & Provisions	J	13,909.95		11,684.56	
Net Current Assets			69,811.16		42,953.72
Total			980,437.70		639,450.93
Balance Sheet Abstract & Company Profile	P				
Significant Accounting Policies & Notes to Accounts	Q				

Schedules referred herein above and annexed hereto form part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date

For **B. M. Chatruvedi & Co.**
Chartered Accountants

(B. M. Chaturvedi)
ICAI M. No. 17607

Kapil Wadhawan
Chairman & Managing Director

S. Y. Sankhe
Company Secretary

R. S. Hugar
G. P. Kohli
Anthony Hambro
V. K. Chopra
Dr. P. S. Pasricha
(Directors)

Place : Mumbai
Date : 12th May, 2010

Profit And Loss Account For The Year Ended 31st March, 2010

(Rs. in Lacs)

	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
INCOME:			
Income from Operations	K	99,055.32	69,056.83
Other Income		199.31	189.36
(Refer Note B-16 of Schedule - 'Q')			
Total		99,254.63	69,246.19
EXPENDITURE:			
Interest & Other Charges	L	66,983.90	49,290.72
Payments to and Provisions			
For Employees	M	3,905.37	2,672.01
Operational & Other Expenses	N	7,013.38	4,030.42
Provision for contingencies	J	850.00	600.00
Bad debts written off		98.34	160.11
Less : Provision for contingencies used		98.34	160.11
for Bad debts (Refer Note B-10 of			
Schedule - 'Q')			
Depreciation		282.70	241.55
Total		79,035.35	56,834.70
Profit Before Tax		20,219.28	12,411.49
Less : Provision for Taxation		5,150.00	3,235.00
Profit After Tax		15,069.28	9,176.49
Less : Prior Period Adjustment		-	544.66
Add : Balance B/F from previous year		2,473.66	2,120.14
Profit Available for Appropriation		17,542.94	10,751.97
APPROPRIATIONS:			
Special Reserve under Section			
36(1)(viii) of the Income Tax Act, 1961		3,500.00	2,000.00
Transfer to General Reserve		7,500.00	4,500.00
Proposed Equity dividend		2,460.80	1,513.07
Preference dividend		3.00	6.92
Dividend for earlier year		534.06	-
Tax on Dividend		509.48	258.32
Balance carried to Balance Sheet		3,035.60	2,473.66
Total		17,542.94	10,751.97
Earnings Per Share (Rs.)	O		
Basic		19.78	15.15
Diluted		19.58	15.15
Balance Sheet Abstract & Company Profile	P		
Significant Accounting Policies &	Q		
Notes to Accounts			

Schedules referred herein above and annexed hereto form part of the Profit and Loss Account.
This is the Profit and Loss Account referred to in our report of even date

For **B. M. Chatruvedi & Co.**
Chartered Accountants

(B. M. Chaturvedi)
ICAI M. No. 17607

Kapil Wadhawan
Chairman & Managing Director

S. Y. Sankhe
Company Secretary

R. S. Hugar
G. P. Kohli
Anthony Hambro
V. K. Chopra
Dr. P. S. Pasricha
(Directors)

Place : Mumbai
Date : 12th May, 2010

Cash Flow Statement For The Year Ended 31st March, 2010

(Rs. in Lacs)

	Year ended 31.03.2010		Year ended 31.03.2009	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		20,219.28		12,411.49
Adjustments for:				
Depreciation		282.70		241.55
Employees Stock Option Expenses		191.17		-
Provision for Gratuity & Leave Encashment		140.97		202.66
Loss on sale of assets		48.76		14.69
Provision for contingencies		850.00		600.00
Other Operational Treasury Income	(2,647.36)	(1,133.76)	(1,959.16)	(900.26)
Operating profit before working capital changes		19,085.52		11,511.23
Adjustments for:				
Current Assets	(2,598.19)		(2,081.13)	
Current Liabilities	358.58		2,353.68	
Working capital changes		(2,239.61)		272.55
Cash generated from operations during the year		16,845.91		11,783.78
Tax Paid		(5,421.95)		(3,144.88)
Net Cash Flow from Operating activities [A]		11,423.96		8,638.90
B. CASH FLOW FROM INVESTING ACTIVITIES				
Net Income from Treasury Investment - MF		1,703.81		1,893.04
Net Income from Treasury Investment - Others		943.54		66.12
Net Addition to investments	(1,488.25)		(628.10)	
Addition to investments in Subsidiaries	(798.40)		-	
Prior Period Adjustment	-		(544.66)	
Net Addition to fixed assets	(16,996.48)		(672.33)	
Net cash used in investing activities [B]		(16,635.78)		114.07
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Equity Shares		2,150.35		-
Premium on Issue of Equity Shares		28,046.21		-
Share Application Money adjusted in issue of equity	(5,600.00)		5,600.00	
Inter Corporate Deposits received - Subsidiary		2,000.00		2,800.00
Inter Corporate Deposits received - Others		2,300.00		-
Loans received from Banks/Institutions		324,383.70		180,000.00
Refinance loans received from NHB		78,000.00		69,000.00
Proceeds from issue of NCD's		22,500.00		22,500.00
Proceeds from issue of CP		29,716.20		-
Fixed Deposits received		19,758.05	503,254.51	2,070.81
				281,970.81

Cash Flow Statement For The Year Ended 31st March, 2010

(Rs. in Lacs)

	Year ended 31.03.2010		Year ended 31.03.2009	
Housing Loan repayments	78,627.37		55,392.99	
Other Loan repayments	12,750.52	91,377.89	6,353.24	61,746.23
Loans repaid to Banks/Institution	(108,161.45)		(58,297.70)	
Refinance loans repaid/Prepaid to NHB	(18,471.96)		(8,748.53)	
Fixed Deposits repaid	(6,229.34)		(2,073.32)	
Preference share capital redeemed	-		(400.00)	
Premium on Redemption of Preference Shares	-		(3,600.00)	
Non-convertible Debtures Redeemed	(6,738.32)		(13,755.87)	
CP Redeemed	(29,716.20)		-	
Inter Corporate Deposits paid - Subsidiary	(2,000.00)		(2,800.00)	
Inter Corporate Deposits paid - Others	(2,300.00)	(173,617.27)	-	(89,675.42)
Housing Loans disbursed	(370,201.95)		(221,156.03)	
Other Loans disbursed	(16,353.59)	(386,555.54)	(5,445.53)	(226,601.56)
Dividend & Dividend Distribution Tax	(2,403.13)		(713.21)	
Share Premium Utilised	(360.00)	(2,763.13)	(856.50)	(1,569.71)
Net cash from financing activities [C]		31,696.46		25,870.35
Net increase in cash & cash equivalents [A+B+C]		26,484.64		34,623.32
Cash & cash equivalents at the beginning of the year		46,544.70		11,921.38
Cash & cash equivalents at the close of the year		73,029.34		46,544.70

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

For **B. M. Chatruvedi & Co.**
Chartered Accountants

(B. M. Chaturvedi)
ICAI M. No. 17607

Kapil Wadhawan
Chairman & Managing Director

S. Y. Sankhe
Company Secretary

R. S. Hugar
G. P. Kohli
Anthony Hambro
V. K. Chopra
Dr. P. S. Pasricha
(Directors)

Place : Mumbai
Date : 12th May, 2010

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Rs. in Lacs)

	As at 31.03.2010	As at 31.03.2009
'A' - SHARE CAPITAL		
Authorised		
17,50,00,000 Equity Shares of Rs.10/- each	17,500.00	17,500.00
7,50,00,000 Preference Shares of Rs.10/- each	7,500.00	7,500.00
Total	25,000.00	25,000.00
Issued		
8,27,55,243 (6,12,13,944) Equity Shares of Rs.10/- each	8,275.52	6,121.39
30,00,000 Redeemable 1% Non-Convertible Preference Shares of Rs.10/- each	300.00	300.00
Total	8,575.52	6,421.39
Subscribed and paid up		
8,20,26,544 (6,05,22,975) Equity Shares of Rs.10/- each	8,202.65	6,052.30
30,00,000 Redeemable 1% Non-Convertible Preference Shares of Rs.10/- each	300.00	300.00
Total	8,502.65	6,352.30
'B' - RESERVES & SURPLUS		
a) Capital Reserve		
Balance as per last Balance Sheet	7.16	7.16
b) Capital Redemption Reserve		
Balance as per last Balance Sheet	775.00	775.00
c) Share Premium		
Balance as per last Balance Sheet	13,455.98	17,912.48
Add : Received during the year	28,046.21	-
	41,502.19	17,912.48
Less : Utilised during the Year	360.00	4,456.50
	41,142.19	13,455.98
d) General Reserve		
Balance as per last Balance Sheet	10,604.24	6,854.24
Add : Transferred from Profit & Loss A/c	7,500.00	4,500.00
	18,104.24	11,354.24
Less : Provision for Contingency	-	750.00
	18,104.24	10,604.24
e) Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961.		
Balance as per last Balance Sheet	12,085.70	10,085.70
Add : Transferred from Profit & Loss A/c	3,500.00	2,000.00
	15,585.70	12,085.70
f) Employees Stock Option Outstanding		
Net Charges for the Year	191.17	-
g) Balance in Profit & Loss Account	3,035.60	2,473.66
Total	78,841.06	39,401.74

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Rs. in Lacs)

	As at 31.03.2010	As at 31.03.2009
'C' - SECURED LOANS		
From National Housing Bank	148,756.74	89,228.70
From Scheduled Banks	645,181.03	426,758.47
From Financial Institutions	8,808.36	11,008.67
Non-Convertible Debentures	63,716.61	47,954.93
Total	866,462.74	574,950.77
'D' - UNSECURED LOANS		
Fixed Deposit	8,961.85	1,660.15
Cumulative Fixed Deposits	9,116.15	2,947.94
Other Deposits	138.24	79.44
Non-Convertible Debentures (Subordinated issue)	8,000.00	8,000.00
Total	26,216.24	12,687.53
'E' - NET DEFERRED TAX LIABILITIES / (ASSETS)		
Deferred Tax Asset		
On Account of Provision for Contingency	(740.27)	(502.04)
Deferred Tax Liability		
On Account of Depreciation	416.49	342.30
On Account of Others	738.79	618.33
Net Deferred Tax Liability / (Asset)	415.01	458.59

'F' - FIXED ASSETS

(Rs. In Lacs)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2009	Addition	Deduction / Sale	As on 31.03.2010	As on 01.04.2009	For the Year	Deduction	Upto 31.03.2010	As on 31.03.2010	As on 31.03.2009
Tangible:										
Buildings	3,056.72	0.28	0.86	3,056.14	217.89	45.42	-	263.31	2,792.83	2,838.83
Furniture & Fixtures	893.33	244.99	43.18	1,095.14	179.10	58.99	26.06	212.03	883.11	714.23
Office Equipments	409.83	168.90	12.40	566.33	74.32	21.48	5.78	90.02	476.31	335.51
Vehicles	237.73	76.14	74.84	239.03	44.77	18.88	28.47	35.18	203.85	192.96
Computer (Hardware)	919.40	204.65	65.08	1,058.97	477.90	133.48	59.27	552.11	506.86	441.50
Sub Total	5,517.01	694.96	196.36	6,015.61	993.98	278.25	119.58	1,152.65	4,862.96	4,523.03
Intangible:										
Computer (Software)	13.05	40.49	-	53.54	2.12	4.45	-	6.57	46.97	10.93
Fixed Assets	5,530.06	735.45	196.36	6,069.15	996.10	282.70	119.58	1,159.22	4,909.93	4,533.96
Capital Work in Progress	450.00	16,289.05	-	16,739.05	-	-	-	-	16,739.05	450.00
TOTAL	5,980.06	17,024.50	196.36	22,808.20	996.10	282.70	119.58	1,159.22	21,648.98	4,983.96
Previous Year	5,364.47	673.31	57.72	5,980.06	796.63	241.55	42.08	996.10	4,983.96	

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Rs. in Lacs)

	As at 31.03.2010		As at 31.03.2009	
'G' - HOUSING & OTHER LOANS				
1) Housing Loans		827,223.17		536,270.96
2) Securitised Individual Housing Loans (Refer note no. B 9 of Schedule 'Q')		-		503.43
3) Housing Loans under Joint Syndication Scheme Less: Funded by Syndicate Partner	2,655.53 1,317.39	1,338.14	304.20 92.83	211.37
		828,561.31		536,985.76
4) Other Loans		47,278.82		43,676.72
Total		875,840.13		580,662.48

(Rs. In Lacs)

	No.	Face Value (Rs.)	As at 31.03.2010	As at 31.03.2009
'H' - INVESTMENTS				
INVESTMENTS (At Cost)				
A Equity Shares				
(a) Quoted				
1 Aditya Birla Nuvo Ltd.	500	10	-	7.63
2 Axis Bank Ltd	5,000	-	-	21.75
3 Century Textiles India Ltd.	25,000	-	128.26	-
4 Essar Oil Ltd.	10,000	-	14.34	-
5 HDFC Bank Ltd. (Formerly Centurian Bank of Punjab Ltd)	80,000	-	-	0.86
6 Hindalco Industries Ltd.	8,000	10	-	2.58
7 Hindustan Oil Exploration Ltd.	5,000	-	-	7.57
8 Housing Development & Infrastructure Ltd.	3,321,428	10	107.64	112.50
9 JP Associates Ltd.	750	10	2.34	2.34
10 JSW Steel Ltd.	500	10	-	6.17
11 Lakshmi Vilas Bank Ltd.	11,388	-	6.16	-
12 MRPL	25,000	-	-	25.78
13 NTPC Ltd.	15,000	-	34.82	-
14 Ranbaxy Laboratories Ltd.	1,109	10	-	6.26
15 Reliance Industries Ltd.	2,200	10	31.43	31.43
16 Tata Motors Ltd.	1,100	10	-	7.78
17 TVS Motors Ltd.	13,187	-	9.86	-
Sub - Total (a)			334.85	232.65
Market value of above quoted shares			9,727.50	2,895.43
(b) Unquoted				
1 DHFL Vysya Housing Finance Ltd.	6,448,989	10	2,365.68	1,667.28
2 DHFL Venture Capital India Pvt.Ltd.*	4,467,500	10	469.25	90.00
3 DHFL Venture Trustee Company Pvt. Ltd.	22,500	10	2.25	2.25
4 The Kalyan Janta Sahakari Bank Ltd.	10,000	10	1.00	1.00
5 Wadhwan Retail Pvt. Ltd.	18,467,500	10	1,846.75	1,846.75
6 DHFL Property Services Ltd	1,000,000	10	100.00	-
Sub - Total (b)			4,784.93	3,607.28
*(Refer note B-13 of Schedule Q)				
Investment in Equity shares (a+b) - [A]			5,119.78	3,839.93

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Rs. In Lacs)

	No.	Face Value (Rs.)	As at 31.03.2010	As at 31.03.2009
'H' - INVESTMENTS				
B Mutual Funds / Venture Capital Funds				
1		-	0.10	0.10
				(100% Trust Corpus - Settlement Money)
2	35,000	8,443.83	2,955.34	2,955.34
				- Dream Fund I Units Class A
3	36,370	1	0.36	0.36
				- Dream Fund I Units Class B
4	1,500,000	10	-	150.00
5	3,656,376.55	-	-	513.70
6	4,152,496.13	-	500.05	-
				- Regular - Growth
7	1,000,000	10	-	100.00
				- Retail Plan - Growth
8	557,858	-	557.98	-
9	11,611,745	-	1,274.98	-
				- Daily Div Reinst
10	250,000	10	25.00	25.00
				- Series II - Growth
11	3,803,678.63	-	-	528.35
				- Insti. - Growth
12	58,701	10	0.60	0.60
				- Lqd Fund - Dividend
13	1,147,571.73	-	-	544.81
				- Growth
14	480,000	-	-	489.60
				- Hybrid Option Series XIII
15	38,562.46	-	-	503.33
				- S.I.P.- Growth
16	1,000,000	-	-	100.00
				- Series IX - Plan C - Growth
17	54,924	-	1,000.11	-
				- Retail - Growth
18	5,000,000	-	500.00	-
				- Growth
19	-	-	-	100.00
				- Series IX - Plan E - Growth
			6,814.52	6,011.19
				Investment in Mutual Funds / Venture Capital Funds - [B]
C Bonds Redeemable (Fully Paid)				
1	5	1,000,000	50.00	50.00
2	300	100,000	300.00	300.00
3	75	1,000,000	750.00	750.00
4	10	251,625	25.16	25.16
				- Board 2023 Bonds
5	10	2,000	203.48	-
				- 8.56% Kerala SDL 2020
			1,328.64	1,125.16
				Investment in Bonds - [C]
			13,262.94	10,976.28
				Total Investments [A+B+C]
			125.51	125.51
				Less : Provision for diminution in the value of investment
			13,137.43	10,850.77
				Net Investments

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Rs. In Lacs)

	As at 31.03.2010	As at 31.03.2009
'I' - CURRENT ASSETS, LOANS & ADVANCES		
Current Assets:		
Interest accrued but not due on investments	148.15	166.12
Sundry Debtors		
(Secured, Considered Good [PEMI])		
Outstanding for more than six months	141.43	130.19
Others	163.98	109.66
	305.41	239.85
Cash & Bank Balances:		
Cash on hand	136.50	105.01
Cash at Bank:		
With Scheduled Banks;		
in Current Account	72,185.84	44,056.40
in Reinvestment & Short Term Deposits	707.00	2,383.29
	73,029.34	46,544.70
Loans & Advances:		
Instalments due from		
borrowers (EMI) (secured)	3,526.98	2,819.22
Advance and other amounts		
recoverable in cash or in kind or for value		
to be received	6,197.19	4,399.87
Deposits	514.04	468.52
	10,238.21	7,687.61
Total	83,721.11	54,638.28
'J' - CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Interest Accrued but not due	641.68	3,198.90
Sundry Creditors & Other Liabilities	6,273.52	3,432.74
Advance received	1,046.83	735.15
Unclaimed Dividend	59.87	57.22
	8,021.90	7,424.01
Provisions		
For Taxation (Net of Advance & TDS)	(707.27)	(478.90)
For Proposed Dividend	2,463.80	1,519.99
For Tax On Dividend	418.72	258.32
	2,175.25	1,299.41
Provision for contingencies		
including provision for diminution in Investment		
As per last Balance sheet	3,086.65	1,896.76
Add : Provision during the year	850.00	600.00
Add : Additional provision from General Reserve	-	750.00
	3,936.65	3,246.76
Less : Utilised during the year	98.34	160.11
Balance Provision at the end of the year	3,838.31	3,086.65
Less : Shown as diminution in Investment separately	125.51	125.51
	3,712.80	2,961.14
Total	13,909.95	11,684.56

Schedules Annexed to and forming part of the Profit & Loss Account
for the year ended 31st March, 2010

(Rs. In Lacs)

	Year ended 31.03.2010	Year ended 31.03.2009
'K' - INCOME FROM OPERATION		
Interest - Loans	87,093.81	63,910.74
Interest - Others	1,855.54	1,233.97
Income from Other Services (Refer Note B-18 of Schedule - 'Q')	7,458.61	1,952.96
Other Operational Treasury Income (Refer Note B-17 of Schedule - 'Q')	2,647.36	1,959.16
Total	99,055.32	69,056.83
'L' - INTEREST AND OTHER CHARGES		
On Loans	57,112.04	43,529.04
On Deposits	877.49	341.92
On Debentures	8,994.37	5,419.76
Total	66,983.90	49,290.72
'M' - PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries and Bonus	3,376.44	2,429.31
Staff Welfare Expenses	365.48	139.25
Contribution to Provident Fund & Other Funds	163.45	103.45
Total	3,905.37	2,672.01
'N' - OPERATIONAL & OTHER EXPENSES		
Rent	414.43	298.79
Rates & Taxes	80.13	122.73
Conveyance & Motor Car Expenses	165.53	126.45
Travelling Expenses	179.60	139.94
Printing & Stationery	210.51	123.79
Advertisement & Business Promotion	2,059.19	1,054.34
Insurance	145.33	83.02
Legal & Professional Charges	1,149.53	646.15
Postage, Telephone & Telegram	391.64	268.16
General Repairs & Maintenance	175.81	144.38
Electricity Charges	167.26	97.32
Bank Charges	169.48	272.82
Directors Sitting Fees	9.10	12.55
Brokerage	62.14	33.82
Business Sourcing Expenses	1,111.85	233.98
Loss on Sale of Impaired Assets	48.76	14.69
Commission to Directors	52.00	43.75
Credit Rating Charges	173.42	132.69
Expenses under Miscellaneous Heads	247.67	181.05
Total	7,013.38	4,030.42

Schedules Annexed to and forming part of the Profit & Loss Account
for the year ended 31st March, 2010

(Rs. In Lacs)

	Year ended 31.03.2010	Year ended 31.03.2009
'O'- EARNING PER SHARE		
Net Profit Attributable to Equity Shareholders		
Profit after tax	15,069.28	9,176.49
Less : Preference Share dividend	3.00	6.92
Tax on above	0.51	1.18
Net Profit Attributable to Equity Shareholders	15,065.77	9,168.39
Equity Shares (Number)	82,026,544	60,522,975
Weighted Average Equity Shares (Number)	76,147,743	60,522,975
Nominal value of Equity Shares (Rs.)	10.00	10.00
Earning Per Share (Rs.):		
Basic	19.78	15.15
Diluted	19.58	15.15

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

'P' - BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

I. Registration Details

Registration No.

1	1	-	3	2	6	3	9
---	---	---	---	---	---	---	---

 State Code

1	1
---	---

 Balance Sheet Date

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

II. Capital raised during the year (Amount in Rs. Lacs)

Public Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

Rights Issue

N	I	L
---	---	---

Private Placement

2	1	5	0	.	3	6
---	---	---	---	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities

9	8	0	4	3	7	-	7	0
---	---	---	---	---	---	---	---	---

Total Assets

9	8	0	4	3	7	-	7	0
---	---	---	---	---	---	---	---	---

Source of Funds

Paid up Capital

		8	5	0	2	-	6	5
--	--	---	---	---	---	---	---	---

Secured Loans

8	6	6	4	6	2	-	7	4
---	---	---	---	---	---	---	---	---

Share Application

								-
--	--	--	--	--	--	--	--	---

Application of Funds

Net Fixed Assets

	2	1	6	4	8	-	9	8
--	---	---	---	---	---	---	---	---

Net Current Assets

	6	9	8	1	1	-	1	6
--	---	---	---	---	---	---	---	---

Accumulated Losses

N	I	L
---	---	---

Reserves & Surplus

	7	8	8	4	1	-	0	6
--	---	---	---	---	---	---	---	---

Unsecured Loans

	2	6	2	1	6	-	2	4
--	---	---	---	---	---	---	---	---

Deffered Tax Liability

			4	1	5	-	0	1
--	--	--	---	---	---	---	---	---

Investments

	1	3	1	3	7	-	4	3
--	---	---	---	---	---	---	---	---

Housing Loans & Other Loans

8	7	5	8	4	0	-	1	3
---	---	---	---	---	---	---	---	---

IV. Performance of Company (Amount in Rs. Lacs)

Turnover

	9	9	2	5	4	-	6	3
--	---	---	---	---	---	---	---	---

Profit/Loss before tax

	2	0	2	1	9	-	2	8
--	---	---	---	---	---	---	---	---

Earning per Share (Basic) (in Rs.)

				1	9	.	7	8
--	--	--	--	---	---	---	---	---

Earning per Share (Diluted) (in Rs.)

				1	9	.	5	8
--	--	--	--	---	---	---	---	---

Total Expenditure

	7	9	0	3	5	-	3	5
--	---	---	---	---	---	---	---	---

Profit/Loss after tax

	1	5	0	6	9	-	2	8
--	---	---	---	---	---	---	---	---

Dividend Rate %

							3	0
--	--	--	--	--	--	--	---	---

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Product Description

Item Code No.

i) Housing Finance

N	O	T		A	P	P	L	I	C	A	B	L	E
---	---	---	--	---	---	---	---	---	---	---	---	---	---

ii) Lease Financing

N	O	T		A	P	P	L	I	C	A	B	L	E
---	---	---	--	---	---	---	---	---	---	---	---	---	---

iii) Housing Development

N	O	T		A	P	P	L	I	C	A	B	L	E
---	---	---	--	---	---	---	---	---	---	---	---	---	---

Schedule Annexed to and forming part of the Accounts as at 31st March, 2010

SCHEDULE 'Q': NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES: -

1. Basis of preparation of financial statements :

- a) The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 and Housing Finance Companies, (NHB) Directions, 2001. Accounting Standards (AS) referred to in the notes are as issued by the Institute of Chartered Accountants of India.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.

2. 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.

3. Interest & other related financial charges :

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

4. Revenue Recognition :

- a) Interest on performing assets is recognized on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank. The interest income (payment) is adjusted for gain (loss) on corresponding hedge contracts / interest swap derivatives, wherever executed.
- b) Dividend income on investments and penal interest income on delayed EMI/PEMI are recognised on receipt basis.

5. Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the rates prevailing on the dates of the transactions. Monetary items denominated in foreign currency are stated at contracted rates as those are covered by forward contracts. Premium for forward contracts is recognised as expenditure over the life of the contract.

6. Provision for Contingencies:

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

7. Investments :

All Investments are stated at cost as per Accounting Standard (AS 13) on "Accounting for Investments" and the guidelines issued by the National Housing Bank. Investments in mutual funds and quoted shares are in the nature of current Investments and full provision for diminution in the value of said Investments is made.

8. Fixed Assets :

Fixed Assets are stated at cost inclusive of expenses incidental thereto. Depreciation on fixed assets is provided on straight-line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

9. Impairment of Assets :

An Asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value. Impairment loss is charged to the Profit & Loss account 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".

10. Intangible Assets:

Intangible Assets comprise of software and are stated at cost incurred on purchase and for bringing the same to its working condition and are amortised as per the provisions of the Companies Act, 1956.

11. Special Reserve :

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

12. Prepaid Expenses :

Financial Expenses incurred during the year which provides 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 current year and the balance is treated as prepaid expense to be adjusted on pro-rata basis in future accounting years.

13. Employees Retirement Benefits:

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

14. Earnings per share :

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

15. Income Tax :

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 profit and loss account. The cumulative effect thereof is shown in the Balance sheet. The deferred tax assets, if any, are recognised only if there is a reasonable certainty that the assets will be realized in future.

16. Housing and Other Loans :

Housing Loans include outstanding amount of Housing Loans disbursed directly or indirectly to individual and other borrowers. Other loans include mortgage loan, non residential property loan and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). EMI due from borrowers against the housing loans are shown as current assets as loans and advances.

17. Securitised Assets:

Securitised Assets are derecognised in the books of the Company based on the principle of transfer of ownership interest over the assets. De-recognition of securitised 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.

B. OTHER NOTES:

1. During the year Company obtained approval of shareholders at the Extra-Ordinary General Meeting held on 27th June, 2009, for placement of equity shares to Qualified Institutional Buyers (QIBs) and preferential issue of equity shares to the Promoters/Promoter Group. Accordingly the Committee of the Board of Directors has issued and allotted shares along with the equity shares under ESOS scheme as under:
 - (a) On the 7th July, 2009, issued and allotted to QIBs 1,60,12,231 equity shares of Rs. 10/- each, at a price of Rs. 141/- per equity share (including a premium of Rs. 131/- per equity share), aggregating to Rs. 22,577.25 lacs.
 - (b) On 16th July, 2009, issued and allotted to Promoters/Promoter Group 53,50,000 equity shares of Rs. 10/- each, at a price of Rs. 141/- per equity share (including a premium of Rs. 131/- per equity share), aggregating to Rs. 7,543.50 lacs.
 - (c) During the year the Company has allotted in aggregate 141,338 equity shares of Rs. 10/- each to various eligible employees under (ESOS 2008) at the price of Rs. 53.65 per equity share (including a premium of Rs. 43.65 per equity share) aggregating to Rs. 75.83 lacs as approved in the EOGM dated 31.03.2009.
2. Non Convertible Debentures (NCD) amounting to Rs. 63,716.61 lacs (Rs. 47,954.93 lacs) are secured /to be secured by way of first charge as per note B-3 herein below and are redeemable at par, in one or more instalments, on various dates with the earliest redemption being 05th June 2010 and the last being 15th September, 2019.
3. Secured term loans from National Housing Bank, other Banks, International Finance Corporation (IFC Washington), Asian Development Bank (ADB, Manila), Financial Institutions and Secured Non Convertible Debentures are secured/to be secured by way of first charge to and in favour of the participating banks, Institutions, National Housing Bank and Debenture Trustees jointly ranking pari passu 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 investments read with Note no. 8 hereinafter. They are further secured / to be secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties, to the Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by some of the present and earlier directors of the Company.
4. Term loans include cash credit received from banks and are secured on pari passu basis with other term loans.
5. 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 are considered good.
6. Interest Income on loans includes income of Rs.49.71 lacs (Rs 158.95 lacs) being income from Securitisation of certain housing loans.

'Q' - NOTES TO ACCOUNTS (contd)

7. On 10th December 2007, the Company has allotted 30,00,000 Non Convertible Redeemable Preference Shares (NCRPS), of Rs. 10/- each at a premium of Rs. 90/- per share, aggregating to Rs. 3,000 lacs to an applicant, carrying dividend @ 1% per annum, and are redeemable at the end of 36 months from the date of allotment @ Rs. 136.00 per share. Company has utilised the share premium account by providing prorata premium payable on above for the year.
8. As the National Housing Bank directives require all HFC's accepting public deposits to create a floating charge on the statutory liquid assets maintained in favour of the depositors through the mechanism of a trust deed. The Company has appointed a SEBI approved trustee company i.e. GDA Trustee and Consultancy Ltd. as trustee for the above by executing the trust deed and has created necessary required charge.
9. The Company has securitised individual housing loans of Rs. 6,978.90 lacs in the year 2003-04 which consists of Class 'A' PTC of Rs. 6,153.39 lacs and Class 'B' PTC of Rs. 795.51 lacs, out of which Rs. 1,030.29 lacs Class 'A' PTC and Rs. 503.43 lacs of Class 'B' PTC was outstanding at the beginning of the year which were fully redeemed by payment to Class 'A' PTC and by reclassifying the balance of Class 'B' PTC in housing loans.
10. The Non Performing Assets (NPA) consisting of the principal loans outstanding where payments of EMI / PEMI were in arrears for 90 days or more amounted to Rs.10,048.28 lacs (Rs. 8,560.64 lacs). As per the prudential norms prescribed by NHB, the Company is required to carry a contingency provision of Rs. 1,911.01 lacs (Rs. 1,606.05 lacs) in respect of Non Performing Housing Loan, Non-Housing Standard Assets and Other loan Assets. Company has also provided for Rs. 125.51 lacs (Rs.125.51 lacs) in respect of diminution in the value of Investment. Company has written off Rs. 98.34 lacs (Rs. 160.11 lacs) as bad debts and by way of one time settlement to recover some of its NPA and Loss Accounts. The Company has withdrawn Rs. 98.34 lacs (Rs. 160.11 lacs) from contingency provisions created out of the profits of the earlier years. Company has made, during the year, provision of Rs. 850 lacs (Rs. 600 lacs) for Contingencies which is in excess of the requirements of the guidelines on Prudential Norms issued by National Housing Bank (NHB). The amount of required provision based on Non Performing Assets is as hereunder:

(i) Housing Loans

(Rs. In Lacs)

Asset Classification	Outstanding As on 31.03.2010		Provision As on 31.03.2010
	Rs.	%	Rs.
Standard (considered good)	8,18,938.90	98.84	Nil
	(5,28,741.11)	(98.46)	(Nil)
Sub-standard Assets	7,519.51	0.91	775.86
	(6,268.79)	(1.17)	(626.05)
Doubtful Assets	2,102.90	0.25	895.58
	(1,975.87)	(0.37)	(766.12)
Loss Assets	Nil	-	Nil
	(Nil)	-	(Nil)
Sub-Total (i)	8,28,561.31	100.00	1,671.44
	(5,36,985.76)	(100.00)	(1,392.18)

(ii) Non Housing Loans

(Rs. In Lacs)

Asset Classification	Outstanding As on 31.03.2010		Provision As on 31.03.2010
	Rs.	%	Rs.
Standard (considered good)	46,852.95	99.10	187.41
	(43,360.73)	(99.28)	(173.44)
Sub-standard Assets	401.54	0.85	40.67
	(294.32)	(0.67)	(30.28)
Doubtful Assets	24.33	0.05	11.53
	(21.67)	(0.05)	(10.15)
Loss Assets	Nil	-	Nil
	(Nil)	-	(Nil)
Sub-Total (ii)	47,278.82	100.00	239.62
	(43,676.72)	(100.00)	(213.87)
	Rs.	%	Rs.
Total (i) + (ii)	8,75,840.13	100.00	1,911.07
	(5,80,662.48)	(100.00)	(1,606.05)

11. Retirement Benefit Plans

- i. 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:

(Rs. In Lacs)

	2009-10	2008-09
Employer's Contribution to Provident Fund	85.15	50.92
Employer's Contribution to Pension Fund	58.93	37.65

- ii. As required under Accounting Standard 15 (AS-15 Revised) the Company has made full provision for future gratuity liability & leave encashment payable at the time of retirement as on 31st March, 2010 on the basis of actuarial valuation report of company liabilities as provided by LIC of India and has made necessary full contribution to LIC of India.

'Q' - NOTES TO ACCOUNTS (contd)

- iii. The details of post retirement benefits for the employees (including Key Management Personnel) as mentioned hereunder are based on the actuarial valuation using the Projected Unit Credit Method, and as certified by the actuary as mentioned above and relied upon by the auditors :

(Rs. in lacs)

	Gratuity		Leave Encashment	
	Current Year (Funded)	Previous Year (Unfunded)	Current Year (Funded)	Previous Year (Unfunded)
A. Change in the Defined Benefit Obligations:				
Liability at the beginning of the year	161.54	111.07	226.39	118.47
Current Service Cost	31.24	31.24	62.52	62.52
Interest Cost	12.92	8.89	18.11	9.48
Benefits Paid	-	(8.26)	-	(36.01)
Actuarial Loss/ (Gain)	(18.70)	18.60	(179.69)	71.93
Liability at the end of the year	187.00	161.54	127.33	226.39
B. Fair Value of Plan Assets:	231.50	NA	140.22	NA
C. Actual Return on Plan Assets:	-	NA	-	NA
D. Amount Recognised in the Balance Sheet:				
Liability at the end of the year	187.00	161.54	127.33	226.39
Fair Value of Plan Assets at the end of the year	231.50	NA	140.22	NA
Amount Recognised in the Balance Sheet under " Provision for Employee Benefits"	44.50	161.54	12.88	226.39
E. Expense Recognised in the Profit and Loss Account:				
Current Service Cost	31.24	31.24	62.52	62.52
Interest Cost	12.92	8.89	18.11	9.48
Expected Return on Plan Assets	-	NA	-	NA
Net Actuarial Loss/(Gain) to be Recognised	(18.70)	18.60	(179.69)	71.93
Expense recognised in the Profit & Loss Account under staff expenses	25.46	58.73	(99.06)	143.93
F. Reconciliation of the Liability Recognised in the Balance Sheet.				
Opening Net Liability	161.54	111.07	226.39	118.47
Expense Recognised	25.46	58.73	(99.06)	143.93
Benefits Paid	-	(8.26)	-	(36.01)
Amount Recognised in the Balance Sheet under " Provision for Employee Benefits"	187.00	161.54	127.33	226.39
G. Actuarial Assumptions				
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (P. A.)	8%	8%	8%	8%
Rate of Escalation in Salary (P.A.)	5%	7%	5%	7%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market as certified by the actuary.

12. Employee Stock Option Scheme:

Employee Stock Option Scheme 2008 (ESOS-2008) is implemented by the Company and 14,22,590 equity share options were granted to the employees as approved by the remuneration and compensation committee of the directors of the Company at Rs. 53.65 per share, the price approved in the EOGM held on 31.03.2009.

During the financial year 2009-10 out of above 231,510 options vested with eligible employees. 141,338 equity share options were exercised leaving balance of 90,172 equity share options exercisable at the end of the year. 110,460 equity share options lapsed during the year while 10,80,620 equity share options were unvested.

During the financial year 2009-10 under Employee Stock Option Scheme 2009 (ESOS-2009), further options were granted for 12,75,000 equity shares out of which 32,250 options lapsed during the year. None of the options are vested during the year. The balance options (ESOS-2009) were unvested at the end of the year.

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

Particulars	ESOS-2009	ESOS-2008
Options at the beginning of the year	-	14,22,590
Add : Options granted during the year	12,75,000	-
Less : Options exercised during the year	-	141,338
Less : Options lapsed during the year	32,250	110,460
Options unvested at the end of the year	12,42,750	10,80,620
Options exercisable at the end of the year	-	90,172

Method used for accounting for share based payment plan:

The Company has used intrinsic value method, which is the amount by which quoted market price of the underlying shares exceeds the exercise price of the equity share options, for accounting the compensation cost of its options to the employees of the Company on the date of the grant. As the equity share options under (ESOS-2008) were granted at the market price, the intrinsic value of the equity share option was NIL. However for equity share options under (ESOS-2009) the intrinsic value of such options was Rs. 43.95

Fair Value methodology:

The fair value of options used to compute ESOP adjusted net income and earnings per equity shares have been estimated using Black Scholes Option Pricing model as provided by independent consultants and relied upon by the management and the auditors.

The key assumptions used in Black Scholes Option Pricing model for calculating fair value under (ESOS-2008) and (ESOS-2009) as on the date of the grant viz. 1st June 2008 and 25th November 2009 are as follows:

'Q' - NOTES TO ACCOUNTS (contd)

Particulars	ESOS-2009	ESOS-2008
Risk free rate (annual)	7.11%	8.44%
Exercise period	6 years	10 years
Expected volatility of share price	28.38%	31.66%
Expected growth in dividend (annual)	1.35%	2.18%
Fair value of the options on the date of the grant [per option]	87.15	70.78

Had the compensation cost been determined using the fair value approach, the Company's net profit and basic and diluted earnings per share as reported would have been as indicated herein below:

(Rs. in lacs, except share data)

Particulars	2009-10	2008-09
Net Profit : As reported	15,069.28	9,176.49
Less: Stock based employee compensation expense	443.26	-
ESOP adjusted net profit	14,626.02	9,176.49
Basic earnings per share as reported	19.78	15.15
Basic earnings per share [ESOP adjusted]	19.20	15.15
Diluted earnings per share as reported	19.58	15.15
Diluted earnings per share [ESOP adjusted]	19.00	15.15

13. During the year the Company has acquired:

- i. 23,28,000 number of equity shares by subscribing to the preferential allotment of its subsidiary DHFL Vysya Housing Finance Ltd.
- ii. 10,00,000 number of equity shares of DHFL Property Services Ltd. thereby making it a 100% subsidiary of the Company.
- iii. 30,05,000 number of equity shares of DHFL Venture Capital India Pvt. Ltd by way of purchase & subscription and 562,500 equity shares received as bonus shares.

14. Unsecured loans includes short term loans (Deposits and Non-convertible Debentures) due and payable within one year Rs. 6,374.28 lacs (Rs. 2,013.51 lacs)

15. During the year, the Company has utilized Rs.360 lacs (Rs. 4,456.50 lacs) out of the Share Premium Account in accordance with section 78 of the Companies Act, 1956 towards the premium payable on the redemption of the Non Convertible Redeemable Preference Shares of the Company.

16. Other income includes Rent income of Rs.117.77 lacs (Rs 180.77 lacs) and Misc income of Rs. 81.54 lacs (Rs. 8.59 lacs).

17. Other Operational Treasury Income includes:

(Rs. in lacs)

Particulars	2009-10	2008-09
Income from mutual fund operation	561.39	1,878.15
Profit/(Loss) on sale of investments	832.62	(120.34)
Dividend Income	1,253.35	201.35
Total	2,647.36	1,959.16

'Q' - NOTES TO ACCOUNTS (contd)

During the year, Company has purchased shares of various companies, bonds and mutual fund units. The details of Purchase/Sales (including redemption of units) and Profit/ (Loss) thereon are as under:

Particulars	Shares		Bonds		Mutual Funds	
	Qty (In Lacs)	Amt (In Lacs)	Qty (Nos.)	Amt (In Lacs)	Qty (In Lacs)	Amt (In Lacs)
Opening Stock	270.33	3,839.93	390.00	1,125.16	164.23	6,011.19
Purchases	113.91	16,611.37	2,000.00	203.48	82,193.08	11,66,402.79
Sales	46.09	16,164.81	-	-	82,139.74	11,66,160.19
Closing Stock	338.15	5,119.78	2,390.00	1,328.64	217.57	6,814.52
Profit / (Loss)	-	833.28	-	-	-	560.73

18. Income from Other Services includes:

(Rs. in lacs)

Particulars	2009-10	2008-09
Loan related Services	4,317.36	1,683.95
Property Advisory related Services	1,238.02	7.32
Insurance related Services	1,903.23	261.69
Total	7,458.61	1,952.96

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

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

1) COMPANIES

(i) Subsidiary Companies

- (a) DHFL Vysya Housing Finance Ltd.
- (b) DHFL Property Services Ltd.

(ii) Associates

- (a) DHFL Insurance Services Ltd.
- (b) DHFL Venture Capital Fund (Trust)
- (c) DHFL Venture Capital India Pvt. Ltd.
- (d) DHFL Venture Trustee Company Pvt. Ltd.
- (e) Housing Development and Infrastructure Ltd.
- (f) Dish Hospitality Pvt. Ltd.
- (g) Wadhawan Holdings Pvt. Ltd.
- (h) Wadhawan Retail Pvt. Ltd.

2) OTHERS

- (a) Shri Rakesh Kumar Wadhawan
- (b) Shri Sarang Wadhawan
- (c) Shri Dheeraj Wadhawan
- (d) Shri Rajesh Kumar Wadhawan Education Trust
- (e) Shri Rajesh Kumar Wadhawan DHFL Employees Welfare Trust
- (f) Smt. Aruna Wadhawan
- (g) Smt. Pooja Wadhawan

3) KEY MANAGEMENT PERSONNEL

(a) Shri Kapil Wadhawan	Chairman & Managing Director
(b) Shri Anil Sachidanand	Chief Executive Officer
(c) Shri Rajeev Sathe	Chief Operating Officer

B) Transactions by Company during the year with related parties:

(Rs.in Lacs)

Nature of Transaction (excluding reimbursements)	Subsidiary Companies		Associate Companies		Key Management Personnel	Others
	2009-10	2008-09	2009-10	2008-09		
1) Investments						
Opening Balance	1,667.28	1,667.28	5007.30	4,351.96	-	-
Investment Made	793.40	-	379.25	1,200.00	-	-
Investment Redeemed	-	-	4.86	544.66	-	-
Closing Balance	2460.68	1,667.28	5381.69	5,007.30	-	-
2) Equity / Warrants subscription						
Opening Balance	-	-	2809.00	-	964.00 (964.00)	1827.00 (NIL)
Subscription/Advance subscription Received	-	-	293.00	2809.00	446.00 (NIL)	1204.50 (1827.00)
Equity Shares Allotted (with Premium)	-	-	3102.00	-	1410.00 (NIL)	3031.50 (NIL)
Closing Balance	-	-	-	2809.00	NIL (964.00)	NIL (1827.00)
3) Advances Recoverable						
In cash or in kind						
Opening Balance	-	-	1.20	153.47	-	-
Advances given during the year	84.54	2800.00	4.35	1.20	-	-
Recovered during the year	-	2800.00	153.47	-	-	-
Closing Balance	84.54	-	5.55	1.20	-	-
4) Current Liability						
Opening Balance	-	-	-	-	-	-
Advances received during the year	2000.00	-	-	13100.00	-	-
Advances repaid during the year	2000.00	-	-	13100.00	-	-
Closing Balance	-	-	-	-	-	-
5) Income						
Dividend	103.02	103.02	-	81.00	-	-
Interest	-	54.42	-	-	-	-
Rent	0.12	-	117.65	163.35	-	-
Other income *(reversal of earlier year)	510.00	-	1311.78	544.66*	-	-
5) Expenditure						
Remuneration	-	-	-	-	242.84 (173.36)	-
Interest	40.21	-	-	-	-	-
Rent, Rates & Taxes	-	-	57.59	51.28	-	-
Other Expenditures	(9.00)	(8.85)	12.79	3.54	-	-

'Q' - NOTES TO ACCOUNTS (contd)

The nature and volume of material transactions during the year with the above related parties are as follows:

(Rs.in Lacs)

Nature of Transaction (excluding reimbursements)	Subsidiary Companies		Associate Companies		Key Management Personnel	Others
	2009-10	2008-09	2009-10	2008-09		
ASSETS:						
1) Investments in						
DHFL Vysya Housing Finance Ltd.	2365.68	1667.28	-	-	-	-
DHFL Property Services Ltd.	95.00	-	-	-	-	-
Wadhawan Retail Pvt. Ltd.	-	-	1846.75	1846.75	-	-
DHFL Venture Capital Fund (Trust)	-	-	2955.80	2955.80	-	-
DHFL Venture Trustee Company Pvt. Ltd.	-	-	2.25	2.25	-	-
DHFL Venture Capital India Pvt. Ltd. (includes 2.25 lac shares at Rs.101.25 purchased from M/s Caledonia Investments Plc.)	-	-	469.25	90.00	-	-
Housing Development & Infrastructure Ltd.	-	-	107.64	112.50	-	-
2) Advances Recoverable from						
DHFL Property Services Ltd.	84.54	-	-	-	-	-
DHFL Venture Capital India Pvt. Ltd.	-	-	1.40	1.20	-	-
Wadhawan Retail Pvt. Ltd.	-	-	4.15	-	-	-
LIABILITIES:						
1) Subscription for equity shares (Net of Advance share subscription received in earlier years)						
Shri Kapil Wadhawan	-	-	-	-	446 (964)	-
Smt Aruna Wadhawan	-	-	-	-	-	548 (802)
Shri Dheeraj Wadhawan	-	-	-	-	-	608 (862)
Smt Pooja Wadhawan	-	-	-	-	-	48.50 (163)
Wadhawan Holdings Pvt. Ltd.	-	-	293.00	2809.00	-	-
INCOME received from:						
1) Dividend						
DHFL Vysya Housing Finance Ltd.	103.02	103.32	-	-	-	-
Housing Development & Infrastructure Ltd.	-	-	-	54.00	-	-
2) Interest						
DHFL Vysya Housing Finance Ltd.	-	54.42	-	-	-	-
3) Rent						
DHFL Property Services Ltd.	0.12	-	-	0.12	-	-
DHFL Insurance Services Ltd.	-	-	0.12	0.12	-	-
DHFL Venture Capital India Pvt. Ltd	-	-	-	1.06	-	-
Wadhawan Retail Pvt. Ltd.	-	-	85.98	130.50	-	-
Dish Hospitality Pvt. Ltd	-	-	31.55	31.55	-	-
4) Other Income						
DHFL Property Services Ltd.	510.00	-	-	-	-	-
DHFL Insurance Services Ltd.	1310.00	-	-	-	-	-
Wadhawan Holdings Pvt. Ltd.	1.78	-	-	-	-	-
DHFL Venture Capital Fund	-	-	544.66*	-	-	-
*(reversal of earlier year)						

(Rs.in Lacs)

Details of Transaction (excluding reimbursements)	Subsidiary Companies		Associate Companies		Key Management Personnel	Others
	2009-10	2008-09	2009-10	2008-09		
EXPENDITURE:						
1) Rent, Rates & Taxes						
Wadhawan Holdings Pvt. Ltd	-	-	12.00	8.00	-	-
Housing Development & Infrastructure Ltd	-	-	45.59	43.28	-	-
2) Remuneration						
Shri Kapil Wadhawan	-	-	-	-	131.20 (95.96)	-
Shri Anil Sachidanand	-	-	-	-	77.59 (45.59)	-
Shri Rajeev Sathe	-	-	-	-	34.05 (26.92)	-
3) Interest						
DHFL Vysya Housing Finance Ltd.	40.21	-	-	-	-	-
4) Donation						
Shri Rajesh Kumar Wadhawan Education Trust	-	-	-	-	-	NIL (10)
Shri Rajesh Kumar Wadhawan DHFL Employees Welfare Trust	-	-	-	0.05	-	-
5) Other Expenditures						
Wadhawan Holdings Pvt. Ltd	-	-	-	1.89	-	-
Wadhawan Retail Pvt. Ltd.	-	-	-	1.66	-	-
DHFL Vysya Housing Finance Ltd.	(9.00)	(8.85)	-	-	-	-
Dish Hospitality Pvt. Ltd	-	-	12.79	-	-	-

20. The Company's Income tax assessment has been completed up to the assessment year 2007-08. Additional demands have been raised by the department which are pending in appeal. Company has deposited the additional tax so demanded which is pending in appeals. No provision has been made as Company has been advised that appeals will be allowed, in due course of time, based on the similar case laws on the subject and there is no need to make any provision for the same and refunds are expected to be received.
21. The Company has derecognized Interest income on Non-Performing Assets as on 31st March, 2010 of Rs. 610.33 lacs (Rs. 404.49 lacs).
22. Dividend includes Rs. 103.02 lacs (Rs 103.02 lacs) and Interest income includes Rs.NIL (Rs 54.42 lacs) received from Subsidiary Company. Interest payment includes Rs.40.21 lacs (Rs NIL) paid to Subsidiary Company.
23. Provision for Taxation includes Rs.5,193.58 lacs (Rs.3,226.12 lacs) as provision for current year tax, and Rs. (-) 43.58 lacs (Rs. 6.13 lacs) for deferred tax liability for the year.
24. The main business of the Company is to provide loans for the purchase or construction of residential houses and all other activities of the Company revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) on "Segment Reporting", and under paragraph 25 (2) of the Housing Finance Companies (NHB) Directions, 2001 which needs to be reported.
25. As required under section 205 (C) of the Companies Act, 1956, the Company has transferred Rs. 3.59 lacs (Rs.3.35 lacs) to Investor Education & Protection Fund (IEPF) during the year. There were no amounts due for transfer to IEPF on the date of balance sheet.

26. As a part of Asset Liability Management and to reduce the overall cost of borrowings, Company has entered into certain derivative transactions which were considered off balance sheet items. The principal amount outstanding is Rs NIL (Rs.4,000 lacs) as on 31st March, 2010. Net cost of derivative transactions of Rs. 253.50 lacs (Rs 29.38 lacs) is added to cost of borrowing.
27. The Company has entered into Loan Syndication arrangements with certain public sector banks to provide Housing loan to borrowers wherein DHFL originates the loan files from the branches and surrounding areas of such banks and also from the open market and gets it processed under common credit norms at the Central Processing Unit set up in the premises of such banks. The said banks have agreed to participate not over 50% of the disbursed loan portfolio under loan syndication arrangement. Entire processing fees and other charges / income on above accrued to the company (DHFL).

28. **Contingent liability** (Rs. in lacs)

	2009-10	2008-09
Guarantees provided by the Company	7.00	1,084.55
Claims against the Company not acknowledged as debts	18.17	35.48

29. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 5,557.99 lacs (Rs. NIL).
30. Capital Work in Progress includes Rs. 16,000.00 lacs paid as advance consideration for acquiring office premises under construction, Rs. 289.05 lacs for acquiring computer server and Rs. 450.00 lacs paid in lieu of part consideration towards sale of leasehold land in earlier years.
31. The Company has paid dividend of Rs. 534.06 lacs and Rs. 90.76 lacs as tax on the distribution of above dividend to new shareholders on account of Final Dividend for the year 2008-09 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.

32. **Managerial Remuneration** (Rs. in lacs)

	2009-10	2008-09
Salaries and Commission	109.20	87.75
Contribution to Provident Fund	5.05	4.05
Perquisites	16.96	4.16

'Q' - NOTES TO ACCOUNTS (contd)

Computation of Net Profit in accordance with Section 349 read with sections 309 (5) and 198 of Companies Act, 1956.

		(Rs. in lacs)
Profit for the year before tax		20,219.28
Add: Depreciation as per books	282.70	
Sitting Fees to Directors	9.10	
Remuneration to Whole-time Directors	131.20	
Commission to Directors	10.00	
Loss on Sale of Fixed Assets	120.34	
Loss on Sale of Investments	14.69	
	<u>568.03</u>	568.03
Less: Depreciation u/s 350		(555.44)
Net Profit		<u>20,231.87</u>
i) Commission payable to Whole time Directors @ 1.5% of the Net Profit.	303.48	
Restricted to amount equal to annual salary		42.00
ii) Commission payable to other Directors @ 1.0% of the Net Profit.	202.32	
Restricted to Rs 10 lacs		10.00

33. Auditors Remuneration	(Rs. in lacs)	
	2009- 10	2008- 09
Audit Fees	40.14	30.82
Tax Audit Fees	4.50	3.00
	<u>*44.64</u>	<u>*33.82</u>

(*) Includes payments to Branch Auditors of Rs.17.64 lacs (Rs. 15.82 lacs) and reimbursement of actual out of pocket expenses.

34. 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 responded to the inquiries made by the Company for this purpose.

35. Expenditure in foreign currency

(Rs. in lacs)

	2009- 10	2008- 09
Foreign Travelling	16.34	10.30
Business Promotion	NIL	14.07
Membership & Subscription	1.24	NIL
Foreign Liaison Office Expenses	179.58	162.10
Investment in Indian Company	101.25	NIL

36. The Company has not remitted any amount in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittance, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders of the Company. The particulars of dividends paid to non- resident shareholders (including foreign Institution Investors) is as under:

Particulars	2009-10	2008-09
Year to which the dividend relates	2008-09	2007-08
Number of FIIs/ Non- resident shareholders	172	126
Number of shares held by them	2,39,09,317	1,31,15,407
Amount of Dividend paid (Gross) (In Rs. lacs)	597.73	131.15

37. Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosure for the previous year are included as an integral part of the current year's financial statement and are to be read in relation to the amounts and other disclosures relating to the current year.

38. Figures in brackets represent previous year's figures.

In terms of our report of even date

For **B. M. Chatruvedi & Co.**
Chartered Accountants

(B. M. Chaturvedi)
ICAI M. No. 17607

Kapil Wadhawan
Chairman & Managing Director

S. Y. Sankhe
Company Secretary

R. S. Hugar
G. P. Kohli
Anthony Hambro
V. K. Chopra
Dr. P. S. Pasricha
(Directors)

Place : Mumbai
Date : 12th May, 2010

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company for the Financial Year 2009 - 10.

Name of the Subsidiary Company	DHFL Vysya Housing Finance Ltd.	DHFL Property Services Ltd.
1. Financial year of the Subsidiary Company ended on	31st March, 2010	31st March, 2010
2. Date from which it became Subsidiary Company	2nd July, 2003	14th May, 2009
3. No. of Shares held by Dewan Housing Finance Corporation Ltd. (DHFL) in the Capital of the subsidiary	64,48,989 Equity Shares of Rs.10/- each fully paid.	10,00,000 Equity Shares of Rs.10/- each fully paid.
4. Extent of interest of DHFL in the capital of the Subsidiary	58.20% of Equity Capital of the Subsidiary	100% of Equity Capital of the Subsidiary
5. Net Aggregate Amount of Profit / Losses of the Subsidiary so far as it concerns the Members of DHFL and is not dealt with in the Accounts of DHFL		
(a) for the Financial year ended 31st March, 2010	Rs. 373.52 lacs	Rs. 17.95 lacs
(b) for the previous Financial years ended 31st March, 2009, since it became Subsidiary of DHFL	Rs. 1063.69 lacs	Rs. NIL
6. Net Aggregate amount of Profit / Losses of the Subsidiary so far as dealt with in the Accounts of DHFL		
(a) for the Financial Year ended 31st March, 2010	Rs. 103.02 lacs	Rs. NIL
(b) for the previous Financial years ended 31st March, 2009, since it became Subsidiary of DHFL	Rs. 515.12 lacs	Rs. NIL

In terms of our report of even date

For **B. M. Chatruvedi & Co.**
Chartered Accountants

(B. M. Chaturvedi)
ICAI M. No. 17607

Place : Mumbai
Date : 12th May, 2010

Kapil Wadhawan
Chairman & Managing Director

S. Y. Sankhe
Company Secretary

R. S. Hugar
G. P. Kohli
Anthony Hambro
V. K. Chopra
Dr. P. S. Pasricha
(Directors)





DHFL VYSYA HOUSING FINANCE LTD.

Directors' Report

DEAR MEMBERS,

Your Directors have great pleasure in presenting their Twentieth Annual Report of your Company with audited accounts for the year ended 31st March 2010.

OPERATING RESULTS:

A comparative statement of the Financial Results of the Company for the year under review and the previous year are furnished below:

(Rs. In Lacs)

Particulars	F.Y. 2009- 10	F.Y 2008- 09
Gross income	4988.12	4364.47
Profit before tax	1192.77	887.12
Provision for tax	337.07	255.36
Profit after tax	855.70	631.76
APPROPRIATIONS		
Transfer to special reserve	240.00	176.88
Transfer to general reserve	90.00	75.00
Proposed dividend	110.81	70.81
Interim dividend	106.21	106.21
Carried over to B/S	1044.57	772.78

The adverse impacts of global financial crisis resulting in recession in Real Estate market in India continued during the first half of the year which posed challenging market conditions. However, stimulus measures taken by the Government to regulate financial markets, have resulted in improvement in domestic markets during the second half and your company had fully utilized this advantage and left no stones unturned, duly increasing its home loan portfolios considerably. A special focus was made on rural housing scheme during the year under review. 80% of the total disbursements have been made in rural areas.

During the year under review, while sanctions went up to Rs.191.36 crores (Rs.83.17 crores last year), the disbursements climbed to Rs.171.88 crores (compared to Rs.72.74 crores last year), thus a growth of 130% has been achieved during the year.

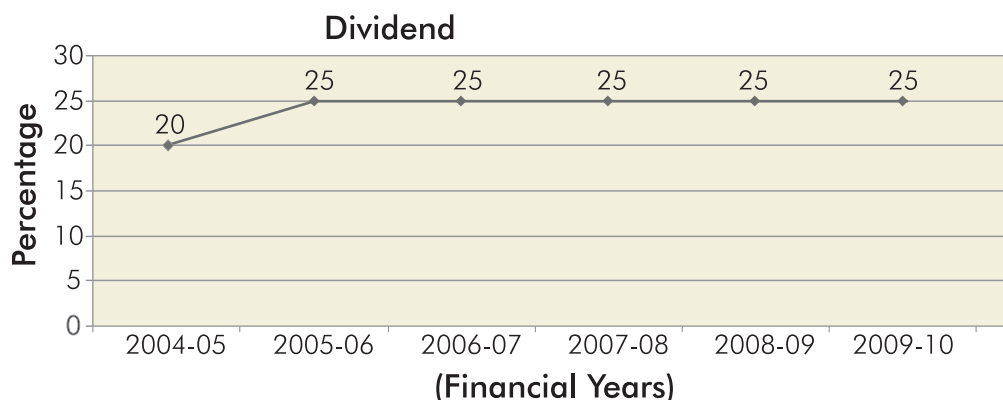
DIVIDENDS:

Interim Dividend

Confining to their concept of maintaining a fair dividend policy and social responsibility towards the stakeholders of the Company, your Directors have declared an INTERIM DIVIDEND of 15% (Rs.1.50 on each equity share of Rs.10) appropriated from the profits of the Company for the year under review.

Final Dividend

There has been a notable increase in the net profit of the company during the year under review., which grew by 36.20%. Considering this viable position, your Directors have recommended a FINAL DIVIDEND of 10% (Re.1/- on each equity share of Rs.10/-) on the increased share capital, subject to approval by members, to be appropriated from the profits for the year. Thus the total dividend declared for the year under report would be 25% (25% paid during last year).



PREFERENTIAL ALLOTMENT OF EQUITY SHARES

During the year under review, your Company made allotment of 40,00,000 equity shares, fully paid up, to the Promoters of the Company, on preferential basis, as per a Special Resolution by the Members under Section 81(1-A) of the Companies Act, 1956, passed at the 19th Annual General Meeting held on 18th July 2009. The Board of Directors, at its meeting held on 28th November 2009, allotted these 40,00,000 equity shares to the Promoters at a premium of Rs.20/- per shares, thereby the issue price was Rs.30/- per share.

HOUSING FINANCE SECTOR SCENARIO AND FUTURE PROSPECTS:

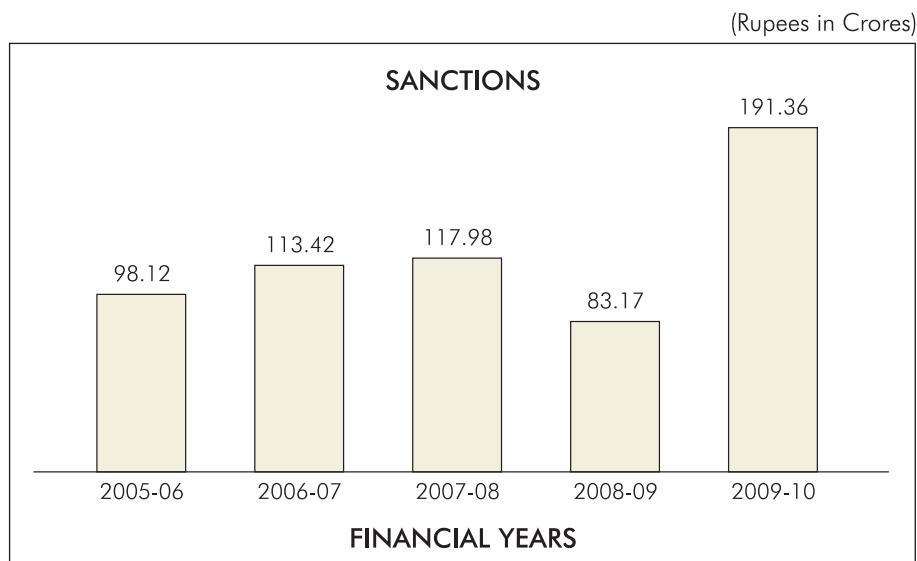
Indian financial market, which was shattered by financial turbulence due to dwindled global economic activities during the previous year, started its recovery process during the first half of the year under report. Due to this, your Company had to plan strategic exercises like appointment of more number of Market Executives, introduction of productivity linked incentives to key personnel, dedicated approach to market's grass root levels periodically, intrinsic dialogues with the Branches through con-calls with regular intervals, frequent visit to the rural areas by the Executives at Corporate Office, have all contributed great strength to increase the business activities of the Company during the second half of the year which have yielded the desired results. With the improved scenario, your Company achieved a growth rate of 130 % during the year under report.

The healthy trend prevailed in the second half of the year expected to continue during the current year also and your company will continue its marketing strategies with improved quality of service to the common man thereby, all efforts will be made to widen company's market share.

PERFORMANCE DURING THE YEAR:

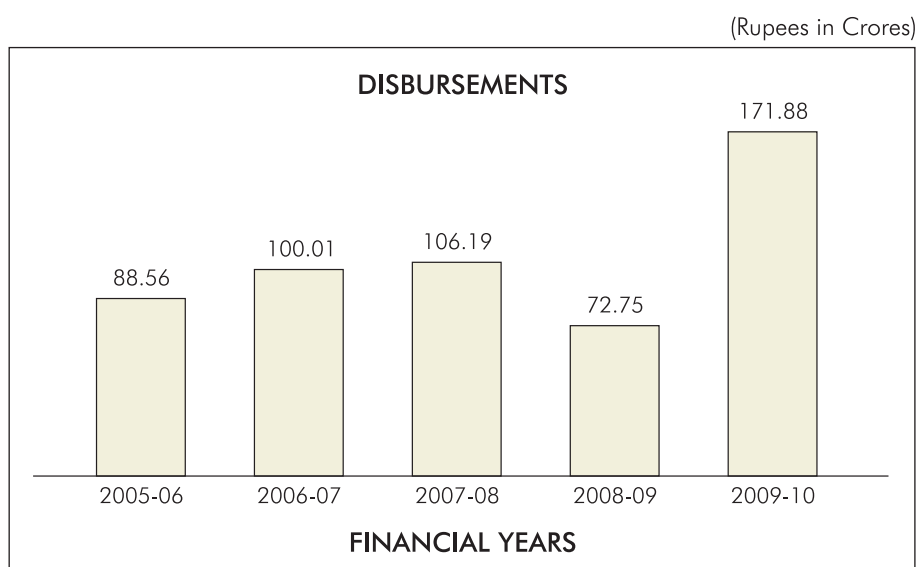
The strategic approach made by your Company during the second half of the year had resulted in gradual but steep increase in its business performance.

Sanctions during the year has improved considerably when compared to that of previous year. It went upto Rs. 191.36 crores as against Rs. 83.17 crores pertaining to the previous year.



Your Company surpassed its target in respect of disbursement during the year under review. Disbursements amounted to Rs.171.88 crores which was Rs.72.74 crores in the previous year, thus a notable growth of about 130%.

This has resulted in increase of total outstanding loans from Rs.329.22 crores as on 31-03-2009 to Rs.422.91 crores as on 31-03-2010.



RECOVERY

In the area of recovery, your Company had initiated drastic and vigorous exercise and went all out to contain the level of NPA and improve its recovery process and succeeded to a greater extent.

The level of NPA as at the end of the year under review has been brought down considerably compared to that of last year.

While the gross NPA stood at Rs.3.76 crores at the end of the year compared to that of Rs.3.83 crores at the end of the previous year, the net NPA stood at Rs.3.04 crores as at 31st March 2010 which was at Rs.3.18 crores as at the end of previous year. The percentage of gross NPA to net NPA worked out to 0.89% and 0.71% respectively as against 1.16% and 1.02% relating to the previous year. After 31-03-2010, your Company continued its arduous task to reduce the amount of NPAs substantially.

Ratios

	F.Y 2009-2010	F.Y 2008-2009
Earning per share (weighted average)	Rs.10.17	Rs.8.92
Dividend per share	25%	25%
Book value	Rs.77.64	Rs.66.93
Return on equity	101.78%	89.27%
Return on net worth	13.10%	13.34%

TERM LOANS AND REFINANCE FROM NATIONAL HOUSING BANK:

During the year, the Company has availed term loan from various Banks to the extent of Rs.75 crores (including short term loan of Rs.15 crores). The National Housing Bank sanctioned a refinance assistance of Rs.80 crores out of which, Rs. 35.48 crores has been availed during the year.

RURAL HOUSING UNDER GOLDEN JUBILEE RURAL HOUSING FINANCE SCHEME

During the year under report, your Company had approved 1994 cases under the Golden Jubilee Rural Housing Scheme and disbursed a total amount of Rs.140.82 crores.

DEPOSITS

The total deposits outstanding as on 31st March, 2010 is Rs.12.99 crores inclusive of accrued interest. The company has repaid matured deposits amounting to Rs.4.19 crores during the year under report and mobilised deposits at current rates to the extent of Rs. 8.13 crores (including renewal).

Unclaimed Deposits

For the financial year ending 2009-2010, deposits amounting to Rs.58.05 lakhs, including accrued interest, remained unclaimed by the depositors. The Company regularly intimates the depositors about the maturity of the deposits with a request to either renew or claim the amount.

CREDIT RATING

Our present rating awarded by CRISIL for deposit is FAA-positive and for short term borrowings P1+. For long term borrowings ICRA has awarded LA+ and this performance was due to the support given by parent company Dewan Housing Finance Corporation Ltd. and good performance of the Company.

FAIR PRACTICE CODE

'FAIR PRACTICE CODE' as per the guidelines issued by the NHB has been fully implemented during the year under report.

TECHNOLOGY UPGRADATION

Your Company is maintaining an upgraded on line technology from the previous year when with inter connectivity facilities was inducted and the facilities are being fruitfully utilized at all levels in the organization. Absorption of latest technologies are considered from time to time.

CAPITAL ADEQUACY NORMS

Over the past several years, your Company had been maintaining much higher capital adequacy ratio and in that process, as against the requirement of 12%, your Company has maintained a Capital Adequacy Ratio of 25.28% as at the end of the year.

INTERNAL AUDIT COMPLIANCE

Internal control system is under the constant review of the management. While qualified Chartered Accountants are being appointed as Concurrent Auditors to all the Branches, their reports are being monitored regularly by the Audit Committee to ensure adequate internal control system and if need be, new auditors will be appointed to a few branches to strengthen the vigilance.

FUTURE PLANS

With the healthy growth witnessed during the later part of the year, your Company proposes to tap wider range of markets in the southern part of the country and in this exercise your company has already made an inroad into the State of Kerala which remained untapped for a long time. As a first step to explore market in Kerala, a service centre at Palghat has already been opened and another at Trishur district will be opened up shortly. Opening of more branches in Calicut and Cochin in that state is in the offing.

With a view to widening our market wings, opening new branches at Nasik (Pune) and Kakinada (A.P.) and new service centres at Virar and Thane (Mumbai), Chaken (Pune), Yelahanka and K.R. Puram (Bangalore) and Hosur (Tamil Nadu) have already been finalized and would be opened up shortly. With the future outlook promising a bright market, your Company is optimistic to proliferate its market share multi fold in the years to come.

CORPORATE GOVERNANCE:

Though the listing norms do not govern the Company's affairs as it is an unlisted Company, your Company has evolved a voluntary disclosure process to meet its obligations to the shareholders, its customers, Government authorities, employees, lenders and the Society.

The Company has the following Committees:

1. Board of Directors:

The Board is headed by Shri. Kapil Wadhawan as Chairman, Shri. R. Nambirajan as Managing Director and experts from various fields like housing sector, banking, legal, company affairs, etc. are part of the Board.

Shri. R.S.Hugar, Director, retires by rotation and being eligible, offers himself for reappointment. The Board of Directors recommends his reappointment so as to continue to receive fruitful contribution from Shri. Hugar.

Shri. Ashok Kumar Gupta resigned as a Director on the Board with effect from 26th October, 2009. No Director was materially interested in any contract or agreement existing during or at the end of the year. During the financial year the Board met six times.

Name of the Member	Date of Board Meetings						Number of Meetings Attended
	07/05/2009	18/07/2009	21/09/2009	26/10/2009	28/11/2009	27/01/2010	
Kapil Wadhawan	Yes	No	Yes	Yes	Yes	Yes	5
R S Hugar	No	Yes	No	Yes	No	Yes	3
R Nambirajan	Yes	Yes	Yes	Yes	Yes	Yes	6
Bikram Sen	Yes	Yes	Yes	Yes	Yes	Yes	6
Shri.G.P. Kohli	Yes	Yes	Yes	Yes	Yes	Yes	6

2. Audit Committee

- As its Chairman, Shri. R S. Hugar heads the Audit Committee, while Shri. Bikrum Sen, Shri. R. Nambirajan, Shri. G.P. Kohli are members of the committee. The committee receives expert opinion from Shri. B.M. Chaturvedi, the Company's Statutory Auditor who is the permanent invitee.
- During the financial year 2009-10 the Audit Committee met four times.
- The Committee review various matters relating to Recovery, Assets Liability Management, Accounts, Inspection and renders suitable advice and recommendation to the Board from time to time.

Name of the Member	Date of Board Meetings				Number of Meetings Attended
	07/05/2009	18/07/2009	26/10/2009	27/01/2010	
R S Hugar	No	Yes	Yes	Yes	3
R Nambirajan	Yes	Yes	Yes	Yes	4
Bikram Sen	Yes	Yes	Yes	Yes	4
G.P. Kohli	Yes	Yes	Yes	Yes	4

3. Asset & Liability Committee. (ALCO)

Objective of Asset Liability Management Committee

The Committee comprises of the Managing Director, President, Executive Vice-President, Company Secretary and senior employees from Accounts and Computer Planning Department, and its object is to constantly review the assets and liabilities under various time buckets within the norms prescribed by NHB, the Committee ensures management of short term and long term liquidity to the maximum advantage of the company. Its reports are placed before the Audit Committee and Board of Directors from time to time for perusal.

4. Treasury Committee

The Treasury Committee comprises of Managing Director, President, and Senior Manager (Accounts), meets periodically to deliberate and decide on matters connected to purchase / sale of instruments keeping in view, the Investment Policy laid down by the Board.

The Committee also decides on profitable deployment of funds and apart from making a review of all the investments held by the Company at various points of time.

DIRECTORS RESPONSIBILITY STATEMENT

As required by Sec 217 (2AA) of the Companies Act, 1956, The Board of Directors confirm that:

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- Accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view on the state of affairs of the Company as on 31st March 2010, and profit and loss account of the Company for the year ended as above.
- Proper and sufficient care has been taken for maintenance of 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.
- The annual accounts have been prepared on a 'going concern' basis.

AUDITORS

M/s. B.M Chaturvedi & Co, Chartered Accountants, Mumbai, whose term of appointment as Statutory Auditors expires at the conclusion of the current meeting, have expressed their willingness to be reappointed. A resolution proposing their reappointment will be placed before the members for their consideration at the Twentieth AGM.

HUMAN RESOURCES

Cordial and harmonious relationship with the Company's personnel were maintained during the year. The Company continued to conduct inhouse training programmes for the benefit of the employees and training programmes held by NHB and other noted professional institutions groomed the employees to deal with any kind of task.

REMUNERATION TO EMPLOYEES

No employee was paid remuneration in excess of the limits specified sub section (2A) of section 217 of the Companies Act, 1956 and as such, particulars under the said Section are not disclosed.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

The Company being a non-manufacturing Company, the requirement for disclosure of particulars regarding conservation of energy as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable.

There were neither foreign exchange earnings nor outflow during the year under review.

ACKNOWLEDGMENT

While your Directors on record the continued patronage, guidance and support given by its parent Organisation Dewan Housing Finance Corporation Limited, they are much pleased to place on record their sincere appreciation of the support received from its esteemed customers, NHB, Bankers, depositors and the shareholders. Your Directors are confident to receive similar support, patronage and guidance in the years to come.

Your Directors also would like to place on record their deep sense of appreciation of the competence, hard work, solidarity, co-operation support and commitment of the employees at all levels which enabled the Company to progress well.

For and on behalf of the Board,

Kapil Wadhawan

Chairman

REGISTERED OFFICE:

S401, 4th Floor, Brigade Plaza,
Ananda Rao Circle,
Bangalore-560 009.

Place : Mumbai

Date : 11th May, 2010

AUDITORS' REPORT

To the Members,

DHFL VYSYA HOUSING FINANCE LIMITED.

We have audited the attached Balance Sheet of **DHFL Vysya Housing Finance Limited**, as at **31st March 2010**, the Profit & Loss Account and the Cash Flow statement of the Company 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 our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An 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 that,

1. 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.
2. In our opinion, proper books of account, as required by law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us. The Branch Auditors' Reports have been forwarded to us and have been appropriately dealt with.
3. 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.
4. 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 Companies Act, 1956.
5. On the basis of written representations received from the Directors of the Company as on 31st March 2010, and taken on record by the Board, we report that none of the Directors is disqualified as at 31st March 2010 from being appointed as a Director under Section 274 (1) (g) of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon, 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - ii) In case of Profit & Loss Account, of the profit of the Company for the year ended on that date and
 - iii) In case of Cash Flow statement, of the Cash Flow for the year ended on that date.
7. As required by the Company's (Auditors' Report) Order, 2003 issued by the Central Government, in terms of Section 227 (4A) of the Companies Act, 1956, we further state that:
 - i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. There is no material disposal of fixed assets during the year.

- ii) The Company does not have any inventory due to nature of its business of housing finance.
- iii) The Company has granted loans to companies, firms or other parties covered in the register maintained under Section 301 of the Act, by way of ICD of Rs.20.00 cr. to its Holding Company which was repaid during the year along with interest thereon. The rate of interest and other terms and conditions of such loan are, in our opinion, prima facie not prejudicial to the interest of the Company and was repaid as per stipulation.
- iv) There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and sale of services. Company has no purchase or sale of goods.
- v) There are no transactions, other than mentioned in paragraph (iii) above recorded in the register maintained in pursuance of Section 301 of the Act.
- vi) The Company has accepted deposits from the public. In our opinion and according to the information and explanations given to us, the Company has, during the year, complied with the directives issued by the National Housing Bank under the Housing Finance Companies [NHB] Directions, 2001 with regard to deposits accepted from the public and the Rules framed thereunder and the provisions of Sections 58A and 58AA and other relevant provisions of the Companies Act, 1956.
- vii) In our opinion, the concurrent internal audits of all the branches of the Company including head office carried out during the year by various firms of Chartered Accountants, appointed by the management, have been commensurate with its size and nature of its business.
- viii) Central Government has not prescribed maintenance of any cost records.
- ix) According to the records of the Company, it is regular in depositing undisputed statutory dues such as Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax and any other statutory dues whichever is applicable to the Company with the appropriate authorities.
- x) The Company has positive networth, which is more than its equity capital and has neither any accumulated losses nor it has incurred any cash losses in this financial year.
- xi) The Company has not defaulted in repayment of dues to any financial institution or bank.
- xii) Company has maintained adequate documents and records for the loans and advances granted by it on the basis of security by way of residential houses and properties, pledge of shares, debentures, and other securities.
- xiii) The Company is not engaged in any Chit fund business / nidhi / mutual benefit fund or society.
- xiv) The Company is maintaining proper records of the transactions and contracts about the dealings in securities & investments and has made timely entries in records. The securities, debentures and other investments have been held by the Company, in its own name.
- xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The Company has generally applied the amount raised by it by way of term loans for the purpose for which those loans were obtained, other than temporary deployment pending application of those funds.
- xvii) The Company is engaged in the housing finance business and is governed by National Housing Bank [NHB] guidelines for raising deposits and deployment of its funds in its business and the Company has followed the NHB guidelines for fund raising and its deployment and adhering to the ALCO Management guidelines prescribed by NHB and accordingly based on above we confirm that Company has generally not used its short term funds in long term investments.

- xviii) The Company has made preferential allotment of equity shares during the year as approved by the members in its AGM for the quantity and pricing thereof. Accordingly the price at which such shares are allotted are not prima facie prejudicial to the interest of the Company.
- xix) The Company has not issued any secured debentures during the year.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) As explained to us, the Company has noticed fraud in four accounts pertaining to loans given in earlier period by way of misrepresentation by those borrowers and a staff to avail housing loans involving an unrecoverable amount of Rs. 19.32 lacs and the same have been written off during the financial year.

For **B.M. Chaturvedi & Co.**
Chartered Accountants
(Registration No. 114317W)

B.M. Chaturvedi
ICAI. M. No. 17607

Place : Mumbai
Date : 11th May, 2010

Balance Sheet as at 31st March, 2010

(Amount in Rupees)

	Schedule	As at 31.03.2010		As at 31.03.2009	
SOURCES OF FUNDS:					
Shareholders Fund					
Share Capital	A	110,807,050		70,807,050	
Reserves & Surplus	B	545,481,470	656,288,520	415,183,174	485,990,224
Loan Funds					
Secured Loans	C	3,656,980,439		2,903,836,065	
Unsecured Loans	D	129,847,919	3,786,828,358	93,030,429	2,996,866,494
Total			4,443,116,877		3,482,856,718
APPLICATION OF FUNDS:					
Fixed Assets:					
Gross Block	E	31,470,473		29,234,598	
Less: Depreciation		22,381,831		20,421,317	
Net Block			9,088,642		8,813,281
Housing & Other Loans	F		4,229,107,099		3,292,240,689
Investment	G		72,733,239		27,519,411
Deferred Tax Assets	H		2,960,262		2,167,264
Current Assets, Loans & Advances	I	169,114,619		182,600,227	
Less: Current Liabilities & Provisions	J	39,886,984		30,484,153	
Net Current Assets			129,227,635		152,116,074
Total			4,443,116,877		3,482,856,718
Balance Sheet Abstract & Company Profile	P				
Significant Accounting Policies and Notes to Accounts	Q				

Schedules referred herein above and annexed hereto form part of the Balance Sheet. This is the Balance Sheet referred to in our report of even date.

For **B. M. Chatruvedi & Co.**
Chartered Accountants

B. M. Chaturvedi
M. No. 17607

Kapil Wadhawan
Chairman

R. Nambirajan
Managing Director

M. S. L. Nathan
Company Secretary

R. S. Hugar
Bikram Sen
G. P. Kohli
(Directors)

Place : Mumbai
Date : 11th May, 2010

Profit And Loss Account For The Year Ended 31st March, 2010

(Amount in Rupees)

	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
INCOME:			
Income from Operations	K	498,812,289	436,447,120
Total		498,812,289	436,447,120
EXPENDITURE:			
Interest & Other Charges	L	311,883,490	298,081,339
Payment to and Provisions for Employees	M	31,955,771	22,318,753
Operational & Other Expenses	N	22,391,099	21,687,263
Provison for Contingency		3,565,767	1,208,049
Less: Transfer from Contingency Reserve II		-	(16,479)
Bad Debts Written off		8,306,154	5,143,974
Less: Transfer from Contingency Reserve I [Refer Note No. B-18 of Schedule Q]		(839,666)	(3,012,107)
Depreciation		2,273,113	2,324,286
Total		379,535,728	347,735,077
Profit Before Tax		119,276,560	88,712,043
Taxation:			
For the Year		33,975,037	24,291,905
For earlier Years		525,014	713,335
Deferred Tax		(792,999)	530,828
Profit After Tax		85,569,508	63,175,975
Add: Balance B/F from previous year		77,277,787	60,000,389
Profit Available for Appropriations		162,847,296	123,176,365
Appropriations:			
Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961		24,000,000	17,688,399
Transfer to General Reserve		9,000,000	7,500,000
Proposed Equity dividend		11,080,705	7,080,705
Interim Dividend		10,621,058	10,621,058
Tax on Dividend		3,688,215	3,008,415
Balance carried to Balance Sheet		104,457,318	77,277,787
Total		162,847,296	123,176,365
Earning Per Share (Rs.)	O	10.17	8.92
Balance Sheet Abstract & Company Profile	P		
Significant Accounting Policies and Notes to Accounts	Q		

Schedules referred herein above and annexed hereto form part of the Profit & Loss Account.
This is the Profit & Loss Account referred to in our report of even date.

For **B. M. Chatruvedi & Co.**
Chartered Accountants

B. M. Chaturvedi
M. No. 17607

Place : Mumbai
Date : 11th May, 2010

Kapil Wadhawan
Chairman

R. Nambirajan
Managing Director

M. S. L. Nathan
Company Secretary

R. S. Hugar
Bikram Sen
G. P. Kohli
(Directors)

Cash Flow Statement for year ended 31st March, 2010

(Amount in Rupees)

	Year ended 31.03.2010	Year ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	119,276,560	88,712,043
Adjustments for:		
Depreciation	2,273,113	2,324,286
Provision for Gratuity	474,467	-
Provision for contingencies	3,565,767	1,191,570
Operating profit before working capital changes	125,589,907	92,227,899
Adjustments for:		
Current Assets	11,818,664	(731,526)
Current Liabilities	3,768,969	(5,874,387)
Cash generated from operations during the year	141,177,540	85,621,985
Contingency Reserve Utilised	(9,881,235)	(3,012,107)
Tax paid	(33,707,052)	(25,536,067)
Net Cash Flow from Operating activities [A]	97,589,253	57,073,811
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition / Deduction to investments	(48,300,000)	(311,219)
Addition to fixed assets	(2,553,126)	(4,685,395)
Reduction in fixed assets	4,651	327,606
Net cash used in investing activities [B]	(50,848,475)	(4,669,008)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	40,000,000	-
Premium on issue of Equity Shares	80,000,000	-
ICD received from Parent Organisation	-	280,000,000
Fresh ICD repaid by Parent Organisation	200,000,000	-
Loans received from Banks/Institutions	1,604,790,000	915,300,000
Fixed Deposits received	81,268,239	41,692,746
Loans repaid to Banks/Institutions	(851,645,627)	(617,769,318)
Fixed Deposits repaid	(44,450,749)	(67,408,419)
NCD Redemption	-	(200,000,000)
ICD repaid to Parent Organisation	-	(280,000,000)
Fresh ICD given to Parent Organisation	(200,000,000)	-
Loans disbursed	(1,723,220,251)	(727,412,791)
Loans repayments	786,353,841	544,881,442
Dividend Paid	(17,701,763)	(17,701,763)
Tax paid on Dividend	(3,008,415)	(3,008,415)
Net cash from financing activities [C]	(47,614,724)	(131,426,518)
Net increase / decrease(-) in cash & cash equivalents [A+B+C]	(873,946)	(79,021,715)
Cash & cash equivalents at the beginning of the year	138,813,232	217,834,947
Cash & cash equivalents at the close of the year	137,939,287	138,813,232

Negative figures (-) represent cash outflows

This is the Cash Flow statement referred to in our report of even date

For **B. M. Chatruvedi & Co.**
Chartered Accountants

Kapil Wadhawan
Chairman

R. S. Hugar
Bikram Sen
G. P. Kohli
(Directors)

B. M. Chaturvedi
M. No. 17607

R. Nambirajan
Managing Director

M. S. L. Nathan
Company Secretary

Place : Mumbai
Date : 12th May, 2010

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Amount in Rupees)

	As at 31.03.2010		As at 31.03.2009	
'A' - SHARE CAPITAL				
Authorised				
2,00,00,000 Equity Shares of Rs.10/- each		<u>200,000,000</u>		<u>200,000,000</u>
		<u>200,000,000</u>		<u>200,000,000</u>
Issued				
1,10,80,705 [70,80,705] Equity Shares of Rs.10/- each		110,807,050		70,807,050
		<u>110,807,050</u>		<u>70,807,050</u>
Subscribed and paid up				
1,10,80,705 [70,80,705] Equity shares of Rs.10/- each [of the above 64,48,989 shares [41,20,989] of Rs.10/- each fully paid up are held by the Holding Company Dewan Housing Finance Corporation Limited]		110,807,050		70,807,050
Total		<u>110,807,050</u>		<u>70,807,050</u>
'B' - RESERVES & SURPLUS				
a) Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961.				
Balance as per last Balance Sheet	224,916,252		207,227,853	
Add: Transferred from Profit & Loss A/c	<u>24,000,000</u>	248,916,252	<u>17,688,399</u>	224,916,252
b) General Reserve				
Balance as per last Balance Sheet	52,704,374		45,204,374	
Add: Transferred from Profit & Loss A/c	<u>9,000,000</u>	61,704,374	<u>7,500,000</u>	52,704,374
c) Share Premium				
		130,403,525		50,403,525
d) Contingency Reserve I				
Balance as per last Balance Sheet	9,881,235		12,893,342	
Less: Adjusted [Refer Note No.B-14 of Sch.Q]	<u>9,041,569</u>		<u>3,012,107</u>	
	839,666		9,881,235	
Less: Adjusted [Refer Note No.B-18 of Sch.Q]	<u>839,666</u>	-	-	9,881,235
e) Contingency Reserve II				
Balance as per last Balance Sheet	-		16,479	
Less: Transferred to P & L A/c	-	-	<u>16,479</u>	-
f) Balance in Profit & Loss Account				
		104,457,318		77,277,787
Total		<u>545,481,470</u>		<u>415,183,174</u>
'C' - SECURED LOANS				
National Housing Bank		1,994,248,252		1,611,515,273
Scheduled Banks [Rupee Loan]		1,662,732,187		1,292,320,792
[The above loans from National Housing Bank & Other Banks are secured by way of first charge on all Book Debts, Housing Loans, Movable & Immovable Assets both present and future on pari passu basis]				
Total		<u>3,656,980,439</u>		<u>2,903,836,065</u>

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Amount in Rupees)

	As at 31.03.2010		As at 31.03.2009	
'D' - UNSECURED LOANS				
Fixed Deposits	29,520,500		24,580,400	
Cumulative Deposits	89,877,213		58,947,197	
Add: Interest Accrued and due	10,450,206	129,847,919	9,502,832	93,030,429
Total		129,847,919		93,030,429

'E' - FIXED ASSETS

(Amount in Rupees)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2009	Additions	Deletions	As on 31.03.2010	As on 01.04.2009	Additions	Deletions	Upto 31.03.2010	As on 31.03.2010	As on 31.03.2009
Furniture & Fixtures	9,696,151	205,415	-	9,901,566	5,575,636	756,158	-	6,331,794	3,569,772	4,120,515
Office Equipments	3,527,270	254,106	-	3,781,376	1,875,889	238,493	-	2,114,382	1,666,994	1,651,381
Vehicles	1,401,031	-	-	1,401,031	824,760	149,196	-	973,957	427,074	576,271
Computers	14,610,145	2,093,605	317,250	16,386,500	12,145,032	1,129,265	312,599	12,961,698	3,424,802	2,465,114
TOTAL:	29,234,597	2,553,126	317,250	31,470,473	20,421,317	2,273,113	312,599	22,381,831	9,088,642	8,813,281
Previous Year	26,370,464	4,685,395	1,821,261	29,234,597	19,590,686	2,324,286	1,493,656	20,421,317	8,813,281	6,779,777

(Amount in Rupees)

	As at 31.03.2010		As at 31.03.2009	
'F' - HOUSING & OTHER LOANS				
1) Housing Loans		3,828,076,838		2,856,966,489
2) Others Loans		401,030,261		435,274,200
Total		4,229,107,099		3,292,240,689

Trade Investment (at cost)	No.	Face Value (Rs.)	As at 31.03.2010	No.	As at 31.03.2009
'G' - INVESTMENTS					
BONDS:					
A) Quoted					
Government Securities:					
9.81% GOI BONDS - 2013	160000	100	19,723,750	160000	19,723,750
6.25% GOI BONDS - 2018	100000	100	9,580,000	100000	9,580,000
6.05% GOI BONDS - 2019	500000	100	48,300,000	-	-
Investment in Bonds Quoted - [A]			77,603,750		29,303,750
Aggregate Market Value of the Quoted Investments			72,440,000		27,355,800
B) Quoted - Equity Shares					
Reliance Power Limited	222	10	62,550		62,550
Future Capital Holdings Limited	172	10	131,580		131,580
MRPL	3000	10	311,219		311,219
Investment in Equity Shares Quoted - [B]			505,349		505,349
Aggregate Market Value of the Quoted Equity Shares			293,240		163,612
Total Investments [A + B]			78,109,099		29,809,099
Less: Provision for diminution in the value of investment			5,375,860		2,289,688
Net Investments			72,733,239		27,519,411

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010
(Amount in Rupees)

	As at 31.03.2010		As at 31.03.2009	
'H' - NET DEFERRED TAX ASSETS/(LIABILITIES)				
Deferred Tax Assets				
On Account of Provision for contingency	2,810,921		2,131,032	
On Account of others	149,341	2,960,262	36,232	2,167,264
Deferred Tax assets		2,960,262		2,167,264
'I' - CURRENT ASSETS, LOANS & ADVANCES				
Current Assets:				
Interest Accrued but not due on Investment		1,218,860		2,498,789
Sundry Debtors				
(Secured, Considered Good)				
Outstanding for more than six months	8,014,188		6,456,995	
Others	10,436,290	18,450,478	12,544,993	19,001,988
Cash & Bank Balance:				
Cash in hand		697,310		453,472
Cash at Bank: With Scheduled Banks:				
in Current Account	129,241,977		30,359,761	
in Reinvestment & Term Deposits	8,000,000	137,241,977	108,000,000	138,359,761
Loans & Advances:				
Other Assets	7,085,423		18,478,497	
Other Advances	4,420,571	11,505,994	3,807,721	22,286,218
Total		169,114,619		182,600,227
'J' - CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Interest Accrued but not due	2,824,562		2,591,109	
Sundry Creditors & Other Liabilities	7,106,344		4,467,061	
Advance received	9,310,136		8,459,203	
Unclaimed Dividend	206,111	19,447,152	160,811	15,678,183
Provisions				
For Proposed Dividend	11,080,705		7,080,705	
For Tax On Proposed Dividend	1,883,166	12,963,871	1,203,366	8,284,071
Provision for Gratuity		474,467		-
Provision for contingencies				
(including provision for diminution in Investment)				
As per last Balance Sheet	8,811,587		7,603,538	
Add: Provision made during the year	3,565,767		1,208,049	
Balance Provision at the end of the year	12,377,354		8,811,587	
Less: Shown as diminution in Investment separately	(5,375,860)	7,001,494	(2,289,688)	6,521,899
Total		39,886,984		30,484,153

Schedules Annexed to and forming part of the Profit and Loss Account
for the year ended 31st March, 2010

(Amount in Rupees)

	Year ended 31.03.2010	Year ended 31.03.2009
'K' - INCOME FROM OPERATION		
Interest - Loans	448,648,547	412,542,603
Interest - Deposits, Bonds & Others [Tax deducted at source Rs.24,92,707/- (Rs.9,34,456/-)]	12,113,719	6,780,099
Fees	19,390,777	7,022,989
Other Operational Income	18,659,246	10,101,429
	<u>498,812,289</u>	<u>436,447,120</u>
'L' - INTEREST AND OTHER CHARGES		
Loans	286,892,657	265,895,582
Deposits	10,207,627	8,700,575
On others	12,014,288	20,638,265
Finance Charges	2,768,918	2,846,917
	<u>311,883,490</u>	<u>298,081,339</u>
'M' - PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries and Bonus	26,343,817	18,390,860
Staff Welfare Expenses	1,185,099	1,008,899
Contribution to Provident Fund & Other Funds	4,426,855	2,918,994
	<u>31,955,771</u>	<u>22,318,753</u>
'N' - OPERATIONAL & OTHER EXPENSES		
Rent	4,950,010	4,824,387
Rates & Taxes	24,282	2,310
Conveyance & Motor Car Expenses	966,805	1,067,152
Travelling Expenses	1,517,980	1,112,267
Printing & Stationery	1,073,010	783,780
Advertisement & Business Promotion	393,895	500,602
Insurance	1,136,155	1,067,961
Legal & Professional Charges	2,010,856	1,731,157
Postage, Telephone & Telegram	3,978,243	3,589,241
General Repairs & Maintenance	2,658,853	2,068,243
Electricity Charges	938,053	917,071
Directors Sitting Fees	181,000	120,000
Brokerage	123,089	18,608
Credit Rating Charges	1,069,972	1,180,514
Loss / (Profit) on Sale of Fixed Assets	(22,699)	100,406
Loss on Sale of Investments	-	1,373,577
Other Expenses	1,391,597	1,229,989
Total	<u>22,391,099</u>	<u>21,687,263</u>
'O' - EARNING PER SHARE		
Net Profit Attributable to Equity Shareholders		
Profit after tax	85,569,508	63,175,975
Net Profit attributable to equity shareholders	85,569,508	63,175,975
No. of Equity Shares (Number)	11,080,705	7,080,705
Weighted Average No. of Equity Shares	8,414,038	7,080,705
Nominal value of Equity Shares (Rs.)	10.00	10.00
Earning Per Share (Rs.)	10.17	8.92

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

'P' - BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

I. Registration Details

Registration No. State Code Balance Sheet Date

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

Bonus Issue

Rights Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Thousands)

Total Liabilities

Source of Funds

Paid up Capital

Secured Loans

Application of Funds

Net fixed Assets

Net Current Assets

Accumulated Losses

Deferred Tax Asset

Total Assets

Reserves & Surplus

Unsecured Loans

Investments

Misc. Expenditure

Housing Loans

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

Profit before tax

Earnings per Share (in Rs.)

Total Expenditure

Profit after tax

Dividend Rate %

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No.

ITC Code

Product Description:

Schedule Forming Part of Accounts for The Year Ended 31st March,2010.

SCHEDULE 'Q': NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES: -

1. Basis of preparation of financial statements:

- a) The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 and Housing Finance Companies, (NHB) Directions 2001. Accounting Standards (AS) referred to in the notes are as issued by the Institute of Chartered Accountants of India.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.

2. Interest on housing loans:

Repayment of housing loan 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 interest is payable.

3. Interest & other related borrowing cost:

Interest accrued on cumulative fixed deposit 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 related financial charges are recognised as an expense in the period for which they are incurred as specified in Accounting Standard (AS 16) on "Borrowing Costs".

4. Revenue Recognition:

- a) Interest on performing assets is recognized on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank.
- b) Dividend on investment, fees and additional interest income on delayed EMI/PEMI are recognised on receipt basis

5. Provisions for Contingency:

Provisions for Contingency have been made on outstanding housing loans and other assets as per the Prudential Norms prescribed by the National Housing Bank in respect of non-performing assets.

6. Investments:

All Investments, other than Investments in mutual funds, are in the nature of long term Investments and are valued at cost as per Accounting Standard (AS 13) on "Accounting for Investments" and the guidelines issued by the National Housing Bank. However, full provisions for diminution in the value of the said Investments are made. All the Investments are in the name of the Company.

7. Fixed Assets:

Fixed Assets are capitalised at cost inclusive of expenses incidental thereto. Depreciation on fixed assets is provided on written down value at the rates prescribed under Schedule XIV to the Companies Act, 1956.

8. Impairment of Assets:

An Asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account 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".

9. Special Reserve:

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

10. Prepaid Expenses:

Financial Expenses & Other Expenses incurred during the year which generate benefit in several accounting years have 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 basis in the future accounting years.

11. Retirement benefits:

Provident Fund contributions are made to Government Provident Fund and charged to Profit & Loss Account. In respect of Gratuity contributions by way of premium made to an insurance company under Group Gratuity Policy, are charged to Profit & Loss Account. Leave Encashment in respect of retiring employees is charged to Profit & Loss Account when paid.

12. Earnings per share:

The earnings per share has been computed in accordance with Accounting Standard (AS-20) on, "Earnings per share" and is shown in the profit & loss account.

13. Income Tax:

Income tax provision is based on the present tax laws in respect of taxable income for the year and the deferred tax are treated in the accounts as per 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 profit and loss account. The cumulative effect thereof is shown in the Balance sheet. The deferred tax assets are recognised only if there is a reasonable certainty that the assets will be realized in future.

14. Housing and Other Loans:

Housing Loans include outstanding amount of Housing Loan disbursement directly or indirectly to individual and other borrowers. Other loans include mortgage against residential / commercial property, loan against lease rental income from properties and project loan given to builders in accordance with the Directions of National Housing Bank. EMI due from borrowers against the housing loans are shown as current assets as loans and advances.

B. OTHER NOTES TO ACCOUNTS:

- As certified by the Management, Housing Loans and Instalments due from borrowers are secured, by equitable mortgage of property and / or Pledge of shares, other securities, assignment of life insurance policies and / or personal guarantees and / or Undertaking to create a Security and are considered good.
- Current Assets, Loans, advances and Housing Loans include amount due from employees of the Company as at 31st March 2010, Rs. 34,16,099/- (Rs.35,80,671/-), maximum amount due during the year was Rs.35,48,621/- (Rs.37,65,565/-).

3. Remuneration to Managing Director (Cost to Company Basis):

	31-Mar-2010 (Rs.)	31-Mar-2009 (Rs.)
Basic Pay	13,64,194	9,60,000
Reimbursement of Rent	2,84,194	2,40,000
Perquisites & Other Allowances	11,13,701	6,25,123
TOTAL:	27,62,089	18,25,123

Remuneration to Managing Director is within the limits prescribed under sections 298, 269, 309, 310 and Schedule XIII of the Companies Act, 1956.

4. Legal & Professional charges include payments to Statutory Auditors:

	31-Mar-2010 (Rs.)	31-Mar-2009 (Rs.)
Audit Fees & Fees for certification [including payments to Branch Auditors]	5,65,000	4,51,000
TOTAL:	5,65,000	4,51,000

- The utilisation of Deferred Tax Asset of Rs.7,92,999/- (P.Y. Rs.5,30,827/-) for current year is included in the provision for taxes and debited to P & LA/c. Significant components of the deferred tax asset DTA / deferred Tax liability (DTL) as on the date of year-end are as under:

	As at 31-03-2009	for the year	As at 31-03-2010
DTA/ (DTL) – Fixed Assets	36,232	1,13,109	1,49,341
DTA – Provision for Non Performing Assets	<u>21,31,031</u>	<u>6,79,890</u>	<u>28,10,921</u>
Net Deferred tax asset / (liability)	21,67,263	7,92,999	29,60,262

- The Company has de-recognised interest income on Non Performing Assets as on 31st March 2010 of Rs. 59,07,224/- (Rs.45,73,659/-) in terms of the requirement of the National Housing Bank.
- Term loans from National Housing Bank and other Banks are secured/to be secured by way of first charge to and in favour of National Housing Bank and other Banks and jointly ranking pari passu inter-se, on the Company's book debts and the whole of the present and future movable and immovable assets wherever situated excluding SLR assets read with note no.19 hereinafter and are also guaranteed by some of the promoters and directors.
- Company has allotted on preferential allotment basis 40,00,000 equity shares Rs. 10/- fully paid up at issue price of Rs.30/- each on 28.11.2009 as approved by the members at the AGM held on 18th July 2009.

SCHEDULE 'Q': NOTES TO ACCOUNTS

9. The Non Performing Assets comprising of the principal loans outstanding including arrears of interest in respect of financing for housing and real estate projects where payments of EMI / PEMI were in arrears for over 90 days amounted to Rs.375.73 lacs [Rs.383.15 lacs]. As per the prudential norms prescribed by NHB, Company is required to carry a contingency provision of Rs.54.14 lacs [Rs.48.11 lacs] in respect of Non Performing Housing Loan Assets, Rs.15.88 lacs [Rs.17.11 lacs] in respect Non Housing Standard Assets and Rs.53.76 lacs [Rs.22.90 lacs] in respect of diminution in the value of Investment in Government Securities. Company has written off Rs.74.66 lacs [Rs.21.32 lacs] by way of one time settlement to recover some of its NPA Accounts. Company has made during the year required provision of Rs.35.66 lacs [Rs.11.92 lacs] for Contingency in accordance with guidelines of Prudential Norms issued by National Housing Bank. The amount of provision based on performing and non-performing assets is given hereunder:

Housing Loans

Asset Classification	Outstanding As on 31.03.2010		Provision As on 31.03.2010
	Rs.	%	Rs.
Standard (considered good)	379,45,59,766 (293,15,72,634)	99.13 (98.98)	Nil Nil
Substandard Assets	2,38,62,411 (239,27,233)	0.62 (0.81)	24,90,039 (23,92,723)
Doubtful Assets	96,54,661 (64,11,462)	0.25 (0.21)	25,17,923 (16,20,643)
Loss Assets	Nil (Nil)		Nil (Nil)
Total Assets	382,80,76,838 (296,19,11,329)	100.00 (100.00)	50,07,962 (40,13,366)

Non Housing Loans

Asset Classification	Outstanding As on 31.03.2010		Provision As on 31.03.2010
	Rs.	%	Rs.
Standard (considered good)	39,69,73,908 (32,23,53,143)	98.99 (97.59)	15,87,896 (17,10,911)
Substandard Assets	40,56,353 (79,76,217)	1.01 (2.41)	4,05,635 (7,97,622)
Doubtful Assets	Nil (Nil)		Nil (Nil)
Loss Assets	Nil (Nil)		Nil (Nil)
Total Assets	40,10,30,261 (33,03,29,360)	100.00 (100.00)	19,93,531 (25,08,533)

Quoted Investments

Asset Classification	Outstanding As on 31.03.2010		Provision As on 31.03.2010
	Rs.	%	Rs.
Quoted Investments	7,81,09,099 (2,98,09,099)	100.00 (100.00)	53,75,860 (22,89,688)

SCHEDULE 'Q': NOTES TO ACCOUNTS

10. The Company has paid interim dividend @ 15% during the year and has further proposed final dividend @ 10% on enlarged capital in line with SEBI guidelines which is subject to approval of the members in the ensuing AGM.
11. Unsecured Deposits due within one year Rs.621.05 lacs (Rs.425.19 lacs)
12. i) The Company makes contributions towards provident fund for qualifying employees to Regional Provident Fund Commissioner under Defined Contribution Plan.
- ii) Employees are allowed to encash the unavailed leave during the year or encashment of accumulated unavailed leave at the time of retirement.
- iii) The Company has made full provision for future gratuity liability & leave encashment payable at the time of retirement as on 31st March, 2010 on the basis of actuarial valuation report of Company's liabilities based on Accounting Standard 15 [AS-15 Revised] and had taken group gratuity liability insurance and has paid requisite premiums.
- iv) The details of post retirement benefits for the employees (including Key Management Personnel) as mentioned hereunder are based on the actuarial valuation using the Projected Unit Credit Method, and as certified by the actuary as mentioned above and relied upon by the auditors:

Gratuity	(Amount in Rupees)
	Current Year (Funded)
A. Change in the Defined Benefit Obligations:	
Liability at the beginning of the year	17,69,744
Current Service Cost	4,17,651
Interest Cost	1,23,882
Benefits Paid	-
Actuarial Loss/ (Gain)	(30,383)
Liability at the end of the year	22,80,894
B. Fair Value of Plan Assets:	
Fair Value of Plan Assets at the beginning of the year	13,28,223
Expected Return on Plan Assets	92,976
Contributions	3,05,517
Benefits Paid	-
Actuarial gain / (loss) on Plan Assets	79,711
Fair Value of Plan Assets at the end of the year	18,06,426
Total Actuarial Gain / (Loss) to be recognised	1,10,194
C. Actual Return on Plan Assets:	
Expected Return on Plan Assets	92,976
Actuarial gain / (Loss) on Plan Assets	79,711
Actual Return on Plan Assets	1,72,686

SCHEDULE 'Q': NOTES TO ACCOUNTS

(Amount in Rupees)	
Gratuity	Current Year (Funded)
D. Amount Recognised in the Balance Sheet:	
Liability at the end of the year	22,80,894
Fair Value of Plan Assets at the end of the year	18,06,426
Difference	(4,74,467)
Amount Recognised in the Balance Sheet under " Provision for Employee Benefits"	(4,74,467)
E. Expense Recognised in the Profit and Loss Account:	
Current Service Cost	4,17,651
Interest Cost	1,23,882
Expected Return on Plan Assets	(92,976)
Net Actuarial Loss/(Gain) to be Recognised	(1,10,094)
Expense recognised in the Profit & Loss Account under staff expenses	3,38,464
F. Reconciliation of the Liability Recognised in the Balance Sheet:	
Opening Net Liability	4,41,521
Expense Recognised	3,38,464
Employer's Contribution	(3,05,517)
Amount Recognised in the Balance Sheet under " Provision for Employee Benefits"	4,74,467
G. Actuarial Assumptions:	
Mortality Table (LIC)	1994-96 (Ultimate)
Discount Rate (P. A.)	8%
Rate of Escalation in Salary (P.A.)	5%

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market as certified by the actuary.

13. The Company's Income Tax Assessments have been completed upto Assessment Year 2008-09. Provision for tax includes Rs.5.25 lacs [Rs.7.13 lacs] relating to earlier year.
14. The Income Tax Appeal filed by the Company for Assessment Year 2005-06 regarding the I T demand of Rs.90.42 lacs pending before CIT (A) was dismissed during the year. Company has preferred further Appeal before Income Tax Appellate Tribunal. The above amount of Rs.90.42 lacs deposited with Income Tax Department pending final outcome of the appeal is adjusted by utilizing Contingency Reserve - I during the year and has not affected profit for the year.
15. The Company had received fresh Assessment Order in respect of Assessment Year 2004-05 levying additional tax demand of Rs.21.92 lacs as directed U/s 263 of the I T Act 1961 and has filed Appeal before CIT (A). The Company has been legally advised that the tax claim is untenable, hence no provision has been made. However, to avoid recovery action against the Company by the I T Department, the Company has, without prejudice, deposited a sum of Rs.21.92 lacs, which is included under other assets.

SCHEDULE 'Q': NOTES TO ACCOUNTS

16. There are no amounts 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 responded to the inquiries made by the Company for this purpose.
17. As required under Accounting Standard on "Related Party Disclosures" (AS – 18), notified by the Companies (Accounting Standard) Rules, 2006, the related parties of the Company are as follows:
- A. Holding Company:
Dewan Housing Finance Corporation Limited
- B. Others:
Mr. Kapil Wadhawan, Director
Mr. Dheeraj Wadhawan
- C. Key Management Personnel:
Mr. R Nambirajan

The nature & volume of transactions (excluding reimbursements) of the Company during the year, with the related parties were as follows:

(Rs.in Lacs)

Particulars	Holding Company		Others		Key Management Personnel	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
INCOME:						
Interest from DHFL on ICD	40.21	-	-	-	-	-
EXPENDITURE:						
Remuneration to Mr.R Nambirajan	-	-	-	-	25.34	15.48
Sharing of exp paid to DHFL	9.00	8.85	-	-	-	-
Interest paid to DHFL	-	54.42	-	-	-	-
ASSETS:						
ICD given to DHFL	2000.00	-	-	-	-	-
ICD repaid by DHFL	2000.00	-	-	-	-	-
LIABILITIES:						
ICD received from DHFL	-	2800.00	-	-	-	-
ICD repaid to DHFL	-	2800.00	-	-	-	-
Fresh Share Capital subscribed including premium by DHFL	698.40	-	-	-	-	-
by Mr.Kapil Wadhawan	-	-	250.80	-	-	-
by Mr. Dheeraj Wadhawan	-	-	250.80	-	-	-

*ICD – Inter Corporate Deposits

18. The Company had received in 2004-05 from ING Vysya Bank a sum of Rs.175.21 lacs towards one time settlement of certain identified accounts listed under Share Purchase Agreement [SPA] which was credited to Contingency Reserve I Account. The Company has utilized in the past this contingency reserve in writing off bad debts referred in the list under SPA. Company during the year has also utilized the above reserve by Rs.90.42 lacs as per note B-14 here in above paid to IT Department. During the current Financial Year under SPA, a few accounts classified as NPA have been written off as bad debts amounting to Rs.8.39 lacs [Rs.30.12 lacs] by utilizing the remaining balance amount of Contingency Reserve I account which has been withdrawn during the year as it was created in line with the SPA, and has not affected current year profit.

SCHEDULE 'Q': NOTES TO ACCOUNTS

19. As 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 the depositors through the mechanism of a Trust Deed. The Company has appointed a SEBI approved Trustee Company i.e. GDA Trustee & Consultancy Ltd., as a Trustee for the above by executing a trust deed on 19.04.2010.
20. During the year, the Company has purchased 500000 bonds amounting to Rs. 483.00 lacs and no other purchase or sale of shares, debentures, bonds and mutual funds.
21. The main business of the Company is to provide loans for the purchase, construction, repairs and renovation etc. of houses and flats to individuals, corporate bodies and builders. All other activities of the company revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS – 17) on “Segment Reporting”.
22. Figures for the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosure for the previous year are included as an integral part of the current year’s financial statement and are to be read in relation to the amounts and other disclosures relating to the current year.
23. Figures in brackets represent previous year’s figures.

In terms of our report of even date.

For **B. M. Chatruvedi & Co.**
Chartered Accountants

B. M. Chaturvedi
M. No. 17607

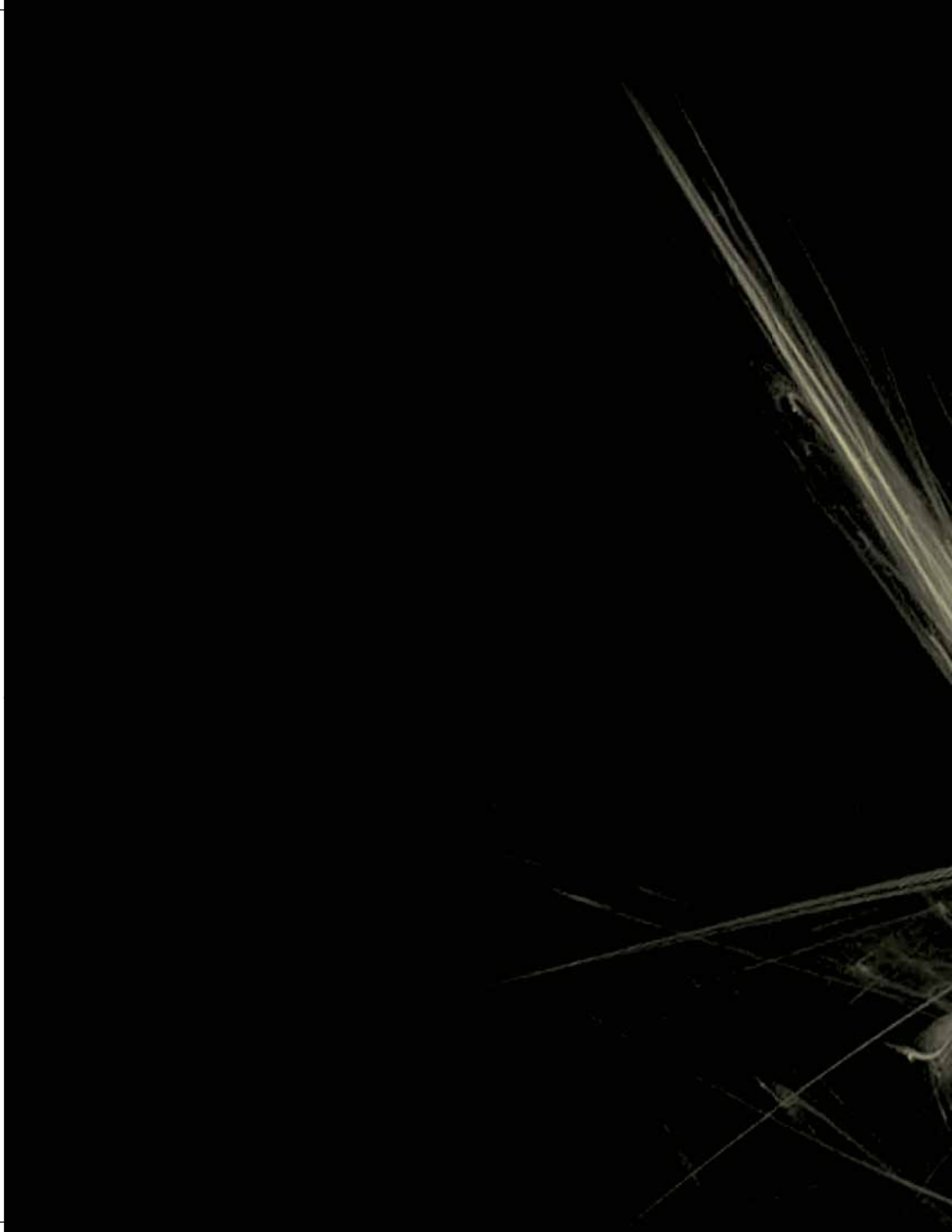
Place : Mumbai
Date : 11th May, 2010

Kapil Wadhawan
Chairman

R. Nambirajan
Managing Director

M. S. L. Nathan
Company Secretary

R. S. Hugar
Bikram Sen
G. P. Kohli
(Directors)



The background features a dark, almost black, field with a faint, light-colored grid pattern. Overlaid on this are numerous thin, glowing yellow lines that appear to be light trails or fiber optic paths, creating a sense of motion and connectivity. The lines are most prominent in the lower half of the image, where they form a dense, swirling pattern. The overall aesthetic is high-tech and futuristic.

DHFL Property Services Limited

Directors' Report

TO THE MEMBERS

Your Directors have pleasure in presenting the Thirteenth Annual Report together with the Audited Statement for the year ended 31st March 2010.

FINANCIAL RESULTS

Particulars	Year ended 31st March 2010 (Rupees)	Year ended 31st March 2009 (Rupees)
Income	7,31,55,488	2,51,000
Expenses	7,09,18,750	98,053
Profit/(Loss) Before tax	22,36,738	1,52,947
Profit/(Loss) After Tax	17,95,196	74,545
Balance brought forward from previous year	3,60,677	2,86,132
Balance carried to balance sheet	21,55,873	3,60,677

PERFORMANCE DURING THE YEAR:

Your company has launched the following services in its very first year of operations. Residential sales, Exclusive marketing of residential projects with management fees, Co-branded product and Market research services. Your Company has also handled more than 1252 property transactions, 3 market research assignments and also tied up with more than 50 developers across the country the major ones being Amritsar, Ahmadabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Cochin, Delhi, Hyderabad, Kolkata, Mangalore, Mumbai, Mysore and Surat.

The Gross Income accrual for the year 2010-2011 is Rs.6.46 crore and the Net Income accrual is Rs.5.47 crore

In TCPM Services, your company has made following commendable achievements:

- Generated 3500 PAR reports to retail customers
- Tie-up with 52 projects for providing PSCM services
- Total Fee Income tie-up worth Rs.5.40 crore

Services include, Property Assessment Report (PAR), Project Schedule and Cost Management Services (PSCM), Project Management and Construction Supervision Services (PMC), Advisory on Fast Track Construction Technology.

PROPERTY BROKING SERVICES - GROWTH POTENTIAL:

The property broking business in India can be broadly classified into Four services viz:

- i. Residential Sale & Leasing
- ii. Commercial Sale & Leasing
- iii. Research & Advisory Services
- iv. Property Management Services

While the residential segment is dominated by local and regional players, the other sectors are dominated by International Property Consultants (IPC's). While there is an increasing scope for organized players in residential segment, there is an equal opportunity in the commercial segment especially in tier III and tier IV locations. With DHFL group presence in more than 200 location, your company is quite hopeful of emerging as a major player in the industry.

DIVIDEND

In order to conserve the resources for future, the Board did not recommend any dividend for the year ended 31st March, 2010.

PERSONNEL

On the human resources side, cordial and harmonious industrial relations were ensured during year under review. There were 15 employees and no employee was paid remuneration in excess of the limits specified under the sub section (2A) of Section 217 of the Companies Act, 1956 and as such, particulars under the said Section are not enclosed.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Shri Anil Sachidanand, Director of the Company retires by rotation at the ensuing Annual General Meeting of the Company and eligible for re-appointment.

INVESTMENTS

Dewan Housing Finance Corporation Ltd (DHFL), a Housing Finance Company, which had promoted your company, had at its meeting held on 11th May, 2009 decided to make an investments in your company upto an amount not exceeding Rs. 100 lakhs and making your company as 100% subsidiary of DHFL.

Consequent to above, at the meeting of the Board of Directors of your Company held on 14th May, 2009, the Board had approved transfer of 50,000 equity shares of Rs. 10/- each from the names of the existing shareholders to the name of DHFL and its nominees, thereby your company became 100% subsidiary of DHFL.

INFUSION OF CAPITAL

Allotment of Equity Shares to DHFL

On your company becoming 100% subsidiary of Dewan Housing Finance Corporation Ltd (DHFL), DHFL has invested Rs. 95 lakhs in your company. The Board of Directors of your company at their meeting held on 14th May, 2009 had issued and allotted 9,50,000 equity shares of Rs. 10/- to DHFL aggregating to Rs. 95 Lakhs.

FUTURE PLANS:

Your Company aspires to be a major player in the industry and hence would be launching its services in the commercial segment, advisory and research based services to the developers in addition to strengthening its presence in the residential segment

While your company would have a larger presence in Mumbai, Bangalore, Chennai, Delhi and Kolkata, it also has plans to spread its wings to 24 new locations in the year 2010-2011

Your company is also geared up to launch new products / services based on market opportunities.

FIXED DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 58-A of the Companies Act, 1956 and the rules made there under, from the public during the year under review.

AUDITORS

The term of M/s Thar & Co., Chartered Accountants, Mumbai, Statutory Auditor of the Company, expires at the conclusion of this Annual General Meeting and they have intimated to the Company of their unwillingness to continue as Auditors of the company.

The company has received consent letter from M/s. B. M. Chaturvedi & Company, Chartered Accountants, Mumbai bearing ICAI Membership no. 17607 expressing their willingness to be the Statutory Auditors of the

Company. M/s. B. M. Chaturvedi & Company, Chartered Accountants, have given the certificate to the effect that the appointment, if made will be within the prescribed limits specified under Section 224(1B) of the Companies Act, 1956. Therefore, a resolution proposing their appointment will be placed before the members of their consideration at the thirteenth Annual General Meeting.

NOTES TO ACCOUNTS

Observations made by the Auditors in their Report have been fully clarified in the relevant notes forming part of the accounts and are self-explanatory.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The particulars of conservation of energy and Technology Absorption as required under Section 217(1) (e) of the Companies Act, 1956 have not been given, as your Company is not a manufacturing Company.

There was neither foreign exchange earning nor outflow during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform that the audited accounts containing the Financial Statements for the year ended 31st March, 2010 are in conformity with 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.

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

- (a) in the preparation of accounts, the applicable accounting standards have been followed;
- (b) they had 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 at the end of financial year and of the profit and loss of the Company for the year;
- (c) they had 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;
- (d) they had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Notwithstanding the fact that the Company is an unlisted Company, the Company had endeavoured its best to meet its obligations to the shareholders, Government authorities, employees, lenders and the Society.

COMPLIANCE CERTIFICATE

Pursuant to section 383A of the Companies Act, 1956, every company having Paid-up share capital of Rs. 5 crore and above shall have a whole-time secretary of the Company or where the paid-up share capital is Rs. 10 lakhs and above, then such company shall file with the Registrar, a certificate from a secretary in whole-time practice certifying that the Company has complied with all the provisions of the Companies Act, 1956.

Your Company's Paid-up share capital as on 31st March, 2010 is Rs. 1 Crore, However the company has obtained Compliance Certificate from Ms. Ami Shah, Practicing Company Secretary, certifying that the Company has duly complied with relevant provisions of the Companies Act, 1956 and the same is annexed herewith as a part of the Directors' Report.

ACKNOWLEDGEMENT:

Your Directors would like to place on record their appreciation and valuable cooperation extended by the DHFL, bankers, shareholders, borrowers and depositors for their support during the year and look forward to their committed support.

Further your Directors would like to place on record their appreciation and valuable cooperation extended by the employees at all the levels, who through their competence, hard work, solidarity, cooperative support and commitment have enabled the Company to achieve better performance.

For and on behalf of the Board,

Kapil Wadhawan

Director

REGISTERED OFFICE:

Madhava, Bandra Kurla Complex,
Bandra (East) Mumbai - 400 051.

Place : Mumbai

Date : 11th May, 2010

AUDITORS' REPORT

To The Members of DHFL PROPERTY SERVICES LIMITED,

1. We have audited the attached Balance Sheet of **DHFL Property Services Limited** as at **31st March, 2010** and also the Profit and 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 this financial statement based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An 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 management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to 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 appears from our examination of such books;
 - c) the Balance Sheet and the Profit and Loss Account dealt with in this report are in agreement with the books of accounts;
 - d) the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of the written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
 - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For **Thar & Co.**
Chartered Accountants
(Registration No. 110958W)

Jayesh R. Thar
Proprietor
Membership No. 032917

Place : Mumbai
Date : 11th May, 2010

**Annexure to the Auditor's Report Referred to in Paragraph-3 of our report of even date.
Re: DHFL Property Services Limited**

1. (a) The Company has maintained proper record showing full particulars including quantitative details and situation of fixed assets.
(b) As per the information and explanations given to us, the fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancy has been noticed on such verification.
(c) The Company has not disposed off substantial part of fixed assets during the year and hence the going concern assumption is not affected.
2. The Company does not have any inventory and therefore the provision of clause 4(ii) of Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
3. The Company has not granted or taken any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained u/s. 301 of the Companies Act, 1956. Accordingly clauses 4 (iii) (b), (c) and (d) of Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there exists adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of the audit, we have not come across any continuing failure to correct any major weaknesses in the internal control system.
5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and having regard to our comments in paragraph (4) above and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at price which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
6. According to the information and explanations given to us, the Company has not accepted deposits in terms of provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
7. According to the information and explanations given to us by the management, the Company has an internal audit system commensurate with the size and nature of its business.
8. To the best of our knowledge and belief and as informed to us, the Central Government has not prescribed maintenance of Cost records in relation to the activities of the Company under Section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us by the management and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, and other material statutory dues applicable to it. There were no dues on account of cess under Section 441A of the Companies Act, 1956, since the Central Government has not notified the date of the commencement of the section.

- (b) According to the information and explanations given to us by the management, there are no arrears of undisputed amount payable in respect to Provident Fund, Employee's State Insurance, Income Tax, Wealth Tax, Service Tax, and other material statutory dues which are outstanding as on 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us by management, there are no dues of Income tax, Wealth Tax, Service Tax, and Sales tax and any other material statutory dues, which have not been deposited on account of any dispute.
10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not made any default in repayment of dues to bank. The Company has not borrowed any sums through debentures.
12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund / society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealer or trader in securities. It has only invested in units of Mutual Funds for which proper records have been maintained and timely entries have been made therein. The said investments are held in Company's own name except as permissible under Section 49 of the Companies Act, 1956.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or any financial institutions.
16. In our opinion and according to the information and explanations given to us and on the basis of books and records as produced and examined by us, the Company has not obtained any term loan during the year.
17. According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long-term investment.
18. During the year, the Company has made preferential allotment of shares to a party covered in the register maintained under Section 301 of the Act. As per the information and explanations given to us, the price at which shares have been issued is not prejudicial to the interest of the Company.
19. The Company has not issued any debentures hence clause 4 (xix) of the Order is not applicable to the Company.
20. According to the information and explanations given to us, the Company has not raised any money from public issue during the year.
21. Based on the audit procedure performed and the representation obtained from the management, no case of fraud on or by the Company has been noticed or reported during the year under audit.

For **Thar & Co.**
Chartered Accountants
(Registration No. 110958W)

Jayesh R. Thar
Proprietor
Membership No. 032917

Place : Mumbai
Date : 11th May, 2010

Balance Sheet as at 31st March, 2010

(Amount in Rupees)

	Schedule	As at 31.03.2010		As at 31.03.2009	
SOURCES OF FUNDS:					
Shareholders Fund					
Share Capital	A	10,000,000		500,000	
Reserves & Surplus	B	2,155,873	12,155,873	360,677	860,677
Deffered Tax Liability	C		122,304		5,762
Total			12,278,177	866,439	
APPLICATION OF FUNDS:					
Fixed Assets:					
Gross Block	D	2,627,703		475,000	
Less : Depreciation		499,653		369,090	
Net Block			2,128,050		105,910
Investment	E		8,635,494		-
Current Assets, Loans & Advances	F	62,529,718		860,669	
Less : Current Liabilities & Provisions	G	61,015,085		100,140	
Net Current Assets			1,514,633		760,529
Total			12,278,177	866,439	
Balance Sheet Abstract & Company Profile	L				
Significant Accounting Policies & Notes to Accounts	M				

Schedules referred herein above and annexed hereto form part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For THAR & Co.
Chartered Accountants

Kapil Wadhawan
Director

Anil Sachidanand
Director

JAYESH THAR
M. No. 032917

B.K.Madhur
C.E.O

Place : Mumbai
Date : 11th May 2010

Profit And Loss Account For The Year Ended 31st March, 2010

(Amount in Rupees)

	Schedule	Year ended 31.03.2009	Year ended 31.03.2008
INCOME:			
Income from Operations	H	73,155,488	251,000
Total		<u>73,155,488</u>	<u>251,000</u>
EXPENDITURE:			
Payments to and Provisions for Employees	I	14,931,557	-
Operational & Other Expenses	J	55,856,630	37,357
Depreciation		130,563	60,696
Total		<u>70,918,750</u>	<u>98,053</u>
Profit Before Tax		2,236,738	152,947
Less : Provision for Taxation		441,542	78,402
Profit After Tax		1,795,196	74,545
Add : Balance B/F from previous year		360,677	286,132
Profit Available for Appropriation		<u>2,155,873</u>	<u>360,677</u>
Appropriations:			
Balance carried to Balance Sheet		2,155,873	360,677
Total		<u>2,155,873</u>	<u>360,677</u>
Earnings Per Share (Basic) (Rs.)	K	2.03	1.49
Balance Sheet Abstract & Company Profile	L		
Significant Accounting Policies & Notes to Accounts	M		

Schedules referred herein above and annexed hereto form part of the Profit & Loss Account. This is the Profit & Loss Account referred to in our report of even date.

For THAR & Co.
Chartered Accountants

Kapil Wadhawan
Director

Anil Sachidanand
Director

JAYESH THAR
M. No. 032917

B.K.Madhur
C.E.O

Place : Mumbai
Date : 11th May 2010

Cash Flow Statement for The Year Ended 31st March, 2010

(Amount in Rupees)

	Year ended 31.03.2010		Year ended 31.03.2009	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		2,236,738		152,947
Adjustments for:				
Depreciation		130,563		60,696
Other Income	(956,628)	(826,065)	-	60,696
Operating Profit before Working capital changes		1,410,673		213,643
Adjustments for:				
(Increase)/ Decrease in Current Assets	(59,212,970)		85,561	
Increase/ (Decrease) in Current Liabilities	60,589,945		17,500	
Working Capital changes		1,376,975		103,061
Cash generated from operations during the year		2,787,648		316,704
Tax paid		667,100		2,089
Net Cash Flow From Operating Activities (A)		3,454,748		318,793
B. CASH FLOW FROM INVESTING ACTIVITIES				
Income from Investments		956,628		-
(Increase)/ Decrease in Investments	(8,635,494)			-
Net Addition to Fixed Assets	(2,152,703)	(9,831,569)		-
Net Cash used in Investing Activities (B)		(9,831,569)		-
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Equity shares	9,500,000	9,500,000		-
Net Cash used from Financing Activities (C)		9,500,000		-
Net Increase in Cash Equivalents (A+B+C)		3,123,179		318,793
Cash and Cash Equivalents at the beginning of the year		599,580		280,787
Cash and Cash Equivalents at the close of the year		3,722,759		599,580

Negative Figure (-) represents Cash Outflow. This is the Cash Flow referred to in our report of even date

For THAR & Co.
Chartered Accountants

Kapil Wadhawan
Director

Anil Sachidanand
Director

JAYESH THAR
M. No. 032917

B.K.Madhur
C.E.O

Place : Mumbai
Date : 11th May 2010

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Amount in Rupees)

	As at 31.03.2010	As at 31.03.2009
'A' - SHARE CAPITAL		
Authorised:		
50,00,000 (50,00,000) Equity Shares of Rs.10/- each	50,00,000	50,00,000
Total	50,00,000	50,00,000
Issued:		
10,00,000 (50,000) Equity Shares of Rs.10/- each	10,00,000	500,000
Total	10,00,000	500,000
Subscribed and paid up:		
10,00,000 (50,000) Equity Shares of Rs.10/- each	10,00,000	500,000
Total	10,00,000	500,000
'B' - RESERVES & SURPLUS		
Balance in Profit & Loss Account	2,155,873	360,677
Total	2,155,873	360,677
'C' - NET DEFERRED TAX LIABILITIES / (ASSETS)		
Deferred Tax Liability		
On Account of Depreciation	122,304	5,762
Net Deferred Tax Liability / (Asset)	122,304	5,762

'D' - FIXED ASSETS

(Amount in Rupees)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2009	Additions	Deductions / Sale	As on 31.03.2010	As on 01.04.2009	For the year	on Deductions	Upto 31.03.2010	As on 31.03.2010	As on 31.03.2009
Tangible:										
Furniture & Fixture	165,000	604,902	-	769,902	63,019	23,668	-	86,687	683,215	101,981
Office Equipments	-	64,183	-	64,183	-	1,606	-	1,606	62,577	-
Vehicles	-	818,741	-	818,741	-	51,143	-	51,143	767,598	-
Computer (Hardware)	310,000	664,877	-	974,877	306,071	54,146	-	360,217	614,660	3,929
Fixed Assets	475,000	2,152,703	-	2,627,703	369,090	130,563	-	499,653	2,128,050	105,910
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
TOTAL	475,000	2,152,703	-	2,627,703	369,090	130,563	-	499,653	2,128,050	105,910
Previous Year	475,000	-	-	475,000	308,394	60,696	-	369,090	105,910	

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Amount in Rupees)

	No.	Face Value (Rs.)	As at 31.03.2010	As at 31.03.2009	
'E' - INVESTMENTS					
INVESTMENTS (At Cost)					
Mutual Funds					
1	Birla Sunlife Frontline Equity Fund	110,963.16	-	2,500,000	-
2	LICMF Savings Plus Fund	83,765.18	-	837,652	-
3	Reliance Money Manager Fund	179.96	-	180,167	-
4	Reliance Growth Fund	47,069.72	-	2,617,675	-
5	Sundaram BNP Paribas Select Midcap	140,427.35	-	2,500,000	-
Investment in Mutual Funds			8,635,494	-	-
Total Investments			8,635,494	-	-
Less : Provision for diminution in the value of investment			-	-	-
Net Investments			8,635,494	-	-

	As at 31.03.2010		As at 31.03.2009	
'F' - CURRENT ASSETS, LOANS & ADVANCES:				
Current Assets:				
Sundry Debtors				
(Secured, Considered Good)				
Outstanding for more than six months				
	-	-	-	-
	47,803,467	47,803,467	251,000	251,000
Others				
Cash & Bank Balance:				
Cash on hand				
	162,182		139,286	
Cash at Bank:				
With Scheduled Banks; in Current Account				
	3,560,577	3,722,759	460,294	599,580
Loans & Advances:				
Advance and other amounts recoverable in cash or in kind or for value to be received				
	803,492		10,089	
Deposits				
	10,200,000	11,003,492	-	10,089
Total		62,529,718		860,669

	As at 31.03.2010		As at 31.03.2009	
'G' - CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Other Liabilities				
	6,323,626		-	
Sundry Creditors:				
: Micro, Small & Medium Enterprises				
	-		-	
: Others				
	54,366,459	60,690,085	27,500	27,500
Provisions				
For Taxation				
	325,000	325,000	72,640	72,640
Total		61,015,085		100,140

Schedules Annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2010

(Amount in Rupees)

	Year ended 31.03.2010	Year ended 31.03.2009
'H'-INCOME FROM OPERATION		
Property Advisory Services	36,079,163	-
Technical Consultancy Services	36,119,697	251,000
Other Income	956,628	-
Total	73,155,488	251,000

	Year ended 31.03.2010	Year ended 31.03.2009
'I' - PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries and Bonus	14,638,256	-
Staff Welfare Expenses	63,258	-
Contribution to Provident Fund & Other Funds	230,043	-
Total	14,931,557	-

	Year ended 31.03.2010	Year ended 31.03.2009
'J' - OPERATIONAL & OTHER EXPENSES		
Rent	12,000	13,463
Rates & Taxes	50,757	5,500
Conveyance & Motor Car Expenses	659,978	-
Travelling Expenses	1,553,798	-
Printing & Stationery	48,902	-
Advertisement & Business Promotion	1,065,949	-
Legal & Professional Charges	730,026	-
Management Service Charges	51,000,000	-
Postage, Telephone & Telegram	181,321	-
General Repairs & Maintenance	209,181	-
Bank Charges	51,779	864
Brokerage	27,000	-
Expenses under Miscellaneous Heads	265,939	17,530
Total	55,856,630	37,357

	Year ended 31.03.2010	Year ended 31.03.2009
'K'- EARNING PER SHARE		
Net Profit Attributable to Equity Shareholders		
Profit after tax	1,795,196	74,545
Net Profit attributable to Equity Shareholders	1,795,196	74,545
Equity shares (Number)	1,000,000	50,000
Weighted Average Equity Shares (Number)	885,479	50,000
Nominal value of Equity Shares (Rs.)	10	10
Earning Per Share (Basic) (Rs.):	2.03	1.49

Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

'L' - BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

I. Registration Details

Registration No. State Code Balance Sheet Date

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

Bonus Issue

Rights Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Thousands)

Total Liabilities

Source of Funds

Paid up Capital

Secured Loans

Application of Funds

Net fixed Assets

Net Current Assets

Accumulated Losses

Total Assets

Reserves & Surplus

Unsecured Loans

Investments

Deferred Tax Assets (Liability)

Housing Loans & Other Loans

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

Profit/Loss before tax

Earnings per Share (in Rs.)

Total Expenditure

Profit/Loss after tax

Dividend Rate %

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Product Description

Item Code No.

Schedule Forming Part of Accounts for The Year Ended 31st March,2010.

SCHEDULE 'M': NOTES TO ACCOUNTS

A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:-

1. Basis of preparation

- (a) The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention on an accrual basis and comply in all material respects with the mandatory Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous period.
- (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, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

2. Fixed assets and depreciation

Fixed assets are capitalised at cost inclusive of expenses incidental thereto. Depreciation on fixed assets has been provided on straight-line method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

3. Revenue recognition

Revenue for services performed is recognised on accrual basis.

Dividend Income on Investments is recognised on receipt basis.

4. Investments

Investments in mutual funds are in the nature of current Investments and are valued at cost as per Accounting Standard (AS 13) on "Accounting for Investments". There is no diminution in the value of investments.

5. Income taxes

- (i) Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.
- (iii) At each balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

6. Segment reporting policies

The main business of the Company is providing Property Advisory Services and all other related activities revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS - 17) on "Segment Reporting".

7. Earnings per share

Basic earnings per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding during the period. The average number of equity shares outstanding during the period is adjusted for event of fresh issue of shares.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

8. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the current accounting period 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".

9. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

10. Employee Retirement Benefits

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

B. Other Notes:-

1. Related party disclosure

- A. List of related parties with whom transactions have taken place during the current accounting period and relationship:

Holding Company

Dewan Housing Finance Corporation Limited.

B. Transactions with related party	31-Mar-2010 (Rs.)	31-Mar-2009 (Rs.)
Equity subscription	9,500,000	-
Reimbursement of expenses payable	8,454,458	-
Management service charges payable	51,000,000	-
Rent paid	12,000	-

C. Key management personnel

Name	Designation
Kapil Wadhawan	Director
Anil Sachidanand	Director
B.K.Madhur	C.E.O

2. Remuneration to Auditors	31-Mar-2010 (Rs.)	31-Mar-2009 (Rs.)
a. Audit fees	125,000	17,500
b. Taxation matters	25,000	-
c. Management consultancy	-	-
d. Other services	-	-
	<u>150,000</u>	<u>17,500</u>

3. Managerial Remuneration	31-Mar-2010 (Rs.)	31-Mar-2009 (Rs.)
a. Remuneration to Directors	-	-
b. Commission to Directors	-	-
c. Sitting fees	-	-
	<u>-</u>	<u>-</u>

4. Capital commitments	31-Mar-2010 (Rs.)	31-Mar-2009 (Rs.)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits).	NIL	NIL

5. Contingent Liabilities not provided for	31-Mar-2010 (Rs.)	31-Mar-2009 (Rs.)
a. Claims against the company not acknowledged as debts and disputed by the Company.	NIL	NIL
b. Guarantees provided by the bank	NIL	NIL
c. Letter of credits provided by the bank	NIL	NIL

SCHEDULE 'M': NOTES TO ACCOUNTS

6. Supplementary statutory information	31-Mar-2010 (Rs.)	31-Mar-2009 (Rs.)
i) Earnings in foreign currency	NIL	NIL
ii) Expenditure in foreign currency	NIL	NIL
- Professional fee		
- Other matters		
iii) Value of imports calculated on CIF basis		
- Capital goods	NIL	NIL
- Construction materials and other expenses	NIL	NIL

7. Licensed capacity, installed capacity, etc.

With regard to clause 3(ii) of Part II of Schedule VI to the Companies Act, 1956, the Company is of the view that in respect of its operations, the Company does not fall under the category of clause 3(ii)(a) "Manufacturing Company" or clause 3(ii)(b) "Trading Company" or clause 3(ii)(c) "Company rendering or supplying services", but falls under the category of "Other Companies" as given in clause 3(ii)(e). As such, quantitative data for opening stock, purchases and closing stock have not been given.

8. In the opinion of the management, the current assets and loans and advances are not less than as stated, if realized in the ordinary course of business.

9. Earning per share has been computed as under:	31-Mar-2010 (Rs.)	31-Mar-2009 (Rs.)
(a) Net profit after tax as per profit and loss account	1,795,196	74,545
(b) MAT Credit entitlement and excess provision for tax	-	-
(c) Net Profit attributable to Equity Shareholders	1,795,196	74,545
(d) Number of shares used in computing earnings per share		
Basic-Weighted Average	Nos. 8,85,479	50,000
Diluted	Nos. 8,85,479	50,000
(e) Basic Earning per share	2.03	1.49
(f) Diluted Earning per share	2.03	1.49
(g) Nominal value per equity share is Rs. 10/-		

10. During the year Dewan Housing Finance Corporation Ltd. [DHFL] has acquired 9,50,000 number of equity shares from the Company and balance 50,000 shares from other persons thereby making the Company a 100% subsidiary of DHFL.

11. Micro, Small and Medium Enterprises

Micro, Small and Medium Enterprise under Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

	31-Mar-2010 (Rs.)	31-Mar-2009 (Rs.)
i) Principal amount remaining unpaid on 31st March, 2010.	NIL	NIL
ii) Interest due thereon as on 31st March, 2010.	NIL	NIL
iii) Interest paid by the company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	NIL	NIL
iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
v) Interest accrued and remaining unpaid as at 31st March, 2010.	NIL	NIL
vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	NIL	NIL

12. The income tax assessments upto assessment year 2007-08 is completed.

13. Figures for the previous accounting period have been regrouped, rearranged, restated and reclassified wherever necessary. Accordingly, amounts and other disclosure for the previous accounting period are included as an integral part of the current accounting period financial statement and are to be read in relation to the amounts and other disclosures relating to the current accounting period.

Signatures to schedule A to M
For and on behalf of the Board of Directors

For THAR & Co.
Chartered Accountants

Kapil Wadhawan
Director

Anil Sachidanand
Director

JAYESH THAR
M. No. 032917

B.K.Madhur
C.E.O

Place : Mumbai
Date : 11th May 2010





DHFL Consolidated Accounts

Auditors' Report On Consolidated Financial Statement

To the Board of Directors
Dewan Housing Finance Corporation Limited.

We have audited the attached consolidated Balance Sheet of **Dewan Housing Finance Corporation Limited**, and its Subsidiaries (DHFL Group) as at **31st March 2010**, and also consolidated Profit and Loss and the consolidated 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 conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.

We did not audit the financial statements of DHFL Property Services Ltd., a subsidiary company whose financial statements reflect total assets of Rs. 122.78 lacs as at 31st March, 2010, total revenue of Rs. 731.55 lacs and cash flows amounting to Rs. 31.23 lacs for the year then ended. These financial statements have been audited by other auditor whose reports have been furnished to us, and our opinion is based solely on the report of other auditor.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

Based on our audit as aforesaid, and on consideration of reports of other auditor on the separate financial statements and on the other financial information of the subsidiary and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the DHFL Group and its subsidiaries as at 31st March, 2010.
- b) In the case of consolidated Profit & Loss Account, of the profit of the DHFL Group for the year ended on that date; and
- c) In the case of consolidated Cash Flow Statement, of the cash flows of the DHFL Group for the year ended on that date.

For **B.M. CHATURVEDI & Co.**
Chartered Accountants
(Registration No. 114317W)

B.M. Chaturvedi
ICAI. M. No. 17607

Place : Mumbai
Date : 12th May, 2010

Consolidated Balance Sheet as at 31st March, 2010

(Rs. In Lacs)

	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS:			
Shareholders Funds			
Share Capital	A	8,502.65	6,352.30
Reserves & Surplus	B	80,189.02	40,562.92
Share Application Money		-	5,600.00
		88,691.67	52,515.22
Minority Interest		2,875.29	2,031.44
Loan Funds			
Secured Loans	C	903,032.54	603,989.13
Unsecured Loans	D	27,514.72	13,617.83
		930,547.26	617,606.96
Deferred Tax Liability	E	386.63	436.92
Total		<u>1,022,500.85</u>	<u>672,590.54</u>
APPLICATION OF FUNDS:			
Fixed Assets:			
Gross Block	F	23,149.18	6,272.39
Less: Depreciation		1,388.03	1,200.29
Net Block		21,761.15	5,072.10
Housing & Other Loans	G	918,131.20	613,584.88
Investment	H	11,485.43	9,458.68
Current Assets, Loans & Advances	I	85,493.90	56,464.27
Less: Current Liabilities & Provisions	J	14,370.83	11,989.39
Net Current Assets		71,123.07	44,474.88
Total		<u>1,022,500.85</u>	<u>672,590.54</u>
Significant Accounting Policies & Notes to Accounts	P		

Schedules referred herein above and annexed hereto form part of the Balance Sheet. This is the Balance Sheet referred to in our report of even date

For **B. M. Chatruvedi & Co.**
Chartered Accountants

(B. M. Chaturvedi)
ICAI M. No. 17607

Kapil Wadhawan
Chairman & Managing Director

S. Y. Sankhe
Company Secretary

R. S. Hugar
G. P. Kohli
Anthony Hambro
V. K. Chopra
Dr. P. S. Pasricha
(Directors)

Place : Mumbai
Date : 12th May, 2010

Consolidated Profit and Loss Account for year ended 31st March, 2010

(Rs. In Lacs)

	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
INCOME:			
Income from Operations	K	104,112.21	73,263.86
Other Income		208.75	189.29
Total		104,320.96	73,453.15
EXPENDITURE:			
Interest & Other Charges	L	70,063.05	52,217.11
Payment to and Provisions for Employees	M	4,374.24	2,895.20
Operational & Other Expenses	N	7,285.23	4,247.22
Provision for contingencies	J	885.66	611.92
Bad debts written off		181.40	211.55
Less: Provision for Contingencies used for Bad debts		98.34	160.11
Less: Transfer from Contingency Reserves	I	8.39	30.12
Depreciation		306.73	264.79
Total		82,989.58	60,257.56
Profit Before Tax		21,331.38	13,195.59
Less: Provision for Taxation		5,491.49	3,490.36
Profit After Tax		15,839.89	9,705.23
Less: Prior Period Adjustment		-	544.66
Add: Balance B/F from previous year		2,218.01	1,856.56
Less: Minority Share in profit		342.26	164.86
Profit Available for Appropriation		17,715.65	10,852.28
Appropriations:			
Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961		3,740.00	2,176.88
Transfer to General Reserve		7,590.00	4,575.00
Proposed Equity dividend		2,530.40	1,583.88
Preference dividend		3.00	6.91
Dividend for earlier year		534.06	-
Interim Dividend Paid on Equity Share		44.40	-
Interim Dividend Paid on Preference Share		-	3.19
Tax On Dividend		546.36	288.40
Balance carried to Balance Sheet		2,727.43	2,218.02
Total		17,715.65	10,852.28
Earnings Per Share (Rs.)			
Basic	○	20.35	15.75
Diluted		20.11	15.75
Significant Accounting Policies & Notes to Accounts	P		

Schedules referred herein above and annexed hereto form part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date

For **B. M. Chatruvedi & Co.**
Chartered Accountants

(B. M. Chaturvedi)
ICAI M. No. 17607

Kapil Wadhawan
Chairman & Managing Director

S. Y. Sankhe
Company Secretary

R. S. Hugar
G. P. Kohli
Anthony Hambro
V. K. Chopra
Dr. P. S. Pasricha
(Directors)

Place : Mumbai
Date : 12th May, 2010

Consolidated Cash Flow Statement for the year ended 31st March, 2010

(Rs. In Lacs)

	Year ended 31.03.2010		Year ended 31.03.2009	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		20,861.49		13,141.17
Adjustments for:				
Depreciation		306.74		264.79
Employees Stock Option Expenses		195.91		-
Provision for Gratuity & Leave Encashment		140.97		202.66
Loss on sale of assets		48.76		14.69
Provision for contingencies		885.66		611.92
Other Operational Treasury Income		<u>(2,656.93)</u>	<u>(1,078.89)</u>	<u>(865.10)</u>
Operating profit before working capital changes		19,782.60		12,276.07
Adjustments for:				
Current Assets		(2,602.23)		(2,088.45)
Current Liabilities		903.36		1,943.65
Working capital changes		<u>(1,698.87)</u>		<u>(144.80)</u>
Cash generated from operations during the year		18,083.73		12,131.27
Tax Paid		<u>(5,752.35)</u>		<u>(3,400.24)</u>
Net Cash Flow from Operating activities [A]		<u>12,331.38</u>		<u>8,731.03</u>
B. CASH FLOW FROM INVESTING ACTIVITIES				
Net Income from Treasury Investment - MF		1,713.38		1,956.05
Net Income from Treasury Investment - Others		943.54		-
Net Addition to investments		<u>(2,057.60)</u>		<u>(674.95)</u>
Addition to investments in Subsidiary		<u>(798.40)</u>		-
Prior Period Adjustment		-		(544.66)
Net Addition to fixed assets		<u>(17,043.49)</u>		<u>(669.05)</u>
Net cash used in investing activities [B]		<u>(17,242.57)</u>		<u>67.39</u>
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Equity Shares		2,645.35		-
Premium on Issue of Equity Shares		28,846.21		-
Share Application Money		<u>(5,600.00)</u>		5,600.00
Loans received from Banks/Institutions		340,431.60		189,153.00
Refinance loans received from NHB		78,000.00		69,000.00
Proceeds from issue of NCD's		22,500.00		22,500.00
Proceeds from issue of CP		29,716.20		-
Inter Corporate Deposits received - Others		2,300.00		-
Fixed Deposits Received		<u>20,570.73</u>	519,410.09	<u>2,487.73</u>
Housing loan repayments		86,028.67		60,841.80
Other Loans repayments		<u>12,750.52</u>	98,779.19	<u>6,353.24</u>
Non-convertible Debentures Redeemed		<u>(6,738.32)</u>		<u>(15,755.87)</u>
CP Redeemed		<u>(29,716.20)</u>		-
Loans repaid to Banks/Institution		<u>(116,677.91)</u>		<u>(64,154.23)</u>
Refinance loans repaid/Prepaid to NHB		<u>(18,471.96)</u>		<u>(8,748.53)</u>
Preference Share Capital redeemed		-		(400.00)
Premium on Redemption of N. C. Pref. Shares		-		(3,600.00)
Inter Corporate Deposits paid - Others		<u>(2,300.00)</u>		-
Fixed Deposits repaid		<u>(6,673.85)</u>	(180,578.24)	<u>(2,747.40)</u>
Housing loan disbursed		<u>(386,971.91)</u>		<u>(228,430.16)</u>
Other Loans disbursed		<u>(16,353.59)</u>	(403,325.50)	<u>(5,445.53)</u>
Dividend & Distribution Tax on Dividend		<u>(2,507.21)</u>		<u>(762.87)</u>
Share Premium Utilised		<u>(360.00)</u>	<u>(2,867.21)</u>	<u>(856.50)</u>
Net cash from financing activities [C]		<u>31,418.33</u>		<u>25,034.68</u>

Consolidated Cash Flow Statement for the year ended 31st March, 2010

(Rs. In Lacs)

	Year ended 31.03.2010	Year ended 31.03.2009
Net increase in cash & cash equivalents [A+B+C]	26,507.14	33,833.10
Cash & cash equivalents at the beginning of the year	47,938.83	14,099.73
Cash & cash equivalents at the close of the year	74,445.97	47,932.83

*Negative figure (-) represents cash outflows. This is the Cash Flow Statement referred to in our report of even date

For **B. M. Chatruvedi & Co.**
Chartered Accountants

(B. M. Chaturvedi)
ICAI M. No. 17607

Kapil Wadhawan
Chairman & Managing Director

S. Y. Sankhe
Company Secretary

R. S. Hugar
G. P. Kohli
Anthony Hambro
V. K. Chopra
Dr. P. S. Pasricha
(Directors)

Place : Mumbai
Date : 12th May, 2010

Consolidated Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

(Rs. In Lacs)

	As at 31.03.2010	As at 31.03.2009
'A' - SHARE CAPITAL		
Authorised		
17,50,00,000 Equity Shares of Rs.10/- each	17,500.00	17,500.00
7,50,00,000 Preference Share of Rs.10/- each	7,500.00	7,500.00
Total	25,000.00	25,000.00
Issued		
8,27,55,243 (6,12,13,944) Equity Shares of Rs.10/- each	8,275.52	6,121.39
30,00,000 Redeemable 1% Non-Convertible Preference Share of Rs.10/- each	300.00	300.00
Total	8,575.52	6,421.39
Subscribed and paid up		
8,20,26,544 (6,05,22,975) Equity Shares of Rs.10/- each	8,202.65	6,052.30
30,00,000 Redeemable 1% Non-Convertible Preference Share of Rs.10/- each	300.00	300.00
Total	8,502.65	6,352.30
'B' - RESERVES & SURPLUS		
a) Capital Reserve		
Balance as per last Balance Sheet	130.60	122.49
b) Capital Redemption Reserve		
Balance as per last Balance Sheet	775.00	775.00
c) Share Premium		
Balance as per last Balance Sheet	13,455.98	17,912.48
Add: Received during the year	28,046.21	-
	41,502.19	17,912.48
Less: Utilised during the Year	360.00	4,456.50
	41,142.19	13,455.98
d) Contingency Reserve		
Balance as per last Balance Sheet	98.81	128.93
Less: Utilised during the year	98.81	30.12
	-	98.81
e) Contingency Reserve II		
Balance as per last Balance Sheet	-	0.16
Less: Transferred to Profit & Loss A/c	-	0.16
	-	-
f) General Reserve		
Balance as per last Balance Sheet	10,754.24	6,929.24
Add: Transferred from Profit & Loss A/c	7,590.00	4,575.00
	18,344.24	11,504.24
Less: Transfer to Contingency Provision	-	750.00
	18,344.24	10,754.24
g) Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961.		
Balance as per last Balance Sheet	13,138.29	10,961.51
Add: Transferred from Profit & Loss A/c	3,740.00	2,176.88
	16,878.29	13,138.39
h) Employees Stock Option Outstanding		
Net Charges for the Year	191.17	-
l) Balance in Profit & Loss Account		
	2,727.43	2,218.02
Total	80,189.02	40,562.93

Consolidated Schedules Annexed to and forming part of the
Balance Sheet as at 31st March, 2010

(Rs. In Lacs)

	As at 31.03.2010		As at 31.03.2009	
'C' - SECURED LOANS				
From National Housing Bank		168,699.22		105,343.85
From Scheduled Banks		661,808.35		439,681.68
From Financial Institutions		8,808.36		11,008.67
Non-Convertible Debentures		63,716.61		47,954.93
Total		903,032.54		603,989.13
'D' - UNSECURED LOANS				
Fixed Deposit		9,257.06		1,905.95
Cumulative Fixed Deposits		10,014.92		3,537.41
Other Deposits		138.24		79.44
Non-Convertible Debentures (Subordinated issue)		8,000.00		8,000.00
Interest accrued & due		104.50		95.03
Total		27,514.72		13,617.83
'E' - NET DEFERRED TAX LIABILITIES/(ASSETS)				
Deferred Tax Asset				
On Account of Provision for contingency	(768.38)		(523.35)	
On Account of Others	(1.49)	(769.87)	(0.36)	(523.71)
Deferred Tax Liability				
On Account of Depreciation	417.71		342.30	
On Account of Others	738.79	1,156.50	618.33	960.63
Net Deferred Tax Liability / (Assets)		386.63		436.92

Consolidated Schedules Annexed to and forming part of the Balance Sheet as at 31st March, 2010

'F' - FIXED ASSETS

(Rs. In Lacs)

Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2009	Addition	Deduction / Sale	As on 31.03.2010	As on 01.04.2009	for the year	Deduction	Upto 31.03.2010	As on 31.03.2010	As on 31.03.2009
Tangible:										
Building	3,056.72	0.28	0.86	3,056.14	217.89	45.42	-	263.31	2,792.83	2,838.83
Furniture & Fixture	990.29	253.09	41.52	1,201.86	234.85	66.79	25.42	276.22	925.64	755.44
Office Equipments	445.10	172.08	12.40	604.78	93.08	23.88	5.79	111.17	493.61	352.02
Vehides	251.74	84.33	74.84	261.23	53.01	20.88	28.46	45.43	215.80	198.73
Computer (Hardware)	1,065.50	232.24	65.16	1,232.58	599.34	145.31	59.32	685.33	547.25	466.16
Sub Total	5,809.35	742.02	194.78	6,356.59	1,198.17	302.28	118.99	1,381.46	4,975.13	4,611.18
Intangible:										
Computer (Software)	13.05	40.49	-	53.54	2.12	4.45	-	6.57	46.97	10.93
Fixed Assets	5,822.40	782.51	194.78	6,410.13	1,200.29	306.73	118.99	1,388.03	5,022.10	4,622.11
Capital Work in Progress	450.00	16,289.05	-	16,739.05	-	-	-	-	16,739.05	450.00
TOTAL	6,272.40	17,071.56	194.78	23,149.18	1,200.29	306.73	118.99	1,388.03	21,761.15	5,072.11
Previous Year	5,628.17	720.16	75.93	6,272.40	992.53	264.79	57.03	1,200.29	5,072.11	

	As at 31.03.2010	As at 31.03.2009
'G' - HOUSING & OTHER LOANS		
1) Housing Loans	865,503.94	565,890.07
2) Securitised Individual Housing Loans	-	503.43
3) Housing Loan under Joint Syndication Scheme	2,655.53	304.20
Less: Funded by Syndicate Partner	1,317.39	92.83
	<u>866,842.08</u>	<u>566,604.87</u>
4) Other Loans	51,289.12	46,980.01
Total	<u>918,131.20</u>	<u>613,584.88</u>

'H' - INVESTMENTS			
Equity Shares			
(a) Quoted		339.90	237.70
(b) Unquoted		2,319.25	1,940.00
Investment in Equity shares (a+b)	A	2,659.15	2,177.70
Investment in Mutual Funds / Venture Capital Funds	B	6,900.87	6,011.19
Investment in Bonds	C	2,104.68	1,418.20
Total Investments [A+B+C]		<u>11,664.70</u>	<u>9,607.09</u>
Less: Provision for diminution in the value of investment		179.27	148.41
Net Investments		<u>11,485.43</u>	<u>9,458.68</u>
Market Value of quoted investments		9,730.43	2,897.07

Consolidated Schedules Annexed to and forming part of the
Balance Sheet as at 31st March, 2010

(Rs. In Lacs)

	As at 31.03.2010		As at 31.03.2009	
'I' - CURRENT ASSETS, LOANS & ADVANCES				
Current Assets:				
Interest accrued but not due on investment		160.34		191.10
Sundry Debtors (Secured, Considered Good [PEMI])				
Outstanding for more than six months	699.61		194.76	
Others	268.34	967.95	235.11	429.87
Cash & Bank Balance:				
Cash on hand	145.10		109.54	
Cash at Bank:				
With Scheduled Banks:				
in Current Account	73,513.87		44,360.00	
in Reinvestment & Short Term Deposits	787.00	74,445.97	3,463.29	47,932.83
Loans & Advances:				
Instalments due from borrowers (EMI) (secured)	3,526.98		2,819.22	
Advance and other amounts recoverable in cash or in kind or for value to be received	5,776.62		4,622.73	
Inter Corporate Deposits	100.00		-	
Deposits	516.04	9,919.64	468.52	7,910.47
Total		85,493.90		56,464.27

'J' - CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Interest Accrued but not due	669.92		3,224.81	
Sundry Creditors & Other Liabilities	6,408.09		3,477.41	
Advance received	1,139.93		819.74	
Unclaimed Dividend	61.93	8,279.87	58.83	7,580.79
Provisions				
For Taxation (Net of Advance & TDS)	(704.02)		(478.90)	
For Proposed Dividend	2,574.61		1,590.79	
For Tax On Dividend	437.55	2,308.14	270.35	1,382.24
Provision for contingencies (including provision for diminution in Investment)				
As per last Balance sheet	3,174.77		1,972.79	
Add: Provision during the year	885.66		612.08	
Add: Additional Provision from General Reserve	-		750.00	
	4,060.43		3,334.87	
Less: Utilised During the year	98.34		160.11	
Balance Provision at the end of the year	3,962.09		3,174.76	
Less: Shown as diminution in Investment separately	179.27	3,782.82	148.41	3,026.35
Total		14,370.83		11,989.38

Consolidated Schedules Annexed to and forming part of the Profit and Loss Account for year ending 31st March, 2010

(Rs. In Lacs)

	Year ended 31.03.2010	Year ended 31.03.2009
'K' - INCOME FROM OPERATION		
Interest - Loans	91,580.30	68,036.17
Interest - Others	1,936.47	1,348.36
Income from Other Services	7,864.51	2,023.19
Other Operational Treasury Income	2,730.93	1,856.14
Total	104,112.21	73,263.86
'L' - INTEREST AND OTHER CHARGES		
On Loans	59,940.76	46,133.58
On Deposits	979.57	428.92
On Debentures	8,994.37	5,419.76
On Others	120.14	206.38
Finance Charges	28.21	28.47
Total	70,063.05	52,217.11
'M' - PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries and Bonus	3,786.26	2,613.22
Staff Welfare Expenses	377.96	149.34
Contribution to Provident Fund & Other Funds	210.02	132.64
Total	4,374.24	2,895.20
'N' - OPERATIONAL & OTHER EXPENSES		
Rent	463.93	347.03
Rates & Taxes	80.88	122.75
Conveyance & Motor Car Expenses	181.80	137.05
Travelling Expenses	210.32	151.06
Printing & Stationery	221.73	131.63
Advertisement & Business Promotion	2,073.79	1,059.35
Insurance	156.69	93.70
Legal & Professional Charges	1,176.94	663.46
Postage, Telephone & Telegram	433.24	304.05
General Repairs & Maintenance	204.49	165.06
Electricity Charges	176.64	106.49
Bank Charges	169.48	272.82
Directors Sitting Fees	10.91	13.75
Brokerage	63.64	34.01
Business Sourcing expenses	1,111.85	233.98
Loss On Sale of Impaired Assets	48.53	15.69
Commission to Directors	52.00	43.75
Credit Rating Charges	184.12	144.49
Expenses under Miscellaneous Heads	264.25	207.10
Total	7,285.23	4,247.22
'O' - EARNING PER SHARE		
Net Profit Attributable to Equity Shareholders		
Profit after tax	15,839.89	9,705.30
Less: Minority Interest	342.26	164.86
Less: Preference Share dividend	3.00	6.91
Less: Tax on above	0.51	1.18
Net Profit attributable to Equity Shareholders	<u>15,494.12</u>	<u>9,532.35</u>
Equity Shares (Number)	82,026,544	60,522,975
Weighted Average Equity Shares (Number)	76,147,743	60,522,975
Nominal value of Equity Shares (Rs.)	10.00	10.00
Earning Per Share (Rs.):		
Basic	20.35	15.75
Diluted	20.11	15.75

Schedule Annexed to and forming part of the Consolidated Accounts as at 31st March, 2010

SCHEDULE 'P': NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES: -

1. Basis of preparation of financial statements:

- a) The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 and Housing finance Companies, (NHB) Direction 2001. Accounting Standards (AS) referred to in the notes are as issued by the Institute of Chartered Accountants of India.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Holding Company.

2. Principles of consolidation:

The consolidated financial statements relate to Dewan Housing Finance Corporation Ltd. (The Holding Company) and its subsidiary companies; DHFL Vysya Housing Finance Ltd (DHFL-V) and DHFL Property Services Ltd. (DHFL-P). The Consolidated Financial Statements have been prepared on the following basis:

- a) The Financial Statements of the Holding Company and its subsidiary companies are combined on a line-by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and intra group transactions in accordance with Accounting Standard (AS) 21 and "Consolidated Financial Statements".
- b) The difference between cost on investment in the subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Capital Reserve.
- c) Minority interest's share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Holding Company.
- d) Minority interest's share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Holding Company's shareholders.
- e) In case of associates where the Holding Company directly or indirectly holds more than 20% of equity, Investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements".
- f) The Holding Company will account for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from the transactions between the Holding Company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associate's profit and loss account and through its reserves for the balance, based on the available information.
- g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate financial statements.

3. Interest on housing loans:

Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest is calculated each year on the outstanding balance at the beginning of the Holding 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.

4. 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 related financial charges are recognized as an expense in the period for which they are incurred as specified in Accounting Standard (AS 16) on "Borrowing Costs".

5. Revenue Recognition:

- a) The interest income (payment) is adjusted for gain (loss) on corresponding hedge contracts / interest swap derivatives, wherever executed.
- b) Interest on performing assets is recognized on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank.
- c) In case of Holding Company and Subsidiary Company, dividend income on investments and penal interest income on delayed EMI/PEMI are recognised on receipt basis.
- d) In case of a Subsidiary Company revenue for service performed is recognized on accrual basis.

6. Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the rates prevailing on the dates of the transactions. Monetary items denominated in foreign currency are stated at contracted rates as those are covered by forward contracts. Premium for forward contracts is recognized as expenditure over the life of the contract.

7. Provision for Contingencies:

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

8. Investments:

All Investments are stated at cost as per Accounting Standard (AS 13) on "Accounting for Investments" and the guidelines issued by the National Housing Bank. Investments in mutual funds and quoted shares, are in the nature of current Investments and full provisions for diminution in the value of said Investments is made.

9. Fixed Assets:

Fixed Assets are capitalised at cost inclusive of expenses incidental thereto. Depreciation on fixed assets is provided on straight-line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

10. Impairment of Assets:

An Asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account 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".

11. Intangible Assets:

Intangible Assets comprise of software and are stated at cost incurred on purchase and for bringing the same to its working condition and are amortised as per the provisions of the Companies Act, 1956.

12. Special Reserve:

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

13. Prepaid Expenses:

Financial expenses incurred during the year which provides benefit in several accounting years and brokerage paid on long term fixed deposits mobilised during the year 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 prorata basis in the future accounting years.

14. Employees Retirement Benefits:

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

15. Earnings per share:

The earnings per share has been computed as per Schedule "O" in accordance with Accounting Standard (AS-20) on, "Earnings per share" and is also shown in the profit & loss account.

16. Income Tax:

Income tax provision based on the present tax laws in respect of taxable income for the year and 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 profit and loss account. The cumulative effect thereof is shown in the Balance sheet. The deferred tax assets are recognised only if there is a reasonable certainty that the assets will be realised in future.

17. Housing and Other Loans :

Housing Loans include outstanding amount of Housing Loan disbursed directly or indirectly to individual and other borrowers. Other loans include mortgage loan, non residential property loan and loan against lease rental income from properties in accordance with directions of National Housing Bank (NHB). EMI due from borrowers against the housing loans are shown as current assets as loans and advances.

18. Securitised Assets:

Securitised Assets are derecognised in the books of the Holding Company based on the principle of transfer of ownership interest over the assets. Derecognition of securitised 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.

B. OTHER NOTES: -

1. The Subsidiary Companies considered in the consolidated financial statements are:

Name of the Subsidiaries	Proportion of Ownership Interest
DHFL Vysya Housing Finance Ltd.	58.20%
DHFL Property Services Ltd.	100.00%

2. During the year the Holding Company obtained approval of the shareholders at the Extra-Ordinary General Meeting held on 27th June, 2009, for placement of equity shares to Qualified Institutional Buyers (QIBs) and preferential issue of equity shares to the Promoters/Promoter Group. Accordingly the Committee of the Board of Directors has issued and allotted shares along with the equity shares under ESOS scheme as under:
 - a) On the 7th July, 2009, issued and allotted to QIBs 1,60,12,231 equity shares of Rs. 10/- each, at a price of Rs. 141/- per equity share (including a premium of Rs. 131/- per equity share), aggregating to Rs. 22,577.25 lacs.
 - b) On 16th July, 2009, issued and allotted to Promoters/Promoter Group 53,50,000 equity shares of Rs. 10/- each, at a price of Rs. 141/- per equity share (including a premium of Rs. 131/- per equity share), aggregating to Rs. 7,543.50 lacs.
 - c) During the year the Holding Company has allotted in aggregate 141,338 equity shares of Rs. 10/- each to various eligible employees under (ESOS 2008) at a price of Rs. 53.65 per equity share (including a premium of Rs. 43.65 per equity share) aggregating to Rs. 75.83 lacs as approved in the EOGM dated 31.03.2009.
3. During the year DHFL-V has allotted on preferential allotment basis 40,00,000 equity shares Rs.10/- fully paid up at issue price of Rs.30/- each on 28.11.2009 as approved by the members at the AGM held on 18th July 2009.
4. Non Convertible Debentures (NCD) of Holding Company amounting to Rs. 63,716.61 lacs (Rs. 47,954.93 lacs) are secured / to be secured by way of first charge as per note B-5 herein below and are redeemable at par, in one or more installments, on various dates with the earliest redemption being 05th June 2010 and the last being 15th September, 2019.

5. Secured term loans of Holding Company and DHFL-V from the National Housing Bank, other Banks, International Finance Corporation (IFC Washington), Asian Development Bank (ADB, Manila), Financial Institutions and Secured Non Convertible Debentures are secured/to be secured by way of first charge to and in favour of the participating banks, Institutions, National Housing Bank and Debenture Trustees jointly ranking pari passu inter-se, on the Holding Company's whole of the present and future book debts outstanding, investments including all the receivables of the Holding Company and Subsidiary Company and other movable assets wherever situated. They are further secured / to be secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties, to the Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by some of the present and earlier directors of the Company.
6. Term loans include cash credit received from banks, which are secured on pari passu basis with other term loans.
7. As certified by the management, loans given by the Holding Company and DHFL-V 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 are considered good.
8. Interest Income of Holding Company on loans includes income of Rs.49.71 lacs (Rs 158.95 lacs) being Income from Securitisation of certain housing loans.
9. On 10th December 2007, the Holding Company has allotted 30,00,000 Non Convertible Redeemable Preference Shares (NCRPS), of Rs. 10/- each at a premium of Rs. 90/- per share, aggregating to Rs. 3,000 lacs to an applicant, carrying dividend @ 1% per annum, and are redeemable at the end of 36 months from the date of allotment @ Rs. 136.00 per share. Holding Company has utilised the share premium account by providing prorata premium payable on above for the year.
10. As the National Housing Bank directives require all HFC's accepting public deposits to create a floating charge on the statutory liquid assets maintained in favour of the depositors through the mechanism of a trust deed, the Holding Company and DHFL-V have appointed a SEBI approved trustee company i.e. GDA Trustee and Consultancy Ltd. as trustee for the above by executing the trust deed. The Holding Company has created necessary required charge during the year whereas DHFL-V has executed the trust deed on 19.04.2010.
11. The Holding Company has securitised individual housing loans of Rs. 6,978.90 lacs in the year 2003-04 which consists of Class 'A' PTC of Rs. 6,153.39 lacs and Class 'B' PTC of Rs. 795.51 lacs, out of which Rs. 1,030.29 lacs Class 'A' PTC and Rs. 503.43 lacs of Class 'B' PTC was outstanding at the beginning of the year which were fully redeemed by payment to Class 'A' PTC and by reclassifying balance of Class 'B' PTC in housing loans.
12. The Non Performing Assets (NPA) of Holding Company consisting of the principal loans outstanding where payments of EMI / PEMI were in arrears for 90 days or more amounted to Rs.10,048.28 lacs (Rs. 8,560.64 lacs). As per the prudential norms prescribed by NHB, the Holding Company is required to carry a contingency provision of Rs. 1,911.01 lacs (Rs. 1,606.05 lacs) in respect of Non Performing Housing Loans, Non-Housing Standard Assets and Other loan Assets. Holding Company has also provided

SCHEDULE 'P': NOTES TO ACCOUNTS

for Rs. 125.51 lacs (Rs.125.51 lacs) in respect of diminution in the value of Investment. Holding Company has written off Rs. 98.34 lacs (Rs. 160.11 lacs) as bad debts and by way of one time settlement to recover some of its NPA and Loss Accounts. The Holding Company has withdrawn Rs. 98.34 lacs (Rs. 160.11 lacs) from contingency provisions created out of the profits of the earlier years. Holding Company has made, during the year, required provision of Rs. 850 lacs (Rs. 600 lacs) for contingencies at the end of the year in accordance with guidelines on Prudential Norms issued by National Housing Bank.(NHB). The amount of provision based on Non Performing Assets is as under :

(i) Housing Loans

(Rs. In Lacs)

Asset Classification	Outstanding As on 31.03.2010		Provision As on 31.03.2010
	Rs.	%	Rs.
Standard (considered good)	8,18,938.90	98.84	-
	(5,28,741.11)	(98.46)	(Nil)
Sub-standard Assets	7,519.51	0.91	775.86
	(6,268.79)	(1.17)	(626.05)
Doubtful Assets	2,102.90	0.25	895.58
	(1,975.87)	(0.37)	(766.12)
Loss Assets	Nil	-	Nil
	(Nil)	-	(Nil)
Sub-Total (i)	8,28,561.31	100.00	1,671.45
	(5,36,985.76)	(100.00)	(1,392.18)

(ii) Non Housing Loans

(Rs. In Lacs)

Asset Classification	Outstanding As on 31.03.2010		Provision As on 31.03.2010
	Rs.	%	Rs.
Standard (considered good)	46,852.95	99.10	187.41
	(43,360.73)	(99.28)	(173.44)
Sub-standard Assets	401.54	0.85	40.67
	(294.32)	(0.67)	(30.28)
Doubtful Assets	24.33	0.05	11.53
	(21.67)	(0.05)	(10.15)
Loss Assets	Nil	-	Nil
	(Nil)	-	(Nil)
Sub-Total (ii)	47,278.82	100.00	239.62
	(43,676.72)	(100.00)	(213.87)

Total (i) + (ii)	Rs.	%	Rs.
		8,75,840.13	100.00
	(5,80,662.48)	(100.00)	(1,606.05)

SCHEDULE 'P': NOTES TO ACCOUNTS

The Non Performing Assets of DHFL-V comprising of the principal loans outstanding including arrears of interest in respect of financing for housing and real estate projects where payments of EMI / PEMI were in arrears for 90 days or more amounted to Rs.375.73 lacs (Rs.383.15 lacs). As per the prudential norms prescribed by NHB, DHFL-V is required to carry a contingency provision of Rs.54.14 lacs (Rs.48.11 lacs) in respect of Non Performing Housing Loan Assets, Rs.15.88 lacs (Rs.17.11 lacs) in respect Non Housing Standard Assets and Rs.53.76 lacs (Rs.22.90 lacs) in respect of diminution in the value of Investment in Government Securities. DHFL-V has written off Rs.74.66 lacs (Rs.21.32 lacs) by way of one time settlement to recover some of its NPA Accounts. DHFL-V has made during the year required provision of Rs.35.66 lacs (Rs.11.92 lacs) for contingency in accordance with guidelines of Prudential Norms issued by National Housing Bank. The amount of provision based on performing and non-performing assets is given hereunder:

(i) Housing Loans

(In Rupees)

Asset Classification	Outstanding		Provision as on 31.03.2010
	as on 31.03.2010	%	
Standard (considered good)	379,45,59,766 (293,15,72,634)	99.13 (98.98)	Nil Nil
Sub-standard Assets	2,38,62,411 (2,39,27,233)	0.62 (0.81)	24,90,039 (23,92,723)
Doubtful Assets	96,54,661 (64,11,462)	0.25 (0.21)	25,17,923 (16,20,643)
Loss Assets	Nil (Nil)	- -	Nil (Nil)
Total Assets	382,80,76,838 (296,19,11,329)	100.00 (100.00)	50,07,962 (40,13,366)

(ii) Non Housing Loans

(In Rupees)

Asset Classification	Outstanding		Provision as on 31.03.2010
	as on 31.03.2010	%	
Standard (considered good)	39,69,73,908 (32,23,53,143)	98.99 (97.59)	15,87,896 (17,10,911)
Sub-standard Assets	40,56,353 (79,76,217)	1.01 (2.41)	4,05,635 (7,97,622)
Doubtful Assets	Nil (Nil)	- -	Nil (Nil)
Loss Assets	Nil (Nil)	- -	Nil (Nil)
Total Assets	40,10,30,261 (33,03,29,360)	100.00 (100.00)	19,93,531 (25,08,533)

(iii) Quoted Investments

(In Rupees)

Asset Classification	Outstanding		Provision as on 31.03.2010
	as on 31.03.2010	%	
Quoted Investments	7,81,09,099 (2,98,09,099)	100 (100.00)	53,75,860 (22,89,688)

13. During the year the Holding Company has acquired:
- i. 23,28,000 number of equity shares by subscribing to the preferential allotment of its subsidiary DHFL Vysya Housing Finance Ltd.
 - ii. 10,00,000 number of equity shares of DHFL Property Service Ltd., thereby making it a 100% subsidiary of the company.
 - iii. 30,05,000 number of equity shares of DHFL Venture Capital India Pvt. Ltd by way of purchase & subscription and 562,500 equity shares received as bonus shares.
14. Unsecured loans includes short term loans (Deposits and Non-convertible Debentures) due and payable within one year is Rs. 6,374.28 lacs (Rs. 2,013.51) in respect of the Holding Company and Rs.621.05 lacs(Rs. 425.19 lacs) in respect of DHFL-V.
15. During the year, the Holding Company has utilized Rs.360 lacs (Rs. 4,456.50 lacs) out of the Share Premium Account in accordance with section 78 of the Companies Act, 1956 towards the premium paid/payable on the redemption of the Non Convertible Redeemable Preference Shares of the Holding Company.
16. Other income of Holding Company includes Rent income of Rs.117.77 lacs (Rs 180.77 lacs), and Misc income of Rs.81.54 lacs (8.59 lacs). Other income of DHFL-P includes Income from mutual fund operations of Rs.0.86. lacs (Rs.NIL) and Dividend income of Rs. 7.82 lacs (Rs.NIL).
17. Other Operational Treasury Income of Holding Company includes:

(Rs. In Lacs)

Particulars	2009-10	2008-09
Income from mutual fund operation	561.39	1,878.15
Profit/(Loss) on sale of investments	832.62	(120.34)
Dividend Income	1,253.35	201.35
Total	2,647.36	1,959.16

During the year, the Holding Company has purchased shares of various companies, bonds and mutual fund units. The details of Purchase/Sales (including redemption of units) and Profit/ (Loss) thereon are as under:

Particulars	Shares		Bonds		Mutual Funds	
	Qty (In Lacs)	Amt (In Lacs)	Qty (Nos.)	Amt (In Lacs)	Qty (In Lacs)	Amt (In Lacs)
Opening Stock	270.33	3,839.93	390.00	1,125.16	164.23	6,011.19
Purchases	113.91	16,611.37	2,000.00	203.48	82,193.08	11,66,402.79
Sales	46.09	16,164.81	-	-	82,139.74	11,66,160.19
Closing Stock	338.15	5,119.78	2,390.00	1,328.64	217.57	6,814.52
Profit / (Loss)	-	833.28	-	-	-	560.73

During the year, DHFL-V has purchased 500,000 bonds amounting to Rs. 483.00 lacs.

18. Income from Other Services of Holding Company includes:

Particulars	(Rs. In Lacs)	
	2009-10	2008-09
Loan related Services	4,317.36	1,683.95
Property Advisory related Services	1,238.02	7.32
Insurance related Services	1,903.23	261.69
Total	7,458.61	1,952.96

19. As per Accounting Standard (AS-18) on "Related Party Disclosures" the details of transactions of 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) Associate Companies

- (a) DHFL Insurance Services Ltd.
- (b) DHFL Venture Capital Fund (Trust)
- (c) DHFL Venture Capital India Pvt. Ltd.
- (d) DHFL Venture Trustee Company Pvt. Ltd
- (e) Housing Development And Infrastructure Ltd.
- (f) Dish Hospitality Pvt. Ltd.
- (g) Wadhawan Holdings Pvt. Ltd.
- (h) Wadhawan Retail Pvt. Ltd.

2) Others

- (a) Shri Rakesh Kumar Wadhawan
- (b) Shri Sarang Wadhawan
- (c) Shri Dheeraj Wadhawan
- (d) Shri Rajesh Kumar Wadhawan Education Trust
- (e) Shri Rajesh Kumar Wadhawan DHFL Employees Welfare Trust
- (f) Smt. Aruna Wadhawan
- (g) Smt. Pooja Wadhawan

3) Key Management Personnel

- (a) Shri Kapil Wadhawan Chairman & Managing Director
- (b) Shri Anil Sachidanand Chief Executive Officer
- (c) Shri Rajeev Sathe Chief Operating Officer
- (e) Shri R Nambirajan MD In Subsidiary Company
- (f) Shri B.K.Madhur Chief Executive Officer In Subsidiary Co.

B) Transactions by Holding Company during the year with related parties: (Rs.in Lacs)

Nature of Transaction (excluding reimbursements)	Associate Companies		Key Management Personnel	Others
	2009-10	2008-09		
1) Investments				
Opening Balance	5007.30	4,351.96	-	-
Investment Made	379.25	1,200.00	-	-
Investment Redeemed	4.86	544.66	-	-
Closing Balance	5381.69	5,007.30	-	-
2) Equity / Warrants subscription				
Opening Balance	2809.00	-	964.00 (964.00)	1827.00 (NIL)
Subscription/Advance subscription Received	293.00	2809.00	446.00 (NIL)	1204.50 (1827.00)
Equity Shares Allotted (with Premium)	3102.00	-	1410.00 (NIL)	3031.50 (NIL)
Closing Balance	-	2809.00	-	-
	-	-	(964.00)	(1827.00)
3) Advances Recoverable In cash or kind				
Opening Balance	1.20	153.47	-	-
Advance during the year	4.35	1.20	-	-
Recovered during the year	-	153.47	-	-
Closing Balance	5.55	1.20	-	-
4) Current Liability				
Opening Balance	-	-	-	-
Advance received during the year	-	13100.00	-	-
Advance repaid during the year	-	13100.00	-	-
Closing Balance	-	-	-	-
5) Income				
Dividend	-	81.00	-	-
Interest	-	-	-	-
Rent	117.65	163.35	-	-
Other income	1311.78	544.66*	-	-
*(reversal of earlier year)				
5) Expenditure				
Remuneration	-	-	242.84 (173.36)	-
Interest	-	-	-	-
Rent, Rates & Taxes	57.59	51.28	-	-
Other Expenditures	12.79	3.54	-	-

B) (ii) Transactions by DHFL-V during the year with related parties: (Rs.in Lacs)

Particulars	Key Management Personnel		Others	
	2009-10	2008-09	2009-10	2008-09
EXPENDITURE:				
Remuneration to Mr.R Nambirajan	25.34	15.48	-	-
LIABILITIES:				
Fresh Share Capital subscribed including premium				
by Mr.Kapil Wadhawan	250.80	-	-	-
by Mr. Dheeraj Wadhawan	250.80	-	-	-

20. The Holding Company and DHFL-P's Income tax assessment has been completed up to the assessment year 2007-08. Additional demands have been raised by the departments on Holding Company which are pending in appeal. Holding Company has deposited the additional tax so demanded which is pending in appeals. No provision has been made as Holding Company has been advised that appeals will be allowed based on the similar case laws on the subject and there is no need to make any provision for the same and refunds are expected to be received in due course of time.
21. The Income Tax Appeal filed by the DHFL-V for Assessment Year 2005-06 against the I T demand of Rs.90.42 lacs pending before CIT (A) was dismissed during the year. DHFL-V preferred further Appeal before Income Tax Appellate Tribunal. The above amount of Rs.90.42 lacs deposited with Income Tax Department pending final outcome of the appeal is adjusted by utilizing Contingency Reserve - I during the year and has not affected profit for the year.
22. DHFL-V had received the fresh Assessment Order in respect of Assessment Year 2004-05 levying additional tax demand of Rs.21.92 lacs as directed U/s 263 of the I T Act 1961 and has filed Appeal before CIT (A). DHFL-V has been legally advised that the tax claim is untenable; hence no provision has been made. However, to avoid recovery action against DHFL-V by the I T Department, DHFL-V has, without prejudice, deposited a sum of Rs.21.92 lacs, which is included under other assets.
23. The Holding Company has derecognized Interest income on Non-Performing Assets as on 31st March, 2010 of Rs. 610.33 lacs (Rs. 404.49 lacs) and the DHFL-V has derecognised Rs.59.07 lacs (Rs. 45.74 lacs), in terms of the requirements of the National Housing Bank (NHB).
24. In case of Holding Company, Dividend includes Rs. 103.02 lacs (Rs 103.32 lacs) and Interest income includes Rs.NIL (Rs 54.42 lacs) received from DHFL-V. Interest payment of Holding Company includes Rs.40.21 lacs (Rs NIL) paid to DHFL-V.
25. Provision for Taxation of Holding Company includes Rs.5,193.58 lacs (Rs.3,226.12 lacs) as provision for the current year Tax and Rs. (-) 43.58 lacs (Rs. 6.13 lacs) for Deferred Tax liability for the year. In case of DHFL-V, Income Tax Assessments have been completed upto Assessment Year 2008-09. Provision for tax includes Rs .5.25 lacs (Rs. 7.14 lacs) relating to earlier year.
26. The main business of the Holding & Subsidiary Companies is to provide loans for the purchase or construction of residential houses and services related with this industry and all other activities revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) on "Segment Reporting", and under paragraph 25 (2) of the Housing Finance Companies (NHB) Directions 2001, which needs to be reported.
27. DHFL-V had received in 2004-05 from ING Vysya Bank a sum of Rs.175.21 lacs towards one time settlement of certain identified accounts listed under Share Purchase Agreement [SPA] which was credited to Contingency Reserve I Account. DHFL-V has utilized in the past this contingency reserve in writing off bad debts referred in the list under SPA. DHFL-V during the year has also utilized the above reserve by Rs.90.42 lacs as per note B-21 here in above paid to IT Department. During the current Financial Year under SPA, a few accounts classified as NPA have been written off as bad debts amounting to Rs.8.39 lacs [Rs.30.12 lacs] by utilizing the remaining balance amount of Contingency Reserve I account which has been withdrawn during the year as it was created in line with the SPA, and has not affected current year profit.

28. Capital Work in Progress of Holding Company includes Rs. 16,000.00 lacs paid as advance consideration for acquiring office premises under construction, Rs. 289.05 lacs for acquiring computer server and Rs. 450.00 lacs paid in lieu of part consideration towards sale of leasehold land in earlier years.
29. There is no amount due and payable by Holding and Subsidiary Companies 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 Holding and Subsidiary Companies during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have responded to the inquiries made by the Holding and Subsidiary Companies for this purpose.
30. Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosure for the previous year are included as an integral part of the current year's financial statement and are to be read in relation to the amounts and other disclosures relating to the current year.
31. Figures in brackets represent previous year's figures.

In terms of our report of even date

For **B. M. Chatruvedi & Co.**
Chartered Accountants

(B. M. Chaturvedi)
ICAI M. No. 17607

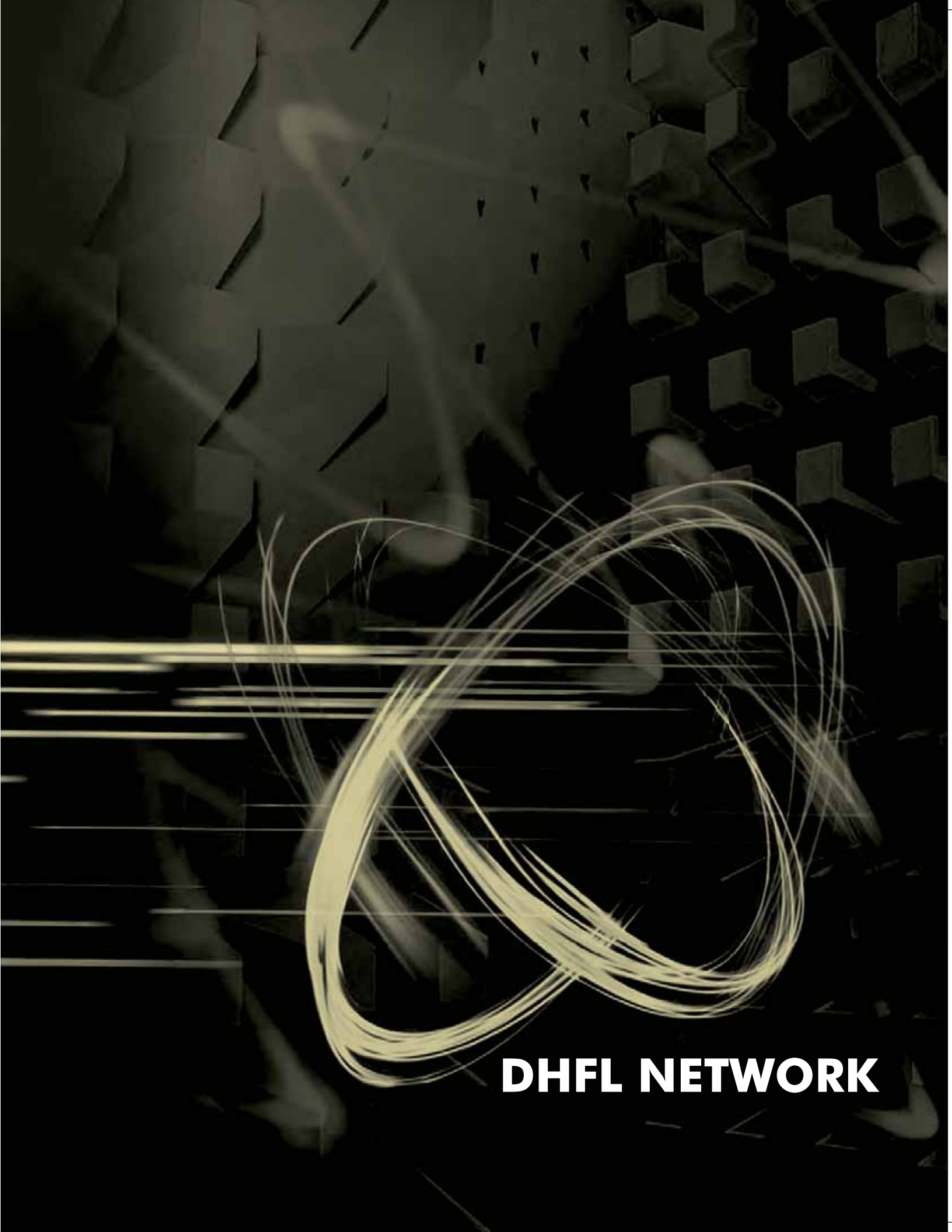
Place : Mumbai
Date : 12th May, 2010

Kapil Wadhawan
Chairman & Managing Director

S. Y. Sankhe
Company Secretary

R. S. Hugar
G. P. Kohli
Anthony Hambro
V. K. Chopra
Dr. P. S. Pasricha
(Directors)





DHFL NETWORK

Registered Office:

Location	Address	Phone No.:
Fort (Mumbai)	Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai 400001	Tel.: (022) 22029900 Fax: (022) 22871985

Corporate Office:

Location	Address	Phone No.:
Corporate Office Bandra (Mumbai)	HDIL Towers, 6th Floor, Anant Kanekar Marg, Station Road, Bandra (E), Mumbai 400051	Tel: (022) 26583333 Tel: (022) 26474333 Fax: (022) 26583344

Dubai Representative Office and London Representative Office:

Location	Address	Phone No.:
Dubai, U.A.E	P. O. Box 48991, Office No. 211, 2nd Floor, Atrium Centre, Khalid Bin Al Waleed Road (Bank Street), Bur Dubai, UAE.	Tel: 00-971-4-3524905. Fax: 00-971-4-3524906. Mob: 00-971-50-7549120, 00-971-50-5072621, 00-971-50-5351172 Email : dubai@dhfl.com
London	53-55 Uxbridge Road Ealing London W5 5SA	Tel: 00-44-20-8579 1711 Fax: 00-20-8579 1712

North and East Zone Branches:

Branch	Address	Phone No.:
Zonal Office - New Delhi	106, First floor, New Delhi House, 27, Barakhamba Road., C.P. New Delhi 110001	Tel.: 011-23752436 Telefax:
RPU - Jaipur	302,5, Jaipur Tower, 3rd Floor, Opp AIR, M. I. Road, Jaipur 302001	Tel.: (0141) 2366536/2366539 Fax: (0141) 2366538
Bhilwara	9-S, 11 & 12, Basant Vihar, BSL Road, Near circuit House, Bhilwara 311001	Tel.: (01482) 235013/235014
Bhubaneswar	101, Aditya Plaza, 10-Bhouma Nagar, Unit-4, Bhubaneswar 751001	Tel.: (0674) 2534142/3265973 Fax: (0674) 2534185
Bikaner	1-2, Yadav Complex Near Rastra Unnati School, Rani Bazar Bikaner 334001	Tel.: (0151) 2206352 Telefax 0151-2205923
Chandigarh	Sco-50-51, Sector-34A, Near Mukut Hospital, Chandigarh 160022	Tel.: (0172) 5007899/5007787
Dehradun	33, First Floor, Rajpur Road, Land mark: In front of 'St. Josephs School' Dehradun, Uttaranchal 248001	Tel.: (0135) 2712143
Durgapur	A402-B, 3rd Floor, "KAMADHENU", Bengal Shristi Complex, City Centre, Durgapur (W.B) 713216	Tel.: (0343) 2542351
Jaipur Sales	D-244, Hanuman Nagar, 3rd FLOOR, Above Union Bank of India, Amrapali Marg, Vaishali Nagar, Jaipur 302021	Tel.: (0141) 2351997/2351987/ 9314880118
Jodhpur	101, 1st floor, Anupam Annexie, 4th A Road, Near Old Kohinoor Cinema, Sardar Pura, Jodhpur (Raj.) 342001	Tel.: (0291) 5104297 Telefax :0291- 5104298

North and East Zone Branches:

Branch	Address	Phone No.:
Kolkata	1 & 1A of 8/1 Middleton Row, 1st Floor, Somenath Estate, Corner of Camac Street & Park Street, Kolkata 700071	Tel.: (033) 22275141/30220876
Kota	D-9/201, Deepshree Complex, Opp. Multipurpose School, Gumanpura, Kota 324007	Tel.: (0744) 2391928/2392028
Lucknow	27/6/1, Upper Ground Floor, Taj Plaza, Madan Mohan Malaviya Marg, Lucknow 226001	Tel.: (0522) 2206113/2206114
Raipur	4/91, Dr Naidu Complex, 2nd Floor, Zail Road Raipur 492001	Tel.: (0771) 4092956
Ranchi	S-1, IIInd Floor, Samudra Complex, 59B, Circular Road, Ranchi 834001	Tel.: (0651) 2563005
Varanasi	First Floor, D-58/19, A-4, Sigra, Varanasi, Land Mark - Above ICICI Bank Ltd 221010	Tel.: (0542) 2222757

NCR Zone Branches:

Branch	Address	Phone No.:
RPU - Tilak Nagar	Kirpal Plaza,4A/1, Above Axis Bank Branch, Tilak nagar, New Delhi 110018	Tel.: (011) 25997555/28101211/28101200
New Delhi	10, Ground Floor, Community Centre, East of Kailash, New Delhi 110065	Tel.: (011) 26470062/64/65
Ghaziabad	C-15, First Floor, Milo Complex, Sector-15, Vasundhara, Ghaziabad, (U.P) 201012	Tel.: (0120) 2884393/94
Rewari	S.C.O.- 7, 1st Floor, Brass Market, Opp. LIC of India , REWARI (HARYANA) 123401	Tel.: (01274) 202447/202448
Rohini	Unit No. 201, 2nd floor, Plot no.4, LSC No.10, Agrawal Plaza, Sector 16, Rohini, Delhi 110085	Tel.: (011) 27294371/374
Noida	Plot No-12, Block No - 1, 2nd Floor, Sector -1 Noida 201301	Tel.: 9310744504

North and East - Service Centre:

Services Center Location	Nodal Branch Name	Address
Alwar	Jaipur	40-B Yash Tower, Bhagat Singh Circle, Alwar 301001 Tel.: 9314936157
Amethi	Lucknow	Dhfl Flat No. 106/1, 1St Floor, Rajpoot Complex Station Road, Amethi 227405 Tel.: (05368) 222904
Berhampur	Bhubneswar	First Floor, Sri Murali Dept. Store, Komapalli Square, Jail Road, Berhampur 760001 Tel.: 0680 - 2203889
Bilaspur	Raipur	In front of high court, High court Road Bilaspur, Chattisgarh 495001 Tel.: 9300634684/9826908477
Dausa	Jaipur	Ghoshi Complex, New Mandi Road, Dausa 303303 Tel.: 9314091209
Durgapur	Durgapur	27, Abanindra Bithi, Non-Company, City Centre, Durgapur 713216 Tel.: 9832162421
Haridwar	Dehradun	Shop No.4, 2nd Floor, City Complex, Ranipur More, Haridwar 249407 Tel.: 9368720020
Hazaribagh	Ranchi	1St Floor, Vardhan Market, Matwari, Chowk, Near Gandhi Maidan, Hazaribagh 825301 Tel.: 9801933933

North and East - Service Centre:

Services Center Location	Nodal Branch Name	Address
Jalandhar	Chandigarh	Nirmal Complex, 3rd Floor Civil Lines, G.T. Road City, Jalandhar 144001 Tel.: (0181) 2459007
Jammu	Chandigarh	Shop No.739/A, Last Morh, Gandhi Nagar, Jammu 180001 Tel.: 9419136084
Jamshedpur	Raipur	4th Floor, Sana Complex, 102, Thakurbari Road, Aam Bagan, Sakchi, Jamshedpur 831001 Tel.: (0657) 6541793
Kanpur	Lucknow	Dhfl C/O Chandrakant Shukla 117/1 Near Old Busstop Kakadeo Kanpur 208025,
Nokha	Jaipur	"Near Railway Crossing, Sujangardh Road, Navali Gate, Nokha 334001 Tel.: 01531-220820
Patiala	Chandigarh	Shop No. 38 1st. Floor, Leela Bhavan, Patiala 147001 Tel.: (0175) 2302195/9888164482
Rajnandgaon	Raipur	Anupam nagar, in front of SBI agriculture branch, Rajnandgon Chattisgarh 491441 Tel.: 9826113818
Sikar	Jaipur	Shop No 20-21, Heera Market, Jaipur Road, Sikar 332001 Tel.: 9414266015
Tonk	Jaipur	Subhash Bazar, Employment Office, Tonk 304001 Tel.: 9828460669

NCR - Service Centre:

Services Center Location	Nodal Branch Name	Address
Gurgaon	Gurgaon	5, M.G.Road, Opp. SBI Main Branch, Gurgaon, Haryana 122001 Tel.: 0124-4082172/ 4267585
Ghaziabad	Ghaziabad	Flat No. 3, 2nd Floor, 34, Navyug Market, Ghaziabad 201001 Tel.: 0120-2796093

West Zone - Branches:

Branch	Address	Phone No.:
Zonal Office - Jogeshwari (E)	Dheeraj Apartment II, 1st Floor, P. P. Dias Compound, Natwar Nagar, Road No. 1, Off. W. E. Highway, Jogeshwari (East), Mumbai 400 060	Tel.: (022) 28252451/28252452/ 28252459 Fax: 28253111
RPU - Pune/Sales Vertical	Office No. 201 to 204, 2nd Floor, Fortune Plaza, Thube Park, C. T. S. No. 1417 to 1424, Next to HDFC House, Shivajinagar, Pune 411001	Tel.: (020) 66819595
Ahmedabad	202 Ushadeep Complex, 2nd Floor, Nr. Navrangpura Railway Crossing & Police Station, Opp. Reliance Super, Above Loot, Navrangpura, Ahmedabad 380009	Tel.: (079) 26449521/26449564/ 26441090 Fax: (079) 26449524
Ahmednagar	Office No.8, Amardeep Complex, Near Gogadeo Temple, Sarjapura, Ahmednagar 414001	Tel.: (0241) 3295745 Telefax: 2431677
Akola	Nakshtra Sankul, 1st Floor, Umri Road, Jatharpeth Akola 444005	Tel.: (0724) 2491279/2490697/
Aurangabad	Akshay Smruti, 1st floor, Garge Hospital, Opp.Hotel Ellora, Nutan Colony, Aurangabad 431001	Tel.: (0240) 2352643
Bhopal	Plot no 11, Alankar Complex, Mezanine Floor, Bank Street, M.P. Nagar Zone II , Bhopal 462001	Tel.: (0755) 2555088/4277088/ 4218371

West Zone:

Branch	Address	Phone No.:
Gwalior	FF-17, 16, Orion Tower, Plot No. 11, City Center, Next to LIC Building, Gwalior 474011	
Indore	Third Floor, Royal-Gold Complex, 4 A.Y.N. Road, Indore 452001	Tel.: (0731) 4043325/4043327/ 4235700/75
Itarsi	1st Floor, 9th line, Sarafa Road, Dr.U.K. Shukla's Building, Near Tagore School , ITARSI, M.P. 461111	Tel.: (07572) 406275
Jabalpur	1627,1st floor, Jaiswal Tower, Home Science College Road, Near Shashtri Bridge, Napier Town, Jabalpur 482001	Tel.: (0761) 4054911/4054921/
Jalgaon	IIIrd Floor, Dhake Tower, Opp. G. S. Ground, Jaikisanwadi, Jalgaon 425001	Tel.: (0257) 2222253/54
Khargone	C-17, Radha Vallabh Market, Khargone 451001	Tel.: (7282) 234732/231674/ 250644
Kolhapur	Office No. 6 To 8A, Akshar Plaza, I st Floor, Opp. Sasane Ground, Tarabai Park, Kolhapur 416003	Tel.: (0231) 2660567/2663664
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) 2316771/72 Fax: (0253) 2316762
Panjim	104, 1st Floor, Kamat Chambers, Opp. Hotel Neptune, Panaji, Goa 403 001	Tel.: (0832) 2230410/11
Parbhani	Mantri Complex, 1st Floor, Wasmat Road, Ramkrushna Nagar, Parbhani 431401	Tel.: (02452) 227691 Fax: (02452) 223326
Rajkot	Office No.1 & 2 - Pramukhswami Arcade-"A", First Floor, Malviya Chowk, Opp.Dist.Library, Off: Dr.Yagnik Road, At&dist.Rajkot 360001	Tel.: (0281) 2226458/2226459/ 2922001/2922003
Solapur	Shri Samarth Ramdas Sankool, 1st Floor, Dutta Chowk, Solapur 413007	Tel.: (0217) 2322241/3297178
Surat	M-9 Western Plaza, Nr. Bhulka Bhavan School, Adajan Hazira Road, Adajan, Surat 395009	Tel.: (0261) 2731266/2730508
Vadodara	5, Upper Ground Level, Profit Center, Near Kalagodha Circle, Sayajigunj, Vadodara 390005	Tel.: (0265) 2226312/2226313/ 2226314

Services Center Location	Nodal Branch Name	Address
Amravati	Akola	Shop No. 2, Kharkar Complex, Railway Station Square, Amravati, Above Eagle Restaurant 444605 Tel.: (0721) 2551654
Bharuch	Vadodara	GF/22 Aditya Complex, Kasak Circle, Near Railway Station, Bharuch Tel.: (0264) 2246194
Chakan	Pune	Office No.14, 1st floor, Kohinoor Center, A bldg, Pune-Nasik Highway, Chakan Dist - Pune 410501 Tel.: (02135) 253634/9766707866

Services Center Location	Nodal Branch Name	Address
Chandrapur	Nagpur	F-20, Sai Heritage, Old Warora Naka, Nagpur Road, Civil Lines, Chandrapur 442401 Tel.: 9923189373
Jamnagar	Rajkot	Office No.127 Madhav Plaza, First Floor, Opp. SBI, Shri G.G. Hospital Road, Near Lal Bunglow , At&Dist. Jamnagar 361001 Tel.: (0288) 2558449
Kadi	Ahmedabad	Sukh Shanti Sammruddi Residency, Thol Road, Karannagar Road, B/H. Dashama Temple, P. O. Kadi, Dist. Mehsana 382715
Khandwa	Indore	5-Vaikunt Nagar,Indira Chowk, Civil Lines, Khandwa 450001 Tel.: (0733) 2226650/9303224132
Latur	Solapur	Shop No. 12, 13, Upper Ground Floor, Shivkamal Silver Arch, Nandi Stop, Ausa Road, Latur 413512 Tel.: (02382) 241272
Pimpri	Pune	Shop no 146, B wing, 1st floor, Jai Ganesh vision, Pune - Mumbai Road, Akurdi, Pune 411035 Tel.: (020) 27443095 9970363456
Sangli	Kolhapur	F-3, 1st Floor, Shiv Pavilion, Near Ram Mandir, Sangli Miraj Road, Sangli 416416 Tel.: (0233) 2372166
Shrirampur	Ahmednagar	Shop no. 2, Popular Complex, Below Union Bank of India, Main Road, Shirampur 413709 Tel.: 9422029645
Swargate	Pune	1st Floor Rukari building, Pune - Satara Road, Next to Swargate bus stand, Pune 411037 Tel.: (020) 24271990 (020) 32334548
Ujjain	Indore	Shop no. 41, Durga Plaza, Opp. Hotel Aashrya Freeganj, Ujjain 456010 Tel.: 9770049428
Vastrapur	Ahmedabad	G-3 Rudraksha Complex, Vastrapur, B/h Kwik Metal Bus Stand, Odhav Road, Odhav, Ahmedabad 382415 Tel.: (079) 22972292
Yawatmal	Nagpur	15, City Market, Hanuman Akhara Square, Yawatmal 445001 Tel.: (07232) 238225/9822757656

Camp Location	Nodal Branch Name	Address
Anand	Vadodara	Off. Shanabhai Estate, Near Radhakrishna Temple Dairy Road, Anand 388001
Godhra	Vadodara	F/4, Center Point, Lalbaug Bus Stand,Godhara, Dist. Panchmahal
Halol	Vadodara	5, Naramadanagar Society, Opp Kalarav School, Kanajari Road, Halol, Dist. Panchmahal 389350
Wardha	Nagpur	Near Hotel Ramkrishna, Opp. LIC Office, Main Road, Wardha 442001 Tel.: (07152) 251261/9823411991

Mumbai Zone:

Branch	Address	Phone No.:
Zonal Office / Sales Office-Bandra (E)	Dheeraj Arma, Gr. Floor, Anant Kanekar Marg, Station Road, Bandra (E), Mumbai – 400 051	Tel.: (022) 2647 0338/ 39 Fax: (022) 2658 2176
RPU - Santacruz	Raheja Point-1, 2nd Floor, Near Shamrao Vitthal Bank, Nehru Road, Vakola, Santacruz (E), Mumbai 400 055	Tel.: (022) 66045300/ 67425852/53 Fax: 6604 5333
Ambarnath	Shop No.7,Upper Basement,Swami, Near Mohan Jyot Apt, Shiv Darshan Apt, Mandir,Ambarnath East 421501	Tel.: (0251) 2606642
Bandra Metro	Dheeraj Arma, Gr. Floor, Anant Kanekar Marg, Station Road, Bandra (E), Mumbai – 400 051	Tel.: (022) 2647 0338/39 Fax: 022- 2658 2176
Borivali	Shop No. 18-20, Dheeraj Regency, Opp. Bhor Industries, Behind Broadway Cinemall, Off. W.E. Highway, Borivali (E) 400 066	Tel.: (022) 28875118/ 28851171/ 28867761
Fort, Mumbai	Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai - 400 001	Tel.: (022) 22029900/22871529/ 22047092 Fax: 022- 22871985
Kalyan	Riddhi Siddhi Complex,Shop No.2,3 & 4,Kalyan Murbad Road, Opp ICICI Bank, Kalyan (W) 421301	Tel.: (0251) 3258356/2328124/ 2320780
Navi Mumbai	Block no.7, Raigad Bhavan, 2nd floor, Sector -11, CBD Belapur, Navi Mumbai 400614	Tel.: (022) 27571650 Fax.27572596
Panvel	Shop No-110, CIDCO Shopping Complex,1st floor, sector no.1, opp - Vijaya bank , Matheran Rd, New Panvel 410206	Tel.: 9869935855
Palghar	Lions Club Bldg., Kacheri Road, Opp. Saraswat Bank, Palghar (W) 401404	Tel.: (02525) 25252600
Thane	Arjun Tower, Gokhale Road, Naupada Thane 400 602	Tel.: (022) 25382400/25382700 Fax: (022) 25383100
Vasai (W)	25/26,Gr.Floor,Dewan Tower,Opp Parvati Cinema, Vasai Road West, Thane 401202	Tel.: (0250) 2334887/2349139
Vasai (E)	DHFL Building, Opp. HDFC Bank, Near Holy Family School, Evershine City, Gokhivare, Vasai (E) 401208	Tel.: (0250) 2461280/2464683
Virar	Shop No.2 & 3, Sheetal Nagar, Bldg No.4, Agashi Road, Virar (W) 401303	Tel.: 9323175375
Vashi	Shop No. 209/210, 'A' Wing, Vashi Plaza Sector-17 Vashi Navi Mumbai 400705	Tel.: 9819200691

South East Zone:

Branch	Address	Phone No.:
Chennai - RPU/ Sales Vertical	Door no. 118B, Mount Road, Manickam Lane, Near Hotel Zen Garden, Guindy, Chennai 600032	Tel.: (044) 22504200 to 22504223
Hyderabad - Sales/RPU	3A & 3A/1, Third Floor, G.S. Plaza, Road No 1, Banjara Hills, Hyderabad 500 034	Tel.: (040) 23320192/193/194/ 23384244 & Fax: 23320193
Chennai	The Blue Lace Brocade, Door No.2/75, Ist Floor, New Avadi Road, Kilpauk Garden, Chennai 600 010	Tel.: (044) 26474646/26474747/ 26474848 Fax: (044) 26474949
Chennai Metro	No. 2D, Front Wing, II Floor, Prince Arcade, New No. 29/58, Cathedral Road, Chennai 600086	Tel.: (044) 28117749/32474101

South East Zone:

Branch	Address	Phone No.:
Coimbatore	D. No. 316, Sri Devi Towers Ground Floor, 5th street Ext. Opp. to St. Mary's High School, 100 feet Road, Gandhipuram, Coimbatore 641 012	Tel.: (0422) 2524891/2524892/ 2529299/ 2522339 Fax: 2524887
Erode	142/6, Gr. Floor, Vinayaka Complex, Perundurai Road, Opp. To Ganesh TVS, Erode 638 011	Tel.: (0424) 2270760/3209538
Guntur	D. no. 5-37-50, 4/7, Brodipet, Above Khazana Jewellery Show Room, Guntur 522002	Tel.: (0863) 3291258/2244120
Hosur	No. 643/1D, First Floor, RKG Manor, opp. Traffice Police Station, Bangalore Bye Pass Road (NH-7), Hosur 635109	Tel.: (04344) 245955/313777
Hyderabad	Flat No. 201&202, Mahavir Lok, Himayath nagar, Main road, Hyderabad 500029	Tel.: (040) 23260994/23261002 Fax No 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
Kadappa	D. no -4/622 / B, II Floor, CPVR Towers, Arvind Nagar, R.S. Road, Opp. New APSRTC Busstand, Kadappa 516002	Tel.: (08562) 245400/323666
Karim Nagar	2-3/169/1, I 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
Madurai	Ra-gem Plaza, I Floor, 111-112, Alagarkoil Main Road, Tallakulam, Madurai 625002	Tel.: (0452) 2528400/2528436
Nellore	Magna Super Market No : 16/3/210, II Floor, GSR Complex, Ramalingapuram Main Road, Opp to SBI Building, Nellore 524001	Tel.: (0861) 2340243/ 9346784192
Pondicherry	No. 27, First Floor, 100 feet Road, Sundaraja Nagar, (Near Indira Gandhi statue), Pondicherry 605004	Tel.: (0413) 2200263/2200203 Fax : 0413- 2201104
Rajahmundry	D. No. 6-1-14&15,Rangacheri Street, T Nagar, Rajahmundry 533101	Tel.: (0883) 2441889/6664700
Salem	I Floor, AKM Complex, State Bank Colony, Five Roads, Salem 636004	Tel.: (0427) 2430870/2445144
Sangareddy	1ST Floor, Neni Complex, MIG 58, H.No. 12-95, Opp. Integrated Collector Complex, Sangareddy, Medak Dist 502001	Tel.: (08455) 654844/270098
Tirunelveli	Shop no. 1738/2A, Ist Floor, Shah complex, Palayamkottai, Tirunelveli 627002	Tel.: (0462) 2560079/2560080
Trichy	No. 5, First Floor, Sree Naga Arcade, Williams Road, Contonment, Trichy 620001	Tel.: (0431) 2400030/2400060
Vellore	Basement No D5, RJ Plaza, Near Palar Bridge, Katpadi Main Road, Viruthampet, Vellore 632006	Tel.: (0416) 3207237/ 9344233212
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, I Floor, Door no. 47/14/7/3, Dwaraka Nagar, Main Road, Vizag 530016	Tel.: (0891) 2754985/2707908

South East Zone:

Services Center Location	Nodal Branch Name	Address
Dindigul	Madurai	1st Floor, Raju Complex, 75/38 Scheme Road, Opp. To Bus Stand, Dindigul 624001 Tel.: (0451) 2424666/99425 41672
Eluru	Vijayawada	Opp. Ravi Sweets, Rama Mahal Centre, R. R. Pet, Eluru, West Godavari 534001 Tel.: (08812) 222700/9848090149
Kallakurichi	Salem	S P. Balaraman Complex, Chennai Main Road, Kallakurichi 606202 Tel.: 9976770597
Khamam	Vijayawada	5-1-108, Floor I, Kaviraju Nagar, Wyr Road, Near Ilandhu X Roads, Khamam 567022 Tel.: 08742-226166 / 9247303332
Mababoobnagar	Hyderabad	DNO. 1-4-127, Mannem Com, Hyderabad Road, Mababoob Nagar 509001 Tel.: 99853 06167
Narsipatnam	Vishakapatnam	Ground Floor, Sri Venkatadri Lodge, PVR Complex, Opp. RTC Complex, Narsipatnam, Vizag 531116
Srikakulam	Vishakapatnam	D. no. 9-4-1, Seetharam, Medical stores upstairs, I Floor, Seven Road Junction, Srikakulam 532001
Tanjore	Trichy	No.13, Ground floor, Nalliya Shopping Complex, No.70, Srinivasan Pillai Road, Thanjavur 613001 Tel.: (04362) 235355/9894436004
Theni	Madurai	972, CMM Complex, First floor, Opp to Janab Textiles, Cumbum Road, Theni 625531 Tel.: (04546) 260107/99425 41673
Thiruvannamalai	Pondicherry	No-10, Durgai Amman Koil street, Near Ramakrishna Matric School, Tiruvannamalai 606601 Tel.: (04175) 224444/9842368586
Tutucorin	Tirunelveli	No.150/2, Ground floor, SIR Sadai complex, Near chatram bus stop, WGC Road, Tuticorin 628002 Tel.: 9366720114
Villupuram	Pondicherry	No-734A, VVA Complex, Pandit Jawaharlal Nehruji Road, Villupuram 604602 Tel.: (04146) 222100/9842120251
Vizianagaram	Vishakapatnam	Shop no:8, III floor, PSN Estate, No:6, Lower Tank bund Road, Vizianagaram 535002 Tel.: 9966015998

South East Zone:

Camp Location	Nodal Branch Name	Address
Mayiladuthurai	Trichy	Hotel Pams, Opp. Bus stand Town Extension Road, Mayiladuthurai 609001 Tel.: (04364) 229551
Nagarcoil	Tirunelveli	Door No.128, Hotel Parvathi International, 69, Court Road, Veppamoodu Junction, Nagarcoil 629001 Tel.: (04652) 233020/233023
Palani	Coimbatore	Palani Camp, Hotel Shanmuganada Bhavan, Railway Feeder Road, Palani 624601 Tel.: (04545) 242951/ 242267
Rajapalayam	Madurai	Hotel Anandas, Near Bus stand, Rajapalayam 626117 Tel.: (04563) 230501

South West Zone:

Branch	Address	Phone No.:
Zonal Office - Bengaluru	No. S-401, 4th Floor, Brigade Plaza, Opp. Ganapathi Temple, Anand Rao Circle, Bengaluru 560009	Tel.: (080) 22093110/1/2/3/4/5/6/7/8/9
RPU - Bengaluru, South West	No. S-301, 3rd Floor, Brigade Plaza, Opp. Ganapathi Temple, Anand Rao Circle, Bengaluru 560009	Tel.: (080) 22093120/1/2/3/4/5/6/7/8/9
Bengaluru Branch / Sales Vertical	G18 & 19, Ground Floor, Brigade Plaza, Ananda Rao Circle, Opp. Ganapathi Temple, Bengaluru 560009	Tel.: (080) 22093100/1/2/3/4/5/6/7/8/9
Bengaluru Metro	No. 280/18-2, II Floor, " Holla Opal ", 46th Cross, 7th Main Raod, Jaya Nagar 5th Block, Bengaluru 560041	Tel.: (080) 22444791/ 080-22444792, 080-22444793
Belgaum	No. 4830/1, 1st & 2nd Floor, Opp. BIMMS Medical College, Civil Hospital Road, Belguam 590002	Tel.: (0831) 2424971/72/73 Fax: 0831-2469342
Davangere	No. 350/16, & 350/17, KBR Complex, Near Thrishul Theatre, PB. Road, Davangere 577002	Tel.: (08192) 257809/258090/ 233955
Kalburgi	No. 2-243/FF/2, 1st Floor, Asian Tower, Jagat Main Road, Opp. City Muncipal Council, Gulbarga 585101	Tel.: (08472) 260630/224906
Hubballi	4/5, I Floor, Eureka Towers, Traffic Island, Hubli 580029	Tel.: (0836) 2352929 Fax: (0836) 2350066
Mangaluru	Karunadham Building, II Floor, K.S. Rao Road, Hampankatta, Mangalore 575001	Tel.: (0824) 2441359/2441801
Mysore	No. 435, Shrinivas Complex, I floor, Near Ramaswamy, Circle, Chamaraja, Double Road, Mysore 570004	Tel.: (0821) 2333513/ 2333358
Shivamoga	Mahaveer Plaza, II floor, 3rd Cross Garden Area, Nehru Road, Shivamoga 577201	Tel.: (08182) 220152/ 9343311513/ 220074
Bijapur	F1, F2, Mahalaxmi Complex, Opp. Matala Maruthi Temple, M.G. Road, Bijapur 586101	Tel.: (08352) 240971/ 9341494840/240632
Cochin	I Floor, K M M Building, Near Hotel Renaissance, Palarivattoam, Cochin 682025	Tel.: (0484) 2334368/ 2340689/ 2346780
Kannur	D.no. TV-33/363N, II Floor, Grand Plaza, Prabhat Circle, Fort Road, Kannur 670001	Tel.: (0497) 2707795/3258234

South West Zone:

Branch	Address	Phone No.:
Thrissur	Ambika Arcade, First floor, M G Road, Thrissur 680001	Tel.: (0487) 2331661/2331655
Trivandrum	Upper Ground floor, Parameswara Towers, Near Geethanjali Hospital, Vazhuthacaud, Trivandrum 695014	Tel.: (0471) 2333077/2333088
Kottayam	Ground Floor, Regent Plaza, C M S College road, Baker Junction, Kottayam 686001	Tel.: (0481) 2300156/ 9349013140
Kozhikode	No.299/D2, 299/D3, 2nd Floor, Marina Mall, YMCA Cross, Kozhikode	Tel.: (0495) 2367697/ 9349013840

Services Center Location	Nodal Branch Name	Address
Alappuzha	Kochi	Chandra Square, 1St Floor, Cullen Road, Alappuzha 688001 Tel.: 0477 2238577/9495336311
Aluva	Kochi	503/Vii (Old No.Vi/184, A Portion, 1St Floor, Champion Building, Opp. Federal Towes, Bank Junction, Aluva, Ernakulam 683101 Tel.: 9847343476
Bagalkot	Belgaum	J.M.B. Complex, Next to Kumatgi TVS Showroom, Station Road, Bagalkot 587101 Tel.: 9986684907/9945295862
Bellary	Hubballi	1St Floor, Lalith Complex, Near Durgamma Temple, Bellary 583101 Tel.: 9449654559
Bidar	Kalburgi	1St Floor Ruby Plaza, N/R Railway Under Bridge Basaveshwar Circle, Bidar 585401 Tel.: 9741693924
Chikodi	Belgaum	Shah Complex, Near Vijaya Bank, KC Road, Chikodi 591201 Tel.: 08331-273966/ 9902118711
Chitradurga	Davangere	No.396, 1St Floor, Siddaveerappa Complex, Santhepet, Bd Road, Opp Dwaraka Hotel, Chitradurga 577501 Tel.: 8194222558
Gokak	Belgaum	Dewan Housing Finance Corporation Limited, Shop No 6-B, Lakhamgouda Complex, Bus Stand Road, Gokak 591307 Tel.: 9986451119
Harapanahalli	Davangere	No.162, 1St Floor, 10th Ward, Gowlera Street, Banagerpet, Harapanahalli 583131 Tel.: 9880644728
Hassan	Shivamoga	1St Floor, Manjunatheshwara Complex, Near Picture Palace, Bus Stand Road, Hassan 573201 Tel.: 08172-267081/ 9343431921
Haveri	Hubballi	1St Floor, C G Magavi Chambers, P. B. Road, Haveri 581110 Tel.: 9449782689

South West Zone:

Services Center Location	Nodal Branch Name	Address
Karwar	Hubballi	No.2, 1St Floor, Maruti Arcade Complex, Cutino Road, Karwar 581301 Tel.: 9880758631
Kasaragode	Kannur	Sri Hari Complex, Old Bus Stand, 2nd Cross Road, Kasaragode 671121 Tel.: (04994) 227184
Kattappana	Kochi	Puthenprayil Buildings, Near Sangeetha Theatre Jn, Kattappana 685 508 Tel.: 095620 72909
Kolar	Bengaluru	# 1St Floor, Ganesh Complex, Near Reshme Gudu Market, Opp K S R T C Bus Stand, Kolar 563101 Tel.: 9886729240
Kollam	Thiruvanthapuram	Sree Vigneswara Bhavan, Near Fire Station, Kadappakada, Kollam 691001 Tel.: (0474) 2768822/9447158550
Mandya	Maysuru	No. 1663, 1St Floor, Chikkaiah Building, R P Road, Mandya 571401 Tel.: (0823) 2230231
Manjeri	Thrissur	Priya Building, 2nd Floor, Kacheripadi, Manjeri, Malappuram, District 676121 Tel.: (0483) 2760026/9446541661
Mavelikara	Kochi	Ii Floor, Govindam Building, Opp. Municipal Office, Mavelikara 690 101 Tel.: (0479) 2162996/9349202135
Mudhol	Belgaum	3309/H, 1st Floor, Shri Siddalingeshwar Complex, Mallamma Nagar Cross Road, Mudhol 587313 Tel.: 9343035670
Nelamangala	Bengaluru	1st floor, Krishna Complex, 2 Units, Old Bye Pass Road, NH4, Nelamangala 562123 Tel.: 9731291609
Palakkad	Thrissur	Safa Complex, 2nd Floor, Shornur Road, Near K.S.R.T.C Bus Stand, Palakkad 678001 Tel.: 9846185588
Raichur	Kalburgi	1St Floor, Itagi Building N/R Veerabhadreshwar, City Talkies Road, Raichur 584101 Tel.: (08532) 255799/9449171386
Tripunithura	Kochi	A-6, 20/688, 1st Floor, Edayalil Shopping Complex, East Fort Gate Junction, Thripunithura 682301 Tel.: 9847011527
Tumakuru	Bengaluru	No. 10, I Floor, Guru Shanthappa Complex, Opp. Krishna Theatre, M.G. Road, Tumakuru 572101 Tel.: 9845308356
Yelahanka	Bengaluru Metro	GVR Castle, G.L.Raj Nagar, Bagalur Main Road, Vinayak Nagar, IAF Post, B4, Site No.98 & 163, Yelahanka 560102 Tel.: 9880209721

South West Zone:

Camp Location	Nodal Branch Name	Address
Athani	Belgaum	Shanti Sagar Logde, [Veg Restaurant] Main Road, Athani 591304 Tel.: (08289) 285388
Basav Kalyan	Kalburgi	Tourist Hoptel Lodging, Ambedkar Circle, Bus Stand Main Road, Basavakalyana
Chikmagalur	Shivamoga	Hotel Raj Mahal, I.G. Road, Near Bus stand, Chikmagalur 577101 Tel.: 9343431921
Gadag	Hubballi	Hotel Vishwa, Near Old Collector Office, Gadag 582101 Tel.: 08372 - 236072, 238045
Gangavathi	Hubballi	Sarvesh Lodge, Gangavathi 583227 Tel.: (08533) 230912, 230913/230914
Holakere	Davangere	PWD Inspection Bungalow, Holalkere 577526
Hosadurga	Davangere	S R Lodge, Main road, Opp. Police station, Hosadurga 577527
Humanabad	Kalburgi	Sri Veerabhadreshwara Lodge, Opp. Bus Stand, Humnabad 585330 Tel.: (08483) 270369
Hungund	Belgaum	Shivganga Lodge, Opp. Bus stand, Hungund 587118 Tel.: (08351) 261243
Jamkhandi	Belgaum	Dwaraka Lodge, Opp. Bus stand, Jamkhandi 587301 Tel.: (08353) 220350
K. R. Pete	Maysuru	Mahajana Consultancy, 1st Floor, Vijaya Bank Building, Near Bus Stand, Opp. BEO Office, K R Pet 571426 Tel.: 9886069132
Kadur	Shivamoga	Inspection Bungalow (I.B) Near Taluk Office, Kadur 577584 Tel.: 9343311513
Koppal	Hubballi	Neelam Lodge, Opp Bus Stand, Koppal 583231 Tel.: (08539) 230092/230152/230564
Lingesugur	Kalburgi	Ananda Tourist Lodge, Opp. Govt. Bus stand, Lingasugur, Raichur Dist. 584122 Tel.: (08537) 258296
Nipani	Belgaum	Shiva Lodge, Near Bus stand, Nipani 591237 Tel.: (08338) 320537
Shikaripura	Shivamoga	Hotel Vijayalaxmi, Shiralakoppa Road, Shikaripura 577427 Tel.: 9343311513