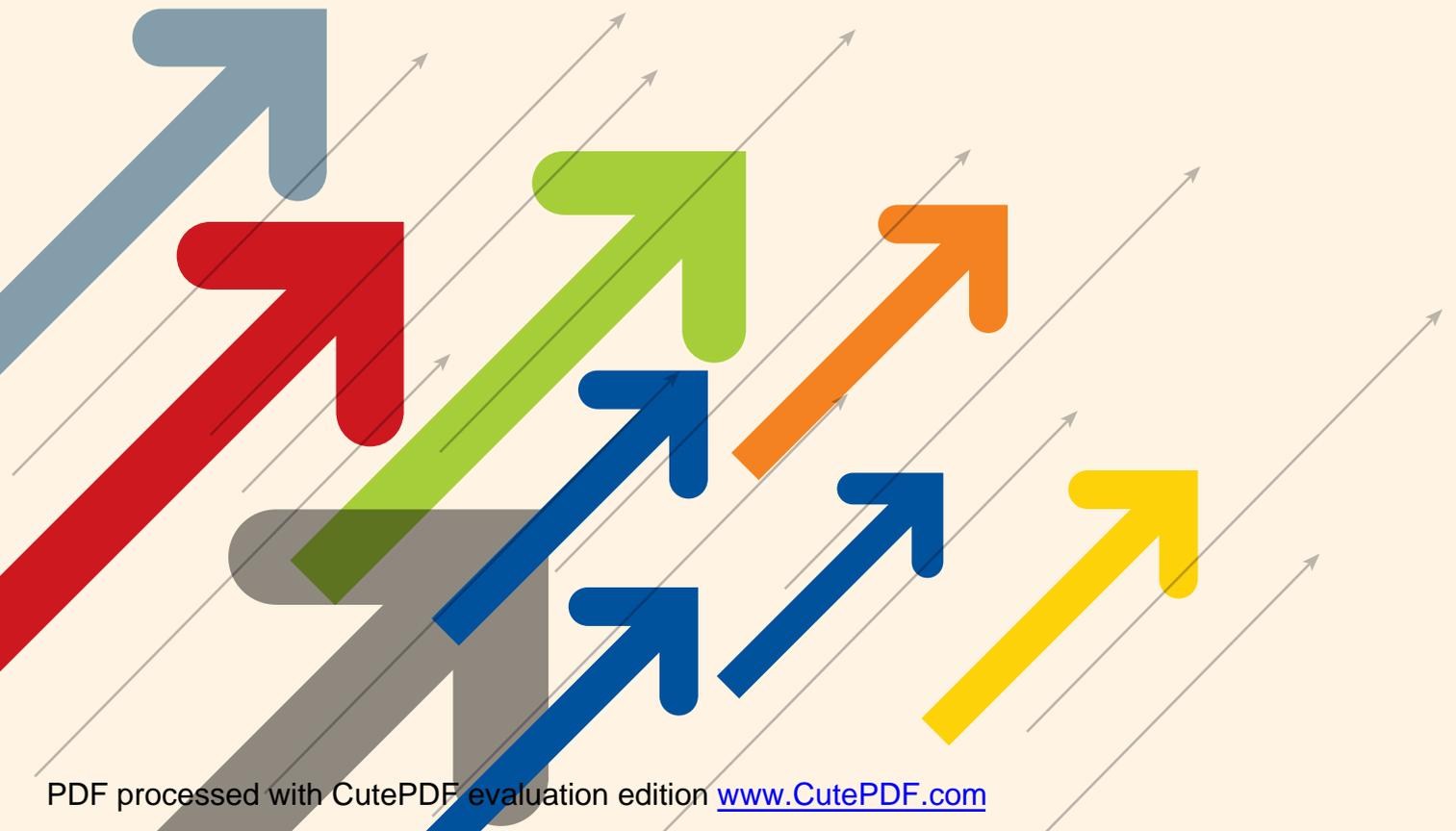


2013-14
14th
Annual Report



OUR MISSION

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

CONTENTS

CORPORATE INFORMATION	4
CHAIRMAN'S STATEMENT	6
MANAGEMENT DISCUSSION AND ANALYSIS REPORT	7
DIRECTOR'S REPORT	13
REPORT ON CORPORATE GOVERNANCE	18
FINANCIAL SECTION	
• AUDITORS' REPORT	34
• BALANCE SHEET	38
• STATEMENT OF PROFIT AND LOSS ACCOUNT	39
• NOTES TO FINANCIAL STATEMENTS	40
• CASH FLOW STATEMENT	58
AGM NOTICE	59
ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM	71
LIST OF BRANCHES	72

CORPORATE INFORMATION

CORPORATE IDENTIFICATION NUMBER : CIN - L65922TN2000PLC044655

BOARD OF DIRECTORS

1.	Shri.T.S. KrishnaMurthy	Chairman
2.	Shri.R.Varadarajan	Managing Director
3.	Shri. S.C.Panda, I.A.S	Director
4.	Shri.K.K.Pathak, I.A.S	Director
5.	Shri.B.Anand, I.A.S	Director
6.	Shri.Thomas Paul Diamond	Director
7.	Shri.G.R.Sundaravadivel	Director
8.	Shri.V. Nadanasabapathy	Director
9.	Shri.C. Thangaraju	Director

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

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

SHAREHOLDERS' GRIEVANCE COMMITTEE

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

COMPENSATION COMMITTEE

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

REMUNERATION COMMITTEE

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

MANAGEMENT COMMITTEE

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

CHIEF FINANCIAL OFFICER

Shri. T. Karunakaran

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri. K. Prabhu

SENIOR MANAGEMENT

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

FINANCIAL INSTITUTION

National Housing Bank, New Delhi

STATUTORY AUDITORS

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

BANKERS TO THE COMPANY

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

REGISTERED OFFICE

Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017

Telephone: 044-28340715 Facsimile: 044-28340716

CORPORATE OFFICE

Third Floor, Alexander Square, Old No.34 & 35, New No.2, Sardar Patel Road,

Guindy, Chennai 600 032 Telephone: 044- 42106650; Mobile: 9444394918

Facsimile: 044 - 42106651 E-mail: cs@repcohome.com Website: www.repcohome.com

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Private Limited

Plot No. 17 to 24, Vithal Rao Nagar Madhapur, Hyderabad 500 081

Tel: +91 40 2342 0815/0820 Fax: +91 40 2342 0814

STOCK EXCHANGES

1. National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai-400 051
2. BSE Limited, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001

CHAIRMAN'S STATEMENT

I deem it a privilege to preside over the Fourteenth Annual General Meeting of Repco Home Finance Limited for the financial year 2013-14.

The previous year saw considerable moderation in real estate prices across metro and Tier-1 cities in India owing to decrease in demand for housing coupled with an increase in supply. This can be partly attributed to the general economic conditions and to the possibility that people postponed their house purchase plans in the hopes of seeing further correction in property prices. However your company, being majorly a Tier-2 and Tier-3 cities player, continued to see good growth in sanctions and disbursements. It was heartening to note prices in major pockets of the country bottoming out and reversing towards the end of the year as evidenced by data published in NHB Residex.

The key demand drivers of housing finance segment are favourable demographics, acute shortage in housing stock in rural, semi-urban and urban areas and rising affordability levels of people. Your company has always strived to differentiate itself by focussing on quality customer service, owning its customers, conducting regular loans camps where in-principle loan sanctions are given to prospective borrowers provided details given by them are verifiable with reasonable certainty, speed of disbursing loans, low cost of operations, extending housing credit to non-salaried segment – a segment largely neglected by the formal housing finance sector and having robust risk-management systems and processes in place.

HIGHLIGHTS

During the year loan sanctions stood at Rs. 1,822.52 Crore as compared to Rs. 1,284.83 crore in the previous year, registering a growth of 41.85%. Loan disbursements during the year were Rs. 1,715.26 crore as compared to Rs. 1,167.41 crore in the previous year representing a growth of 46.93%.

The loan book of the company crossed the Rs. 4000 crore mark and was Rs. 4,661.8 crore as on 31-March-2014 registering a growth of 31.51% from Rs. 3544.75 crore in the previous year. The gross non-performing assets represented 1.47% of the loan book as compared to 1.48% in the previous year. The branch network was 122 as on 31-March-2014, comprising of 91 branches and 31 satellite centres as opposed to 92 , comprising of 73 branches and 19 satellite centres in the previous

year. Your company is now present in 9 states – it ventured into Madhya Pradesh last year by opening a branch in Indore.

FUTURE OUTLOOK

Your company plans to continue its calibrated branch expansion strategy for outside south India that it started implementing in FY'10 when it opened its first branch outside south India in Pune, Maharashtra. Part of the strategy was to expand on a contiguous basis – the company expanded its presence in Karnataka to Maharashtra on the western side and likewise from Andhra Pradesh to Odisha, West Bengal and from Gujarat to Madhya Pradesh on the central region. The company will continue its market research for identifying good opportunities for opening branches within south India and rest of the regions. The company recognizes that branch expansion will be instrumental in achieving its long-term growth objectives. Your company's brand was promoted extensively in the previous year by way of advertisements in electronic, print media and radio. We believe such efforts will fructify in the next few quarters by way of customer base expansion. Your company intends to sustain this endeavour going forward.

Your company will now look to diversify its borrowings profile by tapping the NCD and CP markets to raise resources at competitive rates, leveraging improved credit ratings accorded by leading credit rating agencies

ACKNOWLEDGEMENTS

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

I also sincerely thank our customers for their continued patronage.

Date : May 13, 2014

Place : Chennai

(T.S.KrishnaMurthy)

Chairman

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

INDIAN ECONOMY CONTINUES TO FACE CHALLENGES IN FY14

Indian economy faced another challenging year, reporting sub 5% GDP growth for the second consecutive year in 2013-14 due to macroeconomic factors like high inflation and policy delays, and global slowdown. The growth at 4.7% during FY14 was also the slowest growth registered in the past two decades. The manufacturing and mining sectors, marred by slowing investments, continued to pull the growth down. However, a slew of measures taken by the RBI provided the much needed respite to the economy in the form of receding current account deficit, abating liquidity concerns and surging capital flows.

Now, with a new and stable Government coming in, the expectations of the Indian economy would remain buoyant in terms of the new Government putting in place pro-growth policies leading to a pickup in investments and a possible reduction in interest rates. Although macroeconomic concerns remain, what looked like a downward spiral a few months ago now appears manageable with calibrated measures

AFFORDABLE / LOW COST HOUSING PRESENTS HUGE GROWTH OPPORTUNITY

Urbanization, growth of nuclear families, and rising disposable incomes have resulted in increasing demand for housing in India. However, on the supply side, there is an estimated housing shortage of 26.53 million units in the urban areas at the end of 11th Five Year Plan, as estimated by Ministry of Housing and Urban Poverty Alleviation (MHUPA). This shortage is expected to cross 30 million mark by 2020. Economically weaker sections (EWS) and low-income groups (LIG) together account for 99% of this housing shortage. The shortage amongst the middle-income groups (MIG) and high-income groups (HIG) is estimated at 0.04 million units.

Similarly, there is an estimated housing shortage of 47.43 million units in the rural areas based on a

report titled "Working Group on Rural Housing for the 11th Five Year Plan" published by Ministry of Rural Development.

The government is taking various measures to boost affordable housing, which could result in an increase in the stock of affordable housing. The growth in affordable housing – both ready-made and self-constructed – in turn, would fuel demand for housing finance. However, penetration of formal housing finance institutions for lending to low-income customers and in tier 2 and 3 regions remains very low.

In Budget 2013-14, the Government announced the following measures to push affordable and small ticket housing:

- Additional deduction of interest upto Rs. 0.1 million for a person taking first home loan upto Rs. 2.5 million during 2013-14, provided the value of the residential property does not exceed Rs. 4 million and the borrower does not own any residential property at the time of sanction. Given the restriction on property price at Rs. 4 million for claiming additional interest deduction, the demand could be more from Tier II cities where property prices are relatively lower
- Increase in provision under Rural Housing Fund to Rs. 60 billion from the existing provision of Rs. 40 billion to provide housing finance to targeted groups in rural areas at competitive rates.
- Setting up of Urban Housing Fund by National Housing Bank.

CORPORATE OVERVIEW

Repco Home Finance Ltd (RHFL) is present in 2 segments – Individual Home Loans and Loans Against Properties (LAP). The company provides a variety of home loan products to individual borrowers in both the salaried and non-salaried (self employed professional and self employed non-professional) segments.

INDIVIDUAL HOME LOANS

Dream Home Loan	- Construction / Purchase
Home Makeover Loan	- Repairs, renovation, and/or extension
Plot Loans	- Purchase of plot for construction of a house
Super Loan	- Loans for construction on land owned by borrower's parents.
Fifty Plus Loan	- Loans to people above 50 years against pension income stream
NRI Housing Loan	- For construction and purchase of house in India

LOANS AGAINST PROPERTY

Prosperity Loan	- Loans against mortgage of immovable property
New Horizon Loan	- Purchase and/or construction of non-residential and commercial property

NETWORK OF 122 BRANCHES/SATELLITE CENTERS; DIRECT SOURCING

During the year, Repco converted 9 satellite centers into branches and opened 9 new branches and 21 new satellite centers taking the total network to 91 branches and 31 satellite centers. As part of its contiguous expansion strategy, the company entered the state of Madhya Pradesh (MP) in FY14 by opening up its first branch in Indore. Now the retail network is spread across states of Tamil Nadu, Karnataka, Andhra Pradesh, Kerala, Maharashtra, Odisha, West Bengal, Gujarat, Madhya Pradesh and the Union Territory of Puducherry.

State-wise retail network	Mar'14
Tamil Nadu	63
Karnataka	18
Andhra Pradesh	15
Kerala	7
Maharashtra	9
Gujarat	6
West Bengal	1
Odisha	1
Pondicherry	1
Madhya Pradesh	1
Total	122

RHFL's primary sources of customer acquisition are loan camps, customer walk-ins and referrals. Of these, loan camps contribute to about 70% of incremental originations. Manager of each branch conducts a loan camp once in every 2 months where, a primary

assessment of customer documents is done and an in-principle sanction is given. The customer then approaches the branch for further processing of his/her loan. The branch personnel act as single point of contact to customers and are responsible for sourcing loans, carrying out preliminary checks on the credit worthiness of potential customers, providing assistance in documentation, disbursing loans and monitoring repayments and collections.

The company has recently employed direct sales agents (DSAs) to test waters in Maharashtra. Should this experiment fructify, the DSA model would be employed in newer geographies where RHFL's brand is gaining prominence.

FINANCIAL ANALYSIS OF OPERATIONS

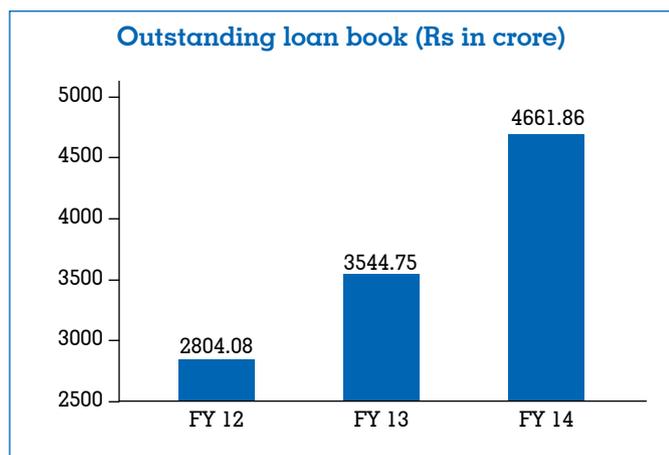
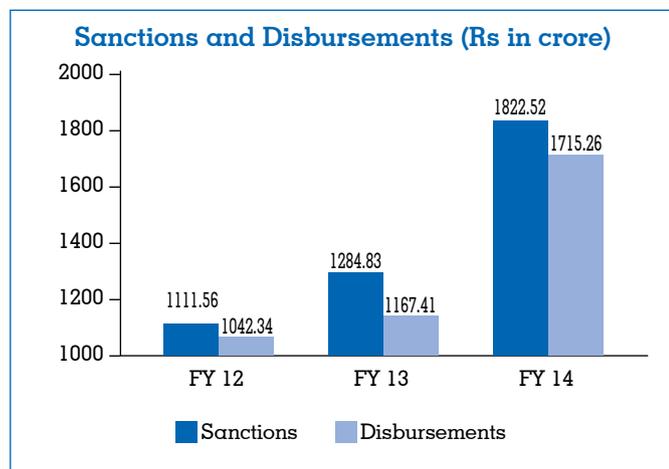
Disbursements grow by 46.93%; loan book expands 31.51% to Rs 4661.86 crore

For FY14, total loans disbursed amounted to Rs 1715.26 crore as against Rs 1167.41 crore in the previous fiscal, registering a growth of 46.93%. Total sanctions amounted to Rs 1822.52 crore as against Rs 1284.83 crore in the previous fiscal, registering a growth of 41.85%.

Robust expansion in customer base, branch network, and average incremental loan ticket size, helped in 31.51% YoY growth in the loan book. As on 31st March, 2014, RHFL's loan book stood at Rs 4661.86 crore as against Rs 3544.75 crore as on 31st March, 2013. The average ticket size stood at Rs 0.11 crore as against Rs 0.10 crore in the previous year. As of March 31, 2014, all outstanding loans were on floating rate basis.

RHFL has steadily increased its exposure to the LAP segment and the same comprised 18.66% (Rs 870.05 crore) of the loan book as on 31st March, 2014. The balance consisted of individual home loans (81.34%; Rs 3791.81 crore). As on the above date, the company had no exposure to builder loans.

The average yield earned on loan assets during the year was 12.6% (previous year – 12.3%).



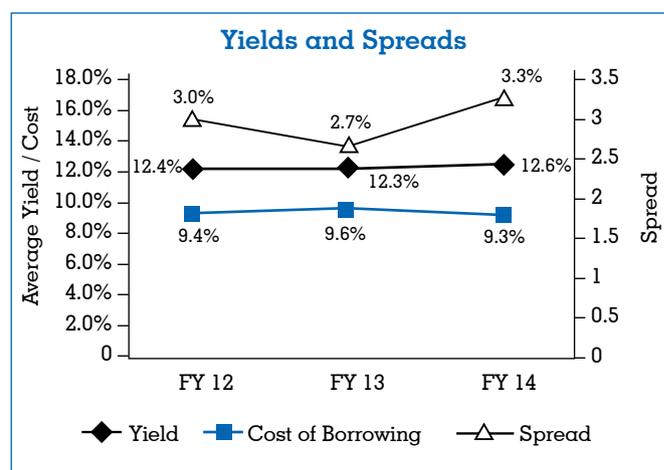
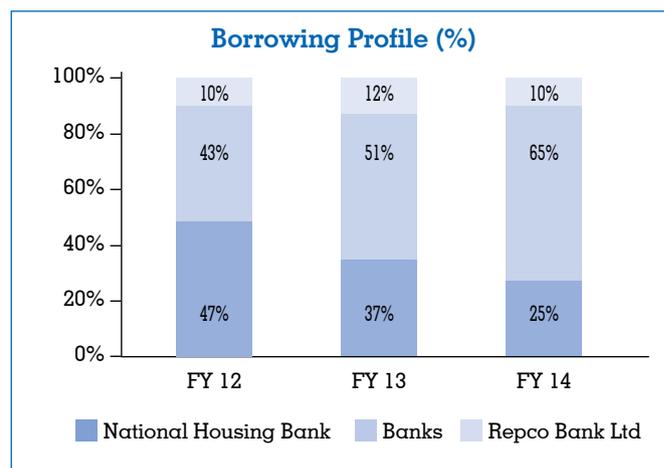
Diversified funding sources

The company has diversified its sources of funding across three verticals viz. refinance from NHB, long term bank loans and working capital loans from Repco Bank Limited (parent organization). As of 31st March, 2014, 64.80% of company's borrowings were from banks, 24.99% by way of refinance from NHB and 10.21% from Repco Bank. The total outstanding borrowings stood at Rs 3902.02 crore as against Rs 3064.69 crore in FY13.

The share of NHB funding has declined over the years. It has gone down from 56.43% in FY10 to 24.99% in FY14. Effective Sep 2013, refinance from NHB under the Rural Housing Fund (RHF) entailed an on-lending spread cap of 2%, which was insufficient given the risks and operational costs involved in servicing loans in rural areas. As a result, the company did not avail refinance under this window.

As of March 31, 2014, 19.76% of existing borrowings were on fixed rate basis and 80.24% of borrowings were on floating rate basis. The average tenor on borrowings was 9 years.

The average cost of borrowings during the year was 9.3% as against 9.6% in the previous year.



Rating upgrade

RHFL is focusing on diversifying its sources of funding and tapping into other sources to optimize funding costs.

In September 2013, credit rating agency ICRA upgraded long term rating assigned to company's Term Loans from Banks from [ICRA] A+ to [ICRA] AA-. ICRA assigned [ICRA] AA- rating to company's Non-convertible Debentures Programme and [ICRA] A1+ to company's Commercial Paper Programme.

Similarly, credit rating agency CARE assigned CARE AA- rating to long term bank loan facilities of the company, CARE AA- rating to company's Non-convertible Debentures Programme and CARE A1+ to company's Commercial Paper Programme.

However, the Company did not raise resources either through the Non Convertible Debentures or through the Commercial Paper.

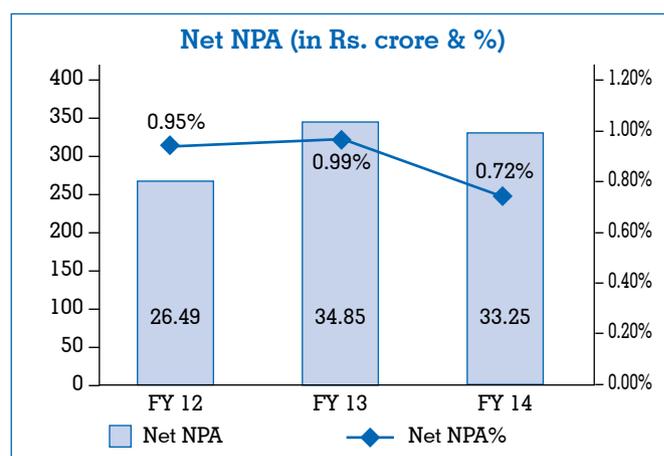
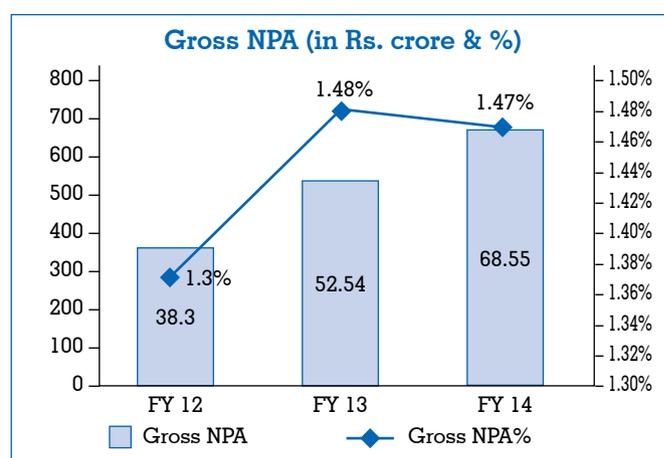
Comfortable capital adequacy

RHFL's Capital Adequacy Ratio (CAR) as at March 31, 2014, was 24.51% as against NHB's prescribed limit of 12%. This consisted entirely of Tier 1 capital.

Asset quality improves

Over the years, RHFL has developed robust risk management systems & processes in all areas of operations like loan origination, credit appraisal, loan disbursement and collection & recovery. Strong management focus on improving the asset quality has led to sustainable decline in NPA levels. Gross NPAs stood at 1.47% (Rs 68.55 crore) as on 31st March 2014, while Net NPAs improved to 0.72% (Rs 33.25 crore). The provision coverage ratio was 51.50% up from 33.67% a year back.

As on March 31, 2014, RHFL had 55% loan book exposure to non-salaried segment (consisting of professionals and non-professionals). Generally, income profile of the non-salaried segment tends to be lumpy which leads to significant quarter-on-quarter volatility in NPAs. However, such volatility in NPA profile is not representative of the true asset quality given conservative underwriting policies of the Company. RHFL has, since inception, written off loans aggregating Rs 4.33 crore, which is a mere 0.07% of total cumulative disbursements.



Investments

In FY14, the company made an additional investment of Rs. 4.40 crore in its associate company Repco Micro Finance Limited. As at March 31, 2014, the Company's investment portfolio stood at Rs 12.40 crore (previous year Rs 8.05 crore) in the form of investment in its associate companies - Repco Infrastructure Development Company Limited and Repco Micro Finance Ltd.. However, the company provisioned its entire investment of Rs. 0.05 crore in Repco Infrastructure Development Company Limited to reflect diminution in investment value.

Results of operations

Key elements of the statement of profit and loss account for the year ended 31st March, 2014, are:

- Net interest income grew by 52.00% y-o-y to reach Rs 190.84 crore. Net interest margin (NIM) for the year was 4.65%
- Cost to income ratio of 18.42% for the year, which was among the lowest in the industry

- Profit after tax (PAT) witnessed an increase of 37.59% and stood at Rs 110.10 crore for the year
- Post tax return on average assets (RoA) was 2.68% and return on average equity (RoE) was 16.40%
- The Earnings per Share (EPS) on face value of Rs 10 was Rs 17.71 for the current year.
- Recommended dividend of Rs. 1.20 per equity share.

Ratio of income and expenses to average loan assets	(Figures in %)		
	FY12	FY13	FY14
NIM	4.2	4.0	4.7
Other income	0.5	0.3	0.5
Non interest expenses	0.8	0.7	1.0
Provisions	0.6	0.3	0.5
Bad-Debts Written Off	0.0	0.0	0.0
Tax	0.8	0.8	1.0
PAT	2.5	2.5	2.7

RISK MANAGEMENT

The Company's business activities expose it to a variety of risks including credit risk and interest rate risk. Risk management forms an integral part of RHFL's business. The objective of the Company's risk management system is to measure and monitor various risks and to implement policies and procedures to mitigate such risks.

Rigorous credit appraisal keeps credit risk in check

The 2-tier credit appraisal process – at branch and head office level – ensures high level of checks. The preliminary appraisal takes place at branch level by the branch manager, branch-level valuers and lawyers. This again revalidated at the corporate office level before sanction.. Each borrower is rated based on a dynamic credit rating model. The interest chargeable is linked to the credit score. RHFL maintains a conservative LTV/IIR ratio for the loans. The average loan to value (LTV) was 62% and average income to installment (IRR) was 50% as on March 31, 2014.. An ongoing monitoring of loan accounts is ensured along with inspection of each branch by internal inspection team and external audit firms multiple times in a year based on the size of the outstanding loan book of a branch. Concurrent audit has also been introduced at select branches. Performance review by Senior Management team is undertaken twice a year.

The Company has formulated an asset liability management (ALM) policy which lays down mechanisms

for assessment of various types of risks and altering the asset-liability portfolio in a dynamic way to manage such risks. There is an on-going monitoring of the maturity profile of assets and liabilities by Asset Liability Management Committee (ALCO) - a strategic decision making body constituted by the Board, to mitigate the risks arising from cash flow mismatches, comprising of the Managing Director, Executive Directors, Chief General Manager-credit and Chief Financial Officer of the Company.

STRENGTHS, OPPORTUNITIES & THREATS

Strengths

- Focus on tier II and tier III cities and peripheral areas of tier I cities. This leads to lower competition from banks and other HFCs leading to high advances growth
- Non-salaried class is highly underpenetrated and relatively less competitive and offers higher yields
- Repco Bank, which is the promoter of Repco Home Finance and holds 37.37% stake in the company is a well-recognized name in south India and has been in operation for more than 40 years.
- Fairly stable asset quality given significant exposure to the non-salaried segment
- Lean operating cost structure – each branch has 3-5 employees, lower rentals in tier 2/3 areas, no commission expenses, etc.
- Strong growth in advances and strong margins. Return ratios of the company remain strong. RoA for FY14 – 2.68%; RoE – 16.40%
- Strong capital position; CAR – 24.51%
- Expanding footprint – sowing the seeds for the future.

Opportunities

- Housing finance sector opportunity driven by increasing urbanization, housing shortage, Government thrust on affordable housing and low mortgage penetration.
- Presence in segments and markets largely underserved by formal credit institutions.
- The following budget proposals also give a great thrust to the housing finance sector
 - Rs 4000 crore is being provided to NHB from priority sector shortfall for affordable housing to urban poor.
 - Allocation of Rs 8000 crore to NHB for rural housing

- Deduction for interest on housing loans (for self-occupied house property) from Rs 1.5 lacs to Rs 2.0 lacs
- Higher tax exemption limits on interest on loan in respect of self occupied house property from Rs 1.5 lakh to Rs 2 lakh and increase of deduction limit from Rs 1 lakh to Rs 1.5 lakh under Section 80C towards principal repayments for home buyers.
- The proposed changes in FDI for real estate sector to provide habitation for the neo-middle class, requirement of the built up area and capital conditions for FDI is being reduced from 50,000 sq mtr to 20,000 sq mtr and from USD 10 million to USD 5 million respectively with a three year lock-in. Also, the projects which commit at least 30 per cent of the total project cost for low cost affordable housing will be exempted from minimum built up area and capitalisation requirements, with the condition of three year lock-in.

Threats

- Economic slowdown and high interest rates could adversely impact the demand for housing and housing finance
- Ability to raise resources at competitive rates
- Ability to hire and train manpower for achieving company's growth objectives outside southern India
- Sizeable exposure to non-salaried segment; could exert pressure on the Company's asset quality under unfavorable economic conditions

OUTLOOK

Going forward, loan growth for RHFL would be driven by its branch expansion strategy, ability to deepen its presence in existing geographies and ensure robust customer base expansion:

- Continue to target markets that are relatively underpenetrated (lower competition, better yields).
- Deepen penetration in southern region markets and gradually expand in other regions/states on a contiguous basis. The company intends to expand its branch network in a calibrated manner by opening 15-20 branches every year of which 2/3rd will be in southern India and 1/3rd in other states.
- Diversify sources of borrowings and effectively manage borrowing cost

- Strict control on operating costs
- Strong focus on improving the asset quality
- Increase provision coverage ratio to 100% in a reasonable time period
- Maintain margins and returns with better pricing power

INTERNAL AUDIT & CONTROL

The Company has in place organized and effective internal control systems. The Company gets internal audit done by external chartered accountant firms multiple times in a year (ranging from quarterly audits to annual audits) depending on loan book size of a branch. Besides efforts are made to carry out a full fledged inspection of every branch once in a year by the corporate office inspection team. There are stringent systems in place to ensure that the assets and properties of the Company are utilized in the interest of the Company. The Internal Control Systems and Internal Auditors' Reports are reviewed by the Audit Committee of the Board so as to ensure transparency and proper compliances.

INFORMATION TECHNOLOGY

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

HUMAN RESOURCES

The Company believes in attracting, nurturing and retaining a qualitative workforce to accomplish its long term objectives. To achieve this, RHFL provides the necessary internal and external training to keep employees in tune with prevailing benchmark practices in the housing finance industry. The Company provides a professional work environment and maintains healthy relations with its employees. In FY14, the company introduced Employee Stock Option Plan (ESOP) across all levels of the organization structure with a view to improve employee engagement. As on March 31, 2014, the company had 465 employees on the rolls of the company.

For and on behalf of Board of Directors

Place : Chennai
Date : 9th August 2014

(R. Varadarajan)
Managing Director

DIRECTORS' REPORT

TO THE MEMBERS

Your directors are pleased to present the fourteenth annual report of your company with the audited accounts for the year ended March 31, 2014.

FINANCIAL RESULTS		
	(₹ in Crore)	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Loans Sanctioned	1,822.52	1,284.83
Loans Disbursed	1,715.26	1,167.41
Loans Outstanding	4,661.86	3,544.75
Net NPA as a % of Net Advances	0.72	0.99
Total Income	535.34	405.86
Profit before tax	149.13	106.80
Less: Provision for tax	39.03	26.78
Profit after tax	110.10	80.02
Profit available for appropriation	174.94	131.99
Appropriation:		
Transfer to Special Reserve (in accordance with Section 36(i)(viii) of the Income tax Act, 1961)	34.39	23.14
Transfer to Special Reserve (in accordance with Section 29C of National Housing Bank Act, 1987)	22.03	16.01
Transfer to General Reserve	20.00	20.00
Proposed Dividend	7.46	6.84
Corporate Dividend Tax thereon	1.27	1.16
Balance carried forward	89.79	64.84

DIVIDEND

Your Directors recommend payment of dividend for the financial year ended 31 March 2014 at the rate of Rs.1.20 per equity shares. The dividend shall be paid subject to approval by the shareholders at the Fourteenth Annual General Meeting. The total dividend outlay including dividend distribution tax of Rs.1.27 crores, for the current year would be Rs.8.73 crores as against Rs.8.00 crore including dividend distribution tax, for the previous year.

LENDING OPERATIONS

During the year loan approvals stood at Rs. 1,822.52 crore as compared to Rs. 1,284.83 crore in the previous year registering a growth of 41.85%. Loan disbursements during the year were Rs. 1,715.26 crore as compared to Rs. 1,167.41 crore in the previous year representing a growth of 46.93%.

LOAN BOOK

The loan book of the Company was Rs. 4,661.86 crores as against Rs. 3,544.75 crores in the previous year representing a growth of 31.51%.

NON PERFORMING ASSETS

As of 31 March 2014, the net non performing assets represent 0.72% of the loan portfolio of the Company as against 0.99 % of the loan portfolio of the Company last year.

RESOURCE MOBILIZATION

The Company takes every effort to tap the appropriate source of funding to minimize the weighted average cost of funds. The resource base of the company consists of refinance from National Housing Bank, borrowings from Banks and Repco Bank Ltd.,

Total debts funds as on 31st March 2014 amounted to Rs.3,902.02 crore as against Rs. 3,064.69 crore in previous year. Refinance from National Housing Bank constituted 24.99%, borrowings from Banks and Repco Bank Ltd, constituted 64.80% and 10.21% respectively.

REFINANCE FROM NHB

With the continued support of National Housing Bank (NHB), the company has availed refinance amounting to Rs.100.00 crore during the year under review and

as on 31 March 2014, the outstanding NHB refinance stood at Rs.975.23 crore as against Rs.1,120.00 crore as at end of the previous year.

BORROWINGS FROM BANKS

The company has borrowed Rs.1673.00 crore from Banks during the year as compared to Rs.868.00 crore during the previous year. The aggregate of term loans, including working capital loan from Banks and Repco Bank Ltd., outstanding at the end of the financial year was Rs. 2,926.79 crore as against Rs.1,944.69 crore as at the end of the previous year.

CREDIT RATING

The Company's borrowings enjoy the following credit rating

Rating Agency	ICRA Ltd.	CARE Ltd.
Term Loans from Bank	[ICRA]AA-	[CARE]AA-
Non-Convertible Debentures	[ICRA]AA-	[CARE]AA-
Commercial Paper	[ICRA]A1 +	[CARE]A1 +

DIRECTORS

In accordance with the Articles of Association and Section 152 of the Companies Act, 2013, Shri. S.C.Panda, I.A.S. Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

Shri. K.K. Pathak, I.A.S was co-opted as an Additional Director of the Company with effect from October 25, 2013 pursuant to Section 260 of the Companies Act 1956. Pursuant to Section 160 of the Act, the Company has received a notice, together with requisite deposit of Rupees One Lakh from a member signifying his intention to propose Shri.K.K.Pathak, I.A.S. as Director of the Company, liable to retire by rotation and accordingly a resolution is being placed before the members at the ensuing Annual General Meeting.

Shri. T.S. KrishnaMurthy, Shri. Thomas Paul Diamond, Shri. V. Nadasabapathy and Shri. G.R. Sundaravadivel are proposed to be appointed as independent directors for a term of 5 consecutive years from September 11, 2014 to September 10, 2019 as per provisions of Section 149, 150 and 152 and other applicable provisions of the Companies Act 2013.

AUDITORS

M/s. R.Subramanian and Company retire at the conclusion of the forthcoming annual general meeting. The Board of Directors recommend the appointment of M/s.R.Subramanian and Company for the financial year 2014-15.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

REGULATORY COMPLIANCE

The Company is in compliance with the guidelines, circulars and directions of National Housing Bank. The Company's capital adequacy ratio as on 31 March 2014 was 24.51% which is well above the prescribed 12% threshold as per NHB Directions. The Company is also in compliance with the guidelines, directions and circulars of SEBI.

PUBLIC DEPOSITS

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

UNCLAIMED DIVIDENDS

As at March 31, 2014, dividend amounting to Rs.6,452 has not been claimed by shareholders.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

The particulars of foreign exchange earnings and expenditure for the financial year ended March 31, 2014:

Expenditure incurred in foreign currency for the financial year ended March 31, 2014 is Rs.420,949 (previous year: Rs.7,18,575)

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

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

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

AUDITORS' OBSERVATION

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

OUTLOOK FOR 2014

The Company's listing enables it to access cost effective sources of funds. The Company believes that with diversified shareholding pattern its rating would improve which will pave way for the Company to raise its resources from diversified sources. Overall Company's prospects appear to be bright given its efficacious treasury management and robust credit appraisal systems. A diversified branch presence across the country in the forthcoming financial year would help in sustaining the growth rate achieved since inception.

HUMAN RESOURCE DEVELOPMENT

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

Your Company worked tirelessly towards the skill up gradation of its employees by introducing objective performance appraisal mechanism and performance linked incentive structure and up to date technology infrastructure. Employees are nominated regularly to attend various training programmes conducted by NHB, RBI & other capacity building institutions besides organizing in-house training programmes.

The Company provides a professional work environment and maintains a healthy relation with its employees.

As on 31 March 2014, the number of people employed by the company stood at 465.

BUSINESS OPERATIONS NETWORK

The Company is currently having 91 branches and 31 SAT centres across Tamil Nadu, Andhra Pradesh, Karnataka, Kerala, Puducherry, Orissa, Gujarat Maharashtra, West Bengal and Madhya Pradesh.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the Annual accounts, the applicable accounting standards have been followed together with proper explanation relating to material departure, if any;
- the accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

EMPLOYEE STOCK OPTION SCHEME

Details of stock options granted during the financial year 2013-14 are as under:

Scheme	Repco Home Finance Employee Stock Option Scheme 2013
No of Options granted	2,44,375
Date of grant	25 October 2013

The Company has received the in-principle approval from BSE Limited and National Stock Exchange of India Limited, for listing the shares arising out of the exercise of the options.

As required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 a disclosure is annexed herewith.

ACKNOWLEDGEMENTS

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

The Board places on record its sincere gratitude to Ministry of Home Affairs, GOI, SEBI, NSE, BSE, Department of Company Affairs, REPCO Bank, shareholders, Government, local/statutory authorities, customers and all others for their patronage and support for the achievements by the Company despite the most competitive environment in the market.

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

For and on behalf of the Board of Directors

Place : Chennai
Date : 13 May 2014

(T.S.KrishnaMurthy)
Chairman

DETAILS OF STOCK OPTIONS PURSUANT TO SEBI GUIDELINES ON STOCK OPTIONS

Repco Home Finance Limited Employee Stock Option Scheme 2013

	No. of Options available under ESOP Scheme 2013	9,27,835
a)	No. of Options Granted during FY 2013-14	2,44,375
b)	Pricing Formula	The exercise price for the purpose of the grant of options as decided by the Compensation Committee is Rs.75.
c)	Options vested during FY 2013-14	Nil
d)	Options Exercised during FY 2013-14	Nil
e)	The total number of shares arising as a result of exercise of option	Nil
f)	Options lapsed FY 2013-14	Nil
g)	Variation Terms of Options	Nil
h)	Money Realized by exercise of options	Nil
i)	Total Number of Options in Force as on March 31,2014	2,44,375
j)	Employee-wise details of options granted to	
	• Directors & Senior managerial personnel	
	No of Options granted to KMPs	38500
	No of Options granted to Senior managerial personnel	62500
	• Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
	• Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant	Nil
k)	Diluted Earnings Per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 "Earnings Per Share"	Rs.17.64
l)	i) Method of calculation of Employee Compensation Cost	Intrinsic value method
	ii) Difference between the employee compensation cost so computed at (i) above and the employee Compensation Cost that shall have been reorganized if it had used the fair value of options	Had the company adopted the fair value method in respect of the options granted, the total amount that would have been amortized over the vesting period is Rs.527,85,000/-
	iii) The impact of the difference on profits and on EPS of the Company	Decrease in Profit - 327,436 Decrease in EPS- 0.01 Per Share
m)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	Black-Scholes Model
	1) Risk-free interest rate (in %)	8.78
	2) Expected life (in years)	1
	3) Expected volatility (in %)	33.4
	4) Expected dividends and (in %)	1.1
	5) The price of underlying share in market at the time of option grant (in Rs.)	285.70

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to adopt the best global practices of Corporate Governance. Corporate Governance envisages commitment of the company towards the attainment of high levels of transparency, accountability and equity with the ultimate objective of increasing long-term shareholders value, keeping in view the needs and interests of all other stakeholders.

Your Company also believes that good Corporate Governance makes good business sense. As such your company not only complies with all requirements of Corporate Governance laid by various bodies, but follows it in spirit also.

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

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

During the year ended 31st March, 2014, your Company had complied with the code provisions set out in the code of Corporate Governance Practices contained in the Listing Agreement entered into with NSE and BSE.

BOARD OF DIRECTORS

COMPOSITION

The Board of Directors as of 31 March 2014 comprised of 9 Directors out of which 8 were non executive directors and one Managing Director. Shri. R. Varadarajan is the Managing Director. 4 non executive directors are independent directors viz Shri T.S. KrishnaMurthy, Shri Thomas Paul Diamond, Shri G.R. Sundaravadivel and Shri. V. Nadasabapathy. The Board is chaired by Shri. T.S. KrishnaMurthy (Independent-Non Executive Director). The directors are competent and qualified in their respective areas of expertise.

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

TENURE

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

BRIEF PROFILE OF DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED

1. Shri. S.C. Panda, I.A.S., is a non-executive and non-independent director of our Company. He holds a post graduate degree in political science

from the University of Utkal and diploma in Public Administration from the University of Punjab. He also holds a master's degree in Business Administration from the University of Birmingham, United Kingdom. He currently holds the position of Additional Secretary and Financial Advisor - Ministry of Home Affairs. He has more than three decades of work experience in Government service. He has served in the various departments including departments of land revenue management and district administration, rural development, tourism, social justice and empowerment, human resource development and agriculture and co-operation.

The details of other Directorships of Shri. S.C. Panda, I.A.S. are as follows:

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

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

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

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

Edelweiss Asset Reconstruction Company Ltd	Director
SBL Private Limited	Director
The Hindu Educational Organisation	Director

3. Shri.G.R. Sundaravadivel is a non-executive and independent director of our Company. He holds a master's degree in Commerce from the University of Madras and is also a certified associate of the Indian Institute of Bankers. He also holds bachelor's degree in General Law from the University of Mysore. He has 37 years of work experience at various nationalised banks, including 13 years in senior management positions at nationalised banks. He was associated with Indian Bank for around 33 years and as a whole-time director of United Bank of India for around four years. His current positions, amongst others, include director on the board of Andhra Bank since March, 2012. In the past, he has also served as a director on the board of the Oriental Bank of Commerce and director on the board of Punjab National Bank.

Other Directorships of Shri. G.R. Sundaravadivel are as follows:

Names of Companies	Nature of the interest
Hindustan Photo Films Mfg. Co. Ltd	Director
Andhra Bank	Director
Indbank Merchant Banking Services Limited	Director

4. Shri. Thomas Paul Diamond is a non-executive and independent director of our Company. He holds a master's degree in Physics from Madras Christian College, Tambaram and is an Associate of the Federation of Insurance Institute in India. He has around 40 years of work experience including 33 years of work experience at LIC of India in various positions. He has been the Chief Executive for three years at LIC Housing Finance Limited and was also the Managing Director for five years at Hometrust Housing Finance Company Limited.

Other Directorships of Shri. Thomas Paul Diamond are as follows:

Names of Companies	Nature of the interest
Nil	–

5. Shri V. Nadasabapathy is a non-executive and independent director of our Company. He holds a bachelor's degree in Science (Agriculture) from Annamalai University and is a Certified Associate of the Indian Institute of Bankers. He has around 38 years of experience cumulatively, out of which around 35 years were in the banking sector. He retired as Deputy General Manager at Syndicate Bank and was associated with the bank for a period of 35 years during which he was the Chairman of North Malabar Gramin Bank for a period of three years.

Other Directorships of Shri V. Nadasabapathy are as follows:

Names of Companies	Nature of the interest
Nil	–

6. Shri. K.K. Pathak, I.A.S is the Joint Secretary to Government of India, Ministry of Home Affairs.

The details of other Directorships of Shri.K.K.Pathak, I.A.S are as follows:

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

RESPONSIBILITIES

The Board of Directors provide the strategic direction and monitor the organization to ensure that the Corporate Objectives are achieved in the best possible manner and the interests of all stakeholders are protected. The Board oversees the performance of the organization and ensures that the performance is in line with the mission of the Company.

ROLE OF THE INDEPENDENT DIRECTORS

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

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

BOARD MEETINGS

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

During the year under review, the Board met four times. The meetings were held on 10/05/2013; 05/08/2013; 25/10/2013 and 10/02/2014

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

Sl. No	Name of Directors	Designation	Attendance at the 13th AGM	Attendance at the Board meetings (No of meetings held-4)	No of Equity shares held in the Company	No of Directorships (other than Repco Home Finance Ltd)	No of Committees Membership (as per clause 49) (other than Repco Home Finance Ltd)	
							Member (\$)	Chairman
1	Shri.T.S. KrishnaMurthy	Chairman, Non-Executive/ Independent	Not present	4	265	6	-	-
2	Shri. R.Varadarajan	Managing Director/Executive	Present	4	1,275	4	-	-
3	Shri. S.C.Panda, I.A.S.	Non-Executive/ Non-Independent	Not present	4	Nil	2	-	-
4	Shri. K.K.Pathak, I.A.S.	Non-Executive / Non-Independent	Not present	-	Nil	2	-	-
5	Shri. B.Anand, I.A.S.	Non-Executive / Non-Independent	Not present	3	Nil	1	-	-
6	Shri. Thomas Paul Diamond	Non-Executive / Independent	Present	4	Nil	-	-	-
7	Shri. G.R. Sundaravadivel	Non-Executive / Independent	Present	4	Nil	3	3	-
8	Shri. V. Nadanasabapathy	Non-Executive / Independent	Present	4	Nil	-	-	-
9	Shri. C. Thangaraju	Non-Executive / Non-Independent	Present	4	Nil	1	-	-
10	Shri. K. Deenabandhu, I.A.S.*	Non-Executive / Non-Independent	Not present	-	Nil	-	-	-
11	Shri. Iqbal Singh Chahal, I.A.S.**	Non-Executive / Non-Independent	Not present	-	Nil	-	-	-
12	Shri. M. Shankar Narayanan#	Non-Executive / Non-Independent	Not present	4	Nil	4	-	-
13	Shri. Mahesh Parasuraman##	Non-Executive / Non-Independent	Not present	1	Nil	3	2	-

(\$) Includes Audit and Shareholders Grievances Committees of Public Limited Companies only

* Resigned from Board as director w.e.f 29th April 2013

** Resigned from Board as director w.e.f 25th October 2013

Resigned from Board as director w.e.f 28th February 2014

Resigned from Board as director w.e.f 28th February 2014

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

Name of the Directors	Sitting fee
Shri. T.S. KrishnaMurthy	80000
Shri. R. Varadarajan	-
Shri. S.C. Panda, I.A.S.	-
Shri. K.K. Pathak, I.A.S.	-
Shri. B. Anand, I.A.S.	-
Shri. Thomas Paul Diamond	40000
Shri. G.R. Sundaravadivel	40000
Shri. V. Nadanasabapathy	40000
Shri. C. Thangaraju	40000

COMMITTEES OF THE BOARD

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

Membership of Committees

As per the disclosure received by the Company from the Directors, none of them is a member neither in more than 10 committees nor as Chairman of more than 5 committees in all companies where they hold directorships.

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

AUDIT COMMITTEE

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

During the year, four Audit Committee meetings were held on 08/05/2013; 03/08/2013; 24/10/2013 and 05/02/2014. The composition of Audit Committee is as under:

Composition

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

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

Members	Number of meetings attended (meetings held-4)	Sitting fees paid
Thomas Paul Diamond	4	40000
V. Nadanasabapathy	4	40000
G.R. Sundaravadivel	4	40000
M. Shankar Narayanan [#]	3	-

[#]Resigned from Board as director w.e.f 28th February 2014

ROLE OF AUDIT COMMITTEE

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

department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

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

POWERS OF AUDIT COMMITTEE

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

SHAREHOLDERS' GRIEVANCE COMMITTEE

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

Composition

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

During the year, one Shareholders' Grievance meeting was held on 03/08/2013.

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

Members	Number of meetings attended (meetings held-1)	Sitting fees paid
Thomas Paul Diamond	1	10000
V. Nadasabapathy	1	10000
G.R.Sundaravadivel	1	10000

The terms of reference of Shareholders Grievance Committee are as follows:

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

COMPENSATION COMMITTEE

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

Composition

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

During the year, two Compensation Committee meetings were held on 08/05/2013 and 24/10/2013.

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

Members	Number of meetings attended (meetings held-2)	Sitting fees paid
Thomas Paul Diamond	2	20000
V. Nadanasabapathy	2	20000
G.R. Sundaravadivel	2	20000

The terms of reference of Compensation Committee are as follows:

- The quantum of option to be granted under an Employee Stock Option Scheme, ("ESOP"), per employee and in aggregate;
- The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- The exercise period within which the employee should exercise the option;
- The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Compensation Committee:
 - the number and the price of ESOP shall be adjusted in a manner such that total value of the ESOP

remains the same after the corporate action

– for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered.

– the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.

- The grant, vest and exercise of option in case of employees who are on long leave

REMUNERATION COMMITTEE

The Remuneration committee was constituted to take all appropriate/ necessary steps, decisions required in connection with managerial remuneration and to delegate all or any of the power hereby conferred to and to settle any question, matter or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or otherwise considered necessary by the aforesaid committee to be in the best Interest of the Company and to do for and on behalf of the Board all acts, deeds and things which may be necessary for effective implementation of the foregoing resolutions.

Composition

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

During the year, three Remuneration committee meetings were held on 08/05/2013; 21/05/2013 and 24/10/2013.

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

Members	Number of meetings attended (meetings held-3)	Sitting fees paid
Thomas Paul Diamond	3	30000
V. Nadanasabapathy	3	30000
G.R. Sundaravadivel	3	30000

Scope of the Committee

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

MANAGEMENT COMMITTEE

Composition

1.	Thomas Paul Diamond	Chairman of the Committee
2.	V. Nadasabapathy	Member
3.	G.R. Sundaravadivel	Member
4.	R. Varadarajan	Member

GENERAL BODY MEETINGS

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

Financial Year	Particulars	Date & time	Venue	Special Resolutions passed
2010-11	11th AGM	25/05/2011 11.00 AM	Karumuttu Center, 2nd Floor, North Wing, New No.634, Old No.498, Anna Salai, Nandanam, Chennai 35	No Special Resolution was passed
2011-12	12th AGM	14/06/2012 11.00 AM	Karumuttu Center, 2nd Floor, North Wing, New No.634, Old No.498, Anna Salai, Nandanam, Chennai 35	No Special Resolution was passed
2012-13	13th AGM	13/09/2013 2.30 PM	Narada Gana Sabha (Mini Hall), No. 314, T.T.K. Road, Alwarpet, Chennai-600018	1. Enhancement of performance incentive and payment of one time cash award to Shri.R.Varadarajan Managing Director 2. Employee Stock Option

During the year, five Management Committee meetings were held on 08/05/2013; 03/08/2013; 24/10/2013; 24/01/2014 and 05/02/2014.

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

Members	Number of meetings attended (meetings held-5)	Sitting fees paid
Thomas Paul Diamond	5	50000
V. Nadasabapathy	5	50000
G.R. Sundaravadivel	5	50000
R. Varadarajan	5	-
M. Shankar Narayanan [#]	3	-

[#]Resigned from Board as director w.e.f 28th February 2014

The terms of reference of Management Committee are as follows:

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

MEANS OF COMMUNICATION

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

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

The Management's Discussion and Analysis forms a part of the Annual report.

COMPLIANCE OFFICER

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

CODE OF CONDUCT

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

CODE FOR PREVENTION OF INSIDER TRADING

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

DISCLOSURES

TRANSACTIONS WITH NON EXECUTIVE DIRECTORS

The non executive Directors of the Company do not have any material pecuniary relationships or transactions with the Company in their personal capacity.

RELATED PARTY TRANSACTIONS

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

ACCOUNTING STANDARDS

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

The Company has no Subsidiary Company.

RISK MANAGEMENT SYSTEMS

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

The Company has complied with all requirements of the listing agreement with Stock Exchanges as well as the applicable Regulations and guidelines prescribed by SEBI, including the applicable mandatory provisions of Clause 49.

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

CEO/CFO CERTIFICATION:

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

MANDATORY / NON MANDATORY REQUIREMENTS

During the financial year 2013-14, the Company has duly complied with all mandatory requirements of Clause 49 of the Listing Agreement. In respect of non-mandatory requirements the Company has constituted the Remuneration Committee to review the remuneration of Managing Director.

REMUNERATION OF DIRECTORS

The non-executive directors receive remuneration only by way of sitting fees for each meeting of the Board and its various committees. The sitting fee paid for each meeting for Chairman is Rs.20,000 and for other directors it is Rs.10000. The details of sitting fees paid to non-executive directors during the year are as under:

Name of the Director	Sitting fee
Shri. T.S. KrishnaMurthy	80000
Shri. R. Varadarajan	-
Shri. S.C. Panda, I.A.S.	-
Shri. K.K.Pathak, I.A.S.	-
Shri. B. Anand, I.A.S.	-
Shri. Thomas Paul Diamond	190000
Shri. G.R. Sundaravadivel	190000
Shri. V. Nadanasabapathy	190000
Shri. C. Thangaraju	40000

Shri. R.Varadarajan is drawing salary and allowances only from Repco Bank and the Company reimburses the additional pay to Repco Bank in respect of the additional post held. Performance incentive component is directly paid to him. The details of the remuneration incurred by the Company for Shri.R.Varadarajan, Managing Director during the year 2013-14 are as under:

Additional pay reimbursed to Repco Bank	Rs.3,21,900
Performance Incentive for the year 2012-13	Rs.3,00,000
Performance Incentive for the year 2013-14	Rs.10,50,000
IPO Cash Award	Rs.10,00,000

The aforesaid remuneration is within the limit prescribed under the Companies Act and have been duly approved by the Shareholders.

The aforesaid details are exclusive of the ESOP scheme perquisites and no Employee Stock Options have been exercised during the year.

The expenses incurred for travelling/boarding/lodging during business trips, provision of office car for the Company's business, meal expenses for corporate guests are not construed as perquisites.

GENERAL SHAREHOLDERS INFORMATION

The Company is registered in the state of TamilNadu, India. The Corporate identity number (CIN) of the Company as allotted by Ministry of Corporate Affairs is L65922TN2000PLC044655.

a) Annual General Meeting

Date & Time : September 11, 2014 & at 10.30 A.M

Venue: Bharatiya Vidya Bhavan (Bhavan's Dr. Preetha Reddy Auditorium - Main Hall), # 18,20, East Mada Street, Mylapore , Chennai 600004

b) Financial Year: 1st April 2013- 31st March 2014

c) **Book Closure:** From September 4, 2014 to September 11, 2014 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend if approved by the Shareholders.

d) **Dividend Payment date:** on or after September 11, 2014

e) The shares of the Company are listed in National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd. The company has paid listing fees to BSE and NSE for the financial year 2014-15

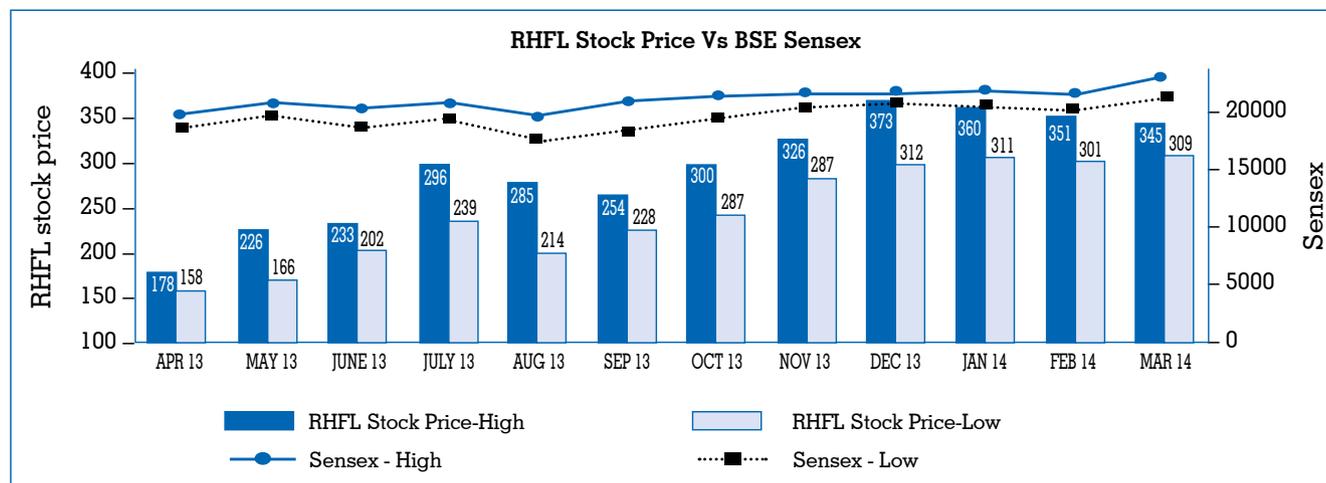
f) Stock Code
NSE Symbol- REPCHOHOME
BSE Scrip Code - 535322

g) ISIN No of NSDL/CDSL: INE612J01015

h) Market Price Data

The shares of the Company were listed on 1st April 2013.

Monthly high and low quotations as well as the volume of shares traded at the Bombay Stock Exchange Limited and the NSE for 2013-14 along with the BSE Sensex and NIFTY are as follows:



BSE 2013-2014:

Date	High	Low	Volume	BSE Sensex (Monthly Close)
April 2013	177.85	158.05	3753618	19504.18
May 2013	226	166.15	830216	19760.30
June 2013	233	202.25	775708	19395.81
July 2013	296	239.4	261529	19345.70
August 2013	285	214	75397	18619.72
September 2013	253.95	228.25	32471	19379.77
October 2013	300	246	332323	21164.52
November 2013	325.5	287	51479	20791.93
December 2013	373.3	312	88827	21170.68
January 2014	360.15	311.25	89447	20513.85
February 2014	351	301.05	90957	21120.12
March 2014	345	309	3873860	22386.27

NSE 2013-2014:

Date	High	Low	Volume	NIFTY (Monthly Close)
April 2013	179	158	10402362	5930.2
May 2013	227	170.2	1600978	5985.95
June 2013	234	202.95	1091881	5842.2
July 2013	298.8	235.9	1718856	5742
August 2013	280	201	641614	5471.8
September 2013	264.85	225.3	207120	5735.3
October 2013	299.7	243.3	326647	6299.15
November 2013	326.8	284.2	188844	6176.1
December 2013	369.8	299.15	277116	6304
January 2014	361.95	307.05	591578	6089.5
February 2014	352.75	303	975183	6276.95
March 2014	343.95	308.2	762990	6704.2

i) Registrar and Transfer Agent

Karvy Computershare Private Limited

Plot No. 17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad 500 081

Tel: +91 40 2342 0815/0820 Fax: +91 40 2342 0814

j) Share Transfer System: As of 31st March 2014, 62,160,925 equity shares i.e. 99.99% of the equity shares of the Company are in electronic form. Transfers of these shares are done through the depositories. For matters regarding shares transferred in physical form, share certificates, dividends and change of address, shareholders should communicate with M/s. Karvy Computershare Private Limited, our R& T Agent.

k) Shareholders holding more than 1% of the Share Capital of the Company as at 31.03.2014

Sl No	Name of the shareholder	Number of shares	% Holding
1	Repatriates Co Operative Finance & Development Bank Ltd	23230606	37.37
2	First Carlyle Growth VI	8980669	14.45
3	WCP Holdings III	6192100	9.96
4	Creador I, LLC	4639434	7.46
5	First Carlyle Growth VI	2047052	3.29
6	SBI Emerging Businesses Fund	1510010	2.43
7	Nomura India Investment Fund Mother Fund	1089007	1.75
8	Parvest Equity India	850000	1.37
9	Bengal Finance & Investment Pvt. Ltd	800000	1.29
Total		49338878	79.37

l) Distribution of shareholding

Sl No	Category	Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	3848	73.79	4975160	0.80
2	5001 - 10000	541	10.37	4127940	0.66
3	10001 - 20000	369	7.08	5196170	0.84
4	20001 - 30000	116	2.22	2824280	0.45
5	30001 - 40000	71	1.36	2506040	0.40
6	40001 - 50000	53	1.02	2395190	0.39
7	50001 - 100000	109	2.09	7861870	1.27
8	100001 & above	108	2.07	591723820	95.19
Total		5215	100.00	621610470	100.00

m) Shareholding Pattern as of 31/03/2014

Category code	Category of shareholder	No of holders	Total shares	No of shares in demat form	Total Shareholding as a % of Total No of Shares		Shares Pledge or otherwise Encumbered	
					AS a % of (A+B)	As a Percentage of (A+B+C)	Number of Shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII) / (IV) * 100
(A)	PROMOTER AND PROMOTER GROUP							
(1)	INDIAN							
(a)	Individual /HUF	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions /Banks	0	0	0	0.00	0.00	0	0.00
(e)	Others	1	23230606	23230606	37.37	37.37	0	0.00
	Sub-Total A(1) :	1	23230606	23230606	37.37	37.37	0	0.00
(2)	FOREIGN							
(a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(2) :	0	0	0	0.00	0.00	0	0.00
	Total A= A(1)+A(2)	1	23230606	23230606	37.37	37.37	0	0.00
(B)	PUBLIC SHAREHOLDING							
(1)	INSTITUTIONS							
(a)	Mutual Funds /UTI	34	6213862	6213862	10.00	10.00		
(b)	Financial Institutions / Banks	2	325284	325284	0.52	0.52		
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		
(e)	Insurance Companies	0	0	0	0.00	0.00		
(f)	Foreign Institutional Investors	12	4078005	4078005	6.56	6.56		
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00		
(i)	Others	0	0	0	0.00	0.00		
	Sub-Total B(1) :	48	10617151	10617151	17.08	17.08		
(2)	NON-INSTITUTIONS							
(a)	Bodies Corporate	186	2176448	2176448	3.50	3.50		
(b)	Individuals							
	(i) Individuals holding nominal share capital upto Rs.1 lakh	4637	2385764	2385642	3.84	3.84		
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	41	1382829	1382829	2.22	2.22		

(c)	Others							
	Non Resident Indians	256	473329	473329	0.76	0.76		
	Non Resident Companies	4	21859255	21859255	35.17	35.17		
	Clearing Members	41	34970	34970	0.06	0.06		
	Trusts	1	695	695	0.00	0.00		
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00		
	Sub-Total B(2)	5166	28313290	28313168	45.55	45.55		
	Total B=B(1)+B(2)	5214	38930441	38930319	62.63	62.63		
	Total (A+B)	5215	62161047	62160925	100.00	100.00		
(C)	SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED							
(1)	Promoter and Promoter Group							
(2)	Public	0	0	0	0.00	0.00		
	GRAND TOTAL (A+B+C) :	5215	62161047	62160925	100.00	100.00	0	0.00

n) Dematerialization of shares and liquidity

The shares of the Company are traded in dematerialized form and are available for trading under both the Depository Systems - National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL). As of 31st March 2014, 62,160,925 equity shares i.e. 99.99% of the Company's Share Capital were dematerialized.

o) Outstanding GDRs/ADRs/Warrants or any convertible Instruments : Not Applicable

p) Plant Locations

: Nil

q) Address for correspondence

: The Company Secretary
 Repco Home Finance Limited
 Third Floor, Alexander Square,
 Old No.34 & 35, New No.2,
 Sardar Patel Road, Guindy, Chennai – 600032
 Telephone: 044- 42106650; Mobile: 9444394918
 Fax No: 044 - 42106651
 E-mail: cs@repcohome.com
 Website: www.repcohome.com

r) Particulars of Bank Account

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

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

Place : Chennai

Date : 09 August 2014

For and on behalf of the Board of Directors

(R.Varadarajan)

Managing Director

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

Date: 09th August 2014

ANNUAL CERTIFICATION

We the undersigned R.Varadarajan, Managing Director & CEO and T.Karunakaran, Chief Financial Officer hereby certify that for the financial year ended 31st March 2014, we have reviewed Annual accounts, financial statement and the cash flow statement and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct;
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of some internal control system of the Company and we have disclosed to the auditors and the Audit Committee the deficiencies, of which we are aware, in the design or operation of the internal control systems and we have taken the steps to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee
 - Significant changes in internal control over the financial reporting during the year 2013-14;
 - Significant changes in accounting policies during the year 2013-14 and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

Managing Director & CEO

Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF REPCO HOME FINANCE LIMITED

We have examined the compliance of conditions of Corporate Governance by REPCO Home Finance Limited, for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange.

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

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

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

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

R. PRAKASH

Partner

Membership No. 205869

Place: Chennai

Date: 09th August 2014

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2014

To the Members of REPCO HOME FINANCE LIMITED

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of REPCO HOME FINANCE LIMITED ("the Company") which comprise of the Balance Sheet as at 31st March 2014, Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"), read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the

financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A)

of section 227 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

2 As required by section 227(3) of the Act, we report that:

(a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013, and

(e) On the basis of written representations received from the directors as on 31st March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

R. PRAKASH

Partner

Place : Chennai
Date : 13th May 2014

M.NO: 205869

ANNEXURE TO AUDITORS' REPORT

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

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

Rs. in crore

Name of the Party	Nature of Loan availed	Balance o/s as at 31/03/2014	Maximum amount outstanding during the year
Repco Bank Limited	Secured Term Loan	0.51	0.96
Repco Bank Limited	Cash Credit	397.72	464.55

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

- b) According to the records of the company and the information and explanations given to us, there are no dues of Income tax, Sales tax, wealth Tax, Service tax, Excise Duty and Cess which have not been deposited on account of any dispute.
9. The Company has not incurred losses since inception.
 10. Based on our audit procedures and on the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in the repayment of dues to Financial Institutions and Banks.
 11. Based on our examination of documents and records, we are of the opinion that no loans or advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities, other than housing/mortgage loans granted based on equitable mortgage of properties.
 12. During the year no dealing/trading in shares by the Company was noticed.
 13. The provisions of Special Statute relating to Chit fund/Nidhi are not applicable to this company.
 14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions during the financial year.
 15. To the best of our knowledge and belief and according to the information and explanation given to us, the term loans availed by the Company during the financial year have been applied for the purpose for which the loans were obtained.
 16. According to the Cash flow statement and other records examined by us and based on the information and explanations given to us, on an overall basis, funds raised on short term basis have not been used during the financial year for long term investment.
 17. During the year the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act..
 18. No debentures have been issued by the Company during the year.
 19. The Company has not raised any money by Public issue during the year.
 20. To the best of our knowledge and belief and according to the information and explanations given to us, sums aggregating to Rs.24 Lakhs involving 1 fraud case on the company was noticed, and reported during the year.
 21. Clause 4(ii) of the above order is not applicable to this Company.

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

R. PRAKASH
Partner
M.NO: 205869

Place : Chennai
Date : 13th May 2014

BALANCE SHEET

AS AT MARCH 31, 2014

(Amt In INR)

Particulars		Note No.	As at 31st March 2014	As at 31st March 2013
I.	EQUITY AND LIABILITIES			
1)	Shareholder's Funds			
	(a) Share Capital	1	6216,10,470	6216,10,470
	(b) Reserves and Surplus	2	67890,22,316	57236,39,188
2)	Non-Current Liabilities			
	(a) Long Term Borrowings	3	291081,90,733	217723,85,575
	(b) Long Term Provisions	4	5574,09,121	3351,33,111
3)	Current Liabilities			
	(a) Short Term Borrowings	5	39771,52,683	39449,15,867
	(b) Other Current Liabilities	6	62317,11,249	54145,72,756
	(c) Short Term Provisions	7	1050,52,432	1122,42,700
	Total		473901,49,004	379244,99,667
II.	ASSETS			
1)	Non-Current Assets			
	(a) Fixed Assets	8		
	(i) Tangible Assets		483,08,249	437,78,577
	(ii) Intangible Assets		15,72,050	8,76,066
	(b) Non-Current Investments	9	1240,00,000	805,00,000
	(c) Deferred Tax Assets (net)	10	1866,08,920	1117,98,260
	(d) Long Term Loans and Advances	11	436365,71,100	332055,50,989
2)	Current Assets			
	(a) Cash and Bank Balances	12	2189,26,600	21014,42,177
	(b) Short Term Loans and Advances	13	30435,54,777	22949,37,716
	(c) Other Current Assets	14	1306,07,308	856,15,882
	Total		473901,49,004	379244,99,667

Accounting Policies 20

Notes Forming Part of Accounts 21

For **R. Subramanian and Company**

Chartered Accountants
Firm Regn No: 004137S

Partner
(R Prakash)
Membership No.205869

Place: Chennai
Date : 13 May 2014

T Karunakaran
Chief Financial Officer

R. Varadarajan
Managing Director

K Prabhu
Company Secretary

T.S. KrishnaMurthy
Chairman

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2014

(Amt In INR)

Particulars	Notes	For The Year ended 31st March 2014	For The Year ended 31st March 2013
III. INCOME:			
Revenue From Operations	15	53414,56,157	40554,54,411
Other Income	16	119,82,245	31,23,434
Total Income		53534,38,402	40585,77,845
IV. EXPENDITURE:			
Interest and Other Financial Charges	17	32474,96,850	26564,55,508
Employee Benefit Expenses	18	2105,39,694	1398,03,349
Depreciation and Amortization Expenses	8	240,89,275	151,90,817
Other Expenses	19	1533,06,877	868,99,600
Provision for Non-Performing Assets		1761,24,493	587,80,689
Contingency Provisions against Standard Assets		472,07,276	312,14,402
Provision for diminution in value of Investments		5,00,000	-
Bad Debts Written Off		28,70,174	22,73,633
Total Expenses		38621,34,639	29906,17,998
V. Profit Before Tax (III-IV)		14913,03,763	10679,59,847
VI. Tax Expense:			
(1) Current Tax		4651,00,000	3003,00,000
(2) Deferred Tax		(748,10,660)	(325,07,018)
VII Net Profit/(Loss) for the period		11010,14,423	8001,66,865
VIII Earning Per Equity Share:			
Weighted Average no. of Shares Outstanding During the Period		621,61,047	468,71,477
Nominal Value Per Equity Share		10.00	10.00
Earnings Per Share Before & After Extra-Ordinary Item			
- Basic		17.71	17.07
- Diluted EPS		17.64	17.07

Accounting Policies 20

Notes Forming Part of Accounts 21

For **R. Subramanian and Company**
Chartered Accountants
Firm Regn No: 004137S
Partner
(R Prakash)
Membership No.205869

T Karunakaran
Chief Financial Officer

R. Varadarajan
Managing Director

K Prabhu
Company Secretary

T.S. KrishnaMurthy
Chairman

Place: Chennai
Date : 13 May 2014

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

	31-03-2014		31-03-2013	
		Rs.		Rs.
Shareholder's Fund				
NOTE 1:				
SHARE CAPITAL				
Authorised Capital				
10,00,00,000 Equity shares of Rs.10/- each		10000,00,000		10000,00,000
Issued, Subscribed & Paid up Capital				
62,161,047 (62,161,047) Equity shares of Rs.10/- each (Out of the above 23,230,606 (23,230,606) Fully Paid Up Equity Shares are held by promoter M/s Repco Bank Ltd.,)		6216,10,470		6216,10,470
		-		-
Total		6216,10,470		6216,10,470
(a) Reconciliation of Share outstanding at the beginning and at the end of the year.				
Equity Shares (Face value of Rs.10/- each)	No's	Rs.	No's	Rs.
Equity Shares outstanding at the beginning of the year	621,61,047	6216,10,470	464,40,785	4644,07,850
Equity Shares issued and allotted during the year	-	-	157,20,262	1572,02,620
Equity Shares bought back during the year.	-	-	-	-
Equity Shares outstanding at the end of the year	621,61,047	6216,10,470	621,61,047	6216,10,470
(b) Shareholders holding more than 5% shares				
Equity Shares				
Name of Equity Shareholder (Equity Shareholder holding more than 5 % of Equity share capital)	No's	% of holding	No's	% of holding
Repco Bank Limited	232,30,606	37.37	232,30,606	37.37
First Carlyle Growth VI	110,27,721	17.74	110,27,721	17.74
WCP Holdings III	61,92,100	9.96	61,92,100	9.96
Creador I, LLC	46,39,434	7.46	46,39,434	7.46
	450,89,861	72.53	450,89,861	72.53
(c) Terms / rights attached to Equity Shares:				
The Company has only one class of Equity Share having a par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote per share.				

Aggregate number and class of share bought back in the last five years.

Year : 2011-12
Class of Shares : Differential voting equity shares
No. of Shares : 1004

	31-03-2014		31-03-2013	
	Rs.	Rs.	Rs.	Rs.
NOTE 2:				
RESERVES AND SURPLUS				
a. Special Reserve in accordance with section 36(i)(viii) of Income Tax Act, 1961 and Section 29 (C) of National Housing Bank Act 1987				
Opening Balance	9774,00,000		7460,00,000	
(+) Current Year Transfer	3439,00,000		2314,00,000	
(-) Written Back in Current Year	-		-	
Closing Balance		13213,00,000		9774,00,000
b. Statutory Reserve (As per the Section 29C of the NHB Act, 1987)				
Opening Balance	1601,00,000		-	
(+) Current Year Transfer	2203,00,000		1601,00,000	
(-) Written Back in Current Year	-		-	
Closing Balance		3804,00,000		1601,00,000
c. Capital Redemption Reserve				
Opening Balance	10,040		10,040	
(+) Current Year Transfer	-		-	
(-) Written Back in Current Year	-		-	
Closing Balance		10,040		10,040
d. Securities Premium Account				
Opening Balance	30344,34,206		5991,86,414	
(+) Current Year Transfer	-		25451,14,044	
(-) Utilised during the Year towards IPO issue expenses	-		1098,66,252	
Closing Balance		30344,34,206		30344,34,206
e. General Reserve				
Opening Balance	9033,33,174		7033,33,174	
(+) Current Year Transfer	2000,00,000		2000,00,000	
(-) Written Back in Current Year	-		-	
Closing Balance		11033,33,174		9033,33,174
f. Employee Stock Option Outstanding		516,39,085		-
g. Surplus in Statement of Profit and Loss				
Opening balance	6483,61,768		5196,92,752	
(+) Net Profit for the year	11010,14,423		8001,66,865	
(+) Transfer from Reserves	-		-	
(-) Transfer to Special Reserve in accordance with Section 36(i)(viii) of the Income Tax Act, 1961 and Section 29C of National Housing Bank Act, 1987	3439,00,000		2314,00,000	
(-) Transfer to Additional Reserve (U/s 29C of the NHB Act)	2203,00,000		1601,00,000	
(-) Transfer to Capital Redemption Reserve	-		-	
(-) Transfer to General Reserve	2000,00,000		2000,00,000	
(-) Proposed Dividend 12% (11%)	745,93,256		683,77,152	
(-) Tax on Proposed Dividend	126,77,124		116,20,697	
Closing balance		8979,05,811		6483,61,768
Total		67890,22,316		57236,39,188

	Non-Current Portion		Current Maturities	
	31-03-2014 Rs.	31-03-2013 Rs.	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 3:				
LONG TERM BORROWINGS				
Secured:				
Term Loan from Repco Bank Ltd.,	-	50,67,765	50,68,902	48,58,532
Term Loan from Banks	215528,37,733	130149,70,981	37327,87,593	24771,08,251
Term Loan by way of Refinance from NHB	75553,53,000	87523,46,829	21969,93,829	24476,30,000
<i>Amount Disclosed Under the Head "Other Current Liabilities" (Note 6)</i>			(59348,50,324)	(49295,96,783)
	-	-	-	-
Total	291081,90,733	217723,85,575	-	-

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

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

ANNEXURE A

TERMS OF REPAYMENT RELATING TO SECURED BORROWINGS

(Rs. in crore)

Particulars	Amount	Range of Interest (%)	Terms of Repayment
Andhra Bank	117.97	10.25	Repayable in 20 half-yearly installments after a moratorium period of six months.
Axis Bank	15.62	10.75	Repayable in 24 quarterly installments commencing from the end of 12th month from date of first disbursement
Canara Bank	387.00	10.20 to 11.00	Repayable in 20 half-yearly installments after a moratorium period of six months
Corporation Bank	359.64	10.25	Repayable in 20 half-yearly installments after a moratorium period of six months.
Federal Bank	24.99	10.55	Repayable in 20 half-yearly installments after a moratorium period of six months.
HDFC Bank Ltd.,	248.26	10.20	Repayable in 5 to 8 years in quarterly installments
ICICI Bank Ltd.,	95.00	10.25	Repayable in 20 half-yearly installments after a moratorium period of six months.
IDBI Bank Ltd.,	118.00	10.25	Term Loan-1-Repayable in 20 quarterly installments commencing from September 30, 2009 and Term Loan-2 repayable in 20 half yearly installments after a moratorium period of six months.
Indian Bank	285.75	10.20	Repayable in 20 half-yearly installments after a moratorium period of six months.
Indian Overseas Bank	189.41	10.25	Repayable in 20 half-yearly installments after a moratorium period of six months.
Karur Vysya Bank Ltd.,	67.50	11.00	Repayable in 20 half-yearly installments after a moratorium period of six months.
National Housing Bank	975.24	6.50 to 11	Repayable in quarterly installments ranging from 20 to 48 quarters.
Oriental Bank of Commerce	261.25	10.25	Repayable in 14 to 20 half-yearly installments after a moratorium period of six months.
Repco Bank Ltd.,	0.51	11.00	Repayable in 120 to 174 Equal Monthly installments
State Bank of India	68.33	11.00	Repayable in half yearly installments, commencing from December 2011 and the last installment will be paid in December 2015
Syndicate Bank	89.99	10.25	Repayable in 20 half yearly installments after a moratorium period of six months.
Union Bank of India	199.86	10.25	Repayable in 20 half yearly installments after a moratorium period of six months

	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 4:		
LONG TERM PROVISIONS:		
Employee Benefits	70,66,465	81,22,223
Other Provisions for :		
Non-Performing Advances	3530,27,788	1769,03,296
Standard Advances	1973,14,868	1501,07,592
Total	5574,09,121	3351,33,111

	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 5:		
SHORT TERM BORROWINGS:		
Secured		
Working Capital Loan from Repco Bank Ltd.,	39771,52,683	37454,86,471
Working Capital Loan from Scheduled Banks	-	1994,29,396
Total	39771,52,683	39449,15,867

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

	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 6:		
OTHER CURRENT LIABILITIES		
Trade Payable- Expenses	122,50,512	684,13,756
Current Maturities of Long Term Borrowings	59348,50,324	49295,96,783
Interest Accrued but Not Due on Borrowings	2638,37,207	2591,44,299
Advance Receipts	1,26,959	170,21,345
Statutory Dues	26,00,447	69,50,888
Unclaimed Dividend	6,452	-
Other Liabilities	180,39,348	1334,45,685
Total	62317,11,249	54145,72,756

	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 7:		
SHORT TERM PROVISIONS		
Provisions:-		
Employee Benefit	120,00,000	140,72,352
Income Tax (Net of Advance Tax Paid)	57,82,052	181,72,499
Dividend	745,93,256	683,77,152
Tax on Dividend	126,77,124	116,20,697
Total	1050,52,432	1122,42,700

**NOTE 8:
FIXED ASSETS**

(Rupees)

Particulars	Gross Block (at Cost)				Depreciation			Net Block		
	As on 01/04/13	Addition	Deletion	As at 31/03/14	As on 01/04/13	For the period	Adjustment	As on 31/03/14	As on 31/03/14	As at 31/03/13
TANGIBLE ASSETS:										
Land & Building*	161,88,000	-	-	161,88,000	31,10,696	6,53,867	-	37,64,563	124,23,437	130,77,304
Furniture & Fixtures	93,32,897	26,95,920	29,760	119,99,057	50,49,810	20,73,201	29,760	70,93,251	49,05,806	42,83,087
Motor Vehicle	82,52,590	27,06,582	3,50,000	106,09,172	35,33,380	15,82,526	2,81,643	48,34,263	57,74,909	47,19,210
Bicycle	13,575	-	-	13,575	13,575	-	-	13,575	-	-
Computers	422,06,407	58,99,377	10,25,375	470,80,409	265,15,774	78,61,031	10,16,449	333,60,356	137,20,053	156,90,633
Air Conditioner	28,72,758	3,14,000	-	31,86,758	9,23,669	2,89,164	-	12,12,833	19,73,925	19,49,089
Office Equipment	18,00,444	12,38,322	-	30,38,766	10,48,046	4,40,208	-	14,88,254	15,50,512	7,52,398
Electrical Fitting	7,28,196	3,74,833	7,800	10,95,229	5,30,888	1,80,083	7,800	7,03,171	3,92,058	1,97,308
Generator	43,60,559	11,17,109	-	54,77,668	12,51,011	5,51,408	-	18,02,419	36,75,249	31,09,548
Temporary Erections	228,38,920	138,43,239	12,995	366,69,164	228,38,920	99,50,939	12,995	327,76,864	38,92,300	-
Total (A)	1085,94,346	281,89,382	14,25,930	1353,57,798	648,15,769	235,82,427	13,48,647	870,49,549	483,08,249	437,78,577
INTANGIBLE ASSETS:										
Software	41,72,578	12,02,832	-	53,75,410	32,96,512	5,06,848	-	38,03,360	15,72,050	8,76,066
Total (B)	41,72,578	12,02,832	-	53,75,410	32,96,512	5,06,848	-	38,03,360	15,72,050	8,76,066
Total (A + B)	1127,66,924	293,92,214	14,25,930	1407,33,208	681,12,281	240,89,275	13,48,647	908,52,909	498,80,299	446,54,643
Previous Year	865,68,353	267,54,638	5,56,067	1127,66,924	533,94,493	151,90,817	4,73,029	681,12,281	446,54,643	331,73,860

* Out of the total Land & Building registration is pending in respect of Land and Building amounting to Rs.95,12,006

	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 9:		
NON-CURRENT INVESTMENTS:		
At Cost, Unquoted, Trade		
Investment in Associates:		
50,000 (50,000) Equity shares of Rs.10/- Each Fully Paid up in Repco Infrastructure Development Finance Company Ltd.,	5,00,000	5,00,000
124,00,000 (80,00,000) Equity Shares of Rs.10/- Each Fully Paid up in Repco Micro Finance Ltd.,	1240,00,000	800,00,000
Total	1245,00,000	805,00,000
Less: Provision for diminution in value of Investments	5,00,000	
Aggregate value of un-quoted investments net of provision	1240,00,000	80,50,000

	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 10:		
DEFERRED TAX		
Deferred Tax Assets:		
Provision for Non Performing Assets	1199,94,145	601,29,430
Others	694,77,492	537,82,314
Gross Deferred Tax Asset (A)	1894,71,637	1139,11,744
Deferred Tax Liabilities:		
Difference Between Written Down Value of Fixed Assets as per Companies act and as per Income Tax Act.,	28,62,717	21,13,484
Gross Deferred Tax Liability (B)	28,62,717	21,13,484
Net Deferred tax Asset/(Liability) (A-B)	1866,08,920	1117,98,260
Amount Debited / (Credited) in Profit & Loss Account	(748,10,660)	(325,07,018)

	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 11:		
LONG TERM LOANS & ADVANCES		
(Secured & Considered Good excepting advances classified as Non-Performing Advances)		
Housing Loan to Individuals	355935,24,195	283325,22,221
Mortgage / Other Loans	79892,92,769	48255,24,799
Capital Advances (unsecured, considered good)	28,71,963	65,36,754
Security Deposits (unsecured, considered good)	393,05,054	320,19,396
Other loans & advances (Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in Kind	41,03,270	41,03,270
Loan to Employees	74,73,849	48,44,549
Total	436365,71,100	332055,50,989

	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 12:		
CASH AND BANK BALANCES:		
Cash and Cash Equivalents		
Cash on Hand	249,91,854	132,82,517
Balances with Banks in		
Current Accounts	1516,19,418	1116,78,420
Public Issue Account	-	723,16,664
Deposit Accounts - With original maturity Up to 3 months	-	12501,00,000
Balances with Repco Bank Ltd.,		
Deposit Accounts	285,95,876	6402,94,576
Other Bank Balances		
Balances with Scheduled Banks in Deposit Accounts More than 12 months maturity	137,13,000	137,70,000
<i>(Deposits amounting to Rs.38,000/- (Rs.145,000/-) held jointly by the company and employees towards security deposit and Rs. 13,625,000/- (13,625,000/-) provided as Cash Collateral on which lien noted towards Bank Guarantee issued to NSE by bank)</i>		
Unpaid Dividend Account	6,452	
Total	218,926,600	21014,42,177
	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 13:		
SHORT TERM LOANS & ADVANCES (Secured & Considered Good excepting advances classified as Non-Performing Advances)		
Current Maturities of Housing Loan	23244,82,268	18329,26,110
Current Maturities of Mortgage / Other Loans	7112,57,254	4564,94,560
Other loans & advances (Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in Kind	34,09,906	15,09,250
Loan to Employees	42,51,381	36,02,637
Travel Advance	1,53,968	4,05,159
Total	30435,54,777	22949,37,716
	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 14:		
OTHER CURRENT ASSETS		
Interest Due from Borrowers	925,39,678	781,06,617
PEMI Due from Borrowers	74,97,680	56,94,519
Interest Accrued but not due on Deposits	12,84,222	18,14,746
Deferred Employee Compensation – ESOP	292,85,728	-
Total	1306,07,308	856,15,882
	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 15:		
REVENUE FROM OPERATIONS		
Interest on Housing Loan/Home Equity Loan	51089,62,213	38708,80,049
Processing Fee	1816,89,698	1187,77,679
Penal Interest	469,21,867	410,39,752
Other Operating Income	38,82,379	247,56,931
Total	53414,56,157	40554,54,411

	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 16:		
OTHER INCOME		
Interest on Deposits with Bank	69,91,930	23,34,346
Interest Others	8,45,148	5,21,762
Profit on sale of fixed assets	1,45,167	2,67,326
Dividend Received on Investments	40,00,000	-
Total	119,82,245	31,23,434
	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 17:		
Interest and other Financial Charges		
Interest on Loan from Banks	24521,00,154	17187,38,524
Interest on Refinance	7912,81,266	9354,67,988
Others (Including Bank Charges)	41,15,430	22,48,996
Total	32474,96,850	26564,55,508
	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 18:		
EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	1484,18,980	1197,29,945
Expenses on Employee Stock option Scheme	223,53,357	-
Contribution to PF and Other Funds	144,79,321	91,82,385
Staff Welfare	252,88,036	108,91,019
Total	2105,39,694	1398,03,349
	31-03-2014 Rs.	31-03-2013 Rs.
NOTE 19:		
OTHER EXPENSES		
Advertisement & Business Promotion	329,23,052	118,59,419
Legal Fees	126,88,061	78,48,806
Communication Expenses	111,33,042	53,76,510
CERSAI Fee	18,84,233	32,00,095
Professional & Consultancy Fee	129,00,704	25,38,939
Electricity Expenses	38,65,877	30,51,283
Directors' Fee	7,08,540	3,05,000
Miscellaneous Expenses	160,86,983	136,71,389
Printing and Stationary	32,02,302	24,77,396
Rates & Taxes	4,29,856	2,77,070
Rent	344,99,981	258,20,520
Remuneration to Auditors		
- Audit (Including Limited Review)	17,00,000	10,00,000
- Other Certification Work	7,09,975	88,000
- Taxation	4,28,540	1,60,000
Repairs & Maintenance	18,62,715	17,40,775
Travelling & Conveyance	87,89,247	58,94,434
Training Expenses	15,58,053	5,61,332
Vehicle Maintenance	19,55,716	10,28,632
Donations	59,80,000	-
Total	1533,06,877	868,99,600

Significant Accounting Policies and Notes on Accounts

NOTE 20:

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

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

2. INCOME RECOGNITION

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

3. INTEREST ON HOUSING LOANS

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

4. FIXED ASSETS AND DEPRECIATION

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

5. PROVISION FOR NON-PERFORMING ASSETS/PERFORMING ASSETS

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

6. INVESTMENTS

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

7. EMPLOYEE BENEFITS

- (a) Short-term Employee Benefits

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

- (b) Post Employment Benefits

Defined Contribution Plan

i) Provident Fund:

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

Defined Benefit Plan

i) Gratuity:

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

ii) Leave Encashment:

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

8. ACCOUNTING FOR TAXES ON INCOME

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

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

9. EARNINGS PER SHARE

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

10. IMPAIRMENT OF ASSETS

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

11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

12. EMPLOYEE STOCK OPTION SCHEME (ESOP)

Aggregate of quantum of option granted under the scheme in monetary term (net of consideration of issue to be paid in cash) in terms of intrinsic value has been shown as Employees Stock Option Scheme outstanding in Reserve and Surplus head of the Balance Sheet with corresponding debit in Deferred Employee Compensation under ESOP appearing as Miscellaneous Expenditure under broad head of non-current/Current assets as per guidelines to the effect issued by SEBI. The company measure Compensation cost relating to ESOP using the intrinsic value of Equity Shares. The Compensation cost is amortized on straight line basis over the total vesting period of the options.

NOTE 21:
NOTES ON ACCOUNTS
1) CONTINGENT LIABILITIES

Claims against the Company not acknowledged as Debts Rs.20.96 lakh (Rs.20.96 lakh)

2) Commitment towards loan sanction pending disbursement including part Disbursement as on 31-03-2014 – Rs.21,405.72 lakh (Rs.21,108.33 lakh).

3) DEFERRED TAX:

The components of deferred tax assets and deferred tax Liabilities as on 31-03-2014 and as at 31-03-2013 are as under:

(Rs)

		As at 31.03.2014	As at 31.03.2013
Deferred Tax Assets:			
Provision for Non Performing Advances		670,67,324	601,29,430
Others		1224,04,313	537,82,314
	(A)	1894,71,637	1139,11,744
Deferred Tax Liabilities:			
Difference between written down value of Fixed Assets as per Companies Act and as per Income Tax Act.,	(B)	28,62,717	21,13,484
Net Deferred Tax Asset	(A-B)	1866,08,920	1117,98,260

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

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

(Rs. in Crore)

	For the year ended 31-03-2014					For the year ended 31-03-2013				
	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Housing Loans										
Individual house ownership	3,736.74	21.04	33.80	0.23	3,791.81	2,973.09	16.58	26.84	0.03	3,016.54
Mortgage/other loans	856.58	6.91	6.55	0.01	870.05	519.12	3.87	5.21	0.01	528.21
Total Loans	4,593.32	27.95	40.35	0.24	4,661.86	3,492.21	20.45	32.05	0.04	3,544.75
Provision-Housing loans	14.95	3.16	25.89	0.23	44.23	11.89	2.49	12.39	0.03	26.80
Provision other loans	4.78	1.04	4.97	0.01	10.80	3.12	0.58	2.19	0.01	5.90
Total Provisions	19.73	4.20	30.86	0.24	55.03	15.01	3.07	14.58	0.04	32.70

- 6) The company has raised Rs.270.23 crore by way of Initial Public Offer of its Equity Shares of 15,720,262, during the year 2012-13. The Proceeds of the Initial Public Offer are fully utilized for the purpose stated in the offer document.
- 7) There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues, which are outstanding for more than 45 days as at 31-03-2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis at information available with the Company.
- 8) Expenditure incurred in foreign currency: Towards Travelling Expenses - Rs.420,949/- (Rs.718,575/-). There are no Earnings in foreign currency during the current year as well as in the previous year.
- 9) There are no amounts to be reflected under payable to Investor Protection Fund.

10) Related Party Transactions

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

List of related parties:

Promoter

Repco Bank

Associates

Repco Micro Finance Ltd.,

Repco Infrastructure Development Company Ltd.,

Company holding substantial interest

First Carlyle Growth VI

Key Management Personnel

Shri. R. Varadarajan

Managing Director

Shri. P. Natarajan

Executive Director

Shri. V. Raghu

Executive Director

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

(Rs.)

Nature of Transaction	Key Management Personnel Managing Director/ Executive Director	Promoter Repco Bank Ltd.	Company holding substantial interest First Carlyle Growth VI	Associate
Remuneration Paid to Managing Director	26,71,900* (17,96,235)	–	–	–
Remuneration Paid to Executive Directors	46,28,089 (22,01,301)	–	–	–
Equity Share Capital (Paid- up outstanding)	(26,500) (31,500)	2323,06,060 (2323,06,060)	1102,77,210 (1102,77,210)	–
Dividend Received on Investments	–	–	–	40,00,000 (NIL)
Working Capital Loan Outstanding	–	39771,52,683 (37454,86,471)	–	–
Term Loan Outstanding	–	50,68,902 (99,26,297)	–	–
Loans advanced during the year	86,00,000 (54,95,718)	–	–	–
Loans Outstanding	95,07,710 (46,12,410)	–	–	–
Stock options granted and outstanding	No's - 64,000 (NIL)	–	–	–
Employee compensation cost on account of ESOP grant.	58,54,178 (NIL)	–	–	–
Rent Paid(Excluding input Service tax availed by the Company)	–	31,78,800 (15,57,600)	–	–
Corporate Fee Paid (Excluding input Service tax availed by the Company)	–	2,56,046 (2,16,000)	–	–
Interest paid on Borrowings	–	2883,03,820 (3248,87,266)	–	–
Equity Dividend Proposed	(3,180) (3,465)	278,76,727 (255,53,667)	132,33,265 (121,30,493)	–
Interest earned on deposits	–	47,19,021 (9,80,974)	–	–
Investments outstanding as at the end of the year	–	–	–	1245,00,000 (805,00,000)
Balances in Deposits Account	–	285,95,876 (6402,94,576)	–	–
Salary of deputed staff	–	24,23,967 (27,89,927)	–	–

*includes incentive for the previous year - Rs.300,000/- (Rs.750,000/-)

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

12) Earning per share (Basic and Diluted)

(Rs.)

	2013-14	2012-13
(a) Profit for the year after Tax	11010,14,423	8001,66,865
(b) Weighted average number of Equity Shares outstanding during the year	621,61,047	468,71,477
(c) Basic Earnings per Share	17.71	17.07
(d) Diluted Earnings Per Share	17.64	17.07
(e) Nominal Value per Equity Share	10.00	10.00

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

Year in which dividend paid	2013-14	2012-13
No of Shareholders	192	1
No of Shares held	261,15,359	230,80,860
Year for Which Dividend is Paid	2012-13	2011-12
Gross amount of Dividend (Rupees)	287,26,895	253,88,946

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

Particulars of Provision for	Opening Balance as on 01/04/2013	Provision made during the year	Provisions reversed/ adjusted	Closing balance as on 31/03/2014
Non performing advances	1769,03,296	1761,24,492	--	3530,27,788
Contingent Provisions on Standard Assets	1501,07,592	472,07,276	--	1973,14,868
Leave encashment	79,40,444	---	11,49,837	67,90,607
Proposed dividend (including Dividend Tax)	799,97,849	872,70,380	799,97,849	872,70,380
Investments	---	500,000	---	5,00,000

15) EMPLOYEE BENEFITS

- i. Defined Contribution Plan:
 Company Contribution to
 i. Provident fund : Rs. 123,75,524/- (Rs. 91,82,385)
- ii. Defined Benefit Plan: Gratuity

	2013-14	2012-13
A. Reconciliation of opening and closing balance of present value of the defined benefit obligation		
Present value of obligations as at beginning of year	69,31,043	73,22,441
Interest Cost	5,54,483	5,85,795
Current Service Cost	16,61,672	11,20,654
Benefits Paid	(7,93,258)	(6,87,796)
Actuarial loss/(gain) on obligation	5,93,867	(14,10,051)
Present value obligations as at end of year.	89,47,807	69,31,043
B. Reconciliation of opening and closing balances of fair value of Plan Assets		
Fund Maintained by LIC		
Fair value of plan assets as at beginning of year	73,09,837	55,95,595
Expected return on plan assets	7,06,225	5,65,417
Contributions	19,96,578	18,36,621
Benefits paid	(7,93,258)	(6,87,796)
Actuarial gain on plan assets	NIL	NIL
Fair value of plan assets at the end of year	92,19,382	73,09,837
C. Details showing fair value of plan assets		
Fair value of plan assets at beginning of year	73,09,837	55,95,595
Actual return on plan assets	7,06,225	5,65,417
Contributions	19,96,578	18,36,621
Benefits paid	(7,93,258)	(6,87,796)
Fair value of plan assets at the end of year	92,19,382	73,09,837
Funded status Asset (Liability)	2,71,575	3,78,794
Excess of actual over estimated return on plan assets	NIL	NIL
D. Actuarial assumption		
Discount Rate	8.00%	8.00%
Salary Increment	5.00%	5.00%
Mortality rates	Based on LIC 1994-96	Based on LIC 1994-96

16) The following disclosures have been given in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dt. October 11, 2010 issued by the National Housing Bank

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

	Items	As on 31-03-2014	As on 31-03-2013
i)	CRAR (%)	24.51	25.50
ii)	CRAR – Tier I Capital (%)	24.51	25.50
iii)	CRAR – Tier II Capital (%)	--	--

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

	Category	As on 31-03-2014	As on 31-03-2013
a)	Direct Exposure		
	(i) Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	640.78	352.08
	(i) Out of the above Individual Housing Loans up to Rs.15.00 lakh	276.51	204.30
	(ii) Commercial Real Estate		
	Lending Secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	229.34	176.21
	(iii) Investments in Mortgage Backed Securities (MBS) and other securities exposures		
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

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

(Rs. in Crore)

	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Borrowings from Banks / NHB	472.61	7.22	60.45	151.13	299.79	1,042.02	828.27	532.27	488.22	20.04	3,902.02
Market Borrowings	--	--	--	--	--	--	--	--	--	--	--
Advances (Gross)	37.04	23.17	23.38	71.47	148.51	664.26	750.83	810.97	1,093.89	1,038.34	4,661.86
Investments	--	--	--	--	--	--	--	--	--	12.45	12.45

17) Amount of Dividend proposed to be distributed to the Equity Share holders for the year ended 31/03/2014

(Rs. in Crore)

Particulars	2013-14	2012-13
Dividend %	12	11
Dividend amount/Share	1.20	1.10
Total Amount of dividend Proposed to be distributed	745,93,256	683,77,152

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

19) Maturity profile of secured loans are as setout below.

(Rs. in Crore)

Particulars	Upto 1 Year	Over 1 year to 3 Years	Over 3 years to 5 Years	Over 5 year to 10 Years	Over 10 Years	Total
Secured Loans from Banks	771.50	647.66	584.68	919.06	3.89	2,926.79
Term Loans from National Housing Bank (NHB)	219.70	394.36	243.59	101.43	16.15	975.23
Total	991.20	1042.02	828.27	1020.49	20.04	3,902.02

20) Employee Stock Option Scheme-2013 (ESOP-2013): During the year the Company instituted Employee Stock Option Scheme 2013 (ESOP-2013). The Board of Directors and the share holders approved the scheme during the year 2013-14. The details of Employee's stock option scheme 2013 is as under:-

Total Number of options to be granted under the above scheme	9,27,835
No of options granted during the year	2,44,375
Date of Grant	25 th October 2013
Date of vesting (Commencement)	25 th October 2013
Vesting period	One Year from the date of grant (i.e.,) from 25-10-2013 to 24-10-2014.
Exercise period	From 25-10-2014 to 24-10-2015
Lock in period	One year from the date of allotment
Exercise Price	Rs.75/- per share

Summary of Employee Stock Options:

Particulars	No's
Options as on 01-04-2013	NIL
Options granted	244,375
Options vested	NIL
Options as on 31-03-2014	244,375

The Company has adopted the intrinsic value method in accounting for employee cost on account of ESOP. Based on such valuation, amount aggregating to Rs.51,639,085/- is accounted as Deferred Employee Compensation by crediting Employee Stock Options Outstanding. Deferred Employee Compensation cost is amortized over the vesting period, and accordingly an amount of Rs.223,53,357/- is treated as an Employee Cost for the current year.

The Black-Scholes model has been used to derive the estimated value of Stock Option granted, if the fair value method to account for the ESOP were to be used. The parameters used for deriving the estimated value of stock option granted under Black-Scholes model as follows:

Risk-free interest rate (in %)	8.78
Expected life (in years)	1
Expected volatility (in %)	33.4
Expected dividends and (in %)	1.1

Had the company adopted the fair value method in respect of the options granted, the total amount that would have been amortized over the vesting period is Rs.527,85,000/- and the impact on the financial statements would be as follows:-

Increase in Employee Compensation Cost	4,96,040
Decrease in Profit After Tax	3,27,436
Decrease in Basic / Diluted Earnings per share	0.01

- 21) Details of Reserve Fund Created under Section 29C of the NHB Act, 1987. Disclosure as per the directions of the National Housing Bank communicated vide their letter NHB(ND)/DRS/Pol.Circular.61/2013-14, dt April 7, 2014

Particulars	2013-14	2012-13
Reserves & Surplus		
Statutory Reserve (As per Section 29C of the National Housing Bank Act, 1987)		
Opening Balance	1601,00,000	-
Addition during the year	2203,00,000	1601,00,000
Appropriation during the year	-	-
Closing Balance	3804,00,000	1601,00,000

Particulars	Amount
Balance at the beginning of the year	
a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	1601,00,000
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	9774,00,000
c) Total	11375,00,000
Addition / Appropriation / Withdrawal during the year	
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	2203,00,000
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	3439,00,000
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29 C of the NHB Act, 1987	-
Balance at the end of the year	
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	3804,00,000
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	13213,00,000
c) Total	17017,00,000

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

For **R. Subramanian and Company**
Chartered Accountants
Firm Regn No: 004137S
Partner
(R Prakash)
Membership No.205869

T Karunakaran
Chief Financial Officer

K Prabhu
Company Secretary

R. Varadarajan
Managing Director

T.S. KrishnaMurthy
Chairman

Place: Chennai
Date : 13 May 2014

CASH FLOW STATEMENT

FOR THE YEAR ENDING MARCH 31, 2014

Rupees

	For the year ended March 31, 2014	For the year ended March 31, 2013
A Cash Flow From Operating Activities		
Adjustments For:	14913,03,763	10679,59,847
Depreciation	240,89,275	151,90,817
(Profit)/Loss on Sale of Fixed Assets	(1,45,167)	(2,67,326)
Interest Earned on Deposits	(69,91,930)	(23,34,346)
Bad debts written off	28,70,174	22,73,633
Provision for Non-Performing Assets/Standard Assets	2233,31,769	899,95,091
Provision for Diminution in the value of investments	5,00,000	-
Employee Stock Option expenses	223,53,353	-
Dividend received on sale of investments	(40,00,000)	-
	2620,07,474	1048,57,869
Operating Profit Before Working Capital Changes	17533,11,237	11728,17,716
Adjustments For:		
Current Assets/Short term and Long term loans and advances	(271,24,245)	(225,55,568)
Current Liabilities and other Employee benefits	(1912,43,159)	1782,44,894
	(2183,67,404)	1556,89,326
Cash Generated From Operations	15349,43,833	13285,07,042
Direct Taxes Paid	(4774,90,447)	(2908,94,295)
Net Cash From Operating Activities (A)	10574,53,386	10376,12,747
B Cash Flow From Investing Activities		
Purchase of Fixed Assets	(293,92,214)	(267,54,638)
Sale of Fixed Assets	2,22,450	3,50,364
Subscription to Investments	(440,00,000)	-
Interest Earned on Deposits	69,91,930	23,34,346
Deposits Maturing after three months	57,000	(136,25,000)
Net Cash Used in Investing Activities (B)	(661,20,834)	(376,94,928)
C Cash Flow From Financing Activities		
Proceeds from Issue Share Capital (Net off of Issue Expenses)	-	25924,50,412
Increase in Secured and Unsecured Loans (Net)	83732,95,516	57864,68,324
Increase in Housing Loans (Net)	(111710,88,796)	(74066,71,057)
Dividends Paid(Including Dividend distribution tax)	(799,97,849)	(593,72,106)
Dividends Received	40,00,000	-
Net Cash Used in Financing Activities (C)	(28737,91,129)	9128,75,573
Net Increase/Decrease in cash and cash equivalent (A+B+C)	(18824,58,577)	19127,93,392
Cash and Cash Equivalents - Opening Balance (D)	20876,72,177	1748,78,785
Cash and Cash Equivalents - Closing Balance (E)	2052,13,600	20876,72,177
Net Increase/(Decrease) in Cash and Cash Equivalents (E- D)	(18824,58,577)	19127,93,392
* Includes balance in unpaid dividend account which are not available for use by the company	6,452	

We have examined the above Cash Flow Statement of Repco Home Finance Ltd., Chennai, for the year ended March 31, 2014. The Statement has been prepared by the company based on and in agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the Company.

For **R. Subramanian and Company**

Chartered Accountants
Firm Regn No: 004137S

Partner
(R Prakash)
Membership No.205869

Place: Chennai
Date : 13 May 2014

T Karunakaran
Chief Financial Officer

R. Varadarajan
Managing Director

K Prabhu
Company Secretary

T.S. KrishnaMurthy
Chairman

REPCO HOME FINANCE LIMITED

CIN- L65922TN2000PLC044655

Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017

Corporate office: Third Floor, Alexander Square, Old No.34 & 35, New No.2,

Sardar Patel Road, Guindy, Chennai – 600032

Ph: (044) - 42106650 Fax: (044) – 42106651; E-mail: cs@repcohome.com

Website: www.repcohome.com

NOTICE CONVENING THE FOURTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY

NOTICE is hereby given that the Fourteenth Annual General Meeting of the members of Repco Home Finance Limited will be held on 11 September 2014 at 10.30 A.M, at Bharatiya Vidya Bhavan (Bhavan's Dr.Preetha Reddy Auditorium-Main Hall), # 18,20, East Mada Street, Mylapore , Chennai-600004, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31 March 2014, the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To declare a dividend of Rs.1.20 per equity share of the Company for the financial year ended 31 March 2014
3. To appoint a Director in place of Shri. S.C.Panda, I.A.S (DIN 05201584) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modifications the following as an ordinary resolution, pursuant to Sections 139 to 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 :

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

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification the following as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act 2013 and rules made there under (including any statutory modifications or re-enactments thereof, for the time being in force), Shri.K.K.Pathak, I.A.S (DIN 03075410) who was appointed as an additional director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby Appointed as a Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT pursuant to Sections 149,150 and 152 and other applicable provisions of the Companies Act 2013 and rules made there under (including any statutory modifications or re-enactments thereof, for the time being in force), read with Schedule IV to the Companies Act, 2013, Shri.T.S.KrishnaMurthy (DIN 00279767), Director of the Company, who in accordance with Companies Act 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of 5 consecutive years from September 11, 2014 to September 10, 2019.”

7. To consider and if thought fit, to pass with or without modification the following as an ordinary resolution:

"RESOLVED THAT pursuant to Sections 149,150 and 152 and other applicable provisions of the Companies Act 2013 and rules made there under (including any statutory modifications or re-enactments thereof, for the time being in force), read with Schedule IV to the Companies Act, 2013, Shri.Thomas Paul Diamond (DIN 03139810), Director of the Company, who in accordance with Companies Act 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of 5 consecutive years from September 11, 2014 to September 10, 2019."

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

"RESOLVED THAT pursuant to Sections 149,150 and 152 and other applicable provisions of the Companies Act 2013 and rules made there under (including any statutory modifications or re-enactments thereof, for the time being in force), read with Schedule IV to the Companies Act, 2013, Shri.V.Nadanasabapathy (DIN 03140725), Director of the Company, who in accordance with Companies Act 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Independent Director of the Company not liable to retire by rotation, to hold office for a term of 5 consecutive years from September 11, 2014 to September 10, 2019."

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

"RESOLVED THAT pursuant to Sections 149,150 and 152 and other applicable provisions of the

Companies Act 2013 and rules made there under (including any statutory modifications or re-enactments thereof, for the time being in force), read with Schedule IV to the Companies Act, 2013, Shri.G.R.Sundaravadivel (00353590), Director of the Company, who in accordance with Companies Act 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of 5 consecutive years from September 11, 2014 to September 10, 2019."

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

"RESOLVED THAT pursuant to Sec.180 (1)(c) and other applicable provisions of the Companies Act 2013 and rules made there under (including any statutory modifications or re-enactments thereof, for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time moneys (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) for the purpose of the Company's business, in excess of the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amounts of such borrowings together with the amount already borrowed and outstanding shall not exceed Rs.15,000 crores (Rupees Fifteen Thousand Crores only)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary in relation thereto."

"RESOLVED FURTHER THAT the board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s) and/or officer(s) of the Company, to give effect to the resolution."

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

"RESOLVED THAT pursuant to Schedule V to the Companies Act, 2013, the reimbursement component to Repco Bank for the additional salary paid by it for the additional post of Managing Director held by Shri.R.Varadarajan be and is hereby enhanced from the current Rs.4 lakh per annum to Rs.6 lakh per annum

"RESOLVED FURTHER THAT the performance incentive payable to Shri.R.Varadarajan, Managing Director be and is hereby enhanced from the existing 1% of Net Profit subject to a ceiling of Rs.10.50 lakh per annum to 1 % of Net Profit subject to a ceiling of Rs.15.00 lakh per annum in accordance with Schedule V of the Act and payable from the financial year 2014-15 onwards, for the performance in the previous year."

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

"RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and SEBI (Issue and Listing of Debt Securities) Regulations, 2008, including any amendment, modification, variation or re-enactment thereof, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board"), to issue Redeemable Non-Convertible Debentures (NCDs) for cash not exceeding Rs.500 Crore (Rupees Five Hundred Crore) only, commercial papers for not exceeding Rs.250 Crore (Rupees Two Hundred and Fifty Crore) only or any other debt securities, whether secured or unsecured on private placement from nationalized banks/Indian Private Banks/ Foreign Banks/ Other Banks/Financial Institutions/other eligible investors, under one or more self disclosure document, during the period commencing from the date of this meeting hereof until the conclusion of 15th (Fifteenth) Annual

General Meeting, on such terms and conditions as the Board may deem fit and appropriate for each series/tranche as the case may be."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary in relation thereto."

"RESOLVED FURTHER THAT the board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s) and/or officer(s) of the Company, to give effect to the resolution."

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

"RESOLVED THAT in accordance with the provisions of FEMA (Transfer of Issue of Security by a person resident outside India) Regulations, 2000 or any other applicable law, and subject to the Statutory approval, if required, the consent of the company be and is hereby accorded for the investment by Foreign Institutional Investors (FIIS) in the equity share capital of the Company, either by direct investment or by purchase or otherwise by acquiring from the market under portfolio investment scheme on repatriation basis, upto 49% of the paid-up equity share capital of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper and expedient for the purpose of giving effect to give effect to this resolution and for the matters connected therein or incidental thereto."

For and on behalf of the Board

Place: Chennai
Date : 09 August 2014

Sd/-
Company Secretary

NOTES:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business set out in the notice wherever applicable, is attached herewith.
3. The Register of Members will remain closed from September 04, 2014 to September 11, 2014 (both days inclusive).
4. Members are requested to encash their dividend warrants as Dividend remaining unclaimed for seven years are required to be transferred to the Investor Education and Protection Fund, established by the Central Government under Section 124(6) of the Companies Act 2013. Once unclaimed dividends are transferred to this fund, members will not be entitled to claim these dividends.
5. Section 20 of the Companies Act 2013 and Clause 32 of the Listing Agreement permit the Companies to serve the notice(s)/document(s) through electronic mode to the members. Members are requested to register their email ids with the Company or Registrar and Share Transfer Agent of the Company by sending their email ids to cs@repcohome.com or einward.ris@karvy.com

Members who register their names with the Company or the Registrar and Share Transfer Agent would receive their notice(s)/document(s) through email instead of physical copy.
6. Pursuant to Clause 49, the information as required to be provided in terms of listing agreement with the Stock exchanges regarding the Directors who are proposed to be appointed/re-appointed is also annexed.
7. The annual report of the Company circulated to the members of the Company, will be made available on the Company's website at www.repcohome.com.

8. Members desirous of getting any information about the accounts of the Company are requested to write to the Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.
9. All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered/Corporate Office of the Company between 10.30 a.m. and 12.30 p.m. on all working days from the date hereof upto the date of the Meeting.

The Companies Act, 2013 has also recognised serving of documents to any Member through electronic mode. In terms of the Circular No. NSDL/CIR/II/10/2012 dated March 9, 2012 issued by National Securities Depository Limited, email addresses made available by the Depository for your respective Depository Participant accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices/documents including those covered under Sections 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the underlying rules relating to transmission of documents in electronic mode. In light of the requirements prescribed by the aforesaid circulars, for those Members whose Depository Participant accounts do not contain the details of their email address, printed copies of the Notice of Annual General Meeting and Annual Report for the year ended March 31, 2014 would be despatched.

10.E-Voting

Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, it is mandatory to extend to the Members of the Company, the facility to vote at the AGM by electronic means.

Members of the Company can transact all the items of the business through electronic voting system as contained in the Notice of the Meeting.

The Company has appointed Mr. G.Ramachandran, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of e-voting period, submit his report of the votes cast in favour or against, if any, to the Chairman of the Company. The result of the same will be disclosed at the AGM proceedings.

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

1. Name : Shri. S.C. Panda, I.A.S

Age : 59

Profile: Shri. S.C. Panda, I.A.S is a non-executive and non-independent director of our Company. He holds a post graduate degree in political science from the University of Utkal and diploma in Public Administration from the University of Punjab. He also holds a master's degree in Business Administration from the University of Birmingham, United Kingdom. He currently holds the position of Additional Secretary and Financial Advisor - Ministry of Home Affairs. He has more than three decades of work experience in Government service. He has served in the various departments including department of land revenue management and district administration, rural development, tourism, social justice and empowerment, human resource development and agriculture and co-operation.

Other Directorships:

- (i) Repco Bank Limited
- (ii) Rehabilitation Plantations Limited

Shareholding in the Company: NIL

2. Name : Shri. K.K. Pathak, I.A.S

Age : 46

Profile: Shri. K.K. Pathak, I.A.S is the Joint Secretary to Government of India, Ministry of Home Affairs.

Other Directorships:

- (i) Repco Bank
- (ii) Rehabilitation Plantations Limited

Shareholding in the Company: NIL

3. Name : Shri. T.S. KrishnaMurthy

Age : 74

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

Other Directorships:

- Shriram Life Insurance Company
- DSP BlackRock Trustee Company Pvt Ltd
- RRB Energy Ltd
- Edelweiss Asset Reconstruction Company Ltd
- SBL Private Limited
- The Hindu Educational Organization

Shareholding in the Company: 265 Equity shares of Rs.10

4. Name : Shri. Thomas Paul Diamond

Age : 77

Profile: Shri. Thomas Paul Diamond is a non-executive and independent director of our Company. He holds a master's degree in Physics from Madras Christian College, Tambaram and is an Associate of the Federation of Insurance Institute in India. He has around 40 years of work experience including 33 years of work experience at LIC of India in various positions. He has been the Chief Executive for three years at LIC Housing Finance Limited and was also the Managing Director for five years at Hometrust Housing Finance Company Limited

Other Directorships : NIL

Shareholding in the Company : NIL

5. Name : Shri.V.Nadanasabapathy

Age : 70

Profile: Shri. V. Nadanasabapathy, is a non-executive and independent director of our Company. He holds a bachelor's degree in Science (Agriculture) from Annamalai University and is a Certified Associate of the Indian Institute of Bankers. He has around 38 years of experience cumulatively, out of which around 35 years were in the banking sector. He retired as Deputy General Manager at Syndicate Bank and was associated with the bank for a period of 35 years during which he was the Chairman of North Malabar Gramin Bank for a period of three years.

Other Directorships : NIL

Shareholding in the Company : NIL

6. Name : Shri.G.R.Sundaravadivel

Age : 72

Profile: Shri.G.R. Sundaravadivel is a non-executive and independent director of our Company. He holds a master's degree in Commerce from the University of Madras and is also a certified associate of the Indian Institute of Bankers. He also holds bachelor's degree in General Law from the University of Mysore. He has 37 years of work experience at various nationalised banks, including 13 years in senior management positions at nationalised banks. He was associated with Indian Bank for around 33 years and as a whole-time director of United Bank of India for around four years. His current position, amongst others, include director on the board of Andhra Bank since March, 2012. In the past, he has also served as a director on the board of the Oriental Bank of Commerce and director on the board of Punjab National Bank.

Other Directorships:

- (i) Hindustan Photo Films Mfg. Co. Ltd
- (ii) Andhra Bank
- (iii) Indbank Merchant Banking Services Limited

Shareholding in the Company: NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No.5

Shri.K.K.Pathak, I.A.S was co-opted as an Additional Director of the Company with effect from October 25, 2013 pursuant to Section 260 of the Companies Act 1956. He holds office of Director up to the date of the ensuing Annual General Meeting. Shri.K.K.Pathak, I.A.S is not disqualified from being appointed as a Director under Section 164(2) of the Companies Act, 2013.

Pursuant to Section 160 of the Act, the Company has received a notice, together with requisite deposit of Rupees One Lakh from a member signifying his intention to propose Shri.K.K.Pathak, I.A.S as Director of the Company, liable to retire by rotation.

The Board recommends the appointment of Shri. K.K.Pathak, I.A.S as a Director of the Company liable to retire by rotation.

Except Shri.K.K.Pathak, I.A.S being an appointee, none of the directors and key managerial personnel of the Company and their relatives, is concerned or interested in this resolution.

Item No.6

Shri.T.S.KrishnaMurthy is a non executive independent director of the Company. He joined the Board of Directors of the Company on 13 September 2011.

Shri.T.S.KrishnaMurthy is a director whose period of office is liable to retire by rotation under the erstwhile applicable provisions of the Companies Act 1956. Under the Companies Act 2013, it is required that the independent directors do not retire by rotation and be appointed for a fixed term. In terms of Sections 149,150 and 152 and other applicable provisions of the Companies Act 2013, Shri.T.S.KrishnaMurthy being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of 5 consecutive years from September 11, 2014 to September 10, 2019. A notice has been received from a member proposing Shri.T.S.KrishnaMurthy as a candidate for the office of the Director of the Company.

In the opinion of the Board, Shri.T.S.KrishnaMurthy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. T.S.KrishnaMurthy as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Shri.T.S. KrishnaMurthy as an Independent Director, for the approval by the shareholders of the Company.

Except Shri.T.S.KrishnaMurthy being an appointee, none of the directors and key managerial personnel of the Company and their relatives, is concerned or interested in this resolution.

Item No.7:

Shri. Thomas Paul Diamond is a non executive independent director of the Company. He joined the Board of Directors of the Company on 25 January 2001.

Shri.Thomas Paul Diamond is a director whose period of office is liable to retire by rotation under the erstwhile applicable provisions of the Companies Act 1956. Under the Companies Act 2013, it is required that the independent directors do not retire by rotation and be appointed for a fixed term. In terms of Sections 149,150 and 152 and other applicable provisions of the Companies Act 2013, Shri.Thomas Paul Diamond being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of 5 consecutive years from September 11, 2014 to September 10, 2019. A notice has been received from a member proposing Shri.Thomas Paul Diamond as a candidate for the office of the Director of the Company.

In the opinion of the Board, Shri.Thomas Paul Diamond fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. Thomas Paul Diamond as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Shri.Thomas Paul Diamond as an Independent Director, for the approval by the shareholders of the Company.

Except Shri.Thomas Paul Diamond being an appointee, none of the directors and key managerial personnel of the Company and their relatives, is concerned or interested in this resolution.

Item No.8:

Shri. V. Nadanasabapathy is a non executive independent director of the Company. He joined the Board of Directors of the Company on 22 July 2005.

Shri.V.Nadanasabapathy is a director whose period of office is liable to retire by rotation under the erstwhile applicable provisions of the Companies Act 1956. Under the Companies Act 2013, it is required that the independent directors do not retire by rotation and be appointed for a fixed term. In terms of Sections 149,150 and 152 and other applicable provisions of the Companies Act 2013, Shri. V.Nadanasabapathy being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of 5 consecutive years from September 11, 2014 to September 10, 2019. A notice has been received from a member proposing Shri.V.Nadanasabapathy as a candidate for the office of the Director of the Company.

In the opinion of the Board, Shri.V.Nadanasabapathy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. V. Nadanasabapathy as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Shri.V.Nadanasabapathy as an Independent Director, for the approval by the shareholders of the Company.

Except Shri.V.Nadanasabapathy being an appointee, none of the directors and key managerial personnel of the Company and their relatives, is concerned or interested in this resolution.

Item No.9:

Shri. G.R. Sundaravadivel is a non executive independent director of the Company. He joined the Board of Directors of the Company on 3 April 2012.

Shri.G.R.Sundaravadivel is a director whose period of office is liable to retire by rotation under the erstwhile applicable provisions of the Companies Act 1956. Under the Companies Act 2013, it is required that the independent directors do not retire by rotation and be appointed for a fixed term. In terms of Sections 149,150 and 152 and other applicable provisions of the Companies Act 2013, Shri.G.R.Sundaravadivel being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of 5 consecutive years from September 11, 2014 to September 10, 2019. A notice has been received from a member proposing Shri.G.R.Sundaravadivel as a candidate for the office of the Director of the Company.

In the opinion of the Board, Shri.G.R.Sundaravadivel fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri.G.R.Sundaravadivel as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Shri.G.R.Sundaravadivel

as an Independent Director, for the approval by the shareholders of the Company.

Except Shri.G.R.Sundaravadivel being an appointee, none of the directors and key managerial personnel of the Company and their relatives, is concerned or interested in this resolution.

Item No: 10

In accordance with the provisions of the Section 180 of the Companies Act 2013, a Company can borrow in excess of its paid up capital and free reserves only with the specific approval of the shareholders of the Company. Currently the borrowing powers of the Company stands at Rs. 10,000 Crore, pursuant to an approval accorded by the shareholders vide resolution passed at the annual general meeting held on September 13, 2013. Given the growth momentum of the Company, it is proposed to enhance this existing limit to Rs. 15,000 crore. The resolution is required to be passed as a special resolution with or without modification.

None of the directors and key managerial personnel of the Company and their relatives, is concerned or interested in this resolution.

Item No. 11

Shri.R.Varadarajan was appointed on October 1, 2010 as the Managing Director of the Company. Shri. R.Varadarajan is drawing salary and allowances only from Repco Bank. RHFL reimburses the additional pay to Repco Bank in respect of the additional post held. This component of remuneration does not exceed Rs.4 lakh per annum. It is proposed to enhance the reimbursement component from the current ceiling of Rs.4 lakh p.a. to Rs.6 lakh p.a. The Board recommends the same to the shareholders.

The performance incentive is the other component of the managerial remuneration directly payable to the managing director by the Company. Currently it stands at 1% of Net Profit subject to a ceiling of Rs.10.50 lakh p.a. in accordance with Schedule V of the Act

The details of remuneration are stated below:

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

Performance Incentive: 1 % of Net Profit subject to a ceiling of Rs. 10.50 lakh per annum.

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

The Nomination and Remuneration Committee in its meeting held on 10 May 2014 had recommended an enhancement in performance incentive from Rs.10.50 lakh to Rs.15 lakh per annum.

The Board accorded approval to the proposal of enhancing the performance incentive from Rs.10.50 lakh p.a. to Rs.15.00 lakh p.a, in its meeting held on May 13, 2014 and accordingly recommends the same to the shareholders.

Except Shri.R.Varadarajan, none of the directors and key managerial personnel of the Company and their relatives, is concerned or interested in this resolution.

Item No. 12

In terms of Section 42 of the Companies Act, 2013 read with the Rule 14 (2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities including NCDs, commercial papers or any other debt securities subject to prior approval of the shareholders by way of special resolution. The Rules further provides that the said special resolution shall be passed in respect of all offers / invitations for such debentures made during the year.

None of the directors and key managerial personnel of the Company and their relatives, is concerned or interested in this resolution.

Item No. 13

The Reserve Bank of India had through its Master Circular No.15/2013-14 dated July 01, 2013 on Foreign Investments in India permitted the companies to increase limit of investments by Foreign Institutional Investors (FII) up to the sectoral cap or statutory limit as applicable, by passing a resolution by its Board of Directors followed by a special resolution to that effect by its General Body. The sectoral cap applicable to the company is 100% of its paid-up capital.

The FIIs have assumed a crucial role in the Indian capital market. It is proposed to facilitate greater FII investment in the Company, which would not only provide depth and liquidity to the Company's shares but will also reflect the Company's commitment to the highest standards of disclosures, transparency, corporate governance, its operational efficiencies, global competitiveness and proven management track record. With increased participation by FIIs, the Board considers it desirable to increase the FIIs investment limit up to 49% for investment in the capital of the Company.

The resolution at item no.13 of the notice seeks shareholder approval for increases in the permitted FII Investment limits up to 49%. The Board considers the increased investment by FIIs to be in the interest of the company.

The Board recommends the resolution for increasing the maximum limit of FII investment in the company to 49% of the paid up equity capital of the company.

Your Directors recommend the resolution for your approval. None of the directors and key managerial personnel of the Company and their relatives, is concerned or interested in this resolution.

For and on behalf of the Board

Place: Chennai

Date : 09 August 2014

Sd/-

Company Secretary

REPCO HOME FINANCE LIMITED

CIN- L65922TN2000PLC044655

Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017

Ph: (044) - 42106650 Fax: (044) – 42106651; E-mail: cs@repcohome.com

Website: www.repcohome.com

ATTENDANCE SLIP: 14th ANNUAL GENERAL MEETING

Sr.No. :

I/We hereby record my/our presence at the 14th Annual General Meeting of the Company held on Thursday the 11th day of September, 2014 at 10.30 A.M. at Bharatiya Vidya Bhavan (Bhavan's Dr.Preetha Reddy Auditorium-Main Hall), # 18,20, East Mada Street, Mylapore , Chennai-600004.

Members Folio/DP ID-Client ID No

Member's/Proxy's name in Block Letters

Signature of Member / Proxy

Regd. folio/*Client ID :

No of Shares held :

*Applicable for members holding shares in electronic form.

REPCO HOME FINANCE LIMITED

CIN- L65922TN2000PLC044655

Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017

Ph: (044) - 42106650 Fax: (044) – 42106651; E-mail: cs@repcohome.com

Website: www.repcohome.com

FORM No. MGT-11 PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: REPCO HOME FINANCE LIMITED

Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017

Name of the Members(s) :

Registered Address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being the member (s) of _____ shares of the above named company, hereby appoint:

1. _____ of _____ having e-mail id _____ or failing him

2. _____ of _____ having e-mail id _____ or failing him

3. _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual General Meeting of the Company, to be held on the 11th day of September, 2014 at 10.30 A.M. at Bharatiya Vidya Bhavan (Bhavan's Dr.Preetha Reddy Auditorium-Main Hall), # 18, 20, East Mada Street, Mylapore, Chennai-600004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote	
		For	Against
Ordinary Business			
1	Consider and adopt the Profit and Loss Account for the year ended 31 March 2014, the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.		
2	Declaration of Dividend.		
3	Re-appointment of Shri. S.C.Panda, I.A.S who retires by rotation.		
4	Appointment of Auditors.		
Special Business			
5	Appointment of Shri.K.K.Pathak, I.A.S as a Director.		
6	Appointment of Shri.T.S.KrishnaMurthy as an Independent Director.		
7	Appointment of Shri.Thomas Paul Diamond as an Independent Director.		
8	Appointment of Shri.V.Nadanasabapathy as an Independent Director.		
9	Appointment of Shri.G.R.Sundaravadivel as an Independent Director.		
10	Enhancement of borrowing powers of the Company.		
11	Enhancement of Remuneration and performance incentive of Shri. R. Varadarajan, Managing Director.		
12	Proposal to issue secured redeemable non convertible debentures, commercial papers or any other debt securities on private placement basis.		
13	Increase in FIIs investment limit under Portfolio Investment Scheme.		

Signed this day of 2014

Signature of Proxy holder(s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

AFFIX
(Re. 1/-)
REVENUE
STAMP

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number	User ID	Password / PIN

INSTRUCTION FOR E-VOTING

1. To use the following URL for e-voting:
From Karvy website: <https://evoting.karvy.com>
2. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically.
3. Enter the login credentials [i.e., user id and password mentioned in the Notice of the AGM]. Your Folio No/ DP ID Client ID will be your user ID.
4. After entering the details appropriately, click on LOGIN.
5. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. You need to login again with the new credentials.
7. On successful login, the system will prompt you to select the EVENT i.e., Repco Home Finance Limited.
8. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
9. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
10. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
11. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
12. The Portal will be open for voting from: 10.00 A.M on 5 September 2014 to 5.00 P.M. on 7 September 2014.
13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt Ltd at Tel No. 1800 345 4001 (toll free).

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

MANDATE FORM FOR ELECTRONIC PAYMENT MODE

(For shares held in De-mat mode)

To
The Depository

Dear Sir,

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

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

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

Yours faithfully,

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

Name :

Address :

Date :

Certificate of the Shareholder(s) Bank

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

Bank's Stamp

(_____)

Date :

Signature of the Authorised Official from the Bank

LIST OF BRANCHES

TAMIL NADU

- 1 Adayar
- 2 Anna Nagar
- 3 Ashok Nagar
- 4 Coimbatore
- 5 Coonoor
- 6 Dindigul
- 7 Erode
- 8 Hosur
- 9 Kancheepuram
- 10 Karur
- 11 Kumbakonam
- 12 Madurai
- 13 Mayiladuthurai
- 14 Mettupalayam
- 15 Nagercoil
- 16 Namakkal
- 17 Pattukottai
- 18 Perambalur
- 19 Pollachi
- 20 Pudukottai
- 21 Purasaiwakkam
- 22 Sai Baba Colony
- 23 Salem
- 24 Tambaram
- 25 Thanjavur
- 26 Theni
- 27 Thiruvannamalai
- 28 Tirunelveli
- 29 Tiruppur
- 30 Trichy
- 31 Tuticorin
- 32 Vellore
- 33 Vyasarpadi
- 34 Tenkasi
- 35 Tiruchengode
- 36 Gobichettipalayam
- 37 Sivagangai
- 38 Virudhunagar
- 39 Thiruvallur
- 40 Villupuram
- 41 Madurai North Veli
- 42 Thiruverumbur
- 43 Chidambaram

ANDHRA PRADESH

- 44 Anantapur
- 45 Guntur
- 46 Habsiguda
- 47 Hyderabad
- 48 Kadapa
- 49 Kakinada
- 50 Kurnool
- 72

- 51 Nellore
- 52 Ongole
- 53 Rajhamundry
- 54 Thirupathi
- 55 Vijayawada
- 56 Vizag

GUJARAT

- 57 Ahmedabad
- 58 Vadodara
- 59 Surat
- 60 Jamnagar
- 61 Rajkot

KARNATAKA

- 62 Bangalore
- 63 Basaveshwaranagar
- 64 Banashankari
- 65 Belgaum
- 66 Bellary
- 67 Davangere
- 68 Gulbarga
- 69 Hassan
- 70 Hubli
- 71 Mangalore
- 72 Mysore
- 73 Shimoga
- 74 Yelahanka
- 75 Tumkur

KERALA

- 76 Ernakulam
- 77 Kollam
- 78 Kottayam
- 79 Palakkad
- 80 Punalur
- 81 Trivandrum

MAHARASTRA

- 82 Dombivli
- 83 Nagpur
- 84 Nasik
- 85 Pimpri
- 86 Pune
- 87 Sangli

ORISSA

- 88 Bhubaneswar

PONDICHERRY

- 89 Pondicherry

WEST BENGAL

- 90 Kolkata

MADHYA PRADESH

- 91 Indore

SAT CENTRES

TAMIL NADU

- 1 Karaikudi
- 2 Dharmapuri
- 3 Ramnad
- 4 Avinashi
- 5 Karaikal
- 6 Rajapalayam
- 7 Nagapattinam
- 8 Marthandam
- 9 Udumalaipettai
- 10 Palani
- 11 Saravanampettai
- 12 Sular
- 13 Perundurai
- 14 Paramathivelur
- 15 Thirukoilur
- 16 Kelambakkam
- 17 Mannargudi
- 18 Sathyamangalam
- 19 Sriperumbudur
- 20 Cuddalore

ANDHRA PRADESH

- 21 Vizianagaram
- 22 Tenali

KARNATAKA

- 23 Peenya
- 24 Chitradurga
- 25 Hospet
- 26 Mulki

KERALA

- 27 Allepey

MAHARASTRA

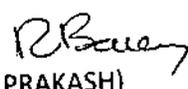
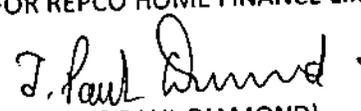
- 28 Chakan-Talkhed
- 29 Panvel
- 30 Wagholi

GUJARAT

- 31 Anand

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1 Name of the Company:	REPCO HOME FINANCE LIMITED
2 Annual financial statements for the year ended	31st March 2014
3 Type of Audit observation	Un-qualified
4 Frequency of observation	Not Applicable
5 To be signed by-	FOR REPCO HOME FINANCE LIMITED
* Chief Executive Officer/Managing Director	 (R.VARADARAJAN) MANAGING DIRECTOR
* Chief Financial Officer	FOR REPCO HOME FINANCE LIMITED  (T.KARUNAKARAN) CHIEF FINANCIAL OFFICER
* Auditor of the company	FOR R.SUBRAMANIAN AND COMPANY  (R.PRAKASH)
* Audit Committee Chairman	FOR REPCO HOME FINANCE LIMITED  (THOMAS PAUL DIAMOND) CHAIRMAN OF THE AUDIT COMMITTEE

Place: Chennai

Date: May 13, 2014