



GIC HOUSING FINANCE LTD.

Making dreams a concrete reality

*Your **Dreams** are
easier to **achieve***



Annual Report 2011-2012



Shri. M. Sivaraman - Managing Director
Welcoming the Shareholders at 21st Annual General Meeting held on 27th July, 2011.



Shri. M. Sivaraman - Managing Director
Addressing the participants of 4th Induction Training Programme held in August, 2011.



Performance review meeting of branches held at Panaji.



CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Shri. Ashok Kumar Roy	Chairman
2. Shri. Yogesh Lohiya	Ex-chairman (Upto 1 st January, 2012)
3. Shri. M. Ramadoss	Director (upto 28 th March, 2012)
4. Shri. A. R. Sekar	Director (from 29 th March, 2012)
5. Shri. G. Srinivasan	Director
6. Shri. N.S.R. Chandraprasad	Director
7. Dr. R. K. Kaul	Director
8. Shri. N. R. Ranganathan, IAS (Retd.)	Director (GIC Nominee)
9. Shri. M. K. Tandon	Director
10. Shri. Manu Chadha	Director
11. Shri. N. Mohan	Director (from 30 th April, 2012)
12. Shri. Shivendra Tomar	Director
13. Shri. M. Sivaraman	Managing Director

VICE PRESIDENT & COMPANY SECRETARY

Shri. S. Sridharan

AUDITORS

M/s. Contractor, Nayak & Kishnadwala
Chartered Accountants
Mumbai

PRINCIPAL BANKERS

HDFC Bank Ltd., United Bank of India, Axis Bank Ltd., Bank of India, Canara Bank, State Bank of Hyderabad, Union Bank of India, Bank of Maharashtra, State Bank of Mysore, Syndicate Bank, Andhra Bank, Central Bank of India, Oriental Bank of Commerce, Punjab & Sindh Bank, The Nova Scotia Bank Ltd., Corporation Bank, Tamilnad Mercantile Bank Ltd., Indian Bank, The South Indian Bank Ltd., Kotak Mahindra Bank, Allahabad Bank & Bank of Baroda.

REGISTERED OFFICE

Universal Insurance Building,
3rd Floor, Sir. P. M. Road,
Fort, Mumbai - 400 001.

REGISTRARS AND SHARE TRANSFER AGENTS

M/s. Sharepro Services (India) Private Limited,
13AB, Samhita Warehousing Complex,
Second Floor, Sakinaka Telephone Exchange Lane,
Off. Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai – 400072

Tel.: 022 – 67720300, 67720400 & 67720403;
Fax – 022 - 67720416

E-mail – sharepro@shareproservices.com

CONTENTS

PAGE NO.

Corporate Information	01
Notice of AGM	04
Directors' Report	10
Management Discussion & Analysis Report	17
Corporate Governance Report	22
Shareholders Information	28
Auditors' Certificate on Corporate Governance	34
Auditors' Report	35
Balance Sheet	38
Statement of Profit and Loss	39
Cash Flow Statement	40
Notes	42
Financial Analysis	61
Five years' at Glance	63

ANNUAL GENERAL MEETING

Date	: Tuesday 17 th July, 2012
Time	: 4.00 p.m.
Venue	: Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall , 4 th Floor, General Jagannath Bhosale Marg, Mumbai - 400021

**BOARD COMMITTEES****AUDIT COMMITTEE**

- 1) **Shri. M. K. Tandon**
Chairman
- 2) **Shri. Manu Chadha**
- 3) **Shri. Ashok Kumar Roy**
(upto 2nd May, 2012)
- 4) **Shri. N. Mohan**
(from 2nd May, 2012)

SHAREHOLDERS GRIEVANCE COMMITTEE

- 1) **Shri. M. K. Tandon**
Chairman
- 2) **Shri. Manu Chadha**
- 3) **Shri. Ashok Kumar Roy**
(upto 2nd May, 2012)
- 4) **Shri. N. Mohan**
(from 2nd May, 2012)

REMUNERATION COMMITTEE

- 1) **Shri. M. K. Tandon**
Chairman
- 2) **Shri. Ashok Kumar Roy**
(upto 2nd May, 2012)
- 3) **Shri. N. Mohan**
(from 2nd May, 2012)

ASSET LIABILITY MANAGEMENT COMMITTEE

- 1) **Shri. M. K. Tandon**
Chairman
- 2) **Shri. Manu Chadha**
- 3) **Shri. M. Sivaraman**

EXECUTIVES

- 1) **Shri. P. N. Balasubramanian**
Senior Vice President
- 2) **Shri. Rajib De**
Senior Vice President
- 3) **Shri. S. Sridharan**
Vice President & Company Secretary
- 4) **Shri. Mahesh Ghagre**
Vice President
- 5) **Shri. Srinivas Mahishi**
Assistant Vice President
- 6) **Shri. S. Vijayaramesh**
Assistant Vice President

BUSINESS HEADS

Branch	Manager
1. Bangalore	Shri. T. P. Chandrababu
2. Bhubaneswar	Shri. Ramakant Kasta
3. Chandigarh	Shri. Amit Dahiya
4. Chennai	Shri. D. Raghupathy
5. Chinchwad	Shri. Vinayak Joshi
6. Coimbatore	Shri. V. Kumarguru
7. Delhi	Shri. Vicky Kapoor & Shri. Amit Thakur
8. Durgapur	Shri. Surjit Das Biswas
9. Hyderabad	Shri. N. Ragothaman
10. Jaipur	Shri. Santosh Singh
11. Jodhpur	Shri. Ganesh Singh Hada
12. Kochi	Shri. V. Jayaram
13. Kolhapur	Shri. Dyaneshwar Daundkar
14. Kolkata	Shri. Kaushik Basu
15. Lucknow	Shri. V. R. Joshi
16. Madurai	Shri. K. Jagadish
17. Mumbai	Smt. Radhika B.
18. Nagpur	Shri. Nilesh Giri
19. Nashik	Shri. Nayan Ghag
20. Navi Mumbai	Shri. Rohit Medhekar
21. Noida	Shri. Parmender Singh
22. Panaji	Shri. Yogesh Deshpande
23. Panvel & Nere	Shri. Joseph Thomas
24. Pune	Shri. Sudhir Kasbekar
25. Thane	Shri. Sanjay Koppikar
26. Trichy	Shri. S. R. Ravi
27. Trivendrum	Shri. Mithun Mohan
28. Vizag	Shri. Vishnuprasad Gampala
29. Vadodara	Shri. Mukesh Savita
30. Virar	Shri. Chandra Mogaveera

BOARD OF DIRECTORS



Shri Ashok Kumar Roy
Chairman



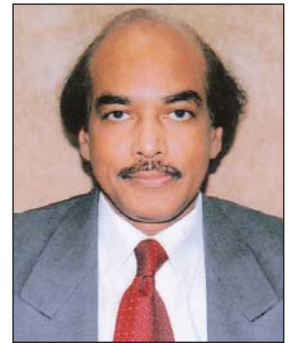
Shri A. R. Sekar
Director



Shri G. Srinivasan
Director



Dr. R. K. Kaul
Director



Shri N. S. R. Chandraprasad
Director



Shri N. R. Ranganathan
Director



Shri M. K. Tandon
Director



Shri Shivendra Tomar
Director



Shri N. Mohan
Director



Shri Manu Chadha
Director



Shri M. Sivaraman
Managing Director



NOTICE

NOTICE is hereby given that the Twenty-second Annual General Meeting of the members of **GIC HOUSING FINANCE LIMITED** will be held on Tuesday, 17th July, 2012 at 4.00 p.m. at Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, **Cultural Hall**, 4th Floor, General Jagannath Bhosale Marg, Mumbai - 400021 to transact the following business:

ORDINARY BUSINESS:

Adoption of audited Annual Accounts, Reports of the Auditors and Directors.

- 1) To receive, consider and adopt the audited Profit and Loss Account for the financial year ended 31st March, 2012 and Balance Sheet as at that date together with the Reports of the Directors and the Auditors' thereon.

Dividend on equity shares

- 2) To declare dividend on equity shares for the financial year ended 31st March, 2012.

Re-appointment of Directors retiring by rotation

- 3) To appoint a Director in place of Shri. G. Srinivasan, who retires by rotation, and being eligible, seeks re-appointment.
- 4) To appoint a Director in place of Shri. N.S.R. Chandraprasad, who retires by rotation, and being eligible, seeks re-appointment.

Re-appointment of Statutory Auditors.

- 5) To appoint Auditors and in this connection, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT M/s. Contractor, Nayak & Kishnadwala, Chartered Accountants, Mumbai (ICAI Firm Registration No. 101961W), be and is hereby re-appointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as mutually agreed upon by the Board of Directors and the Auditors".

SPECIAL BUSINESS:

- 6) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri. A. R. Sekar, who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 29th March, 2012 and who holds office up to the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956, and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- 7) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri. N. Mohan, who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 30th April, 2012 and who holds office up to the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956, and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Place: Mumbai

Date: 29th May, 2012

Registered Office

Universal Insurance Bldg.
3rd Floor, Sir. P. M. Road,
Fort, Mumbai - 400001

For and on behalf of the Board of Directors

M. Sivaraman
Managing Director

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE ATTENDANCE SLIP-CUM-PROXY FORM IS PLACED AT THE END OF THIS ANNUAL REPORT. THE PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Explanatory Statement pursuant to section 173 of the Companies Act, 1956, in respect of item No.5, 6 and 7 is given below and forms part of the Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 6th July, 2012 to 17th July, 2012 (both days inclusive).
4. Members attending the Annual General Meeting are requested to bring the following for admission to the meeting hall (as applicable).
 - a) Attendance Slip duly completed and signed as per the specimen signature lodged with the Company.
 - b) Members holding shares in dematerialized form, their DP & Client ID Number(s).
 - c) Members holding shares in physical form, their folio number(s).
 - d) Copy of the Annual Report (2011-12).
5. The Company would accept only the Attendance Slip from a Member actually attending the Meeting; or from the person attending as a Proxy under a valid proxy form registered with the Company not less than 48 hours prior to the Meeting. Attendance Slip of Members not personally present at the meeting and Proxy Forms, which are invalid, will not be accepted.
6. Member Companies or Organisations are requested to send a copy of the resolution of their governing body authorising their representative to attend and vote at the Annual General Meeting.
7. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e. Electric/ telephone bill, driving license or a copy of the passport and bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/ RTA without any delay.
8. In all correspondence with the Company, members are requested to quote their account/ folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID. and Client ID. No(s).
9. In terms of Section 109(A) of the Companies Act, 1956, nomination facility is available to an individual shareholder. Shareholders holding shares in physical form may utilise the nomination facility available by sending the prescribed Form No.2B duly filled, to our Registrars and Share Transfer Agents viz. M/s. Sharepro Services (India) Pvt. Limited, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400072. Shareholders holding shares in dematerialised form has to send their “nomination” request to the respective Depository Participants.
10. Equity Shares of the Company are under compulsory Demat trading by all investors. Those shareholders, who have not dematerialised the shares, are advised to dematerialise their shareholding, to avoid inconvenience in future.
11. SEBI vide circular ref. no. MRD/DoP/Cir-05/2007 dated April 27, 2007 made Permanent Account Number (PAN) mandatory for all securities market transaction. Thereafter, vide circular no. MRD/Dop/Cir-05/2009 dated May 20, 2009 it was clarified that for securities market transactions and off market/private transaction involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company/ RTAs for registration of such transfer of shares.

SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:

- a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholder(s).
- b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
- c) Transposition of shares when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.



12. Investors/ shareholders are requested to kindly note that if physical documents viz. Demat Request Form (DRF) and Share Certificates etc. are not received from their DPs by the Registrar within a period of 15 days from the date of generation of the DRN for dematerialization, the DRN will be treated as rejected/ cancelled. This step is being taken on the advice of Depository viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) so that no demat request remains pending beyond a period of 21 days. Upon rejection/ cancellation of the DRN, a fresh DRF with new DRN has to be forwarded along with the Share Certificates by the DPs to the Registrar. This note is only to caution investors/ shareholders that they should ensure that their DP's do not delay in sending the DRF and share certificates to the Registrar after generating the DRN.
13. If the dividend, as recommended by the Board of Directors is declared at the meeting, the dividend will be paid on or before 16th August, 2012 to those shareholders holding shares in the physical form whose names will appear in the Register of Members of the Company at the close of business hours on Tuesday, 17th July, 2012 after giving effect to all valid transfers in physical form lodged on or before 6th July, 2012 and those holding shares in the Demat form as Beneficial Owners, in the record of the depositories at the close of business hours as on 5th July, 2012. Members holding shares in physical form are advised to submit bank account details to the Registrars and Share Transfer Agents. Members holding shares in Demat form are advised to notify any change in their address/ bank mandate to their respective Depository Participants.
14. Members are also informed that the Company is extending the National Electronic Clearing Service (NECS) facility to the Members to receive their Dividend through electronic mode to their bank account. In order to avail this facility, the Members are requested to fill, sign and send the ECS mandate form, which forms part of this Annual Report, along with a photocopy of the cheque issued by the bank for verifying the accuracy of the MICR Code number to the Registrars and Share Transfer Agents viz. M/s. Sharepro Services (India) Pvt. Ltd., Mumbai (in case of Members holding shares in physical form) and to the respective Depository participants (in case of Members holding shares in dematerialised form).
15. Dividend for the financial year 2004-05, which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund (IEPF) of the Central Government, pursuant to the provisions of section 205C of the Companies Act, 1956 in the month of November, 2012. Members, who have not yet encashed their dividend for the financial year 2004-05, are requested to lodge their claims with the Company or M/s. Sharepro Services (India) Pvt. Ltd. without delay. Members are advised that no claims shall lie against the said fund or against the Company for the amount of dividend so transferred to the fund. During the year 2011-12, the Company has deposited a sum of Rs.5,47,812/- (Rupees five lacs forty seven thousand eight hundred and twelve only) to Investor Education and Protection Fund of the Central Government, on account of unclaimed/ unpaid dividend for the year 2003-04.
16. Those members who have not encashed or received their dividend for the financial years 2005-06 to 2010-11 are requested to approach our Registrars and Share Transfer Agents viz. M/s. Sharepro Services (India) Pvt. Ltd., Mumbai.
17. The shareholders holding shares in more than one folio are requested to consolidate their folios by sending a request letter to the Company or to the Registrars and Transfer Agents of the Company. Consolidation of folios would facilitate one-stop tracking of all corporate benefits and would reduce time and effort required for monitoring multiple folios. Consolidation of share certificates also helps in saving costs in case of dematerialisation and also provides convenience in holding shares physically.
18. A brief profile of the Directors retiring by rotation and eligible for re-appointment and Directors seeking appointment is furnished and forming part of the notice as per clause 49 (IV)G of the Listing Agreement.
19. The annual report of the Company circulated to the Members of the Company, will be made available on the Company's website at www.gichfindia.com.
20. All Documents referred to the Notice are open for inspection at the Registered Office of the Company on all working days between 10.30 a.m. to 12.00 noon up to the date of the Annual General Meeting.
21. The Ministry of Corporate Affairs, Government of India has introduced a 'Green initiative in the Corporate Governance' by allowing paperless compliances by the companies for service of documents to their members through electronic mode, which will be in compliance with Section 53 of the Companies Act, 1956.

In terms of the above the Company has already dispatched a written communication to its members on 9th March, 2012 requesting them to register their designated email id with the Company/RTA. However, members who are desirous of obtaining hard copy of the Notice, Postal Ballot, Annual Reports and other documents may forward their written request to the Company/RTA for the same.



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5:

As the Public Financial Institutions are holding more than 25% of the shares of the Company, the appointment of Auditors is required to be made by a special resolution under Section 224(A) of the Companies Act, 1956.

The Board of Directors recommends their re-appointment as auditors from the ensuing Annual General Meeting till conclusion of next Annual General Meeting.

None of the Directors of the Company are concerned or interested in the above resolution.

The Board recommends the resolution set forth in Item No.5 for the approval of the Members.

ITEM NO. 6:

Shri. A. R. Sekar was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, by the Board of Directors on 29th March, 2012 and holds office till the date of the Twenty-second Annual General Meeting of the Company and is eligible for appointment. Shri. A. R. Sekar is Officiating Chairman cum Managing Director of The New India Assurance Co. Ltd.

The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing the candidature of Shri. A. R. Sekar for the office of Director liable to retire by rotation.

None of the Directors other than Shri. A. R. Sekar is concerned or interested in the Resolution.

The Board recommends the resolution set forth in Item No.6 for the approval of the Members.

ITEM NO. 7:

Shri. N. Mohan was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, by the Board of Directors on 30th April, 2012 and holds office till the date of the Twenty-second Annual General Meeting of the Company and is eligible for appointment. Shri. N. Mohan is General Manager of General Insurance Corporation of India (GIC Re).

The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing the candidature of Shri. N. Mohan for the office of Director liable to retire by rotation.

None of the Directors other than Shri. N. Mohan is concerned or interested in the Resolution.

The Board recommends the resolution set forth in Item No.7 for the approval of the Members.

Place: Mumbai

Date: 29th May, 2012

Registered Office

Universal Insurance Bldg.
3rd Floor, Sir. P. M. Road,
Fort, Mumbai - 400001

For and on behalf of the Board of Directors

M. Sivaraman
Managing Director

**Information as required under Clause 49 (IV) (G) of the Listing Agreement in respect of Directors seeking re-appointment/ appointment at the Annual General Meeting:****1. Shri. G. Srinivasan, Chairman cum Managing Director, United India Insurance Company Ltd.**

Shri. G. Srinivasan was appointed as a Director of the company w.e.f. 26th November, 2007. Shri. G. Srinivasan is Chairman cum Managing Director of United India Insurance Company Ltd., Chennai.

Prior to his appointment he served as Managing Director of The New India Assurance Company (TNT) Ltd., Trinidad and Tobago and as General Manager for The New India Assurance Company Ltd.

Shri. G. Srinivasan is a fellow of the Insurance Institute of India and also an Associate Member of Institute of Costs and Works Accountants of India.

The other Directorships/ Committee memberships of Shri. G. Srinivasan are as follows:

Name of the Company	Board Membership	Committee Membership
United India Insurance Co. Ltd., Chennai	Chairman cum Managing Director	Investment Committee – Chairman Risk Management Committee – Chairman Policyholders Protection Committee – Chairman
General Insurance Corporation of India	Director	Investment Committee - Member
Central Insurance Repository Ltd., India	Director	-
Kenindia Assurance Company Ltd., Kenya	Director	Audit Committee – Member

Shri. G. Srinivasan does not hold any share in the Company.

2. Shri. N.S.R. Chandraprasad, Chairman cum Managing Director, National Insurance Company Ltd.

Shri. N.S.R. Chandraprasad was appointed as a Director of the company w.e.f. 13th June, 2009. He is the Chairman cum Managing Director of National Insurance Company Ltd.

The other Directorships/ Committee memberships of Shri. N.S.R. Chandraprasad are as follows:

Name of the Company	Board Membership	Committee Membership
National Insurance Company Ltd., Kolkata	Chairman-cum-Managing Director	Investment Committee – Chairman Risk Management Committee – Chairman Policyholder Protection Committee – Chairman HR Committee – Chairman IT Committee – Chairman
India International Insurance Pte. Ltd., Singapore	Director	Audit Committee - Member

Shri. N.S.R. Chandraprasad does not hold any share in the Company.

3. Shri. A. R. Sekar, Officiating Chairman cum Managing Director of The New India Assurance Co. Ltd.

Shri. A. R. Sekar has been the officiating Chairman and Managing Director of The New India Assurance Co. Ltd., since 5th December, 2011. He has been with The New India Assurance Co. Ltd. for the past 33 years and has worked in various capacities. Prior to taking over as officiating CMD, he was the Financial Advisor and General Manager. He was the Company Secretary of The New India Assurance Co. Ltd. during December, 1999 to August, 2010. Mr. Sekar has vast experience in the underwriting and technical aspects of general insurance business and investments. As financial advisor he was instrumental in major investment decisions and budgetary control of The New India Assurance Co. Ltd.

By virtue of being a director in foreign subsidiary/ associate companies of The New India Assurance Co. Ltd., Mr. Sekar is involved in guiding and directing the business activities of these foreign subsidiary/ associate companies for their smooth functioning.



The other Directorships/ Committee memberships of Shri. A. R. Sekar are as follows:

Name of the Company	Board Membership	Committee Membership
The New India Assurance Co. Ltd., Mumbai.	Officiating Chairman cum Managing Director	-
The New India Assurance Co. (Trinidad & Tobago) Ltd., Port of Spain	Director	-
Prestige Assurance Plc. Lagos, Nigeria	Director	-
SVC Superchem Ltd., Mumbai	Director	-
India International Insurance Pte. Ltd., Singapore	Director	-
Stock Holding Corporation of India Ltd., Mumbai	Director	-

Shri. A. R. Sekar does not hold any share in the Company.

4. Shri. N. Mohan, General Manager of General Insurance Corporation of India (GIC Re).

Shri. N. Mohan is a commerce graduate from University of Madras. He joined the United India Insurance Company Ltd. in 1979 and worked there over the next 28 years in various capacities till September, 2007 when on promotion was posted as Deputy General Manager to National Insurance Company Ltd.

Mr. Mohan is a Chartered Accountant with over 30 years experience in General Insurance handling Internal Audit, Investments, Accounts, Implementation of I.T. Systems, Marketing, Re-insurance, Claims handling and Underwriting.

He possesses excellent leadership skills, exceptional interpersonal communication and organizational skills with abilities in team management & customer relationship management. He has extensive experience in handling large clients.

Mr. Mohan besides being a Fellow of the Insurance Institute of India is also a professionally qualified Company Secretary and Cost & Works Accountant.

Mr. Mohan joined GIC Re as a General Manager in November, 2011. He currently looks after the Investment & Finance portfolio in GIC Re.

The other Directorships/ Committee memberships of Shri. N. Mohan are as follows:

Name of the Company	Board Membership	Committee Membership
Hill Properties Ltd. – Bell Road, Malabar Hill, Mumbai – 400006.	Director	-

Shri. N. Mohan does not hold any share in the Company.



DIRECTORS' REPORT

To The members of GIC Housing Finance Ltd.,

The Directors have great pleasure in presenting the Twenty-Second Annual Report on the business and operations of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

(Rs. in Lacs)

PARTICULARS	March 31, 2012	March 31, 2011
Total Income	43942	33987
Less: Interest expenditure	31125	21483
Overheads	4848	2712
Depreciation & other amortisation	83	73
Profit Before Extraordinary Income	7886	9719
Profit on sale of Long Term Investment	NIL	8848
Less: Additional Provision for Contingencies	NIL	4000
Profit Before Tax	7886	14567
Provision for Tax	2610	4510
Deferred Tax Assets	(628)	(1319)
Profit After Tax	5904	11376
Profit brought forward	4	5
Adjustment for short Income Tax provision	NIL	1
Profit available for appropriation	5908	11381
APPROPRIATIONS:		
General Reserve	1270	6115
Special Reserve under Section 36(1)(viii) of Income Tax Act, 1961	1820	1820
Proposed Equity Dividend	2423	2962
Tax on Proposed Dividend	393	480
Balance carried over to Balance Sheet	2	4

Note: During the year an amount of Rs.456 lacs has been transferred from General Reserve to Special Reserve in terms of Section 29C(1) of the National Housing Bank Act, 1987.

IMPORTANT FINANCIAL RATIOS:

PARTICULARS	March 31, 2012	March 31, 2011
Return on Net Worth (%)	12.99	26.45
Return on Total Assets (%)	1.38	3.20
Book Value per share (Rs.)	84.43	79.87
Earning per share (Rs.)	10.96	21.13
Debt Equity Ratio (times)	7.91	7.18
Average cost of funds (%)	9.32	7.52
Average yield on advances (%)	11.17	10.11

DIVIDEND

Your Directors recommend payment of dividend for the year ended 31st March, 2012 of Rs.4.50 per equity share of face value of Rs.10 each. The total dividend outgo for the current year would amount to Rs.28.16 crores including dividend distribution tax of



Rs.3.93 crores, as against Rs.34.42 crores (inclusive of onetime special dividend of Rs.1 per share declared in view of profit on sale of investments amounting to Rs.88.48 crores during the previous year) including dividend distribution tax of Rs.4.80 crores in the previous year.

The dividend payout ratio for the current year, inclusive of additional tax on dividend will be 47.70%.

OPERATIONS – PERFORMANCE

Income, Profit, Loan Approvals and Disbursements: Total income for the year under review is Rs.439.42 crores as against Rs.339.87 crores for the year 2010-11, registering a growth of 29% over the previous year. Profit before tax for the year ended is Rs.78.86 crores and Profit after tax for the year ended is Rs.59.04 crores as against Rs.145.67 crores and Rs.113.76 crores respectively for the previous year. Your Company had profit on sale of long term investments amounting to Rs.88.48 crores in the previous year.

The Company's main thrust continues to be on individual loans. New loans approved during the year amounted to Rs.1073 crores and loans disbursed during the year are Rs.992 crores as against Rs.1069 crores and Rs.969 crores for the year ended 31st March, 2011 respectively. The Retail Loan portfolio as at 31st March, 2012 stood at Rs.3864 crores, (reflecting a growth rate of 13.45%) as compared to Rs.3406 crores as on 31st March, 2011.

Your Company has adhered to the prudential guidelines for Non Performing Assets (NPAs); issued by the National Housing Bank (NHB) under its Directions 2010, as amended from time to time. During the year, the National Housing Bank (NHB) has made upward revision in the provisioning requirements for doubtful assets up to 100%; increase in provisioning requirements in different slabs of default bucket ranging from 5% to 50% and also introduced for the first time provisioning requirement of 0.4% of the outstanding loan portfolio of standard housing loan assets and 1% on standard non housing loans. The impact on profitability is due to newly introduced provisioning requirements for "standard assets" and upward provisioning requirements for all categories of NPA assets. The additional provision charged during the year for the purpose of complying with the said newly introduced provision for "standard assets" and for NPA accounts are Rs.19.27 crores. National Housing Bank has also during the year mandated not to levy "foreclosure charges" on closure of home loans sanctioned under floating interest basis which your Company has complied with.

During the year under review, your Company has made provision to the extent of Rs.19.27 Crores as against Rs.38.73 Crores provided for in the year 2010-11. The Company is also carrying an additional provision of Rs.26.39 crores in books, beyond what is prescribed under the guidelines, as a prudential measure. The total cumulative provision towards individual housing loan portfolio inclusive of the additional provision of Rs.26.39 crores as on 31st March, 2012 is Rs.80.28 crores. Gross Non Performing Assets on retails loans as on 31st March, 2012 is 2.08% as against 2.78% for the previous year. Net Non-performing loans as on 31st March, 2012 is "NIL" as against 0.41% for the previous year.

RESOURCE MOBILISATION:

Your Company takes every effort to tap the appropriate source of funding to minimize the weighted average cost of funds. During the year under review, due to prevailing inflationary pressures, Reserve Bank of India has increased the "Key rates" in the first quarter and continued with the same rates in the rest of the quarter for the purpose of controlling the inflation. Hence there is increase in average cost of funds during the year. Your Company has mobilized resources through the following sources:

A. Term Loans:

Your Company has borrowed fresh long term loans of Rs.795 crores from banks during the year as compared to Rs.620 crores during the previous year. The aggregate of term loans outstanding at the end of the financial year stood at Rs.2808 crores (including short term loans amounting to Rs.100 crores) as against Rs.2677 crores as at the end of the previous year (including short term loans amounting to Rs.300 crores).

B. Refinance from National Housing Bank:

With the continued support of National Housing Bank (NHB), Your Company availed refinance amounting to Rs.265 crores during the year under review as against Rs.210 crores in the previous year. The refinance facility outstanding as on 31st March, 2012 is Rs.551 crores as against Rs.410 crores as at the end of the previous year.

C. Commercial Paper:

During the year 2011-12, your Company has raised resources by issuing Commercial Paper to the extent of Rs.675 crores. The outstanding Commercial Paper as on 31st March, 2012 is Rs.245 crores (Gross).

**CREDIT RATING**

Your Company had received rating from ICRA for its various borrowing programmes as follows:

- For Commercial Paper Programme of Rs.800 crores as [ICRA] "A1+" (Pronounced as ICRA A one plus). This rating is the highest credit quality rating assigned by ICRA for Short Term Debt Instruments.
- For Fund Based Short Term Loan Programme of Rs.800 crores as [ICRA] "A1+" (Pronounced as ICRA A one plus). This rating is the highest credit quality rating assigned by ICRA for Short Term Debt Instruments.
- As per the Basel-II requirements - For Fund Based Long Term Loan Programme of Rs.3500 crores as [ICRA] AA + (Pronounced as ICRA double A plus). This rating indicates the high credit quality rating assigned by ICRA to Long Term Debt Instruments.

BRANCH EXPANSION:

During the year under review your Company has opened its branch at "Nere Panvel". The total number of branches as on 31st March, 2012 stood at 31.

INSURANCE COVERAGE TO BORROWERS:

Your Company had taken "Special Contingency Insurance" with The New India Assurance Company Ltd., which covers the borrowers of your Company as under:

- **Personal Accident Insurance:** Personal accident (death only) risk cover, free of cost to the borrowers up to an amount of outstanding loan at any particular point of time during the term/ tenure of the housing loan.
- **Mortgaged Property Insurance:** The property acquired out of loan, for and up to and extent of the outstanding loan amount, covered free of cost against fire, earthquake and allied perils affecting the mortgaged property.

Your Company has also tied up with 'Kotak Mahindra Old Mutual Life Insurance Limited' for getting insurance cover on the life of the borrower to the extent of the "Outstanding Home Loan". The said "group Life cover is optional" and the Company arranges this insurance on request from the borrower. These schemes ensure protection to the families of the borrower in case of unexpected eventualities like untimely death of borrower due to accident or natural death.

COMPLIANCE WITH GUIDELINES OF NATIONAL HOUSING BANK (NHB) – REGULATORY GUIDELINES

Your Company has complied with the Guidelines and Directions issued by NHB on asset classification of credit/ investments, credit rating, Fair Practices Code, Know Your Customer (KYC), Anti Money Laundering Guidelines, income recognition and provisioning for non-performing loans.

During the year under review, the National Housing Bank (NHB) has revised upward the provisioning requirements for Non Performing Assets vide its circular No NHB (ND)/DRS/1241 dated 8th September, 2011 as under:

Default in Interest/Principal	Old Rule Provision (%)	New Rule Provision (%)
3 to 15 months	10	15
16 to 27 months	20	25
28 to 51 months	30	40
52 and above	50	100
Loss Assets	100	100

In addition to the above, National Housing Bank also introduced Provision on Standard Assets at 0.4% in respect of Individual Housing Loans.

CAPITAL ADEQUACY RATIO (CAR)

The Company has been maintaining the Capital Adequacy Ratio (CAR) above the minimum required level prescribed by National Housing Bank (NHB) from time to time. The CAR prescribed for the present is 12%.

The Capital Adequacy Ratio of the Company as at 31st March, 2012 is 14.80% as against 15.42% as at 31st March, 2011.



DEPOSITS

Your Company has not accepted or renewed any fresh deposits during the year within the meaning of Section 58(A) of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. There are no unclaimed deposits as on 31st March, 2012.

DEMATERIALISATION OF SHARES AND NOMINATION FACILITY AND LISTING AT STOCK EXCHANGES

As per the Securities & Exchange Board of India directives, the transactions of the Company's shares must be compulsorily in dematerialised form. Your Company has signed an agreement with the Central Depository Services (India) Limited and National Securities Depository Limited for transaction of shares in dematerialised form. Shareholders holding shares in physical form are requested to convert their holdings into dematerialised form. Out of 5,38,51,066 equity shares 5,31,91,065 are in dematerialised form, (5,31,52,348 shares as on 31st March, 2011) which is 98.77% (98.70% as on 31st March, 2011) of the total shares as on 31st March, 2012.

Shareholders holding shares in physical form may utilise the nomination facility available by sending the prescribed Form No.2B duly filled, to our Registrars and Share Transfer Agents viz. M/s. Sharepro Services (India) Private Limited, Mumbai. Shareholders holding shares in dematerialised form has to send their "nomination" request to the respective Depository Participants.

The Equity shares of the Company continue to be listed on Bombay Stock Exchange Ltd., and The National Stock Exchange of India Ltd., The Annual Listing fees for the year 2012-13 have been paid to these Stock Exchanges.

UNCLAIMED DIVIDEND TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

In terms of Section 205C of the Companies Act, 1956, the amount (dividends) that remained unclaimed and unpaid for more than 7 years from the date become first due for payment, shall be transferred to IEPF (Fund). In terms of the applicable statutory provisions of the Companies Act, 1956, no claim would lie against the Company or the said Fund after such transfer to IEPF.

The Company has been intimating the shareholders to lodge their claim for payment due, if any, from time to time and such claims have been settled. In spite of constant and sincere efforts to pay the unclaimed dividend to the respective shareholders, certain amount still remains unclaimed. The Company has been intimating the shareholders to lodge their claim for dividend from time to time and such information is being mentioned in the Annual Reports every year.

Unclaimed dividend amounting to Rs.5,47,812/- that has not been claimed by shareholders for the financial year 2003-04 has been transferred to Investor Education and Protection Fund (IEPF) during the month of November, 2011, as per the provisions of the Companies Act, 1956. As per section 205(B) of the Companies Act, 1956, no claim would lie against the Company or the said fund after the transfer.

The dividend pertaining to the financial year 2004-05 remaining unclaimed and unpaid amounting to Rs.5,92,690/- as on 31st March, 2012, would be transferred to IEPF during November, 2012 after settlement of claims received up to the date of completion of 7 years from the date of declaration of the dividend. The Company has sent individual reminder letters to the respective shareholders during the month of May, 2012.

Shareholders who have not claimed the said dividend may write to Registrars and Share Transfer agents.

STATUTORY INFORMATION:

Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and expenditure

Since the Company does not own any manufacturing facility, the particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, required to be furnished under section 217 (1) (e) of the Companies Act, 1956 are not applicable.

The Company did not earn any income in foreign currency during the year under review. The Company has incurred an amount of Rs.2,69,238/- towards expenses in foreign currency.

None of the employees of your company were in receipt of remuneration in excess of the limits as laid down under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.



DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of sub-section (2AA) of Section 217 of the Companies Act, 1956, and based on the information provided by the Management, Board of Directors report that:

- In the preparation of Annual Accounts, the applicable accounting standards have been followed together with proper explanation;
- The Accounting Policies selected were applied consistently. Reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company as at the end of 31st March, 2012 and of the profit of the Company for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- The annual accounts have been prepared on a going concern basis.

AUDITORS

M/s. Contractor, Nayak and Kishnadwala, Chartered Accountants, Mumbai (ICAI Firm Registration No. 101961W) were appointed as Statutory Auditors in the twenty-first Annual General Meeting of the Company and their term is scheduled to end at the conclusion of the forthcoming Annual General Meeting and is eligible for re-appointment.

The Company received the requisite confirmation from them to the effect that their re-appointment, if made, would be within the limits of Section 224(1B) of the Companies Act, 1956.

The Directors of your Company recommend re-appointment of M/s. Contractor, Nayak & Kishnadwala Chartered Accountants, Mumbai as Statutory Auditors of the Company from the ensuing Annual General Meeting till conclusion of twenty-third Annual General Meeting. Suitable resolution for re-appointment requiring approval of the shareholders forms part of the agenda of the Annual General Meeting. The said appointment attracts provisions of section 224 A of the Companies Act, 1956.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956, and Article 125 of the Articles of Association of the Company, Shri. G. Srinivasan and Shri. N.S.R. Chandraprasad, Directors are liable to retire by rotation and are eligible for re-appointment. Shri. G.Srinivasan and Shri. N.S.R. Chandraprasad offer themselves for re-appointment. The Board of Directors recommends their re-appointment.

Shri.Yogesh Lohiya, Chairman of the Board resigned from Directorship on 1st January, 2012, consequent to his superannuation from the services of General Insurance Corporation of India (GIC Re). Shri. M. Ramadoss, resigned from Directorship on 29th March, 2012. Shri. Ashok Kumar Roy was appointed as Chairman of the Board consequent to his elevation to the position of Chairman Cum Managing Director of General Insurance Corporation of India.

The Directors of your Company wish to place on record their appreciation for the services rendered and contribution made by Shri. Yogesh Lohiya and Shri M. Ramadoss during their tenure as Director(s) of the Company.

Shri. A. R. Sekar, Officiating Chairman Cum Managing Director, The New India Assurance Company Ltd., was appointed as an Additional Director of the company w.e.f. 29th March, 2012 pursuant to the provisions of section 260 and other applicable provisions of the Companies Act, 1956, if any and Article 111 of Articles of Association of the Company. Shri. N. Mohan, General Manager, General Insurance Corporation of India (GIC Re) was appointed as an Additional Director of the company w.e.f. 30th April, 2012, pursuant to the provisions of section 260 and other applicable provisions of the Companies Act, 1956, if any and Article 111 of Articles of Association of the Company.

Your Company has received a notice in writing from a shareholder(s), under section 257 of the Companies Act, 1956 proposing the appointment of Shri. A. R. Sekar and Shri. N. Mohan as Director(s) of the Company at the ensuing Annual General Meeting.

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 274 of the Companies Act, 1956. The Board of Directors recommends their appointment.

CORPORATE GOVERNANCE

The Auditors Certificate on Corporate Governance issued by the Statutory Auditors of the Company for the year under review, as required under the Companies Act, 1956 and in pursuance of Clause 49 of the Listing Agreement is annexed to the Report of the Directors on Corporate Governance.



Your Company has been complying with the principles of good Corporate Governance over the years. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

In terms of the provisions of Clause 49 of the listing agreement entered into with the Stock Exchange(s), the Management Discussion and Analysis Report forms part of this report.

HUMAN RESOURCES & INDUSTRIAL RELATIONS.

Your Company has continuously been working to improve human resources competencies and capabilities in the Company to deliver the desired results. Your Company has developed a comprehensive “in-house” induction training module to make sure that new employees understand the basic aspect of the Company in its all operations. In pursuance of the Company's commitment to develop and retain the best available talent, the Company had been sponsoring the employees for training programmes organized by reputed professional institutions and training programmes conducted by National Housing Bank for upgrading the skill and knowledge of the employees in different operational areas. The Company continues to focus on various initiatives in training and developing employees across levels to improve productivity, service quality, personal effectiveness and supervisory quality. Employees' relations remained cordial and the work atmosphere remained congenial during the year under review. The work force strength of Your Company as on 31st March, 2012 is 195.

OUTLOOK FOR THE YEAR 2012-13.

Gross Domestic Product (GDP) growth likely to be 6.9% for 2011-12. Going forward into 2012-13, assuming a normal monsoon, agricultural growth could stay close to the trend level, the overall domestic growth outlook for 2012-13 looks a little better than in 2011-12 and the baseline GDP growth for 2012-13 is projected at 7.3% by Reserve Bank of India. (Source: Reserve Bank of India Monetary Policy Statement 2012-13/April 17, 2012.) The projected growth for the 2012-13 is reasonably at a good level for the emerging economies like us.

Housing is a basic need that provides a place “home” to the individual and is a valuable asset which can enable him to access credit from the financial market. India is witnessing increasing levels of urban population. India's urban population is expected to increase from 400 million in 2011 to about 600 million or more by 2030 (Source: Issues for approach to 12th Five year Plan - Planning Commission). Nearly 30% of the country's population lives in cities and urban areas. Within the urban population, there is a rapidly growing informal sector whose ability to borrow from the formal sector is not adequately recognized. Mortgage penetration levels mortgage loans as a percentage of Gross Domestic Product (GDP) which is around 7.25% of India's GDP only compared with China (12 per cent), Thailand (17 per cent) and Malaysia (29 per cent) (Source: Report on trend and progress of Housing in India 2011 by National Housing Bank). Hence there is lot of scope for Housing Finance industry to penetrate and grow. An effective housing finance system improves affordability through institutional and product innovation. Availability of long term housing loans enables the individuals a greater flexibility in allocating their savings and other sources across their different needs.

Government of India in its Budget for the year 2012-13 extended the scheme of interest subvention of 1% on housing loans up to Rs.15,00,000 where the cost of the house does not exceed Rs. 25,00,000 for period of one more year is a welcome measure; which gives relief to the home loan borrowers of eligible category. In the said Budget to address the shortage of housing for low income groups, proposal is also announced for allowing “External Commercial Borrowings” for low cost housing projects.

In the first month of the current quarter of the financial year 2012-13, we have witnessed a positive trigger for growth; Reserve Bank of India announcing 50 basis points reduction in “repo rate”. Majority of the Banks have announced reduction in their “Base Lending Rate” which will give your Company a marginal relief in cost of borrowing. The inflationary pressures, which started moderating from March, 2012 are again showing upward trend, especially in food prices, is a worrying factor. However, with the forecast of “normal monsoon” for the current year, which will boost the prospects of farm production, we expect the inflationary pressures to come down earliest and with interest rates moderating, your Company is expecting to maintain the momentum in loan disbursements in the financial year 2012-13.

ACKNOWLEDGEMENTS

Your Board place on record their sincere appreciation for the cooperation and support received from the Promoter(s) namely, General Insurance Corporation of India, The New India Assurance Company Ltd., National Insurance Company Ltd., The Oriental Insurance Company Ltd., United India Insurance Company Ltd. and IFCI Ltd.

Your Board acknowledges and appreciates the guidance and co-operation extended by various regulatory authorities including National Housing Bank (NHB), SEBI, Stock Exchanges and Depositories.



Your Board wishes to place on record their thanks to National Housing Bank for their continued refinance assistance and also to all the banks for their continued support through term loans.

Your Board wishes to place on record their sincere appreciation for the cooperation and support received from shareholders and customers.

Your Board thanks the Registrars and Share Transfer Agents of the Company, Credit Rating Agencies, Government(s), local/statutory authorities and all others for their whole hearted support.

Your Board would like to thank all the employees of the Company whose efforts made the Company to reach greater heights and wish them all the best for achieving even greater heights in the future.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th May, 2012.

M. Sivaraman
Managing Director



MANAGEMENT DISCUSSION & ANALYSIS REPORT

GENERAL: OVERVIEW OF THE ECONOMY

Global Economy:

Global macroeconomic conditions have shown signs of modest improvement. In the US GDP growth (quarter-on-quarter), seasonally adjusted annualized rate accelerated to 3% in Quarter 4 of 2011. Consumer spending has been improving. While the unemployment rate has been trending down, concerns remain about the sustainability of this trend.

The immediate pressures on the financial markets in Euro area have been alleviated to a larger extent by the European Central Bank injecting sizable liquidity in the system. However, a sustainable solution to the euro area debt problem is yet to emerge.

Growth also slowed down in other Emerging and Developing Economies reflecting the combined impact of monetary tightening and slowdown in global growth. Headline measures of inflation in major advanced economies continued to soften in March, 2012. (Source: Reserve Bank of India Monetary Policy Statement 2012-13 dated 17th April, 2012)

Recent developments in Euro Zone; the crisis in Greece is a matter of concern and if the euro zone crisis pans out it may depress the world economy for a minimum period of say one or two years.

Domestic Economy:

Gross Domestic Product growth (GDP) moderated to 6.1% during the third quarter of 2011-12 from 6.9% in 2nd quarter and 8.3% in the corresponding quarter of 2010-11. This was mainly due to moderation in industrial growth. Headline wholesale price index (WPI) inflation, which remained above 9% during April-November, 2011, moderated to 6.9% by the end of March, 2012. Food articles inflation, which was 8.1% during April-December, 2011, briefly turned negative in January, 2012 reflecting the seasonal decline in food prices, however increased sharply to 6.1% in February, 2012 and further to 9.9% in March, 2012. (Source: Reserve Bank of India Monetary Policy Statement 2012-13 dated 17th April, 2012).

Domestic Outlook and Projections for 2012-13.

Going forward in to 2012-13 assuming a normal monsoon, agricultural growth could stay close to the trend level. Industry is expected to perform better than in last year as leading indicators of industry suggest a turnaround in IIP growth. Overall, the domestic growth outlook for 2012-13 looks a little better than in 2011-12 and accordingly the baseline GDP growth for 2012-13 is projected at 7.3%.

However, the inflation scenario remains challenging. Food inflation, after a seasonal decline, has risen again. The outlook for global commodity prices, especially of crude oil, is uncertain. This will have implications for domestic growth, inflation and the fiscal and current account deficits. (Source: Reserve Bank of India Monetary Policy Statement 2012-13 dated 17th April, 2012).

INDUSTRY STRUCTURE & DEVELOPMENTS

The growing demand for new houses surpasses the supply several times and this stage of demand of supply ratio has led to a steep rise in residential rates in urban areas. Despite the enormous growth in the housing supply in the last decade, India will suffer from a severe crisis due to shortage in housing supply.

So bad is the housing scenario in India that current supply meets barely one-fifth of the total demand for houses in urban areas, making it unaffordable for even those with an annual income of Rs.5 lacs in tier-one cities like Mumbai.

Global experience offers many options for meeting the housing challenge, ranging from public housing programmes and encouraging private sector developers. Earmarking of adequate land for housing in the city master plans; building of an institutional framework that facilitates affordable housing; will make housing more affordable to larger numbers of people, including the middle class and the poor.

Of the total shortage of affordable housing units in India, 98% constitutes demand from economically stressed and low-income households. The government's National Urban Housing and Habitat Policy recognizes that public sector resources alone cannot meet this high demand. International Finance Corporation, the private investment arm of the World Bank, is proposing to enter the low cost housing segment in India; which is a welcome step.

Residential property market constitutes major portion of the real estate market in India in terms of volume. Housing is a significant engine for growth and development for the economy. Considering the housing shortage at the beginning of the 11th Plan period i.e. 24.71 million units, the total requirement of housing during the 11th Plan Period (2007-2012) works out to be



26.53 million units. The total funds required to meet the construction of dwelling units during the 11th Plan period will be around Rs.3.61 lakh crores. Hence, immediate measures are required to promote larger flow of funds through development of Secondary Mortgage Market (securitization), promotion of Foreign Direct Investment in housing and real estate sectors, permitting Housing Finance Companies to raise resources through External Commercial Borrowings, creation of Housing Investment Trust or Real Estate Investment Trust, Real Estate Mutual Fund etc., to accelerate supply of housing to cross-section of households. There is a pressing need for improving the “availability” and “affordability” of housing loans for the home seekers in the Economically Weaker Section segment. [Source: Review of 11th Plan: CHAPTER III - Housing Requirement Projections for 11th Plan (2007-2012)].

Housing is the largest component of the financial sector, of the construction sector and is central to economic growth. Housing helps to provide a stable platform for future development of a democratic society. Alleviating the urban housing shortage could potentially raise the rate of growth of GDP and have a decisive impact on improving the basic quality of life.

Housing is a basic need that provides a place of “home” to the individual and is valuable collateral that can enable him to access credit from the financial market. Our Country is witnessing increasing levels of urban population. Nearly 30 per cent of the country’s population lives in cities and urban areas. Within the urban population, there is a rapidly growing informal sector whose ability to borrow from the formal market is not adequately recognised. This is posing a new challenge to the policy makers and financiers.

A major policy concern for India is the widening gap between demand and supply of housing units and inadequate housing finance solutions. Investments in housing result in higher capital formation as it contributes to national wealth. Home ownership is also a measure of country’s economic and social development. Though the housing finance sector in India has experienced buoyant growth over the past several years, the homelessness amongst the lower segments of population has continued to increase. “Affordable Housing” has crucial implications for the country as the market needs balanced and sustainable funding models, and pro-active participation of all stakeholders.

OPPORTUNITIES & THREATS

The housing sector in the Country has been growing progressively and has a vast potential for further growth. Considering the projected housing shortage during the 11th Plan Period is around 26.53 million units; indicating a huge growth potential for the housing sector and in turn present a fantastic growth opportunity for the housing finance industry. It is expected that housing finance disbursements by banks, housing finance companies and co-operative sector institutions would grow at a rate of about 15% per annum during the 11th Plan Period [Source: Review of 11th Plan: CHAPTER III - Housing Requirement Projections for 11th Plan (2007-2012)].

The growth in housing and housing finance activities in recent years reflect the buoyant state of the housing finance market in the country. Housing constitutes an important component and a measure of socio-economic status of people. The accessibility of housing finance for people in general has evolved, developed and improved over the years. The financial institutions have come to see good value in funding this component of the economy. With growing number of players and mainly “Scheduled Commercial Banks” becoming very aggressive in this segment; the housing finance sector is increasingly becoming market driven. Overall, the affordability of housing loans clearly appears to have improved with fast growing number of borrowers. The Government is taking continuous efforts to improve housing and habitat conditions by way of financial allocations in the Five Year Plans and fiscal measures related to housing announced in the Union Budgets. In the Finance Bill, 2012, the following positive measures were announced for growth of housing and growth in supply of housing finance:

- External Commercial Borrowings for Low Cost Housing Projects allowed.
- Setting up of Credit Guarantee Trust Fund to ensure better flow of institutional credit for housing loans.
- Enhancing provisions under Rural Housing Fund from Rs.3000 crores to Rs.4000 crore.
- Extending scheme of Interest Subvention Scheme of 1% on housing loan up to Rs.15,00,000/- where the cost of the house does not exceed Rs.25,00,000/- for one more year.
- Enhancing the limit for indirect finance under priority sector from Rs.5,00,000/- to Rs.10,00,000/-

Demand for housing in the mid segment that is residential homes in the price bracket of Rs.25 lacs to 40 lacs which accounts for more than 85% of property sales in volume, which have the potential for doing very well considering the disposable income of households in that segment of which majority households are nowadays falling under “double income family category”.

While the future growth outlook of the housing market looks reasonably good, with the sector becoming more demand driven, the challenge lies in its inclusiveness. Presently access to formal credit is mostly available to the people in the formal sector who are salaried and have dominant incomes.



There are lots of potential in urban areas also for housing finance to penetrate. India will ride the wave of urban expansion. The urban population share may reach 50 per cent in 25 years adding 300 to 400 million people to the existing population of about 350 million in urban areas (Source: Mid-Term appraisal of the 11th Five Year Plan). The potential rise in urban households will also be potential customer base for housing finance Company.

The property prices have seen upward movement and the rise in interest rates due to inflationary pressures could impact the affordability of the average home loan borrower to a great extent. Nevertheless the housing finance sector is expected to continue to grow steadily backed by the continuing demand and supply gap in dwelling units, reducing age profile of borrowers, higher income levels, increasing proportion of double income households, and easy and wider choice of financing options.

Housing being one of the low risk asset classes for financiers and hence scheduled commercial banks has become very aggressive in this segment, which are having established network across the country and also have access to funds at a relatively cheaper rate. With the active presence of scheduled banks in the housing finance segment, the market dynamics will play a pivotal role in determining the lending rates and consequently will affect the margins of "stand alone housing finance companies", for which the availability of longer term funds at affordable rates is a cause of concern. The introduction of "Base Rate" system in the Banking resulted in gradual increase in cost of funds for housing finance industry.

However still there is ample scope for the "Housing Finance Industry" to grow, due to huge demand and supply gap existing in housing segment and the consequent need for funding of purchases of shelter across all segments of the population.

SEGMENT REPORTING

The Company is exclusively engaged in the Housing Finance business and revenues are mainly derived from this activity. Accounting Standard 17 regarding Segment-wise Reporting issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006 does not apply to your Company since revenues are derived from only one segment i.e. housing finance activity.

OUTLOOK

We have witnessed a positive trigger in the first month of current financial year 2012-13; Reserve Bank of India announcing 50 basis points reduction in "repo rate". Majority of the Banks have announced reduction in their "Base Lending Rate" which will give your Company a marginal relief in cost of funds. However, the inflationary pressures, which started moderating from March, 2012, are again showing upward trend and rising inflationary pressures will adversely impact the level of borrowing by individuals. Bringing real estate activity within the ambit of "Service tax" resulted in additional burden on the home buyers and consequently affects the affordability for majority of home loan seekers. The real estate market in India is overpriced resulting in distant dream for the real end users. A reasonable correction in prices will enable many of eager home buyers to own a house at affordable price.

However, considering the expected reasonable growth prospects in Indian economy in the years to come; continuation of scheme of Interest Subvention Scheme of 1% on housing loan up to Rs.15,00,000 where the cost of the house does not exceed Rs.25,00,000 for one more year; enhancing the limit for indirect finance under priority sector from Rs.5,00,000 to Rs.10,00,000 in the Finance Bill 2012; your Company is looking upon the current year with cautious optimism and expects its disbursement momentum to sustain.

RISKS AND CONCERNS

Housing Finance Companies has to manage various risks associated with mortgage business. These risks include liquidity risk, interest rate risk, and credit risk. With the tenure of Housing Finance Companies' borrowings being shorter (because of the lack of availability of long-term funds at competitive rates) that of housing loans, asset-liability-mismatch (ALM) risks are inherent in the housing finance business. While prepayment (foreclosures of loans) and unutilized bank credits do help the HFCs maintain a comfortable liquidity profile, such scenario may not continue forever. This issue could be addressed by making "long-term funding sources" at competitive rates through further development of the capital markets and a mortgage backed securitization market.

As for as interest rate risk, a predominantly variable rate asset book does give the HFCs flexibility to pass on increases in interest cost to end borrowers. However, such increases could lead to higher prepayments or asset quality related problems or borrowers may not have an adequate income stream to service the loan for a longer tenure. For Housing Finance Companies net interest income is the main contributor to their revenue, as their fees income remains low. Although interest spread, which are the main source of earnings for the HFCs are likely to remain low, going forward, it is expected that housing finance companies would be able to report reasonable risk-adjusted earnings on the strength of their superior cost structures and controlled credit costs.



Intense competition, increase in cost of borrowing and narrowing of spread, pose a big challenge for sustaining profitability on consistent basis. Prevailing inflationary trends will impact the affordability of vast number of end users.

RISK MANAGEMENT

Liquidity risks and interest rate risks arising out of maturity mismatch of assets and liabilities are managed by your Company by constant monitoring of the maturity profiles with a periodical review of the position. Your Company's majority of housing loan advances are on variable rate of interest basis and normally any movement in rate of borrowings is hedged by the loans advanced at variable rates to a certain extent. Further, depending upon the liquidity position, loans with higher rates of interest would be replaced with borrowings at comparatively lower rates in order to bring down the cost of funds to a certain extent. During the year 2011-12 your Company has availed refinance facility amounting to Rs.31 crores at 7.50% p.a. and Rs.19 crores at 7% p.a. from National Housing Bank under the "Rural Housing Fund", 2008 (RHF) formulated for lending towards rural housing undertaken by people falling under the weaker section category, as defined in the Reserve Bank of India guidelines on lending to priority sector; thus able to minimise the average cost of funds to some extent.

The Company's borrowing is planned duly taking into consideration ALM Gaps, interest rate mismatches. But this depends on the prevailing market conditions. The prime lending rate of the Company is regularly reviewed and revised as it is benchmark for asset pricing. Since majority of the asset portfolio is on the floating rate, Company is in a position to revise the lending rates consequent upon the revision in prime lending rate of the Company at specified intervals.

Credit risks are mitigated by having well established credit appraisal system in place which are regularly monitored/ modified periodically. Your Company continues to give utmost priority to its credit appraisal mechanisms and building up quality assets. During the year various guidelines/ circulars were issued on the operational side to ensure better credit appraisal.

INTERNAL CONTROL SYSTEMS & ADEQUACY

Your Company believes in formulating adequate and effective internal control system and implementing the same to ensure that assets and interests of the Company are protected and safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances. The internal control system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

The Company has internal audit which is commensurate with the size of its operations. The internal audit is carried out by independent firms of Chartered Accountants and covers the key areas of business. There is also in house internal audit department which supplements the outsourced internal audit activity. The Audit Committee and Statutory Auditors are periodically apprised of the internal audit findings and compliances.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. Company's Audit Committee reviews the internal control system and looks into the observations of the statutory and internal auditors.

INFORMATION TECHNOLOGY

Your Company is moving towards "Central Data Base" platform i.e. "core housing finance solutions" which is a step towards aligning technology to the projected business growth. All our operations (Branches and Corporate office) will be in the "central data base platform" from the coming financial year. The steps taken to upgrade Information Technology platform will facilitate your Company to serve the customer(s) in an efficient manner and which is an integral part of the control mechanism.

DISCUSSION ON FINANCIAL PERFORMANCE AND OPERATIONAL HIGHLIGHTS

The financial and other operational performance of the Company for the year under review has been discussed in detail in the Directors' Report. The Cash-Flow Statement and the Balance Sheet Abstract and Company's General Business Profile are annexed to the Annual Accounts of the Company.

MARKETING

The Marketing activities at the branch level are reviewed at the Corporate Office level periodically and required guidance's are issued as and when required. The marketing of your Company's home loan products are done through direct sales, through Direct Selling Agents & tie up with builders. Marketing of home loan products with a focused attention on existing as well as the prospective customers is a constant endeavour at the Company with 31 branches spread across the country. During the year



under review your Company has started engaging Development Managers, whose sole function is marketing of our various home loan products. Your Company is also giving its thrust on to improve the average yield on advances by selling more number of “mortgage loans” (i.e. Loans against the property – LAP); for which the margin is high compared to the loans for purchase of homes.

PROVISION ON STANDARD ASSETS

The requirement relating to creation of a general provision at 0.4% of the total outstanding amount of individual housing, which are standard assets, in terms of the Directions issued by National Housing Bank (NHB) and at 1% for standard non housing loans has been complied with. The provisions made in this respect during the year are Rs.17.89 crores and Rs.1.07 crores respectively.

The classification of loans and provisions made for non-performing assets is given in the notes on accounts.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company has dedicated team of 195 employees who have been contributing to the progress and growth of the Company. The manpower requirement of offices of the Company is assessed continuously and recruitment is conducted accordingly.

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Your Company has developed a comprehensive “in-house” induction training module to make sure that new employees understand the basic aspect of the Company in its all operations.

In pursuance of the Company’s commitment to develop and retain the best available talent, the Company had been sponsoring the employees for training programmes organized by reputed professional institutions and training programmes conducted by National Housing Bank for upgrading the skill and knowledge of the employees in different operational areas.

RELATED PARTY TRANSACTIONS

The Related Party Transactions with details are furnished in the Notes on Accounts (vide Note No 2.24 point No 10), forming part of the Accounts. None of the transactions with any of the related parties were in conflict with the interests of the Company. Transactions with related parties entered into by the Company in the normal course of business were placed before the Audit Committee.

CAUTIONARY STATEMENT

Statements in this Directors’ Report and Management Discussion and Analysis describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward-looking statements” within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. These statements are based on certain assumptions and expectations of future events over which the Company has no direct control. Important factors that could make a difference to the Company’s operations include performance of the overall economy; rate of interest position in the economy; performance of the real estate market and other relevant external and internal factors.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th May, 2012.

M. Sivaraman
Managing Director



CORPORATE GOVERNANCE REPORT

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE.

Corporate Governance is a set of systems and practices ensuring commitment to values, ethical business conduct, accountability, transparency and compliance of laws and is a continuous exercise. Your Company believes in setting the highest standards in good and ethical Corporate Governance practices and follows the same by adopting fairness, transparency and accountability in all its operations on an on-going basis. The Company firmly believes that these aspects as well as compliances of applicable legislations and timely disclosures enhance the image of the Company and the long term value of all Shareholders and Stakeholders. The Company's Board follows ethical standards of Corporate Governance and adheres to the norms and disclosures mentioned in the Clause 49 of the Listing Agreement with stock exchanges.

The Board of Directors is pleased to place here below a report on the Corporate Governance practices followed by your Company:

GOVERNANCE STRUCTURE: BOARD OF DIRECTORS AND THE COMMITTEE OF DIRECTORS:

BOARD OF DIRECTORS/ BOARD MEETINGS

COMPOSITION OF THE BOARD

The Board of your Company presently comprises 11 members. Most of the members of the Board are Independent & Non Executive Directors including Nominee Directors.

Sr. No.	Name of the Director	Executive/ Non Executive/ Independent	No. of Directorships	No. of Committees	
				Member	Chairperson
1	Shri. Ashok Kumar Roy (Non Executive Chairman) (Nominee GIC)	Nominee Director	7	Nil	Nil
2	Shri. A. R. Sekar (from 29 th March, 2012)	Non Executive/ Independent Director	6	Nil	Nil
3	Shri. G. Srinivasan	Non Executive/ Independent Director	4	5	3
4	Shri. N. S. R Chandraprasad	Non Executive/ Independent Director	2	6	5
5	Dr. R. K. Kaul	Non Executive/ Independent Director	2	1	1
6	Shri. N. R. Ranganathan (Nominee GIC)	Nominee Director/ Independent Director	Nil	Nil	Nil
7	Shri. M. K. Tandon	Non Executive/ Independent Director	4	8	5
8	Shri. Shivendra Tomar	Non Executive/ Independent Director	4	3	1
9	Shri. N. Mohan (from 30 th April, 2012)	Non Executive/ Independent Director	1	Nil	Nil
10	Shri. Manu Chadha	Non Executive/ Independent Director	6	3	1
11	Shri. M. Sivaraman	Managing Director	Nil	Nil	Nil

The Directors furnish a notice of disclosure of interest as specified in Section 299(1) of the Companies Act, 1956. The Company maintains Register of Contracts and details of companies and firms in which Directors are interested as provided in Section 301(1) of the Companies Act, 1956. The Independent and Non Executive Directors of the Company do not have any pecuniary relationship or transactions with the Company except for the sitting fees received by them.

TERM OF OFFICE OF DIRECTORS

In terms of applicable provisions of Section 255 and 256 of the Companies Act, 1956, two thirds of the total strength of the Directors are liable to retire by rotation and one third of them are required to retire every year and if eligible, may seek re-appointment at the Annual General Meeting.

Shri. G. Srinivasan and Shri. N.S.R. Chandraprasad are the Directors who retire by rotation at the ensuing Annual General Meeting. Shri. G. Srinivasan and Shri. N.S.R. Chandraprasad offers them-selves for re-appointment. Shri. A. R. Sekar was



appointed as an Additional Director on 29th March, 2012 and Shri. N. Mohan was appointed as an Additional Director on 30th April, 2012 offers themselves for appointment. Your Directors recommend re-appointment and appointment of Directors and the related resolution on the subject is included in the notice convening the ensuing Annual General Meeting.

CODE OF CONDUCT:

The Company has framed and put in place the Code of Conduct, duly approved by the Board of Directors. The said Code is applicable to all Directors and Senior Management of the Company and annual affirmations are obtained. All the Directors and senior management have affirmed their adherence to the provisions of the said Code. The code of conduct is posted on the website of the Company www.gichfindia.com

RESPONSIBILITIES OF THE BOARD:

The Board of Directors provide direction/guidance to the management, review performance and ensure ongoing compliances to protect long-term interest of the shareholders.

The Board discharges the duties and responsibilities as required under the various statute(s) as are applicable to the Company, like the Companies Act, 1956, Directions/ Guidelines/ Regulations issued by the Securities Exchange Board of India (SEBI), National Housing Bank (NHB) and other Regulatory Authorities, issued from time to time, including reporting to the shareholders. The Board inter alia, reviews the annual business plans, periodically study the actual performance vis-à-vis the targets fixed, quarterly financial results, minutes of various committees constituted by the Board, position of asset-liability management, fund rising programme of the Company, status of NPA and updates and reviews thereof, significant changes in policies and internal controls, show cause, demand, prosecution and penalty notices, if any, received and which are materially important, material defaults, if any, in financial obligations to and by the Company, claims on Company, significant development in Human Resources/ Industrial Relations and non-compliance, if any, under any regulatory, statutory or listing agreements.

The members of the Board ensure that other responsibilities do not have any material impact on their responsibility as a Director of the Company. The day to day operations of the Company are conducted by the Managing Director, subject to the supervision and control of the Board of Directors. The composition of the Board of Directors meets the requirements of Clause 49 (1) (A) of the Listing Agreement. None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees (as specified in clause 49), across all Companies in which they are Directors.

MEETINGS OF THE BOARD

Normally the meetings of the Board are held at Mumbai, dates of which are decided in advance. The members of the Board have access to all information and records of the Company. Senior officials are invited to attend the meetings to provide clarification as and when required.

The Board met six times during the year on 28th April, 2011; 10th May, 2011; 27th July, 2011; 21st October, 2011; 24th January, 2012 & 29th March, 2012. The gap between two meetings did not exceed four months.

Attendance Record of Directors: Number of Board Meetings held: 6

Name of the Director	Number of Meetings attended	Whether attended last AGM held on 27 th July, 2011
Shri. Ashok Kumar Roy	5	Yes
Shri. A. R. Sekar (from 29 th March, 2012)	1	NA
Shri. G. Srinivasan	1	No
Shri. N.S.R. Chandraprasad	Nil	No
Dr. R. K. Kaul	3	No
Shri. N. R. Ranganathan (Nominee GIC)	6	Yes
Shri. M. K. Tandon	6	Yes
Shri. N. Mohan (from 30 th April, 2012)	NA	NA
Shri. Shivendra Tomar	3	Yes
Shri. Manu Chadha	5	Yes
Shri. M. Sivaraman	6	Yes

**COMMITTEES OF THE BOARD**

With a view to enable more focused and timely attention to the affairs of the Company, the Board has constituted the following Committees with delegation in particular areas.

AUDIT COMMITTEE

The Audit Committee of the Company was constituted in the year April, 1996. The present Audit Committee consists of Shri. M. K. Tandon, Director as the Chairman of the Committee, Shri. Manu Chadha and Shri. N. Mohan, Directors are its other members. The members of the Committee are experienced Directors having knowledge of Accounts, Law and other related subjects. The quorum for the meeting is 2 Independent Directors. The Chairman and other members of the Committee are Independent Directors. The composition, quorum, powers, role, review of information, scope etc. of the audit committee is in accordance with Section 292 A of the Companies Act, 1956 and the provisions of Clause 49 (II)(A), (B), (C), (D) and (E) of the Listing Agreement.

The powers, role and scope of the Audit Committee are as per Clause 49 of listing agreement(s), issued as per the directions of SEBI. The members of the Committee are qualified, experienced and possess professional knowledge with reference to powers, role and scope of the Committee and as such effectively contribute to its functioning. The prime responsibility of Audit Committee is to review with the Management, the quarterly/ annual financial statements prior to its submission before the Board for approval. It includes the oversight of the Company's financial reporting process and the disclosure of its financial information to ensure its content, sufficiency and credibility, recommending the appointment/ re-appointment, replacement or removal, if any, of external/ internal auditors, fixation of audit fee, reviewing the internal control systems, scope and functions of internal auditors, findings of internal investigations, if any. The terms of reference include review of draft audit reports, reviewing with Management, the performance of statutory and internal auditors, reports relating to compliance with laws and other legal requirements, records relating to related party transactions and defaults, if any, in the payment(s) to the various investors of the Company. The Audit Committee reviews the inspection reports, if any, submitted by the statutory/ regulatory Authorities together with the replies thereon.

The Company Secretary acts as the Secretary to the Committee. The Committee met five times during the year under review on 10th May, 2011; 18th May, 2011; 27th July, 2011; 17th October, 2011 and 24th January, 2012. Senior officials, Internal Audit head and Statutory Auditors are invited to attend the meetings and provide clarification as and when required. The minutes of meetings of the Audit Committee are placed before the Board for noting.

Attendance Record of Directors: Number of Audit Committee Meetings held: 5

Sr. No.	Name of the Director	Number of Meetings Attended
1	Shri. M. K. Tandon	5
2	Shri. Manu Chadha	5
3	Shri. Ashok Kumar Roy (up to 2 nd May, 2012)	4
4	Shri. N. Mohan (from 2 nd May, 2012)	NA

REMUNERATION OF DIRECTORS

The Non Executive Directors of our Company were paid only the eligible sitting fees for attending meetings and no other remuneration has been paid.

The quantum of sitting fees paid to the Non Executive Directors are as follows:

Sr. No.	Name of the Non Executive Director	Sitting Fees Paid (Rs.)
1	Shri. M. K. Tandon	2,64,000/-
2	Shri. N. R. Ranganathan	94,000/-
3	Shri. Manu Chadha	2,36,000/-

The details of the Remuneration paid to the Managing Director are as follows:

Shri. M. Sivaraman, Managing Director (1st April, 2011 to 31st March, 2012)

Particulars	Amount (Rs.)
Salary (includes arrears of salary)	13,13,206/-
Contribution to Pension and Other funds	72,120/-
Perquisites	4,88,691/-
Total	18,74,017/-

**SHAREHOLDING OF NON-EXECUTIVE DIRECTORS:**

Sr. No.	Name of the Director	Number of shares held
1	Shri. Ashok Kumar Roy	Nil
2	Shri. A. R. Sekar	Nil
3	Shri. G. Srinivasan	Nil
4	Shri. N.S.R. Chandraprasad	Nil
5	Dr. R. K. Kaul	Nil
6	Shri. N. R. Ranganathan (Nominee GIC)	Nil
7	Shri. M. K. Tandon	Nil
8	Shri. Shivendra Tomar	Nil
9	Shri. N. Mohan	Nil
10	Shri. Manu Chadha	Nil

SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

The Committee was constituted in the year March 1995. It presently consists of 3 Directors. Shri. M. K. Tandon, Director is the Chairman of the Committee. The other members include Shri. Manu Chadha and Shri. N. Mohan.

All the members of the Committee are Non Executive/ Independent Directors. The Committee reviews, processes, standard operating procedures and initiatives taken by the Company relating to investor service, reviews compliances with the requirements relating to listing agreements and Corporate Governance, share-holding pattern, periodical transfers/ transmissions of shares, de-materialisation and re-materialisation of shares, issue of duplicate certificates of the securities issued by the Company, complaints, if any, like non-receipt of balance sheet, non-receipt of declared dividends, complaints made with any statutory agencies including SEBI by the shareholders/ investors, if any, compliance with the applicable provisions of "the Companies Act, 1956" and various other statutes as applicable and the effective steps taken for redressal. To expedite the process of share transfers, the Board delegated the power of share transfer to the Committee consisting of the Managing Director and the Company Secretary. The Committee meets once in a fortnight and approves the periodical transfers/ transmissions, issue of duplicate shares, Rematerialisation, Name deletion etc. The Board Committee reviews the queries and complaints received from the shareholders and the steps taken for their redressal, reconciliation of share capital, shareholding pattern. During the year under review, 27 queries were received, which were replied/ resolved to the satisfaction of the shareholders. There are no pending share transfers. The minutes of the Shareholders'/ Investors Grievances Committee are circulated to the Board and noted by the Board of Directors at the Board Meetings.

REMUNERATION COMMITTEE

The Remuneration Committee was constituted by the Board in its meeting held on 6th May, 2009. The terms of reference of the Remuneration Committee includes to decide and recommend to the Board the relevant parameters for payment of "performance incentive to the Managing Director" and the quantum of incentive.

The Remuneration Committee consists of two Independent Directors' viz., Shri. M. K. Tandon, Chairman and Shri. N. Mohan.

Compliance Officer: Shri. S. Sridharan, Vice President & Company Secretary

E-mail ID for the purpose of registering queries/ complaints by investors – investors@gichf.com

COMMUNICATION TO THE SHAREHOLDERS

The main source of information to the shareholders is the Annual Report, which includes interalia, the Directors' Report, the Report of the Board of Directors on Corporate Governance, Management Discussion and Analysis Report and the audited financial results. The unaudited quarterly and audited results are published for the information of the Shareholders in leading national and regional daily newspapers and intimated to the Stock Exchanges as required under the Listing Agreements as well as financial highlights informed to the shareholders by way of "Letter to Shareholders" for the quarter ended 30th September, 2011 and year ended 31st March, 2012. The financial results of the Company are uploaded in the Company's website. The Company's website address is www.gichfindia.com.

**ANNUAL GENERAL MEETINGS (AGMs)**

The particulars of Annual General Meetings held during the last three years are as follows:

Year	Date	Time	Location
2008-09	29 th July, 2009	3.30 p.m.	Indian Merchants' Chamber, Walchand Hirachand Hall, 4 th Floor, Indian Merchants' Chamber Marg, Churchgate, Mumbai – 400020.
2009-10	27 th July, 2010	4.00 p.m.	Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4 th Floor, General Jagannath Bhosale Marg, Mumbai – 400021.
2010-11	27 th July, 2011	4.00 p.m.	Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4 th Floor, General Jagannath Bhosale Marg, Mumbai – 400021.

DETAILS OF SPECIAL RESOLUTIONS PASSED IN THE LAST THREE YEARS.

Date of AGM/ Postal Ballot/ EGM	Number of Resolutions	Details
29 th July, 2009 (AGM)	2	1. Appointment of Statutory Auditors. 2. Change in office of Registrar and Share transfer agent of the Company.
27 th July, 2010 (AGM)	1	1. Appointment of Statutory Auditors.
27 th July, 2011 (AGM)	2	1. Appointment of Statutory Auditors. 2. Amendments in the Article of Association of the Company.

DISCLOSURES

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company. Transactions with related parties entered into by the company in the normal course of business were placed before the Audit Committee. Details of related party transactions as per Accounting Standards – 18 are included in Notes to the Accounts (Note No 2.24 point No. 10)

- b) Details of non-compliances by the Company, penalties, and strictures imposed on the Company by the Stock Exchange/s, SEBI and any statutory authority on any matter related to capital markets, during the last three years.

There were no instances of non-compliance of any matter related to capital markets during the last three years. There were no strictures or penalties imposed by Securities and Exchange Board of India or by the Stock Exchange/s or any statutory authority for non compliance of any matter related to the capital markets.

- c) The Company has complied with the applicable Accounting Standards issued by the Institute of the Chartered Accountants of India from time to time.

- d) The Company has laid down procedures to apprise the Board of Directors regarding key risk assessment and risk mitigation mechanisms.

- e) REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors of the Company are paid only sitting fees for attending meetings of the Board and Committees.

- f) RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified practicing Company Secretary carries out audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) with the total issued, paid-up and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total Listed and Paid up Capital is in agreement with the aggregate number of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL). The said audit report is placed before the Shareholders Grievance Committee for review and before the Board for noting.



g) **SUBSIDIARIES**

Your Company has no subsidiaries and as such the requirement relating to certain compliances as prescribed are not applicable.

h) **GOING CONCERN**

The Board of Directors of your Company is satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the Going Concern basis in preparing its financial statements.

i) **AUDIT QUALIFICATION:**

There is no qualification on any of the financial statements for the financial year 2011-12 of the Company.

SHAREHOLDERS INFORMATION

Detailed information in this regard is provided in the Section "Shareholders Information" which forms part of this Annual Report.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th May, 2012

M. Sivaraman
Managing Director



SHAREHOLDERS INFORMATION

1. Twenty-second Annual General Meeting: Date : Tuesday, 17th July, 2012

Time : 4.00 p.m.

Venue : Yashwantrao Chavan Pratishthan Mumbai,
Chavan Centre, Cultural Hall,
4th Floor, General Jagannath Bhosale Marg,
Mumbai - 400021

2. Financial Calendar for the year 2012-13. (Provisional)

Results for the first quarter ending 30 th June, 2012 (Subject to Limited Review)	Before the end of July, 2012
Results for the second quarter ending 30 th September, 2012 (Subject to Limited Review)	Before the end of October, 2012
Results for the third quarter ending 31 st December, 2012 (Subject to Limited Review)	Before the end of January, 2013
Audited Results for the financial year ending 31 st March, 2013	Before the end of May, 2013
Annual General Meeting for the year ending March, 2013	Before the end of August, 2013.

3. Book Closure

The Register of Members and Share Transfer books are closed keeping in view the Scheduled date of the Annual General Meeting. For the year under reference the above registers/ books would be closed from **6th July, 2012 to 17th July, 2012** (both days inclusive) and was notified accordingly.

4. Listing of Shares

The equity shares issued by the Company are listed on The Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Annual Listing fees as prescribed have been paid to both the stock exchanges for the year 2012-13.

Scrip Code

- National Stock Exchange: GICHSGFIN
- Bombay Stock Exchange: 511676

5. Dematerialisation of shares

With effect from 20th August, 2000, the Equity Shares of the Company are to be traded compulsorily in Dematerialised form. 98.77% of the paid-up Equity Capital has been dematerialised as on 31st March, 2012.

The Company has entered into agreements with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for this purpose and the equity shares of the Company have been admitted as an 'eligible security' into the Depository System.

ISIN Number for NSDL & CDSL: ISIN INE289B01019

6. Dividend Payment

Subject to approval by the Shareholders, dividend warrants/NECS advice will be posted to eligible members within the time limit permissible under the provisions of the Companies Act, 1956. Dividend will be paid on or before 16th August, 2012.

Dividend warrants/ NECS advice in respect of shares held in Demat form are posted to the beneficial owners to their addresses as per the information furnished by the NSDL & CDSL as on the date of Book Closure.



7. Market price data during the last financial year on BSE and NSE.

- Monthly high & low Index Quotes and Volume traded in BSE.

MONTH	INDEX (SENSEX) (Rs.)		QUOTE (Rs.)		VOLUME OF SHARES (Nos.)	
	High	Low	High	Low	High	Low
April 2011	19701.73	19091.17	119.35	107.20	555706	22019
May 2011	18998.02	17847.24	116.00	104.05	116576	9633
June 2011	18845.87	17506.63	115.80	105.50	81751	9212
July 2011	19078.30	18197.20	118.75	99.15	255479	14208
August 2011	18314.33	15848.83	97.85	84.05	49016	11228
September 2011	17165.54	16051.10	92.05	86.50	190187	8280
October 2011	17804.80	15792.41	93.10	87.10	80145	12419
November 2011	17569.53	15695.43	89.65	75.70	326752	8696
December 2011	16877.06	15175.08	78.25	68.65	54124	7103
January 2012	17233.98	15517.92	85.50	71.35	87086	1035
February 2012	18428.61	17300.58	96.90	83.90	312008	20523
March 2012	17919.30	17052.78	93.60	85.95	117491	4601

- Monthly high & low Index Quotes and Volume traded in NSE.

MONTH	INDEX (NIFTY) (Rs.)		QUOTE (Rs.)		VOLUME OF SHARES (Nos.)	
	High	Low	High	Low	High	Low
April 2011	5911.50	5729.10	119.25	106.90	1229559	73877
May 2011	5701.30	5348.95	115.90	103.85	276074	38738
June 2011	5647.40	5257.90	115.80	105.45	211879	30819
July 2011	5728.95	5482.00	118.70	98.95	806968	65449
August 2011	5516.80	4747.80	97.55	84.00	118354	26328
September 2011	5153.25	4835.40	92.35	86.45	432163	23226
October 2011	5360.70	4751.30	93.30	87.15	233047	29165
November 2011	5289.35	4706.45	89.70	75.80	168279	22753
December 2011	5062.60	4544.20	78.05	68.55	175629	15617
January 2012	5204.70	4636.75	85.40	71.65	166789	5249
February 2012	5607.15	5235.70	97.15	83.80	821864	51144
March 2012	5463.90	5178.85	93.65	85.70	345908	28545

**8. Distribution of Shareholding as on 31st March, 2012**

DESCRIPTION	HOLDER (S)		HOLDING (S)	
	FOLIOS	%	SHARES	%
Less than 500	37613	87.111	5306147	9.853
501 – 1000	2798	6.480	2330978	4.329
1001 – 2000	1319	3.055	2048378	3.804
2001 – 3000	478	1.107	1251042	2.323
3001 – 4000	230	0.533	825007	1.532
4001 – 5000	225	0.521	1072803	1.992
5001 – 10000	258	0.598	1938413	3.600
More than 10000	257	0.595	39078298	72.567
Total	43178	100.00	53851066	100.00

9. Shareholding pattern as at 31st March, 2012.

CATEGORY	NO OF SHARES	%
Promoters	23128248	42.95
Mutual Funds	24500	0.05
Banks, Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non Government Institutions)	2736730	5.08
Private Corporate Bodies	5967998	11.08
NRIs	649367	1.21
Foreign Institutional Investors	2170983	4.03
Trusts	47500	0.09
Indian Public	19125740	35.52
Total	53851066	100.00

10. Compliance Officer: **Shri. S. Sridharan**
Vice President & Company Secretary

11. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity:
Not Applicable.

12. Plant Location: Not Applicable

13. Registrars, Share Transfer Agents & Shareholders Correspondence

M/s. Sharepro Services (India) Private Limited,
13AB, Samhita Warehousing Complex,
Second Floor, Sakinaka Telephone Exchange Lane,
Off. Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai - 400072
Tel.: 022 – 67720300/ 67720400/ 67720403 Fax – 022 – 67720416.
E-mail – sharepro@shareproservices.com



14. Share Transfer System

All the transfers are processed by the Registrars and Share Transfer Agents namely, **M/s. Sharepro Services (India) Private Limited** and approved by the Committee constituted for the said purpose which meets once in a fortnight.

UNCLAIMED DIVIDEND

In terms of the provisions of Section 205A(5) of the Companies Act, 1956, monies transferred to the Unpaid Dividend Account of the Company, which remain unclaimed and unpaid for a period of 7 years from the date on which it was first due for payment, are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C(1) of the Companies Act, 1956. Further, in terms of Section 205 C, no payments shall be made by the Company in respect of claims made after the above period of 7 years. The Company in addition to sending annual reminder letters requesting the respective shareholders to encash their dividend warrants, also sends final reminder letters to individual share holders well ahead of due dates for transfer of unclaimed dividend amount to IEPF. Despite such reminders, there are few shareholders who have not claimed their dividends.

The due date for transfer of unclaimed dividend pertaining to year 2004-05 is November, 2012.

Members of the Company can claim the unpaid dividend, if any, from the Company before the date of transfer to IEPF as mentioned above.

The Members may please note that after the unpaid dividend is transferred to the said Fund, no claim shall lie against the Company or the Fund.

BANK ACCOUNT PARTICULARS

The Members holding shares in physical mode are requested to furnish their latest bank account number/ particulars (comprising 13 digits or otherwise, as the case may be), directly to the Registrars and Share Transfer Agents for incorporation of the same on the dividend warrants. This would avoid any fraudulent encashment of warrants and facilitate for payment of dividend through NECS.

DIVIDEND PAYMENT THROUGH NECS

The dividend warrants in respect of the shares held in electronic/ demat mode as of the date of Book Closure would be posted to the beneficial owners to their addresses as per the information furnished by the NSDL and CDSL. The Company will arrange to remit the dividend through NECS, to those beneficial owners with bank account number/ particulars (comprising 13 digits or otherwise, as the case may be), subject to availability of NECS facility at such Centres as notified by the Reserve Bank of India.

NOMINATION

Shareholders of the Company holding physical shares in single name are requested to nominate a person of their choice by submitting the prescribed nomination form i.e., Form 2B, in duplicate, to the Company or to its Registrars & Share Transfer Agents. Shareholders holding shares in dematerialised form are requested to contact their depository participant. Every shareholder in a Company may at any time, nominate in the prescribed manner, a person to whom his shares in the Company shall vest in the event of his death. Only individual shareholder(s) applying for/ holding shares on his/ their behalf can make nomination. If the shares are held jointly, all the holders may jointly nominate an individual person as their nominee. Nomination stands automatically rescinded on transfer/ dematerialisation of shares.

15. Non-Mandatory Requirements

1. Chairman of the Board

Chairman (Non-executive Director) of our Board is Chairman cum Managing Director of General Insurance Corporation of India.

2. Remuneration Committee

The Managing Director of the Company is on deputation from United India Insurance Company Limited and his salaries and allowances are paid on the terms and conditions as applicable to the grade (Scale VII) of General Manager of United India Insurance Company Limited. The Remuneration Committee was constituted by the Board in its meeting held on 6th May, 2009. The terms of reference of the Remuneration Committee includes to decide and recommend to the Board the relevant parameters for payment of "performance incentive to the Managing Director" and the quantum of incentive.



3. Shareholders Rights

The financial results are well published in the press. The details are as follows:

Quarter Ended	Details of Publication	
31.03.2011	Audited Financial Results	Economic Times, Maharashtra Times & Business Line dated 11 th May, 2011.
30.06.2011	Unaudited Financial Results (Subject to Limited Review Report)	Economic Times, Maharashtra Times & Business Line dated 28 th July, 2011.
30.09.2011	Unaudited Financial Results (Subject to Limited Review Report)	Economic Times & Maharashtra Times dated 22 nd October, 2011.
31.12.2011	Unaudited Financial Results (Subject to Limited Review Report)	Economic Times, Maharashtra Times & Business Line dated 24 th January, 2012.
31.03.2012	Audited Financial Results	Economic Times, Maharashtra Times & Business Line dated 9 th May, 2012.

The financial highlights for the quarter/ half year were informed to the shareholders by way of "Letter to Shareholders".



DECLARATION ON CODE OF CONDUCT

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

As Managing Director of GIC Housing Finance Ltd., and as required under Clause 49 (I) (D) (ii) of the Listing Agreement of the Stock Exchanges in India, I hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the financial year 2011-12.

M. Sivaraman
Managing Director

Place: Mumbai
Date: 8th May, 2012.



AUDITORS' CERTIFICATE

To The Members of GIC Housing Finance Limited

We have examined the compliance of conditions of Corporate Governance by GIC Housing Finance Ltd. for the year ended on 31st March, 2012 as stipulated by clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures adopted and implementation thereof by the Company of ensuring compliance with the conditions as stipulated in the said clause, it is not an audit or expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to 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 Clause 49 of the Listing Agreement.

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

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 **Contractor, Nayak & Kishnadwala**
Chartered Accountants
Firm Registration No. 101961W

Suresh Agaskar
Partner
M. No. 110321

Place: Mumbai
Date: 8th May, 2012.



AUDITORS' REPORT

To

The Members,

GIC Housing Finance Limited

We have audited the attached Balance Sheet of GIC Housing Finance Limited ('the Company'), as at 31st March 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended 31st March 2012, annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of account, as required by law, have been kept by the company in so far as appears from our examination of those books;
3. In our opinion, proper returns adequate for the purpose of our audit have been received from service centers not visited by us.
4. 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;
5. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
6. On the basis of written representations received from the directors, as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
7. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes forming part of it, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
 - 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.

For and on behalf of

Contractor, Nayak & Kishnadwala
Chartered Accountants
ICAI Firm Registration No.101961W

Place: Mumbai
Date: 8th May, 2012

Suresh Agaskar
Partner
Membership No.110321

ANNEXURE TO AUDITORS' REPORT

As required by the Companies' (Auditors' Report) Order, 2003 and according to the information and explanations given to us during the course of the audit and on the basis of such checks as were considered appropriate, we report that:

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets;
- (b) As per the information and explanations given to us, the management carries out the physical verification of the fixed assets at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) No significant fixed assets have been disposed of by the company during the year and the question of effect on the going concern of the Company does not arise.
2. Since the company is engaged in providing housing finance, the clauses relating to stock-in-trade are not applicable.
3. (a) The company has granted housing loan to its Managing Director, who is covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved and the year end balance of this loan is Rs.25 lakhs (Previous Year Rs. 15 lakhs) and Rs.23.85 lakhs (Previous Year Rs. 15 lakhs) respectively.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loan are not, prima facie, prejudicial to the interest of the company.
- (c) As per the terms and conditions of the loan, the company has received payment of interest and principal amount regularly.
- (d) There is no overdue amount in excess of Rs. 1 lakh in respect of housing loan granted to Managing Director of the company, or other party covered in the register maintained under section 301 of the Companies Act, 1956.
- (e) As per the information furnished, the Company has not accepted loans from companies, firms or other parties covered in the register, maintained under section 301 of the Companies Act, 1956. Accordingly clauses (f) and (g) are not applicable to the company.
4. 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 with regard to purchase of fixed assets and for sale of services. The nature of the Company's business is such that it does not involve purchase and sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, except for housing loan given to Managing Director, there is no other transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating to Rs. 5 lakhs or more in respect of each party during the year. The terms of and interest on such loan are in accordance with the company policy in respect of Employees Housing Loans.
6. The Company has not accepted deposits from the public and therefore the question of compliance with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules made there under for the deposits accepted from the public does not arise.
7. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.
8. Since the company is in the services sector, the question of maintaining cost records u/s 209(1)(d) of the Companies Act, 1956 does not arise.
9. (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March 2012, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.



10. The company has no accumulated losses as on 31st March 2012 and no cash losses in the immediately preceding financial year. The Company has not incurred any cash loss during the financial year.
11. The company has not defaulted in repayment of dues to financial institutions or banks.
12. Based on our examination of the records and the information and explanations given to us, the Company has maintained adequate documents and records for housing loans granted by it on the basis of security offered by the borrower.
13. The Company is not a chit fund, nidhi, mutual benefit fund or a society.
14. The Company has maintained proper records and timely entries are being made in respect of its dealing in units of mutual funds. All investments in mutual funds and shares have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year, to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 therefore the question of pricing of shares does not arise.
19. The Company has not issued any secured debentures, and therefore the question of creation of security does not arise.
20. The Company has not raised any money by public issues during the year covered by our report and therefore the question of end use thereof does not arise.
21. According to the information and explanations given to us and based on our verification of the books of accounts and records, in our view no fraud by the Company and no material fraud on the company have been noticed or reported during the year.

For and on behalf of

Contractor, Nayak & Kishnadwala
Chartered Accountants
ICAI Firm Registration No.101961W

Place: Mumbai
Date: 8th May, 2012

Suresh Agaskar
Partner
Membership No.110321



BALANCE SHEET AS AT 31ST MARCH, 2012

	NOTE	Rs.in Lacs	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
I EQUITY AND LIABILITIES				
(1) SHAREHOLDERS' FUNDS				
(a) Share Capital	2.1	5,388		5,388
(b) Reserves and Surplus	2.2	44,332		41,244
			49,720	46,632
(2) NON-CURRENT LIABILITIES				
(a) Long-Term Borrowings	2.3	2,83,096		2,36,035
(b) Other Long-Term Liabilities		-		-
(c) Long-Term Provisions	2.4	13,678		11,754
			2,96,774	2,47,789
(3) CURRENT LIABILITIES				
(a) Short-Term Borrowings	2.5	33,589		30,000
(b) Trade Payables		-		-
(c) Other Current Liabilities	2.6	45,364		44,795
(d) Short-Term Provisions	2.7	2,887		3,479
			81,840	78,274
TOTAL			4,28,334	3,72,695
II ASSETS				
(1) NON-CURRENT ASSETS				
(a) FIXED ASSETS	2.8			
(i) Tangible Assets		431		318
(ii) Intangible Assets		3		14
(iii) Intangible Assets Under Development		212		-
			646	332
(b) Non-Current Investments	2.9	1,035		1,035
(c) Deferred Tax Assets (Net)		4,252		3,624
(d) Long-Term Loans and Advances	2.10	450		390
(e) Other Non-Current Assets	2.11	-		2,072
			5,737	7,121
(2) HOUSING LOANS	2.12			
(a) Non- Current		3,67,889		3,21,279
(b) Current		19,268		20,353
			3,87,157	3,41,632
(3) CURRENT ASSETS				
(a) Current Investments	2.13	-		1,760
(b) Trade Receivables	2.14	589		473
(c) Cash And Cash Equivalents	2.15	32,003		19,840
(d) Short-Term Loans and Advances	2.16	1,075		996
(e) Other Current Assets	2.17	1,127		541
			34,794	23,610
TOTAL			4,28,334	3,72,695
Significant Accounting Policies	1			
Notes forming part of Accounts	2.24			

As per our Report attached of even date

Contractor, Nayak & Kishnadwala
Chartered Accountants
ICAI Firm Reg.No.101961W

(Suresh Agaskar)
Partner
Membership No.110321
Mumbai
Date: 8th May,2012

A. K. Roy
Chairman

M. K. Tandon
Director

N. Mohan
Director

S. Sridharan
Company Secretary

M. Sivaraman
Managing Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	NOTE	For the year ended 31.03.2012 Rs.in Lacs	For the year ended 31.03.2011 Rs.in Lacs
(1) REVENUE:			
(I) Revenue from Operations			
(a) Interest Income	2.18	42,342	32,660
(b) Other Financial Services	2.19	1,276	974
(II) Other Income	2.20	324	9,201
Total Revenue		(A) 43,942	42,835
(2) EXPENDITURE:			
(I) Finance Cost	2.21	31,125	21,483
(II) Employee Benefits Expenses	2.22	1,068	1,074
(III) Depreciation	2.8	72	63
(IV) Amortisation of Intangible Assets	2.8	11	10
(V) Other Expenses	2.23	1,853	1,765
(VI) Provision for Non-performing assets and Contingencies (net)		1,927	3,873
Total Expenditure		(B) 36,056	28,268
PROFIT BEFORE TAX		(A-B) 7,886	14,567
Tax Expense			
- Current Tax		2,610	4,510
- Deferred Tax Assets		(628)	(1,319)
PROFIT AFTER TAX		5,904	11,376
Add: Excess provision for tax of earlier year		-	-
PROFIT FOR THE YEAR		5,904	11,376
Earnings Per Share-(Basic & Diluted) face value of Rs.10 each (Refer Note 12 of Notes to Accounts)		10.96	21.13
Significant Accounting Policies	1		
Notes forming part of Accounts	2.24		

As per our Report attached of even date

Contractor, Nayak & Kishnadwala
Chartered Accountants
ICAI Firm Reg.No.101961W

(Suresh Agaskar)
Partner
Membership No.110321
Mumbai
Date: 8th May, 2012

A. K. Roy
Chairman

M. K. Tandon
Director

N. Mohan
Director

S. Sridharan
Company Secretary

M. Sivaraman
Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.03.2012 Rs. In Lacs	As at 31.03.2011 Rs. In Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS	7,886	14,568
ADJUSTMENTS FOR :		
DEPRECIATION ON TANGIBLE ASSETS	72	63
AMORTISATION OF INTANGIBLE ASSETS	11	10
PROVISION FOR NON PERFORMING ASSETS & CONTINGENCIES	1,927	3,873
PRIOR PERIOD TAX ADJUSTMENTS (NET)	-	-
(PROFIT)/LOSS ON SALE OF INVESTMENTS	(323)	(9,114)
DIVIDEND AND INTEREST INCOME ON INVESTMENT	-	(84)
OPERATING PROFIT BEFORE WK.CAPT.CHANGES	9,573	9,316
ADJUSTMENTS FOR :		
(INCREASE)/DECREASE IN LONG TERM LOANS AND ADVANCES	(60)	(65)
(INCREASE)/DECREASE IN NON-CURRENT ASSETS	2,072	1,302
(INCREASE)/DECREASE IN TRADE RECEIVABLES	(115)	56
(INCREASE)/DECREASE IN SHORT TERM LOANS AND ADVANCES	(499)	400
(INCREASE)/DECREASE IN OTHER CURRENT ASSETS	(587)	(380)
INCREASE/(DECREASE) IN LONG TERM PROVISIONS	1,924	3,905
INCREASE/(DECREASE) IN SHORT TERM PROVISIONS	(53)	115
INCREASE/(DECREASE) IN OTHER CURRENT LIABILITIES	(1,357)	5,926
OPERATING PROFIT AFTER WK.CAPT.CHANGES	10,898	20,575
ADJUSTMENTS FOR :		
(INCREASE)/DECREASE HOUSING LOANS	(45,526)	(48,443)
CASH GENERATED FROM OPERATING ACTIVITIES	(34,628)	(27,868)
TAXES PAID	(2,584)	(4,892)
NET CASH GENERATED FROM OPERATING ACTIVITIES	A (37,212)	(32,760)
B. CASH FLOW FROM INVESTING ACTIVITIES		
ACQUISITION OF FIXED ASSETS (NET)	(185)	(83)
ACQUISITION OF INTANGIBLE ASSETS UNDER DEVELOPMENT(NET)	(212)	(12)
PURCHASE OF INVESTMENTS	(7,56,428)	(5,15,843)
SALE OF INVESTMENTS	7,58,511	5,28,109
RECEIPT ON REDUCTION IN FACE VALUE OF INVESTMENT	-	126
INVESTMENT IN BANK DEPOSITS HAVING MATURITY OF MORE THAN 3 MONTHS	(8,585)	(9,502)
DIVIDEND AND INTEREST INCOME ON INVESTMENT	-	84
NET CASH GENERATED FROM INVESTING ACTIVITIES	B (6,899)	2,879



	As at 31.03.2012 Rs. In Lacs	As at 31.03.2011 Rs. In Lacs
C. CASH FLOW FROM FINANCING ACTIVITIES		
LONG TERM LOANS BORROWED (NET OF REPAYMENTS)	47,061	47,370
SHORT TERM LOANS BORROWED (NET OF REPAYMENTS)	3,589	(10,000)
DIVIDEND PAID ON EQUITY SHARES	(2,962)	(2,423)
NET CASH GENERATED FROM FINANCING ACTIVITIES	C 47,688	34,947
NET INCREASE/(DECREASE) OF CASH & CASH EQUIVALENTS	(A+B+C) 3,577	5,066
CASH & CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	7,301	2,235
CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR	<u>10,878</u>	<u>7,301</u>
COMPONENTS OF CASH AND CASH EQUIVALENTS		
CASH ON HAND	44	40
REMITTANCES IN TRANSIT	12	-
CHEQUE ON HAND	-	-
BALANCE WITH BANK		
- ON CURRENT ACCOUNTS	3,751	1,702
- ON UNPAID DIVIDEND ACCOUNT	71	59
- ON DEPOSITS HAVING MATURITY FOR LESS THAN 3 MONTHS	7,000	5,500
	<u>10,878</u>	<u>7,301</u>

As per our Report attached of even date

Contractor, Nayak & Kishnadwala
Chartered Accountants
ICAI Firm Reg.No.101961W

(Suresh Agaskar)
Partner
Membership No.110321
Mumbai
Date: 8th May,2012

A. K. Roy
Chairman

For and on behalf of The Board of Directors

M. K. Tandon
Director

N. Mohan
Director

S. Sridharan
Company Secretary

M. Sivaraman
Managing Director

**NOTE 1****SIGNIFICANT ACCOUNTING POLICIES:****1. SYSTEM OF ACCOUNTING :**

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The Company adopts the accrual concept in the preparation of the Financial Statements, following the historical cost convention.

2. PROVISIONING FOR HOUSING LOANS AND INVESTMENTS :

- i. Housing loans are classified into "Performing" and "Non-Performing" assets in terms of guidelines laid down by the National Housing Bank. Housing loans are classified as standard, sub-standard, doubtful and loss assets.
- ii. Provisions for performing assets and non-performing assets and investments are made on a periodic review in accordance with the directives /guidelines laid down by the National Housing Bank.

3. INCOME ON HOUSING LOANS :

- i. Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest is calculated on the outstanding loan balance at the beginning of every month. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month.
- ii. Interest on Housing Loans which are classified as Non- performing assets is recognised on realisation as per the directives/guidelines laid down by National Housing Bank.
- iii. Fees are recognized as and when accrued.
- iv. Penal Interest and other charges are recognised when received.

4. INVESTMENTS:

- i. Investments are accounted and valued at cost plus incidental expenditure incurred in connection with acquisition.
- ii. Investments are classified into two categories i.e. Long-term investments and Current investments.
- iii. Income on Investments which are classified as Non performing is recognised on realisation as per the directives/guidelines laid down by National Housing Bank.

5. FIXED ASSETS :

Fixed Assets are capitalised at cost.

6. DEPRECIATION:

Depreciation on Fixed Assets is provided on the reducing balance method at the rates specified by Schedule XIV of the Companies Act, 1956.

7. INTANGIBLE ASSETS AND AMORTISATION

Intangible assets comprising of Computer Software are capitalized at cost and amortised over a period of five years.

8. EMPLOYEE BENEFITS:

Contribution to Provident Fund is charged to accounts on accrual basis. Provision for leave encashment has been made on the basis of actuarial valuation. Provision for gratuity liability is made on the basis of actuarial valuation in respect of the Group Gratuity Policy with an insurance company.

**NOTE 2.1**

	As at 31.03.2012 Rs. in Lacs	As at 31.03.2011 Rs. in Lacs
SHARE CAPITAL :		
AUTHORISED CAPITAL :		
Equity Shares		
15,00,00,000 Equity shares of Rs.10/-each (Previous Year 10,00,00,000 Equity shares of Rs.10/- each)	15,000	10,000
Redeemable Preference Shares	-	5,000
NIL (Previous Year 50,00,000 Preference shares of Rs.100/- each)		
	15,000	15,000
ISSUED,SUBSCRIBED & PAID UP:		
5,38,51,066 Equity shares of Rs.10/- each (Previous Year 5,38,51,066 Equity Shares of Rs. 10/- each)	5,385	5,385
Forfeited Shares	3	3
TOTAL	5,388	5,388

Reconciliation of the number of shares outstanding

Particulars	As at 31.03.2012		As at 31.03.2011	
	No of Shares	Amount (Rs.in Lacs)	No of Shares	Amount (Rs.in Lacs)
Shares outstanding at the beginning of the year	5,38,51,066	5,385	5,38,51,066	5,385
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,38,51,066	5,385	5,38,51,066	5,385

Terms/ Rights attached to equity shares

The company has One class of shares referred to as Equity shares having par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.

In the event of Liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of Shareholders holding more than 5% shares in Company

Name of Shareholder	As at 31.03.2012		As at 31.03.2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
General Insurance Corporation of India	82,18,802	15.26	82,18,802	15.26
The New India Assurance Company Limited	44,73,500	8.31	44,73,500	8.31
United India Insurance Company Limited	39,56,000	7.35	39,56,000	7.35
The Oriental Insurance Company Limited	29,75,024	5.52	29,75,024	5.52
Life Insurance Corporation of India	27,12,250	5.04	27,12,250	5.04

Note : The Company has forfeited 53,800 Equity Shares on which amount originally paid up is Rs.2,69,000/-



NOTE 2.2

	Rs.in Lacs	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
RESERVES AND SURPLUS :			
SECURITIES PREMIUM :			
Balance as per last financial year		11,699	11,699
SPECIAL RESERVE :			
1. In terms of Section 29C(1) of the National Housing Bank Act, 1987			
Balance as per last financial year	-		-
Add : Transferred from General Reserve	456		-
		456	-
2. In terms of Section 36(1)(viii) of the Income tax Act, 1961			
Balance as per last financial year	16,650		14,830
Add : Transferred during the year	1,820		1,820
		18,470	16,650
GENERAL RESERVE :			
Balance as per last financial year	12,891		6,776
Less : Transferred to Reserve under Section 29C(1) of NHB Act, 1987	456		-
Add : Transferred during the year	1,270		6,115
		13,705	12,891
SURPLUS AS PER PROFIT AND LOSS ACCOUNT			
Surplus - Balance as per last financial year		4	5
Add : Net Profit for the year		5,904	11,376
Amount available for Appropriation		5,908	11,381
Appropriations :			
- Amount Transferred to General Reserve		1,270	6,115
- Amount Transferred to Special Reserve		1,820	1,820
- Proposed Dividend (Refer Note 3)		2,423	2,962
- Tax on Proposed Dividend		393	480
Net Surplus In The Profit and Loss Account		2	4
TOTAL		44,332	41,244

- 1) As per Section 29C(1) of National Housing Bank Act, 1987, the Company is required to transfer atleast 20% of its Net Profit every year to a reserve before any dividend is declared.
- 2) A housing Finance Company can avail income tax relief by creating a special reserve maximum upto 20% of its profits derived from long term housing finance activities u/s.36(1)(viii) of the Income Tax Act, 1961.
- 3) For the year ended 31st March 2012, the Board of Directors has proposed a dividend of Rs.4.50 per equity share (previous year Rs.5.50 per equity share, inclusive of onetime special dividend of Rs.1 per equity share). On approval in consequent Annual General Meeting, the total dividend appropriation would be Rs.2,816 Lacs (previous year Rs. 3,442 Lacs), inclusive of Corporate Dividend Distribution Tax of Rs.393 Lacs (Previous year Rs.480 Lacs).



NOTE 2.3

	As at 31.03.2012 Rs. in Lacs	As at 31.03.2011 Rs. in Lacs
LONG-TERM BORROWINGS		
(a) TERM LOANS (Secured)		
Allahabad Bank (Repayable in 9 annual installments of Rs. 1,111 lacs each commencing from Sept 13)	10,000	-
Bank of Baroda (Repayable in 6 annual installments of Rs. 3,333 lacs each commencing from March 14)	17,000	-
Bank of Maharashtra II (Repayable in 5 annual installments of Rs.1,000 lacs each)	3,999	4,999
Bank of Maharashtra III (Repayable in 6 annual installments of Rs.1,666 lacs each commencing from June 12)	8,333	10,000
Bank of Maharashtra IV (Repayable in 6 annual installments of Rs. 2,500 lacs each commencing from Dec 13)	14,000	14,000
Bank of Maharashtra V (Repayable in 8 annual installments of Rs. 2,500 lacs each commencing from Dec 14)	20,000	-
Canara Bank - Long Term Loan II (Repayable in 1 annual installment of Rs. 1,000 lacs each commencing from Jan 14)	1,000	1,000
Central Bank of India (Repayable in 2 annual installments of Rs. 3,573 lacs each)	3,570	7,143
Indian Bank (Repayable in 1 annual installment of Rs. 2,500 lacs each commencing from May 14)	2,500	-
National Housing Bank-(Fixed) (ROI 9.60% p.a. Repayable in 8 quarterly installments of Rs.1,057 lacs each)	4,540	8,768
National Housing Bank-(Fixed) (ROI 9.60% p.a. Repayable in 7 quarterly installments of Rs. 530 lacs each)	2,050	4,170
National Housing Bank-(Fixed) (ROI 7.50% p.a. Repayable in 15 quarterly installments of Rs. 186 lacs each)	2,210	2,954
National Housing Bank-(Fixed) (ROI 6.50% p.a. Repayable in 20 quarterly installments of Rs. 186 lacs each)	3,140	3,884
National Housing Bank-(Fixed) (ROI 6.50% p.a. Repayable in 22 quarterly installments of Rs. 128 lacs each)	2,304	2,816
National Housing Bank-(Fixed) (ROI 6.50% p.a. Repayable in 20 quarterly installments of Rs. 93 lacs each)	1,570	1,942
National Housing Bank-(Fixed) (ROI 7.00% p.a. Repayable in 22 quarterly installments of Rs. 186 lacs each)	3,512	4,256
National Housing Bank-(Fixed) (ROI 6.00% p.a. Repayable in 22 quarterly installments of Rs. 3 lacs each)	55	67
National Housing Bank-(Fixed) (ROI 7.50% p.a. Repayable in 23 quarterly installments of Rs. 186 lacs each)	3,698	4,442
National Housing Bank-(Fixed) (ROI 7.50% p.a. Repayable in 24 quarterly installments of Rs. 115 lacs each)	2,411	-
National Housing Bank-(Fixed) (ROI 7.00% p.a. Repayable in 24 quarterly installments of Rs. 70 lacs each)	1,478	-
National Housing Bank-(Fixed) (ROI 10.25% p.a. Repayable in 25 quarterly installments of Rs. 93 lacs each)	2,037	-
National Housing Bank-(Fixed) (ROI 10.25% p.a. Repayable in 25 quarterly installments of Rs. 93 lacs each)	2,037	-



NOTE- 2.3

	As at 31.03.2012 Rs. in Lacs	As at 31.03.2011 Rs. in Lacs
LONG-TERM BORROWINGS		
National Housing Bank-(Fixed) (ROI 10.25% p.a. Repayable in 25 quarterly installments of Rs. 95 lacs each)	2,025	-
National Housing Bank-(Fixed) (ROI 10.30% p.a. Repayable in 25 quarterly installments of Rs. 520 lacs each)	11,400	-
Oriental Bank of Commerce - III (Repayable in 6 annual installments of Rs. 2,222 lacs each)	11,110	13,333
Oriental Bank of Commerce - IV (Repayable in 5 annual installments of Rs. 2,222 lacs each)	6,753	8,975
Punjab & Sind Bank (Repayable in 8 annual installments of Rs. 2,222 lacs each)	15,554	17,776
Punjab & Sind Bank - II (Repayable in 8 annual installments of Rs. 2,500 lacs each commencing from October 12)	17,500	20,000
State Bank of Mysore (Repayable in 6 annual installments of Rs. 2,500 lacs each)	12,500	15,000
Syndicate Bank - II (Repayable in 3 annual installments of Rs. 1,000 lacs each)	2,000	3,000
Syndicate Bank - III (Repayable in 3 annual installments of Rs. 1,000 lacs each)	1,630	2,630
Union Bank of India (Repayable in 1 annual installment of Rs. 1,428 lacs each)	-	1,428
Union Bank of India - (II) (Repayable in 1 annual installment of Rs. 1,424 lacs each)	-	1,424
Union Bank of India - (III) (Repayable in 8 annual installments of Rs. 2,222 lacs each)	15,555	17,778
Union Bank of India - (IV) (Repayable in 8 annual installments of Rs. 3,750 lacs each commencing from June 13)	30,000	-
United Bank of India I (Repayable in 5 annual installments of Rs. 3,750 lacs each)	15,000	18,750
United Bank of India II (Repayable in 6 annual installments of Rs. 1,750 lacs each)	8,750	10,500
United Bank of India III (Repayable in 8 annual installments of Rs. 2,500 lacs each commencing from September 12)	17,500	20,000
United Bank of India IV (Repayable in 8 annual installments of Rs. 625 lacs each commencing from March 13)	4,375	5,000
(b) TERM LOANS (Unsecured)		
Axis Bank Ltd. (Repayable with bullet repayment on the exercise of put/call option)	-	10,000
TOTAL	2,83,096	2,36,035

NOTE :

- Loans are secured by way of first charge on book-debts equivalent to outstanding loan balance.
- Unless otherwise stated, loans are linked to base rate of the respective bank.

**NOTE 2.4**

	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
LONG-TERM PROVISIONS		
Provision For Employee Benefits:		
Leave Encashment (Unfunded)	106	110
Other Provisions:		
Provision for Housing Loans (Refer Note no. 15 of Notes to Accounts)	12,538	10,610
Provision for Investments (Refer Note no. 15 of Notes to Accounts)	1,034	1,034
TOTAL	13,678	11,754

NOTE 2.5

	Rs.in Lacs	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
SHORT-TERM BORROWINGS			
UNSECURED LOANS :			
Short Term Loans From Banks		10,000	30,000
Commercial Papers (CPs)	24,500		-
Less : Discounted Value Not Written Off	911		-
	<u> </u>	23,589	<u> </u>
TOTAL		33,589	30,000



NOTE 2.6

	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
OTHER CURRENT LIABILITIES		
Trade Payables(For Expenses)		
a) Micro,Small & Medium Enterprises (Refer Note no. 6 of Notes to Accounts)	-	-
b) Others	157	198
Other Liabilities:		
(a) Current maturities of Long Term Borrowings		
- From Banks	32,181	34,944
- From National Housing Bank	10,622	7,665
(b) Investor Education & Protection Fund will be credited by following amounts(as and when due)		
- Unpaid Dividend	71	59
(c) Application money received for allotment of securities and due for refund and interest accrued thereon	-	-
(d) Others		
- Trade Liabilities	1,246	1,554
- Staff Dues	2	2
- Statutory Dues	12	4
- Interest Subsidy Payable (Refer Note below)	1,073	369
TOTAL	45,364	44,795

Note:

The Interest Subsidy is payable to eligible borrowers on receipt from Government of India under 1% Interest Subvention scheme.

NOTE 2.7

	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
SHORT TERM PROVISIONS:		
Provision For Employee Benefits:		
- Leave Encashment(unfunded)	20	4
- Gratuity (funded)	51	33
Other Provisions:		
- Proposed Dividend	2,423	2,962
- Dividend Distribution Tax	393	480
TOTAL	2,887	3,479

**NOTE 2.8****FIXED ASSETS :****I> TANGIBLE ASSETS :**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011 Rs.in Lacs	Additions Rs.in Lacs	Sale / Capitalised Rs.in Lacs	As at 31.03.2012 Rs.in Lacs	As at 01.04.2011 Rs.in Lacs	For the Year Rs.in Lacs	Deductions Rs.in Lacs	As at 31.03.2012 Rs.in Lacs	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
Buildings	263	-	-	263	150	6	-	156	107	113
Furniture and Fittings	189	5	-	194	160	8	-	168	26	29
Office Equipment	115	22	1	136	53	9	1	61	75	62
Air Conditioners	37	6	1	42	20	3	-	23	19	17
Computers	167	147	2	312	103	36	2	137	175	64
Vehicles	59	8	10	57	26	10	8	28	29	33
Current Year	830	188	14	1,004	512	72	11	573	431	318
Previous Year	763	87	19	831	464	63	14	513	318	298

II> INTANGIBLE ASSETS :

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01.04.2011 Rs.in Lacs	Additions Rs.in Lacs	Sale / Capitalised Rs.in Lacs	As at 31.03.2012 Rs.in Lacs	As at 01.04.2011 Rs.in Lacs	For the Year Rs.in Lacs	Deductions Rs.in Lacs	As at 31.03.2012 Rs.in Lacs	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
Application Software	54	-	-	54	40	11	-	51	3	14
Current Year	54	-	-	54	40	11	-	51	3	14
Previous Year	42	12	-	54	30	10	-	40	14	12
Current Year Total (I +II)	884	188	14	1,058	552	83	11	624	434	332
Previous Year Total (I +II)	805	99	19	885	494	73	14	553	332	310

NOTE 2.9Face
Value
Rs.

No.

As at
31.03.2012
Rs.in LacsAs at
31.03.2011
Rs.in Lacs**NON-CURRENT INVESTMENTS****(1) NON-TRADE INVESTMENTS (UNQUOTED)**

(Valued at cost unless stated otherwise)

Equity Shares

GIC Asset Management Co. Ltd.	4	20,99,996	83.50	83.50
The New India Co-op. Bank Ltd.	10	5,000	0.50	0.50
The Janakalyan Co-op. Bank Ltd.	10	5,000	0.50	0.50
The Kalyan Janata Co-op. Bank Ltd.	25	2,000	0.50	0.50

Redeemable Preference Shares

15.5% NEPC MICON Ltd.	10	5,00,000	50	50
14.5% Vitara Chemicals Ltd.	100	2,00,000	200	200
16% Modern Threads Ltd.	100	1,00,000	100	100
16% Premier Housing & Industrial Enterprises Ltd.	100	2,00,000	200	200
15% Electrex India Ltd.	100	2,00,000	200	200
16% Ace Laboratories Ltd.	100	2,00,000	200	200

TOTAL**1,035****1,035****Note :**

Aggregate amount of unquoted investments

1,035

1,035



NOTE 2.10

LONG TERM LOANS AND ADVANCES

	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
a) Security Deposits (Unsecured and considered good)	139	127
b) Loans and Advances to Related Parties (Secured, considered good)	23	14
c) Advances Recoverable in cash or kind Loans to staff (Secured, considered good)	287	248
d) Prepaid Expenses	1	1
TOTAL	450	390

Loans and Advances to Related Parties comprised

Housing Loan to Managing Director	23	14
-----------------------------------	----	----

NOTE 2.11

OTHER NON-CURRENT ASSETS

Other Bank Balance

	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
- Deposits with original Maturity for more than 12 months	-	2,072
TOTAL	-	2,072

NOTE 2.12

HOUSING LOANS :

HOUSING LOANS :

(Secured, considered good, unless
otherwise stated)

A. NON CURRENT :

- Individuals	3,67,289	3,20,401
- Non Individuals	600	878
TOTAL (A)	3,67,889	3,21,279

B. CURRENT (Repayable within one year)

- Individuals	19,153	20,236
- Non Individuals	115	117
TOTAL (B)	19,268	20,353
TOTAL (A)+(B)	3,87,157	3,41,632

Note :

Non Individuals comprise of loans given to Corporate Bodies and other legal entities.

**NOTE 2.13**

	Face Value Rs.	Units	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
CURRENT INVESTMENTS				
NON-TRADE INVESTMENTS (UNQUOTED)				
(Valued at cost unless stated otherwise)				
Investment in Units of Mutual funds				
Prudential ICICI Liquid Plan	10	3,44,874.00	-	500
UTI Money Market Fund	10	31,066.13	-	500
KOTAK Mutual Fund	10	38,22,360.81	-	760
TOTAL			-	1,760

Note :

Aggregate amount of unquoted investments - 1,760

NOTE 2.14

	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
TRADE RECEIVABLES		
Accrued Interest on Housing Loans	589	473
(Secured, considered good)		
TOTAL	589	473

NOTE 2.15

	Rs.in Lacs	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
CASH & CASH EQUIVALENTS			
a) Balances with Banks			
-On Current Account	3,751		1,702
-On Unpaid Dividend	71		59
-On Deposits original Maturity less than 3 months	7,000		5,500
		10,822	7,261
b) Cheques on Hand		-	-
c) Cash on Hand		44	40
d) Remittances in transit		12	-
e) Other Bank Balances			
- Deposits with original Maturity for more than 3 months but less than 12 months		21,125	12,539
TOTAL		32,003	19,840



NOTE 2.16

	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
SHORT-TERM LOANS AND ADVANCES		
(a) Loans and Advances to Related Parties		
Housing Loan to Managing Director (Secured)	1	1
(b) Others		
(i) Staff Loans Repayable within Year(Secured)	18	16
(ii) Advances recoverable in cash or in kind or for value to be received	112	6
(iii) Advance tax and tax deducted at source (Net of Provision for Tax)	877	903
(iv) Advances to Employees	4	4
(v) Prepaid Expenses	63	66
TOTAL	1,075	996

NOTE 2.17

	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
OTHER CURRENT ASSETS		
a) Accrued Interest on Bank Term Deposits	54	172
b) Interest subsidy receivable (Refer Note below)	1,073	369
TOTAL	1,127	541

Note :

Interest Subsidy Receivable from Government of India under 1% Interest Subvention scheme.

NOTE 2.18

	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
INTEREST INCOME:		
a) Interest on Housing Loans	40,880	32,092
b) Interest on Bank Term Deposits	1,462	568
TOTAL	42,342	32,660

NOTE 2.19

	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
OTHER FINANCIAL SERVICES :		
a) Fees and Other Charges	1,219	974
b) Other Operating Income	57	-
TOTAL	1,276	974

**NOTE 2.20**

	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
OTHER INCOME :		
a) Dividend	-	84
b) Net Gain on sale of Investment :		
- Long Term Investments	-	8,848
- Current Investments	324	266
c) Other Non Operating Income		
- Miscellaneous Income	-	3
TOTAL	324	9,201

NOTE 2.21

	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
FINANCE COST		
Interest Expenses :		
On Term loans (Secured)	26,660	18,942
On Term loans (Unsecured)	2,093	1,466
On Commercial Papers (Unsecured)	2,372	1,075
TOTAL	31,125	21,483

NOTE 2.22

	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
EMPLOYEE BENEFITS EXPENSES :		
Salaries	846	797
Company's Contribution to Provident and other Funds	106	170
Staff Welfare Expenses	116	107
TOTAL	1,068	1,074

**NOTE 2.23**

	Rs.in Lacs	As at 31.03.2012 Rs.in Lacs	As at 31.03.2011 Rs.in Lacs
OTHER EXPENSES			
Rent		329	242
Rates and Taxes		3	3
Repairs and Maintenance :			
Building	25		24
Others	139		127
		164	151
General Office Expenses		79	78
Insurance		82	64
Travelling and Conveyance		92	92
Printing and Stationery		67	70
Advertisement		97	138
Legal and Professional Fees		667	703
Directors Sitting Fees		6	3
Miscellaneous Expenses		258	212
Auditor's Remuneration :			
Audit Fees	6		4
Tax Audit Fees	1		1
Fees for other services	2		4
Out of Pocket Expenses	-		-
		9	9
TOTAL		1,853	1,765



2.24 NOTES FORMING PART OF THE ACCOUNTS:

1. Housing loans are secured by :-
 - a) Equitable mortgage of property and / or;
 - b) Assignment of Life Insurance Policies and/or guarantee of solvent guarantors and/or any other acceptable collateral securities wherever applicable, and,
 - c) Corporate Guarantees, wherever applicable.
2. Contingent Liabilities:-
 - a) The Company has pending Income Tax disputes of Rs. 270 Lacs (Previous Year – Rs. 170 Lacs). It has preferred appeal/s against the same and also has made payments under protest.
 - b) Bank Guarantee of Rs. 75 Lacs given in favour of Kotak Mahindra Old Mutual Life Insurance Ltd. in lieu of premium deposit for “Kotak Term Group Plan” Policy contract to avail Term Group Plan cover for borrowers. (Previous Year – Rs. 75 Lacs).
 - c) In accordance with “Share transfer agreement” with ‘Nomura Asset Management Strategic Investments Pte. Ltd.’ for sale of shares of LIC Mutual Fund Asset Management Company Ltd. and LIC Mutual Fund Trustee Company Pvt. Ltd., the maximum contingent liability is Rs. 1,344 Lacs.
3. Debts due from:

Directors	: Rs. 24 Lacs on account of Housing Loan. (Maximum balance due during the year Rs. 25 Lacs)
Company Secretary	: Rs. 6 Lacs on account of Housing Loan. (Maximum balance due during the year Rs. 7 Lacs)
4. During the year the Company has incurred expenditure on foreign travel amounting to Rs.3 Lacs (Previous Year. – Rs. 1 Lac)
5. Housing Loans include loans against which the company has commenced action under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 including possession of properties and part recovery of auction proceeds aggregating to Rs.3,175 Lacs.(Previous Year Rs. 3,843 Lacs)
6. The Company has requested its Suppliers to confirm the status as to whether they are covered under the Micro, Small & Medium Enterprises Development Act, 2006. In absence of confirmations from the suppliers, disclosures, if any, relating to unpaid amount as at the year end together with interest paid / payable as required under the said Act have not been given.
7. **EMPLOYEE BENEFITS (AS-15) :**

Short Term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. These benefits are recognized as expense in Profit and Loss account in the year in which the expense is incurred.

Long Term employee benefits:

Defined Contribution Plan:

The Company does not provide any long term employee benefit which can be categorised under Defined Contribution Plan.

Defined Benefit Plans:

Provident Fund

The Company has formed a Provident Fund Trust for its employees. Contributions are made to the Trust, which is administered by the Trustees. Trust makes investments and also settles claims of members. Interest payable to the members shall not be at a rate lower than the statutory rate.

Contribution to Provident Fund is charged to accounts on accrual basis. The Company operates a defined contribution scheme with recognized provident fund.

For this Scheme, contributions are made by the company, based on current salaries, to recognized Fund maintained by the company. In case of Provident fund scheme, contributions are also made by the employees. An amount of Rs.58 Lacs has been charged to the Profit & Loss Account on account of this defined benefit scheme.

Gratuity Plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods. For this purpose the Company has obtained qualifying group gratuity insurance policy from Life Insurance Corporation of India.

Leave Encashment

The Company provides benefits to its employees under the Leave Encashment pay plan which is a non-contributory defined benefit plan. The employees of the Company are entitled to receive certain benefits in lieu of the annual leave not availed of during service, at the time of leaving the services of the Company. The benefits payable takes into account the Salary and the leave balance to the credit of the employees on the date of exit.



8. Disclosure in respect of Gratuity liability and Leave Encashment :

(Rs. in Lacs)

	Particulars	Gratuity (Funded)		Leave Encashment (Non Funded)	
		31/03/2012	31/03/2011	31/03/2012	31/03/2011
	The major categories of plan assets as a percentage of total plan				
	Qualifying Insurance Policy	100%	100%	-	-
	Changes in the present value of the obligation				
1	Present Value of obligation at the beginning of the year	146	64	114	78
2	Interest Cost	12	5	10	7
3	Current Service Cost	16	12	11	8
4	Past Service Cost	-	6	-	-
5	Benefits Paid	(21)	(16)	(3)	(6)
6	Actuarial (gain)/loss on Obligation	12	75	(7)	27
7	Present Value of obligation at the end of the year	165	146	126	114
	Reconciliation of Net Asset/(Liability) recognised in the Balance sheet during the year ended March 31, 2012				
1	Opening Net Liability at beginning of the year	146	64	114	78
2	Employer Expense	29	92	15	42
3	Employer Contributions	31	45	(3)	(6)
4	Closing Net Liability at the end of the year	165	146	126	114
5	Actual Return on Plan Assets	10	7	-	-
	Changes in the Fair Value of Assets				
1	Fair value of plan Assets at beginning of the year	93	58	-	-
2	Expected Return on Plan assets	7	5	-	-
3	Contributions	31	45	-	-
4	Benefits Paid	(21)	(16)	-	-
5	Actuarial gain/(loss) on Plan Assets	3	2	-	-
6	Fair value of plan Assets at the end of the year	114	93	-	-
	Profit & Loss – Expenses				
1	Current Service Cost	16	12	11	8
2	Interest Cost	12	5	10	7
3	Expected Return on Plan assets	(7)	(5)	-	-
4	Net Actuarial (gain)/loss recognised in the year	9	73	(7)	27
5	Past Service Cost	-	6	-	-
6	Expenses Recognised in the Statement of Profit & Loss	29	92	15	42
	Actuarial Assumptions				
1	Discount Rate	8.75%	8.25%	8.75%	8.25%
2	Expected Rate of Return on Plan Assets	8.60%	8%	N.A.	N.A.
3	Expected Rate of Salary Increase	5%	5%	5%	5%
4	Attrition Rate	2%	2%	2%	2%
5	Mortality Post –retirement	1994-96 LIC Mortality Tables(Std.)		LIC (1994-96)Ultimate	

9. Segment Reporting (AS-17)

The company's main business is to provide loans for the purchase or construction of residential units. Hence, there are no separate reportable segments as per Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006.

**10. Related Party Transactions (AS -18)****Names of related parties and description of relationship:**

Key Management Personnel : Managing Director - Shri. M Sivaraman, (on deputation from United India Insurance Company Ltd.)
(Rs. in Lacs)

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Total Amount 2011-12	Total Amount 2010-11
Finance (Housing Loan)	24	-	24	15
Salary	13	-	13	19
Contribution to Pension and other funds	1	-	1	1
Gratuity	-	-	-	-
Perquisites	5	-	5	4

11. Leases - (AS-19)

Company has entered into agreements for taking on leave and license basis certain Office premises. Lease payments recognized in the profit and loss account for the year is Rs. 292 Lacs (Previous Year Rs. 211 Lacs)

Future lease rental obligation under these leases:

- i) Not later than one year: Rs.218 Lacs
- ii) Later than one year and not later than five years. : Rs. 613 Lacs
- iii) Later than five years. : Rs. 296 Lacs

12. Earning Per Share: (AS-20)

(Rs. in Lacs)

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Profit attributable to Equity Shareholders	5904	11377
No. of Weighted Average Equity Shares outstanding during the year(Basic & Diluted)	539	539
Nominal Value of Equity Shares (in Rs.)	10	10
Basic Earnings per Share (in Rs.) (Basic & Diluted)	10.96	21.13

13. Deferred Tax Assets: (AS – 22)

In compliance with the Accounting Standard relating to “Accounting for Taxes on Income” (AS-22) issued by the Institute of Chartered Accountants of India, the Company has taken credit of Rs. 628 Lacs in Profit and Loss Account during the current financial year.

The tax effects of significant timing differences that resulted in Deferred tax assets and liabilities and description of Financial Statement items that creates these differences are as follows:

(Rs. in Lacs)

Particulars	For the Financial year 2011-12	For the Financial year 2010-11
Deferred Tax Assets:		
Provision for Contingencies	625	1297
Provision for Leave Encashment	4	11
Provision for Gratuity	6	11
Depreciation on Fixed Assets	-	-
Amortisation of Intangible Asset	2	1
Loss on Sale of Fixed Assets	-	-
Deferred Tax Liability:		
Depreciation on Fixed Assets	(9)	(1)
Profit on Sale of Fixed Assets	-	-
Net Deferred Tax Asset	628	1319



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

(Rs. in Lacs)

Particulars	Opening as on 01.04.2011	Provision made during the year	Closing as on 31.03.2012
Non Performing Assets	8,478	61	8,539
Standard Assets	30	1,866	1,896
Housing Loans under Differential Interest Rate	2,103	-	2,103
Investments	1,034	-	1,034
Taxation	12,045	2,610	14,655

Outflow in respect of above provisions, both timing & certainty would depend on developments / Outcome of these events.

15. Disclosure regarding provisions made for substandard, doubtful and loss assets and depreciation in investments as per the Prudential Norms (revised) contained in the National Housing Bank Guidelines. (Figures in brackets are for the previous year).

HOUSING LOANS:

(Rs. in Lacs)

Asset Classification	Outstanding Balance	Provisions
Standard Assets (C.Y.)	2,62,930 (2,19,164)	1,789 (1)
Differential Interest Rate Assets (C.Y.)	1,00,565 (1,05,144)	2,103 (2,103)
Sub-standard Assets(C.Y.)	789 (1,449)	789 (145)
Doubtful Assets (C.Y.)	7,203 (8,071)	7,203 (7,688)
Loss Assets (C.Y.)	537 (645)	537 (645)
Total (C.Y.)	3,72,024 (3,34,473)	12,421 (10,582)

NON HOUSING LOANS:

(Rs. in Lacs)

Asset Classification	Outstanding Balance	Provisions
Standard Assets (C.Y.)	15,123 (7,158)	107 (29)
Sub-standard Assets(C.Y.)	10 (NIL)	10 (NIL)
Doubtful Assets (C.Y.)	NIL (NIL)	NIL (NIL)
Loss Assets (C.Y.)	NIL (NIL)	NIL (NIL)
Total (C.Y.)	15,133 (7,158)	117 (29)

INVESTMENTS :

(Rs. in Lacs)

Asset Classification	Outstanding Balance	Provisions
Equity Shares (C.Y.)	85 (85)	84 (84)
Preference Shares (C.Y.)	950 (950)	950 (950)
Bonds (C.Y.)	NIL (NIL)	NIL (NIL)
Units of Mutual Funds (C.Y.)	NIL (NIL)	NIL (NIL)
Total (C.Y.)	1,035 (1,035)	1,034 (1,034)



16. The Classification of Assets and Liabilities into Current and Non-Current is carried out based on their residual maturity profile as per the requirement of Revised Schedule VI to Companies Act, 1956.
17. Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010. During the current financial year the company has:
- neither been imposed any penalty by National Housing Bank.
 - nor received any adverse comments in writing from National Housing Bank on regulatory compliances.
 - observations during regular inspection have been replied.
18. Disclosure in the Balance Sheet as per NHB Guidelines on Asset Liability Management (ALM) System for HFCs – Guidelines (NHB/ND/DRS/Pol-No. 35/2010-11) dated October 11, 2010.

i) Capital to Risk Assets Ratio (CRAR)

Items	Current Year	Previous Year
i) CRAR (%)	14.80	15.42
ii) CRAR - Tier I Capital (%)	14.80	15.42
iii) CRAR - Tier II Capital (%)	-	-

ii) Exposure to Real Estate Sector

(Rs. in Lacs)

Category		Current Year	Previous Year
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; (Individual housing loans up to Rs.15 Lacs may be shown separately)		
	Individual Housing Loans upto Rs. 15 lacs	2,84,895	2,65,023
	Individual Housing Loans above Rs. 15 lacs	89,452	65,388
	Housing Loans to Corporate Bodies	205	359
	(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;		
	Commercial Loans	67	38
	Housing Loans to Others	-	212
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-



iii) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(Rs in crores)

	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months 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	-	14.28	116.67	200.30	196.78	1071.67	894.75	580.51	284.03	-	3358.99
Market Borrowings	-	-	-	188.86	47.03	-	-	-	-	-	235.89
Assets											
Advances	1.99	14.09	14.64	44.86	93.53	400.80	426.86	436.12	632.69	1680.61	3746.19
Investments	-	-	-	-	-	-	-	-	-	0.01	0.01

Note : Advances and Investments under the head 'Assets', are shown net off provisions as per the NHB Guidelines on Asset Liability Management (ALM) System for HFCs.

19. Till the year ended 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956, has reclassified previous year figures to conform to this year's classification.

For and on behalf of The Board of Directors

A. K. Roy
Chairman

M. K. Tandon
Director

N. Mohan
Director

Mumbai
Date: 8th May, 2012

S. Sridharan
Company Secretary

M. Sivaraman
Managing Director



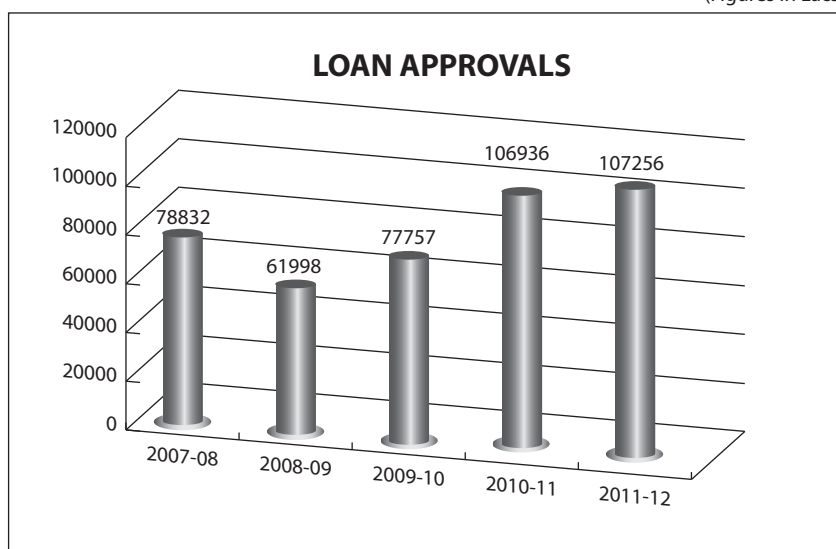
FINANCIAL ANALYSIS AND PERFORMANCE MEASURES

Achievements in 2011-12

Loan approvals during the year

During the year, the Company sanctioned Rs. 107256 lacs under “Apna Ghar Yojana” (loan to individuals)

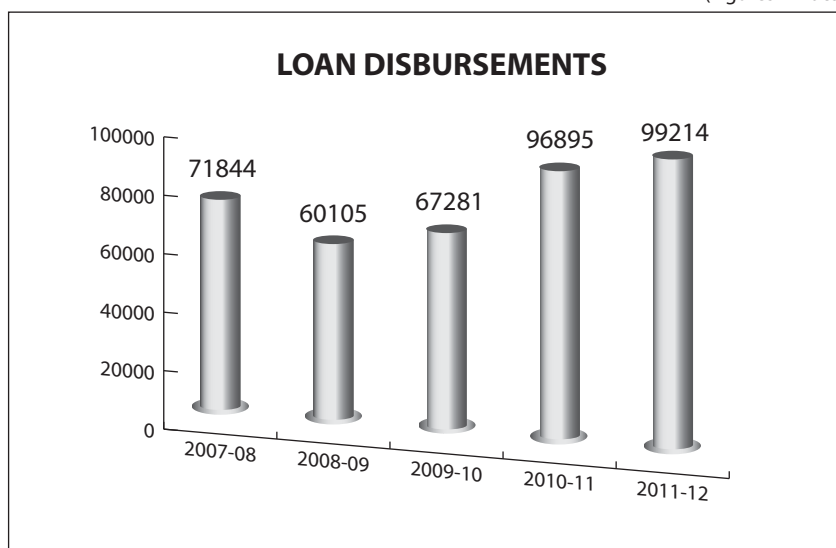
(Figures in Lacs)



Loan disbursements during the year

During the year, the Company disbursed Rs. 99214 lacs under “Apna Ghar Yojana” (loan to individuals)

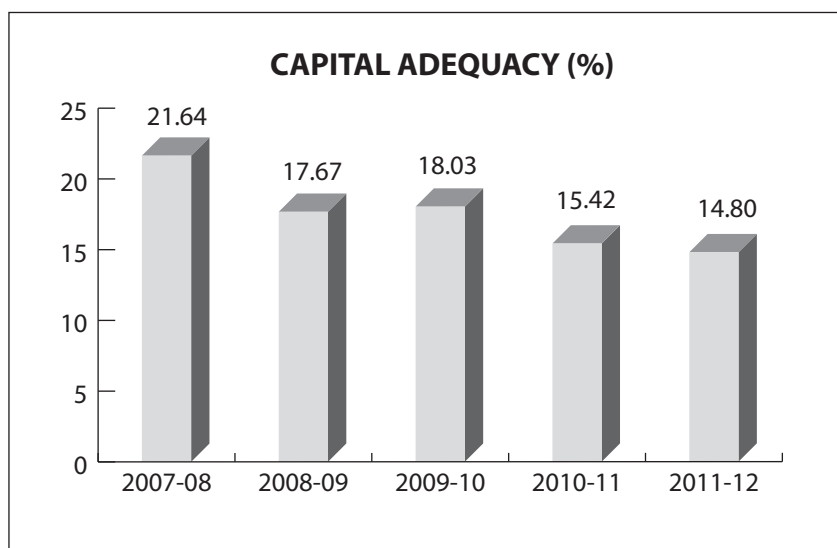
(Figures in Lacs)



FINANCIAL ANALYSIS AND PERFORMANCE MEASURES

Achievements in 2011-12

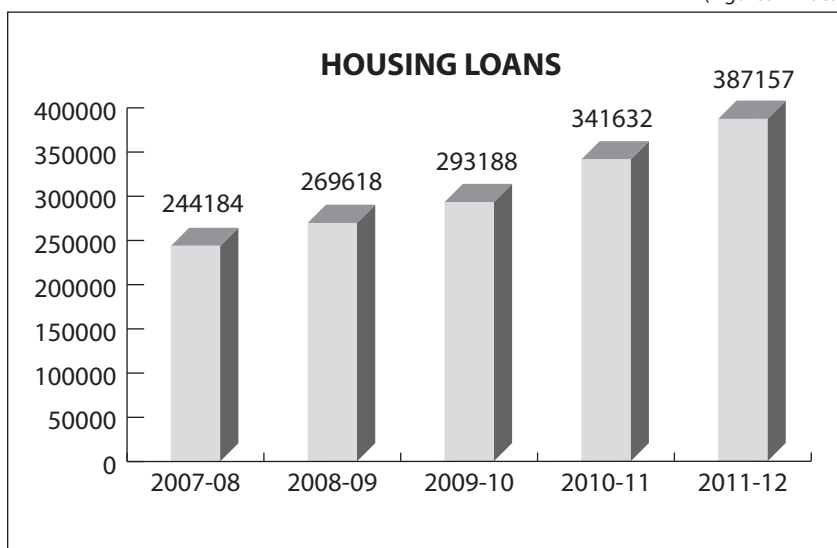
Capital Adequacy



Housing Loans

The Housing Loan portfolio rose by 13.45% for the year 2011-12

(Figures in Lacs)



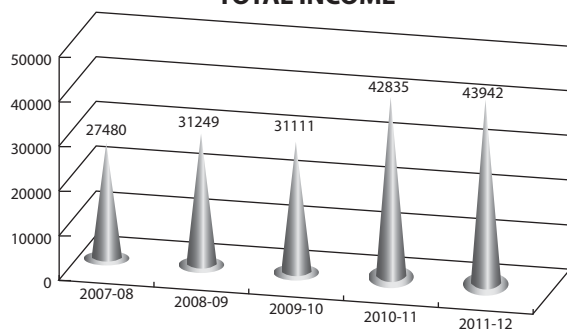
FIVE YEARS AT A GLANCE

Comparative Statement

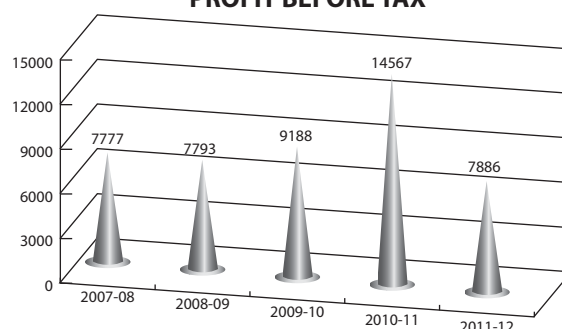
(Figures in Lacs)

Particulars	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Total Income	43942	42835	31111	31249	27480
Profit Before Tax	7886	14567	9188	7793	7777
Profit After Tax	5904	11376	6709	5714	5640
Earning per Share (Rs.)	10.96	21.13	12.46	10.59	10.47
Dividend %	45	55	45	40	40
Book Value per share (Rs.)	84.43	79.87	67.58	61.01	55.52

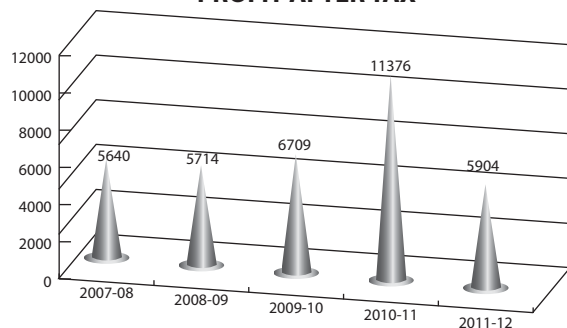
TOTAL INCOME



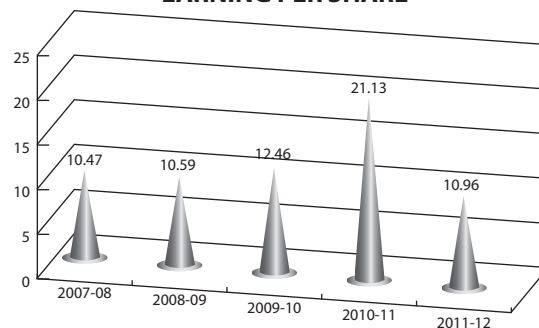
PROFIT BEFORE TAX



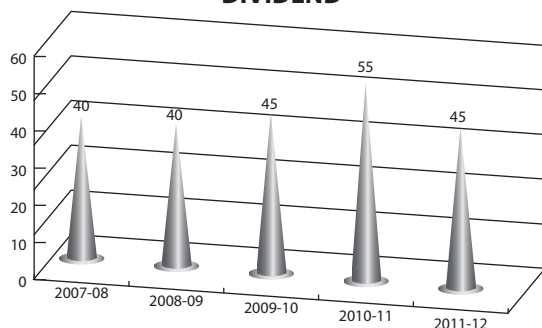
PROFIT AFTER TAX



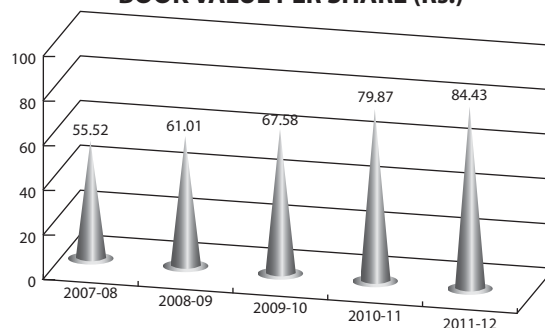
EARNING PER SHARE



DIVIDEND



BOOK VALUE PER SHARE (Rs.)



This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

**GIC HOUSING FINANCE LIMITED**

(To be presented at the entrance)

ENTRANCE PASS**ATTENDANCE SLIP : 22nd ANNUAL GENERAL MEETING ON TUESDAY, 17th JULY, 2012 AT 4.00 P.M.**

at Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4th Floor, General Jagannath Bhosale Marg, Mumbai - 400021

Folio No. : _____ DP ID No. : _____ Client ID No. : _____

Name of the Shareholder : _____

Signature of the Shareholder : _____

(only shareholders/proxies are allowed to attend the meeting)

**GIC HOUSING FINANCE LIMITED****PROXY FORM**

I/We _____ of _____ being a member(s) GIC Housing Finance Limited hereby appoint _____ of _____ falling him/her _____

_____ as my/our proxy to attend and vote for me/us and on my/our behalf at Twenty-Second Annual General Meeting of GIC Housing Finance Limited to be held on Tuesday, 17th July, 2012.

Folio No. _____ DP ID No. _____ Client ID No. _____

No. of Shares held _____

Signed this _____ day of July, 2012

Signature across Revenue Stamp

Affix
Re. 1/-
Revenue
Stamp**BANK ACCOUNT PARTICULARS / NECS MANDATE FORM**

I/We _____ do hereby authorise GIC Housing Finance Limited.

* To Print the following details on my / our dividend warrant

* To Credit my dividend amount directly to my Bank account by NECS

(*Strike out whichever is not applicable.)

Particulars of Bank Account :

A. Bank Name : _____

B. Branch Name : _____
Address (For Mandate only) : _____

C. 9 Digit Code number of the bank & branch as appearing on the MICR cheque : _____

D. Account Type (Saving/Current) : _____

E. Account No. as appearing on the cheque book : _____

F. STD Code & Telephone No. : _____

My/Our Folio No. : _____

DP ID No. _____ Client ID No. _____

I/We shall not held the Company responsible if the NECS could not be implemented or the Bank discountinue(s) the NECS, for any reason.

Mail to : REGISTRARS AND SHARE TRANSFER AGENTS

M/s. Sharepro Services (India) Private Limited,
13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane,
Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072.
Tel. : 022-67720300 / 67720400 & 67720403; Fax : 022-67720416
E-mail : sharepro@shareproservices.com

Signature of the Shareholder

Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the 9 digit code number.

Incuse you are holding in demat form, kindly advise your Depository Participant to take note of your Bank account particulars/ NECS mandate.



Project Indradhanush, Bangalore (near Jalahalli, Bangalore)
Tie up with builder M/s. Indradhanush Properties Pvt. Ltd.



Project S.V.S.S. Sankalp, Hyderabad (near Lower Tank Bund, Hyderabad) Tie up with builder M/s. S.V.S.S. Constructions.



Beneficiary: **Shri. Muthukrishnan** father of late Shri. Suresh Kumar, borrower of Coimbatore Branch receiving back house title documents protected under Group Life Insurance.



Beneficiary: **Smt. Sunanda Suresh Jadhav** wife of late Shri. Suresh Shankar Jadhav, borrower of Navi Mumbai Branch receiving back house title documents protected under Group Life Insurance.



GIC HOUSING FINANCE LTD.

Making dreams a concrete reality

Corporate Office Address :
3rd floor, Universal Insurance Building,
Sir P.M. Road, Fort, Mumbai 400001. INDIA
Tel : +91 22 2285 1765 / 1766 / 1767 / 2285 3866/3868
Fax : +91 22 22884985 / 2288 0173
Email : [**corporate@gichf.com**](mailto:corporate@gichf.com)