

# INDIA HOME LOANS LIMITED

## 22ND ANNUAL REPORT - 2011 - 2012

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### DIRECTORS

Mr. Mahesh Pujara	Chairman Cum Managing Director
Mr. Rishabh Siroya	Director
Mr. Ashok Patel	Director
Mr. Anant Bhalotia	Director
Mr. Subhash Patel	Director
Mr. Mitesh Pujara	Director
Mr. Ramesh Mishra	Independent Director
Mr. Bharat Merchant	Independent Director
Mr. Prakash Panjabi	Independent Director
Mr. Ganesh Ramanathan	Director

### AUDITORS

M/s. Tushar Parekh & Associates  
Mumbai

### BANKERS

HDFC Bank Ltd.  
IDBI Bank  
ING VYSYAS Bank  
AXIS Bank

### SHARE TRANSFER AGENTS

Purva Shareregistry(l) Pvt. Ltd,  
9, Shiv Shakti Industrial Estate,  
Sitaram Mill Compound,  
J.R.Borich Marg, Lower Parel,  
Mumbai-400011.

### REGISTERED OFFICE

Modi House First Floor 10, Bora Masjid Street, Fort, Mumbai - 400001

Tel. : 022 4002 7962 / 63

Web:- [www.indiahomeloans.co.in](http://www.indiahomeloans.co.in)

**NOTICE**

NOTICE is hereby given that the 22<sup>nd</sup> Annual General Meeting of the members of India Home Loans Limited will be held as under:

**DAY** : Tuesday  
**DATE** : 14<sup>th</sup> August, 2012  
**TIME** : 4.30 P.M.

**VENUE:** Samrat Hotel,  
Near Eros Cinema,  
Churchgate, Mumbai 400 020.

To transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2012, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Ramesh Chandra Mishra , who retires by rotation and being eligible offers himself for re-appointment;
3. To appoint a Director in place of Mr. Rishabh Pravin Siroya, who retires by rotation and being eligible offers himself for re-appointment;
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and if thought fit to pass with or without modification (s), Allotment of Convertible warrants into equity shares on preferential basis, with or without modification (s), as a Special Resolution:

**“RESOLVED THAT** pursuant to section 81(1A) and other applicable provisions of the Companies Act, 1956, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable relevant guidelines of the Securities & Exchange Board of India, Listing Agreements entered into with the Stock Exchanges and the Memorandum & Articles of Association of the Company and any other applicable laws / rules / regulation and subject to the consent / approval of any other authorities / institutions, consent of the Company be and is hereby accorded to create, offer, issue and allot up to Forty Lakh Fifty Thousand (40,50,000) Convertible Warrants into equity shares of face value of ₹10/- each to Individuals comprising of Promoters and non-promoters or otherwise and whether or not such investors are members of the Company) with each warrant convertible into one equity share of the Company of nominal value of ₹ 10/- each per share so that the total number of equity shares to be issued by the Company does not exceed Forty Lakh Fifty Thousand (40,50,000), on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter referred to as the “Board” which shall be deemed to include any duly authorized Committee thereof) at the time of issue or allotment.

**RESOLVED FURTHER THAT** the “Relevant Date” in relation to the issue of Convertible warrants in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 would be 13<sup>th</sup> July, 2012 being the date 30 days prior to the date of passing of this resolution.

**RESOLVED FURTHER THAT** the issue of Warrants, as mentioned herein above, shall be subject to the following terms and conditions:

- a. The warrants shall be allotted within 15-days from the date of AGM or from the date of getting inprinciple approval from Stock Exchanges or such other statutory approvals whichever is later ;
- b. Each Warrant of nominal value of ₹10/- each of the Company and on the date of conversion will be converted into equity shares of Face value of ₹10/- each;
- c. The cost of acquisition of each warrant will be ₹ 43.50 each
- d. The proposed share holder(s) shall on the date of allotment of Warrants, pay minimum 25% i.e ₹ 10.90 only per warrants;
- e. The number of Warrants and the price per warrants shall be appropriately adjusted, subject to the Companies Act, 1956 and SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009 , for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring.

- f. The Convertible Warrants allotted & issued on preferential basis to promoters or promoter Group , shall be locked in for a period of 3 years from the date of their allotment and for a period of 1 year in respect of other investors and regulation 78 of the SEBI (Issue of Capital and Disclosure Requirements ) Regulations, 2009 accordingly is applicable.

**RESOLVED FURTHER THAT** the promoters have already advanced by way of loan of ₹ 83,75,000 to the company as on 31<sup>st</sup> March 2012 and the said amount will be adjusted towards the call money of 25% of the convertible warrants.

**RESOLVED FURTHER THAT** the Company shall ensure that whilst any Warrants remain exercisable, it will at all times keep available and reserved such part of its authorized but unissued share capital as would enable all outstanding Warrants to be satisfied in full.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized in its entire discretion to decide to proceed with the issue of the Warrants, to finalize the list of allottee (s), including the size and relative components of the same, and for the purpose of giving effect to this issue or allotment of Warrants the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required and entering into arrangements for listing of the equity shares representing the same in any Indian Stock Exchanges with power on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of Equity Shares on converts and in complying with any Regulations, as may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members on of warrants shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Warrants as may be required to be issued and allotted and that the said Convertible Warrants to Equity Shares shall be subject to the Memorandum and Article of Association of the Company and shall rank in all respects pari passu with the existing equity shares of the Company.”

**AND RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Officer(s) of the Company to give effect to this resolution and for the purpose of allotment of Shares.”

6. To consider and if thought fit, to pass with or without modification(s) if any, the following SPECIAL RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of section 94(1)(a) of the Companies Act, 1956 and other applicable provisions, if any, the Authorized share capital of the Company be and is hereby increased from 11,50,00,000 divided into 1,10,00,000 Equity shares of 10/- each and 50,000 Redeemable Preference Shares of ₹ 100 each to ₹25,00,00,000 divided into 2,45,00,000 Equity shares of 10/- each & 50,000 Redeemable Preference Shares of ₹ 100 each in the Company”

7. To consider and if thought fit, to pass with or without modification(s) if any, the following SPECIAL RESOLUTION:

“**RESOLVED THAT** the existing Clause V of the Memorandum of the Association of the Company as to the Share Capital be and is hereby altered as follows:

“The Share Capital of the Company is 25,00,00,000 divided into 2,45,00,000 Equity shares of 10/- each & 50,000 Redeemable Preference Shares of ₹ 100 each with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several other classes and to attach thereto respectively such preferential, deferred, qualified, guaranteed or other special rights, privileges, or conditions or restrictions as may be determined by or in accordance with articles of association of the company for time being and to vary, modify or abrogate any such rights, privileges or conditions or restrictions in such manner as may be permitted by the Act or the Articles of the company for the time being in force be permitted by the Law”.

By the order of the Board  
For India Home Loans Limited

Sd/-

**Mahesh Pujara**  
Managing Director

Place :Mumbai  
Date : 29/06/2012

**NOTES:**

1. **A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote on a poll on his behalf .A proxy need not be a member of the company .Proxies in order to be effective, must be received at the Registered Office of the company not less than Forty Eight hours before the meeting.**
2. Members are requested to notify any correction /change in their name /address including Pin Code number immediately to the Companies Register/ Depository Participant .In the event of non – availability of Members latest address either in the Companies records or in Depository Participant’s records, members are likely to miss notice and other valuable correspondence sent by the company.
3. Members are requested to kindly mention their Folio Number/ Client ID Number (in case of demat shares) in all their correspondence with the Companies Registrar to enable prompt reply to their queries.
4. Members are requested to bring the Notice of the meeting along with the Attendance slip with them duly filled in and hand over the same at the entrance of the Meeting Hall.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 08<sup>th</sup> August, 2012 to 13<sup>th</sup> August, 2012 (both days inclusive).
6. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days, Monday to Friday between 11.00 A.M. to 1.00 P.M.
7. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
8. As per provisions of the Companies Act, 1956, facility for making nominations is available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down loaded from the website of the Ministry of Company affairs.
9. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation 2009 disclosures as per section 173(2) of the Companies Act, 1956 are as under :
10. Information’s required to be furnished under cl. 49 of the Listing Agreement for Directors retired by rotation:
  1. Name :- Mr. Ramesh Chandra Mishra – (Independent Director)  
Date of Birth :- 15/10/1968  
Qualification :- FCS, BSc, LL.B, PGDCA  
Expertise :- Corporate Law, Administration & Finance
  2. Name :- Mr. Rishabh Pravin Siroya (Director)  
Date of Birth :- 29/01/1984  
Qualification :- B.Sc. & MBA  
Expertise :- Retailing & Real Estate

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL RESOLUTION SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING:**

**Item 5:**

Your company is proposing to offer and issue not exceeding Forty Lakh Fifty Thousand (40,50,000) Convertible Warrants of the company in accordance with the SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009 in this regard to specified persons.

As per regulation 73 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 the required details are furnished as under:

“Convertible Warrants” or “Warrants” means warrants convertible into equity shares of ₹ 10/- each on or before 18 months from the date of allotment of the Warrants.

**a. Objects of the issue:**

The Company as part of its future growth strategy aims to enhance it's focus in the Home Loans segment and in order to augment resources this preferential issue is planned. Being a NHB registered HFC a Strong Capital base is required to leverage and grow the business multifold in future.

To pursue the above expansion plans and in order to meet growing demand in Home Loan segment as well as general corporate and working capital requirements it is thought prudent for the company to raise capital by way of private placement of equity shares.

The proposed convertible warrants to be issued on preferential basis, which upon conversion into equity shares would rank pari passu in all respects including Dividend with the existing equity shares of the company.

**b. Pricing :**

The issue price of each of convertible warrant of face value of ₹ 10 /- each is of ₹43.50 and is in accordance with regulation 76 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and for the purpose of the above guidelines the Relevant Date is 13<sup>th</sup> July, 2012.

The price of the Warrants wherever required shall be re-computed/adjusted in accordance with the above said regulation.

The Directors of the Company have already advanced ₹ 83,75,000 as on 31<sup>st</sup> March 2012, as Loan. These Loans were deployed into the home loan segment during the period to public. This Loan will be adjusted against the acquisition of the convertible warrants.

The details of the Loan given to the company by the directors are as follows:

Sl. No.	Name of Director	Amount (₹)
1	Mr. Anant Bhalotiya	3,75,000
2.	Mr. Ashok Patel	2,00,000
3.	Mrs. Daksha Patel	11,75,000
4.	Mr. Mahesh Pujara	7,00,000
5.	Mr. Mitesh Pujara	33,00,000
6.	Mr. Rishabh Siroya	16,25,000
7.	Mr. Subhash Patel	10,00,000

**c. Intention of the Promoters / Directors / Key Management persons to subscribe the offer:** The Promoter Group wants to retain their holding around the same level and through this subscription of convertible warrants may increase their present holding.

The main object of this increase of capital is to meet with the growing demand of the housing loans in home loan segment in order to strengthen the capital base, the promoters proposed to bring equity capital to the company by way of convertible warrants.

As on the date of Board meeting i.e. 13.7.2012 the promoters holding is 6541919 equity shares of 59.79%. After the allotment of convertible warrants and after their conversion the promoter holding will be 9241919 equity shares representing to 61.65%.

**C.1. The following proposed allottees are part of promoters group have indicated their intention to Subscribe to the Warrants :**

Names of Allottees	No of Convertible Warrants
Mr. Mahesh Pujara	4,50,000
Mr. Mitesh Pujara	3,50,000
Mr. Ashok Patel	2,00,000
Mr. Subhash Patel	50,000
Mr. Rishabh Siroya	6,50,000

C.2. The following proposed allottees are part of PAC's, Director & Relative of Director has/have indicated their intention to Subscribe to the Warrants:

Names of Allottees	Number of Convertible Warrants	Category – PAC/Director/ Relatives of Director
Mr. Bhavin Pujara	3,50,000	Relatives
Mrs. Vilas M Pujara	3,50,000	Relatives
Mrs. Daksha Patel	3,00,000	Relatives

C.3. The following proposed allottees are from public at Large and has/have indicated their intention to Subscribe to the Warrants:

Names of Allottees	Number of Convertible Warrants	Category – General Public
Mr. Bhavin I Parikh	3,00,000	General
Mr. Arun Shirke	1,00,000	General
Mr. Vinod Patel	1,00,000	General
Mr. Chetan Bhandari	3,50,000	General
Mr. Miten Shroff	5,00,000	General

d. Identity of the proposed allottee (s) and percentage of preferential issue capital That may be held by them:

- The proposed allottees of the Warrants who are part of Promoters / Promoters Group and their associates companies on their exercising full option to subscribe for 27,00,000 Warrants convertible into 27,00,000 equity shares upon which the promoters holding will be 61.65% of the Company after such exercise.
- Other allottees that are investors, public at large and shall be holding 13, 50,000 Warrants representing 9% of the post- issued capital of the company after such exercise.

Sr. No.	Name of the Applicant / Category	No. of Shares held pre-preferential allotment	% of Pre Preferential Issue Share Capital	No. of Shares proposed to be allotted	Total number of shares held post preferential	% of Post Preferential Issue Share Capital
<b>A.</b>	<b>Promoter Group</b>	<b>(A)</b>		<b>(B)</b>	<b>(A+B)</b>	
1.	Mr. Ashok Patel	12,32,810	11.26	2,00,000	1,432,810	9.55
2.	Mr. Anant Bhalotia	9,96,500	9.10	0	9,96,500	6.64
3.	Mr. Mahesh Pujara	7,91,650	7.23	4,50,000	1,241,650	8.28
4.	Mrs. Daksha Patel	6,00,000	5.48	3,00,000	9,00,000	6.00
5.	Mr. Rishabh Siroya	9,96,490	9.1	6,50,000	16,46,490	10.98
6.	Mr. Mitesh Pujara	6,52,455	5.96	3,50,000	10,02,455	6.68
7.	Mr. Bhavin Pujara	4,50,000	4.11	3,50,000	800,000	5.33
8.	Mrs. Parul Patel	2,50,000	2.28	0	2,50,000	1.66
9.	Mrs. Hemali Pujara	2,00,000	1.82	0	2,00,000	1.33
10.	Mr. Subhash Patel	1,70,000	1.55	50,000	2,20,000	1.47
11.	Mrs. Vilas Pujara	2,02,014	1.84	3,50,000	5,52,014	3.68
	<b>Total</b>	<b>65,41,919</b>	<b>59.79</b>	<b>27,00,000</b>	<b>92,41,919</b>	<b>61.65</b>

B	Non- Promoter Group	(A)		(B)	(A+B)	
1.	Mr. Bhavin I Parikh	0	0	3,00,000	3,00,000	2
2.	Mr. Arun Shirke	0	0	1,00,000	1,00,000	0.67
3.	Mr. Vinod Patel	0	0	1,00,000	1,00,000	0.67
4.	Mr. Chetan Bhandari	0	0	3,50,000	3,00,000	2.33
5.	Mr. Miten Shroff	0	0	5,00,000	5,00,000	3.34
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>13,50,000</b>	<b>13,50,000</b>	<b>9.01</b>

i) Consequential changes in the shareholding pattern/voting rights:

Sr. No.	Category	Pre-issue equity shareholding		Post-issue equity shareholding	
		No.	%	No.	%
A.	Promoters- Bodies Corporate Allottees under preferential issue. (b) Other promoters	65,41,919	59.79	92,41,919	61.65
	<b>Total (A)</b>	<b>65,41,919</b>	<b>59.79</b>	<b>92,41,919</b>	<b>61.65</b>
B.	Mutual Funds FI/BANKS Foreign Institutional Investors	10,100	0.09	10,100	0.07
	<b>Total (B)</b>	<b>10,100</b>	<b>0.09</b>	<b>10,100</b>	<b>0.07</b>
C.	Public				
	(a) Body Corporate	8,52,217	7.41	8,52,217	5.68
	Individuals	8,19,862	7.49	8,19,862	5.46
	Individual Shareholders holding nominal share capital upto 1 lakh				
	Individual Shareholders holding nominal share capital in excess of ₹1 lakh	26,74,321	24.44	26,74,321	17.84
	(b) N.R.I	3,210	0.03	3,210	0.02
	(c) Others(Preferential Allottees)			13,50,000	9.00
	(d) Director's				
	(e) Key personnel's of the Company				
	(f) Overseas Corporate Body				
	(g) HUF	38,341	0.35	38,341	0.26
	(i) Clearing Members	30	0.01	30	0.01
	<b>Total (C)</b>	<b>43,87,981</b>	<b>40.11</b>	<b>57,37,981</b>	<b>38.26</b>
	<b>Grand Total (A+B+C)</b>	<b>1,09,40,000</b>	<b>100</b>	<b>1,49,90,000</b>	<b>100</b>

e. Auditor's certificate:

A certificate as required under SEBI Guidelines, certifying that the proposed issues is in accordance with the said Guidelines has been obtained from the Auditors of the company and shall be placed before the shareholders. The members can obtain a copy of the same from the Registered Office of the company for inspection at any time during the business Hours of the company from 11 p.m. to 1p.m from Monday to Friday.

f. Changes in Management :

The issue of the Equity shares will not result in any change in the Management or control of the Company.

g. Proposed time within which allotment shall be completed :

Within 15 days from the date of passing this resolution or getting inprinciple approval from the stock exchange or such statutory approval as per ICDR Regulation, 2009 , whichever is later.

h. Lock in:

The Warrants / Equity shares to be allotted on preferential basis shall be subject to lock- in as per applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked – in till the time such amount is paid by the allottees.

The approval of the Shareholders is sought pursuant to Section 81 (1A) of the Companies Act, 1956 and in term of the listing agreement with Stock Exchanges to the issue of the above Warrants as set out in the resolution.

The Board of Directors recommends the resolution for your approval.

The Directors of your Company may be deemed to be concerned or interested to the extent of the convertible warrants / shares that they are or their relatives or by the companies in which they or their relatives are entitled to subscribe in this issue.

**Item 6 &7:**

Directors have decided to broadbase the capital structure of the company for better leverage, pursuant to which the board has approved the preferential allotment of convertible warrants. Accordingly, to meet with the capital requirement pursuant to the approval of Preferential Issue the authorized share capital of the company is proposed to be increased and the Capital Clause of the Memorandum of Association of the company need to be altered. Your approval for the same is sought through resolutions mentioned at Item Nos. 6 & 7

None of the Directors are interested or concerned in the resolution except to the extent of their shareholding.

Place :Mumbai  
Date : 29/06/2012

By the order of the Board  
**For India Home Loans Limited**  
Sd/-  
**Mahesh Pujara**  
Managing Director

**DIRECTORS' REPORT**

To,  
The Shareholders,

Your directors have pleasure in presenting the 22<sup>nd</sup> Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2012

**SUMMARISED FINANCIAL RESULTS:**

(in LACS)

	Year ended 31.3.2012	Year ended 31.3.2011
Income	125.84	62.69
Total Expenditure	86.14	39.15
Profit before depreciation interest and tax	39.70	23.54
Less:		
Depreciation	1.71	1.78
Interest	-	-
Tax		
Current Tax	8.50	2.00
Deferred Tax	33.28	5.76
Excess Provision for tax	-	0.91
MAT Credit Entitlement	3.27	-
Current tax expense relating to prior years	3.50	-
Net Profit/(Loss) After Tax	2.98	13.1
Paid-up Equity Shares Capital	1094.00	1094.00
Reserves	(67.86)	(70.85)*
Balance brought forward from previous year	(141.33)	(150.08)

**OPERATIONS:**

Income of the company are 125.84 lacs as compared to 62.69 lacs in previous year. Profit before Tax is 37.98 lacs as compared to 21.76 lacs in previous year.

**THE YEAR UNDER REVIEW**

The Company has undergone NHB Inspection. The inspectors suggested some of the queries to be clarified & implemented by the Company. The management gave the reply & made various planning to implement the same in the area of discrepancies.

**AUDITORS REPORT**

The Auditors have not made any qualification to the financial statement. Their reports on relevant notes on accounts are self explanatory and do not call for any comments under section 217 (3) of the companies Act, 1956.

**ISSUE OF EQUITY SHARES BEING ISSUED ON PREFERENTIAL BASIS.**

The Company proposed to allot 40, 50,000 warrants to Promoters and non promoters on preferential basis. The Promoters will subscribe to Twenty Seven Lakh (27,00,000) Convertible Warrants of F.V. ₹10/- each and non-promoters will subscribe to Thirteen Lakh Fifty Thousand (13,50,000) Convertible warrants of ₹10/- each on account of proposed preferential issue.

\* As per revised Schedule VI of the Companies Act, 1956.

**FUTURE OUTLOOK**

The NPA has drastically brought down during the year and is presently @ 2.54% Legal steps have been taken to recover the same.

**CORPORATE GOVERNANCE**

As per the directions of SEBI and the Bombay Stock Exchange Ltd., the code of corporate governance become applicable to the company w.e.f.2002-03 and accordingly the company has been adhering to the directions and guidelines as required. The report on the code of corporate governance is annexed separately in this Annual report.

**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of above are not applicable in the case of your company. The Company is into Home Loan segment and regulated by NHB (National Housing Bank).

**FIXED DEPOSITS**

As on 31.03.2012, the company held no deposit in any form from anyone. There was no deposit held by the company as on 31.03.2012, which was overdue or unclaimed by the depositors. For the present the board of directors have resolved not to accept any deposits from public, shareholders and others.

**DIRECTORS**

Mr. Ramesh Mishra – Independent Director and Mr. Risabh Pravin Siroya are directors liable to retire by rotation and being eligible offer themselves for re-appointment.

**DIVIDEND**

In view of the carry forward losses incurred in the earlier years, the board regrets its inability to declare any dividend for the year under review.

**AUDITORS**

The retiring Auditors M/s. Tushar Parekh & Associates., Chartered Accountants, Mumbai, has not opted for re-appointment and has expressed his unwillingness to continue. The Board proposed to appoint M/s. G.P. Kapadia & Co. Chartered Accountant and to hold office till the conclusion of the next Annual General Meeting. They have furnished a certificate to the effect that the proposed re-appointment, is in accordance with the limits specified u/s. 224(1B) of the Companies Act, 1956.

**INVESTOR COMPLAINTS AND COMPLIANCE**

All the investor complaints duly resolved and as on date no complaints are outstanding.

**PERSONNEL**

The information pursuant to section 217 (2A) of the companies Act, 1956 and rules framed there under there was no employee falling under the category, hence no statement/particulars of employees have been annexed to this report.

**HUMAN RESOURCES**

Your Directors would like to place on record their deep appreciation to all the employees for rendering quality services in every constituent of the company.

**PAYMENT OF LISTING FEES**

Your company shares are listed on Bombay Stock Exchange Ltd., the listing fees for the year 2011 - 12 have been paid to the stock exchange. The company has been complying with all the conditions required to be complied with in the listing agreement.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2012 on a 'going concern' basis.

**ACKNOWLEDGEMENTS**

The Directors place on record their appreciation for co-operation and support extended by the Government, Banks, Shareholders, and customers for their continued support extended to the company at all times.

The Directors further express their deep appreciation to all employees for commendable teamwork, high degree of professionalism and enthusiastic effort displayed by them during the year.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**MAHESH PUJARA  
CHAIRMAN**

**RISHABH SIROYA  
DIRECTOR**

Place: Mumbai  
Dated: 29.06.2012

**CORPORATE GOVERNANCE**

**PHILOSOPHY OF CORPORATE GOVERNANCE**

Corporate Governance is the legitimate and fundamental article of faith of all our action in INDIA HOME LOANS LIMITED. It has been guiding force in our quest for instituting within our edifice, systems and process that promote the values of transparency, professionalism and accountability and compliance.

The Company remains firmly committed to this central theme and endeavors to improve these values on an ongoing basis.

**COMPOSITION OF BOARD**

SR.NO.	CATEGORY	NAME OF DIRECTOR	DESIGNATION
1	Promoter Director	Mr. Mahesh Pujara	Chairman cum Managing Director
2	Promoter Director	Mr. Rishabh Siroya	Director
3	Promoter Director	Mr. Ashok Patel	Director
4	Promoter Director	Mr. Anant Bhalotia	Director
5	Promoter Director	Mr. Subhash Patel	Director
6	Promoter Director	Mr. Mitesh Pujara	Director
7	Independent Director	Mr. Ramesh Mishra	Director
8	Independent Director	Mr. Bharat Merchant	Director
9	Independent Director	Mr. Prakash Punjabi	Director
10	Executive Director	Mr. Ganesh Ramanathan	Wholetime Director

**Attendance of Directors at the Meeting of Board of Directors for the Financial Year 2011-2012 and Annual General Meeting Held On 22<sup>nd</sup> July, 2011**

Company has conducted Board Meetings during the year on 09/05/2011, 27/05/2011, 10/06/2011, 11/08/2011, 04/11/2011 and 24/01/2012

Details of Board of Directors Meeting Held during the Financial Year 2011 - 2012

Sr. No	Date	Board Strength	No. Of. Directors Present
1	09/05/2011	10	3
2	27/05/2011	10	5
3	10/06/2011	10	6
4	11/08/2011	10	6
5	04/11/2011	10	8
6	24/01/2012	10	7

**COMMITTEES OF THE BOARD**

The Company has Six Committees viz: 1. Audit Committee, 2. Remuneration Committee, 3. Shareholders/Investors Grievance Committee, 4. Share Transfer Committee, 5. Loan and Investment Committee and 6. Asset Liability Management Committee. The decisions relating to the constitution of committees, appointment of members and fixing of terms of service for committee members are taken by the Board of Directors Composition of the said committees, number of meetings held and attendance during the financial year is as follows:

**1) Audit Committee**

The Audit Committee evaluates internal audit policies, plans, procedures, performance and reviews the other functions through various internal audit reports and other year-end certificates issued by the statutory auditors and the Audit Committee will review quarterly annual Accounts, prior to their presentation to the Board along with their recommendations of the Audit Committee. Besides, Audit Committee will be authorized to exercise all such powers as required under Clause 49 of the Listing Agreement.

The present Audit Committee comprises of the following members

Name of Directors	Status in Committee	Nature of Directorship
Mr. Ramesh Chandra Mishra	Chairman	Non-Executive & Independent
Mr. Mahesh Pujara	Director	Managing Director
Mr. Bharat Merchant	Director	Non-Executive & Independent
Mr. Subhash Patel	Director	Non – Executive

The Company has conducted five Meetings during the year on 09/05/2011, 27/05/2011, 10/06/2011, 11/08/2011, 04/11/2011 and 24/01/2012

**2. Remuneration Committee:**

The objective of Remuneration Committee is to assess the remuneration payable to our Managing Director/Whole Time Directors; sitting fee payable to our Non Executive Directors; remuneration policy covering policies on remuneration payable to our senior executives.

The Present Remuneration Committee consists of:

Name of Directors	Status in Committee	Nature of Directorship
Mr. Bharat Merchant	Chairman	Non-Executive & Independent
Mr. Rishabh Siroya	Director	Director
Mr. Ramesh Chandra Mishra	Director	Non-Executive & Independent

**3. SHARE HOLDERS/INVESTOR'S GRIEVANCE COMMITTEE**

Name of Directors	Status in Committee	Nature of Directorship
Mr. Bharat Merchant	Chairman	Non-Executive & Independent
Mr. Ramesh Mishra	Director	Independent Director
Mr. Rishabh Siroya	Director	Director

**Brief description of Term Reference**

The committee looks into redressing of shareholders/ investor complaints, issue of Duplicate share certificates The Company has conducted meetings during the year on 01/04/2011, 13/04/2011, 11/05/2011, 23/08/2011, 15/09/2011 and 28/01/2011

**4. SHARE TRANSFER COMMITTEE**

The Board has delegated the powers to a committee consisting of Mr. Ramesh Chandra Mishra and Mr. Anant Bhalotia to approve transfer/transmission of shares and attend to all other matters related thereto. Mr. Mahesh Pujara is the Chairman of the committee.

The committee generally meets twice in a month. As on 31.03.2012

Name of Directors	Status in Committee	Nature of Directorship
Mr. Prakash Punjabi	Chairman	Independent Director
Mr. Mahesh Pujara	Director	Managing Director
Mr. Ramesh Mishra	Director	Non-Executive & Independent

**5. LOAN & INVESTMENT COMMITTEE:**

The Committee generally sanctions the loan for Housing/Up-gradation of houses from time to time.

The Present Committee consists of:-

Name of Directors	Status in Committee	Nature of Directorship
Mr. Mahesh Pujara	Chairman	Managing Director
Mr. Prakash Punjabi	Director	Director
Mr. Rishabh Siroya	Director	Director
Mr. Subhash Patel	Director	Director
Mr. Ganesh Ramanathan	Director	Whole Time Director

**6. ASSET LIABILITY MANAGEMENT COMMITTEE:**

Name of Directors	Status in Committee	Nature of Directorship
Mr. Mahesh Pujara	Chairman	Managing Director
Mr. Rishabh Siroya	Member	Director
Mr. Ganesh Ramanathan	Member	Whole Time Director
Mr. Rushabh Yagnik	Member	General Manager

**ANNUAL GENERAL MEETING:**

Details of Annual General Meeting

Particulars	F.Y.2008-2009	F.Y.2009-2010	F.Y.2010-11
Date	22.08.2009	28.09.2010	22.07. 2011
Time	05.00 p.m	04.30 p.m	04.30 p.m.
Venue	Samrat Hotel Near Eros Cinema, Chrchgate, Mumbai 400 020.	Samrat Hotel Near Eros Cinema, Chrchgate, Mumbai 400 020.	Samrat Hotel Near Eros Cinema, Chrchgate, Mumbai 400 020.
Regd. Office	Modi House,1st floor, 10 <sup>th</sup> Bora Masjid Street, Fort, Mumbai - 400001.	Modi House,1st floor, 10 <sup>th</sup> Bora Masjid Street, Fort, Mumbai - 400001.	Modi House, 1st floor, 10 <sup>th</sup> Bora Masjid Street, Fort, Mumbai - 400001.

**DISCLOSURES:-**

**RELATED PARTY DISCLOSURES:-**

Disclosures on materially significant related party transactions i.e. transactions of the Company material nature, with its Promoters, Directors of the Management, their relatives etc. that may have potential conflict with the interest of the Company at large. None of the transaction with any of the related parties were in conflict with the interest of the Company.

**MEANS OF COMMUNICATION**

Half Yearly Report send to each Shareholders	As the Financial result of the Company are Published in the news papers and press release in issue in leading news papers, a separate half yearly report is not sent to each shareholder.
Quarterly Results	The quarterly results of the Company are published in accordance with the requirement of the Listing Agreement of the Stock Exchange, Mumbai.
News papers in which results are normally published	1. The Financial Express(English) 2. Mumbai Laksh Deep(Marathi)
Email	<a href="mailto:ihll@ymail.com">ihll@ymail.com</a>
Administrative Office	Modi House, First floor, 10 <sup>th</sup> Bora Masjid Street, Behind Videocon House, Fort, Mumbai - 400001.
Whether Management Discussions and Analysis report is a part of Annual Report or not	Yes

**INSIDER TRADING: -**

Code of Conduct for Prevention of Insider Trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) regulations, 1992 as amended, Code of Conduct for Prevention of Insider Trading is in place.

The Compliance Officer is responsible for implementation of the same.

**REGISTRAR AND TRANSFER AGENT:****SHARE TRANSFER SYSTEM**

M/s. Purva Sharegistry Pvt. Ltd., Mumbai. continues to be the Registrar and Transfer Agent of the Company. All the work related to share Registry in term of both Physical and Electronic segment has been allotted to M/s. Purva Sharegistry Pvt. Ltd., in view of the directive issued by SEBI in this regard i.e. for handling both Physical as well as Electronic transfer at a single point.

Shareholder are therefore requested to send shares for Physical transfer M/s. Purva Sharegistry (I) Pvt. Ltd. instead of sending to Company. As the Company's Shares are compulsorily to be traded in dematerialized form. Members holding shares in Physical Form are requested to send the share certificate to their Depository Participants to enable Registrar and Transfer Agent to take steps for dematerialization at the following address:

The address of Registrar and Transfer agents is:

**M/S. PURVA SHAREGISTRY(I) PVT. LTD.**

9, Shiv Shakti Industrial Estate, Ground Floor, Sitaram Mill Compound,

J.R. Boricha Marg, Lower Parel, Mumbai-400011.

Phone No.022- 223016761 Fax No.022- 23018261

Email: - busicomp@vsnl.com

**GENERAL SHAREHOLDERS INFORMATION**

22 <sup>nd</sup> Annual General Meeting Date & Time	14 <sup>th</sup> August, 2012 at 4.30 P.M
Venue	Hotel Samrat, Churchgate, Mumbai – 400 020.
Financial Calendars	1 <sup>st</sup> April 2011 to 31 <sup>st</sup> March 2012
Financial Reporting for the Quarter Ended 30 <sup>th</sup> June 2011	By end of July, 2011
Financial Reporting for the Quarter Ended 30 <sup>th</sup> September 2011	By end of October, 2011
Financial Reporting for the Quarter Ended 31 <sup>st</sup> December 2011	By mid of February, 2012
Financial Reporting for the Quarter Ended 31 <sup>st</sup> March 2012	By end of May, 2012
Annual General Meeting For the year ending 31 <sup>st</sup> March, 2012	14 <sup>th</sup> August, 2012
Book Closure Date	08 <sup>th</sup> August, 2012 to 13 <sup>th</sup> August, 2012
Registered Office	Modi House, First Floor, 10 <sup>th</sup> Bora Masjid Street, Fort, Mumbai-40001.
Listing on Stock Exchange at	Bombay Stock Exchange Limited
Company Registration No. & State Code	059499 & 01
NSDL & CDSL – ISIN	INE274E01015

**Market Price Data:**

The Monthly high/low quotation of equity shares traded on the Stock Exchange, Mumbai are as follows:

Date	Open (₹)	High (₹)	Low (₹)	Close (₹)	No. of Shares
April 2011	41.55	44.75	40.55	43.6	2,33,993
May 2011	42	45.4	40.6	42.65	95,200
June 2011	42.5	45.7	40.75	44	55,482
July 2011	44.55	46	40.45	43	68,905
August 2011	42.25	44.1	39.5	41.85	80,615
September 2011	40	44.85	39.45	43.15	77,733
October 2011	46.95	47.8	40.3	43.6	47,536
November 2011	42	52.3	39.55	42.9	62,827
December 2011	43	44.8	39.8	41.9	47,077
January 2012	42.5	51.3	40.2	43.4	36,838
February 2012	43.7	52.15	35.1	43.55	1,72,316
March 2012	42.9	48.85	40	43.25	2,50,266

(Source – [www.bseindia.com](http://www.bseindia.com))

Distribution of shareholding as on 31<sup>st</sup> March 2012

Slab of shareholdings No. Of Equity Shares	No. Of Shareholders	% total No. of shareholders	Value in ₹	% To total Shares held
1 - 5000	858	66.82	1878090	1.72
5001 - 10000	181	14.10	1571360	1.44
10001- 20000	86	6.70	1343060	1.23
20001 – 30000	30	2.34	770100	0.70
30001 – 40000	15	1.17	546950	0.50
40001 – 50000	15	1.17	701960	0.64
50001 – 100000	30	2.34	2277580	2.08
100001 & above	69	5.37	100310900	91.69
<b>Total</b>	<b>1284</b>	<b>100</b>	<b>109400000</b>	<b>100</b>

According to categories of shareholders as on 31<sup>st</sup> March 2012

	Categories	Shares Held	% Of Total
a	Indian Promoters, Directors & Relatives	6342714	57.97
b	Banks, Financial Institution, Insurance Companies, Mutual Funds/ UTI,(Central/ State Govt. Institution/ Non-Govt. Institution)	10,100	0.09
c	FII's	0	0
d	Private Corporate Bodies	852217	7.78
e	Indian Public	36,93,388	33.76
f	NRIs / OCBs	3210	0.03
g	HUF	38341	0.35
h	Clearing Members	30	0.0002
	<b>TOTAL</b>	<b>1,09,40,000</b>	<b>100</b>

## iv) Dematerialization of Shares:

1,04,26,360 Equity shares representing 95.30% of the equity capital of the company are held in de-materialized form with national securities depository limited (NSDL) and central depository service (India) limited (CDSL) as on 31<sup>st</sup> March 2012.

**Liquidity:**

Company's share is traded on the Bombay Stock Exchange Ltd., Mumbai (BSE).

## (v) Outstanding ADRs / GDRs:

The company has not issued any ADRs / GDRs

**DECLARATION**

To,  
The Member of  
India Home Loans Limited

As provided under Clause 49 of the Listing Agreement with Stock Exchanges, all the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct for the year ended 31st March, 2012.

**For India Home Loans Limited**  
Sd/-

Place : Mumbai  
Date : 29/06/2012

**Mahesh Pujara**  
Managing Director

## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

### 1. Industry Structure and Developments :

The Country continues to experience a slow growth in GDP and Business. There was actual demand in the real estate sector. The investors are not prominent in this segment during the year under review. However, looking at the size and opportunities, we see growth. The interest rates have inched upwards followed by inflation. RBI is time to time making major adjustments in interest rates to curb inflation.

### 2. Opportunities and Threats :

There is huge demand in actual purchase of dwelling units, flats, bungalows, and plots. But due to inflation and interest rate increase, the actual buyers are finding difficulties to venture into purchase of new houses. The Builders and developers also hiked price beyond reasonable levels. Besides, the imposition of Service Tax, increase of cost of raw materials has made the buyers to abstain from new purchases for the time being.

However, the small towns and mid-sized cities have shown a reasonable growth in demand.

### 3. Risk and Concern :

Though the Company management is quite meticulous about the security and recovery aspect of each finance file, which reflects from the fact that the overall NPA recognized by the Company, has reduced from ₹ 1,36,25,233 to ₹ 87,48,442. After reorganization of all NPA's, the Company will need another 1 or 2 years to wipe out its entire NPA from its Books of Accounts.

Your company will continue to adopt strategies to register significant increase in business volumes, and would initiate still more concentrated efforts to reduce the NPA level to its minimum.

### 4. Human Resources Developments

During the year under review the Company continued its emphasis on Human Resources Development as one of the critical areas of its operation.

Executives and officers of the Company having high potential in the field of Finance, Accounts and Computer were regularly visiting at branch offices with a view to updating their knowledge and to keep them abreast of the present day finance scenario for meeting the challenges ahead.

Further, the Company also organizes annually, training programmes for face-to-face interaction of all branch personals with head office personals.

### 5. Fulfillment of NHB Guidelines:

IHLL continues to fulfill all norms and standards laid down by the NHB pertaining to Asset Liability Management, Fair Practices Code etc. The NHB inspection report dated 5th June, 2012 was placed before the Board of Directors at the Board meeting held on 29th June 2012. The necessary actions have been taken and responded to NHB accordingly.

### 6. Risk Management and Portfolio quality:

As a registered Housing Company with NHB, the company is exposed to credit risk, liquidity risk and interest rate risk. IHLL recognizes the importance of risk management. It has invested in people, processes and technologies to effectively mitigate risks posed by external environment and by its borrowers. It has also put in place a strong risk management team, an effective credit operations structure, has invested in credit analytics, increased credit bureau

usage and invested in technology up-grades to manage its risks.

The company's Asset-Liability Committee (ALCO), set up in line with the guidelines issued by the NHB, monitors asset-liability mismatches, to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet.

**7. Outlook:**

RBI from time to time is revising Repo rates which are affecting industry rates. Company is required to keep pace with existing Market rates. Company is also planning to concentrate in interior areas to capture its market share.

**8. Approvals and Disbursements:**

Total approvals during the year stood at ₹ 3,21,00,000 as against ₹ 5,33,42,000 in the previous year, representing. Disbursements during the year were ₹ 3,43,99,400 as against ₹ 4,87,62,000 in the previous year. The demand for individual home loan continued to be strong during the year.

**9. Internal Control Systems**

The Company has a proper and adequate Internal Control System to ensure that all assets are safeguarded, and protected against loss from unauthorized use or disposition, and that transaction are authorized, recorded and reported correctly.

The Company, in consultation with its Statutory Auditors, periodically reviews and ensures the adequacies of Internal Control Procedures for the orderly conduct of business and also includes a review to ensure overall adherence to management policies and applicable law & regulations. Cost control measures, especially on major cost determinants, have been implemented.

**COMPANY SECRETARIES REPORT ON CORPORATE GOVERNANCE- MARCH 31, 2012**

To,

**The Board of Directors  
India Home Loans Ltd.**

We have reviewed the implementation of Corporate Governance procedures by India Home Loans Ltd during the year ended 31st March, 2012, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

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.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the Stock Exchanges have been complied with in all material respects by the company & that no investors grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance, Relations & Share Transfer Committee.

**For Satyajit Mishra  
Company Secretary in Practice**

**FCS: - 5759  
CP :4997**

**Place: Mumbai  
Date: 29/06/2012**

**CEO/CFO CERTIFICATION TO THE BOARD**

- a. I certify that I have reviewed the financial statements and the cash flow statement for the year 2011 - 12 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the companies affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2011 - 12 which are fraudulent, illegal or violative of the companies code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee –
- Significant changes in internal control over the financial reporting during the year 2011-12
  - Significant changes in accounting policies during the year 2011-12 and that the same have been disclosed in the notes to the financial statements; and
  - There were no fraud of which we become aware of the management or an employee having a significant role in the company's internal control system over the financial reporting.

**For India Home Loans Limited**

**Sd/-**

**Mahesh Pujara**

**Managing Director**

**Place :Mumbai**

**Date : 29/06/2012**

**AUDITORS' REPORT**

**To the Members,  
M/s India Home Loans Limited**

We have audited the attached Balance Sheet of **M/s India Home Loans Limited** as at 31<sup>st</sup> March, 2012 and also the Profit and loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statements 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 **except for Accounting Standard 15 "Accounting for Employee Benefits" in respect of Gratuity and leave encashment liability not provided as explained in note 8;**
  - e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, in our opinion none of the director is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956 as on that date,
  - f) In our opinion and to the best of our information and according to the explanations given to us, *subject to our comments in para 3(d) above* the said accounts read together with the Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
    - i. in so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
    - ii. in so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date;
    - iii. in case of cash flow statement of the cash flows of the company for the year ended 31<sup>st</sup> March, 2012.

**For Tushar Parekh & Associates  
Chartered Accountants  
(FRN 117307W)**

CA Tushar Parekh  
**Proprietor**  
Membership No: 103230

Place: Mumbai  
Date: 29<sup>th</sup> June, 2012

**Annexure to the Auditors' Report**

(Referred to in Paragraph 3 of our report of even date)

**To the Members,****M/s India Home Loans Limited**

Based upon the information and explanations furnished to us, and the books and records examined by us in the normal course of our audit, we report that to the best of our knowledge and belief:

1. In respect of its fixed assets:
  - a) As explained to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, the fixed assets have been physically verified at the year-end, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies have been reported on such verification as compared to book records.
  - c) In our opinion and according to the information and explanations given to us, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. As explained to us by the management, the company is in the service industry and does not have any inventories.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
  - a) The Company has taken unsecured loans from seven parties covered in the register maintained u/s. 301 of the Companies Act, 1956. The maximum amount involved during the year aggregate to ₹ 83,75,000/- and the year-end balance in respect of these loans was ₹ 83,75,000/-.
  - b) In our opinion and according to the information and explanations given to us, the terms and conditions on which such loans have been taken are not, prima facie prejudicial to the interest of the Company.
  - c) In respect of above loans taken by the Company, these are repayable on demand and therefore the question of overdue amounts does not arise.
  - d) The Company has not granted any unsecured loans to companies, firms or other parties covered in the register maintained u/s. 301 of the Companies Act, 1956.
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 for the purchase of fixed assets and for the sale of investments. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. To the best of our knowledge and belief and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 

According to the information and explanations given to us, there were no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, aggregating during the year to ₹ 5,00,000/- (Rupees five lacs) or more in respect of any party.
6. In our opinion, the Company has not accepted any deposits from the public as explained in the directives issued by the Housing Finance Companies (NHB) Directions, 2010 and within the provisions of section 58A and section 58AA or other relevant provisions of the of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to acceptance of deposits from the public..
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. According to information and explanations give to us, Central Government has not prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of business activities of the Company.

9. In respect of statutory dues:
- a) According to the records of the Company, and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Investor Education & Protection Fund, Income-Tax, and other material statutory dues applicable to the company with the appropriate authorities during the year.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date of becoming payable.
  - c) According to the records of the Company, and as per information and explanations given to us there are no disputed statutory dues outstanding during the year.
10. In our opinion, the accumulated loss of the Company at the end of the financial year is less than 50% of its net worth. The Company has not incurred cash losses during the current and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The company has not obtained any borrowings by issue of debentures.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society.
14. As per information and explanation given to us and books and records produced before us, the company is dealing and trading in shares and securities and proper records have been maintained of transactions and contracts and timely entries have been made therein. Also, shares and securities 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. In our opinion and according to the information and explanations given to us, the Company has not raised any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis during the year have not been used for long-term investments.
18. According to the information and explanations given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year covered by our audit report.
21. In our opinion based on the audit procedures applied and according to the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

**For Tushar Parekh & Associates**  
**Chartered Accountants**  
(FRN 117307W)

CA Tushar Parekh  
**Proprietor**

Membership No: 103230

Place: Mumbai  
Date: 29<sup>th</sup> June, 2012

**INDIA HOME LOANS LIMITED****Balance sheet as at 31st March, 2012**

Particulars	Note No	31st March 2012 (₹)	31st March 2011 (₹)
<b>I Equity and Liabilities</b>			
<b>1) Shareholder's Funds</b>			
(a) Share Capital	2	10,94,00,000	10,94,00,000
(b) Reserves and Surplus	3	(6,786,429)	(7,085,001)
<b>2) Non-current Liabilities</b>			
(a) Long Term Provisions	4	5,398,576	4,346,051
<b>3) Current Liabilities</b>			
(a) Short Term Borrowings	5	8,375,000	-
(b) Trade payables	6	268,411	218,919
(c) Other Current Liabilities	7	24,050	16,071
(d) Short Term Provisions	8	303,182	-
<b>Total</b>		<b><u>116,982,790</u></b>	<b><u>106,896,040</u></b>
<b>II Assets</b>			
<b>1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	9	644,971	728,589
(ii) In-tangible Assets	9	4,031	219,719
(b) Deferred Tax Assets (net)	19.8	1,678,337	5,006,536
(c) Long Term Loans and Advances	10	104,992,684	79,904,479
<b>2) Current Assets</b>			
(a) Current Investments	11	5,766,160	15,699,449
(b) Cash and Cash Equivalents	12	3,007,254	4,598,348
(c) Short-term Loans and Advances	13	889,352	738,919
<b>Total</b>		<b><u>116,982,790</u></b>	<b><u>106,896,040</u></b>
<b>Notes forming parts of financial statements</b>	1 - 19		

As per our report of even date

**For Tushar Parekh and Associates**  
**Chartered Accountants**  
**(FRN No: 117307W)**

CA Tushar Parekh  
**Proprietor**  
 Membership No: 103230

Place : Mumbai  
 Date : 29th June, 2012

**For and on behalf of the Board of Directors of**  
**India Home Loans Ltd**

Mahesh Pujara  
 Rishabh Siroya  
 Ganesh Ramanathan  
 Mitesh Pujara  
 CA Subhash Patel

## INDIA HOME LOANS LIMITED

## Statement of Profit and loss account for the year ended 31st March, 2012

Particulars	Note No	31st March 2012 (₹)	31st March 2011 (₹)
<b>I Income</b>			
Revenue from operations	14	12,091,348	5,629,400
Other Income	15	493,532	639,720
<b>Total Revenue</b>		<b>12,584,880</b>	<b>6,269,120</b>
<b>II Expenditure</b>			
Employee benefit expense	16	2,322,282	1,490,332
Depreciation and amortisation expense	9	171,096	177,689
Other expenses	17	5,240,157	3,238,897
Provision for Non-Performing Assets	19.4	1,052,525	(814,634)
		<b>8,786,060</b>	<b>4,092,284</b>
<b>Profit/(Loss) before tax</b>	<b>(I - II)</b>	<b>3,798,820</b>	<b>2,176,837</b>
<b>Tax Expenses</b>			
(i) Current Tax		850,000	200,000
(ii) Deferred Tax	19.8	3,328,199	576,495
(iii) MAT Credit Entitlement		327,731	-
(iv) Current tax expense relating to prior years		350,220	90,874
<b>Profit/(Loss) for the year from continuing operations</b>	<b>[V-VI]</b>	<b>298,572</b>	<b>1,309,468</b>
<b>Earnings per share:</b>			
<b>Basic and Diluted</b>	19.6	0.03	0.12
Computed on the basis of total profit from continuing operations			
<b>Notes forming parts of financial statements</b>	1 - 19		

As per our report of even date

**For Tushar Parekh and Associates**  
Chartered Accountants  
(FRN No: 117307W)

CA Tushar Parekh  
**Proprietor**  
Membership No: 103230

Place : Mumbai  
Date : 29th June, 2012

**For and on behalf of the Board of Directors of  
India Home Loans Ltd**

Mahesh Pujara  
Rishabh Siroya  
Ganesh Ramanathan  
Mitesh Pujara  
CA Subhash Patel

**INDIA HOME LOANS LIMITED****Cash flow statement for the ended 31st March, 2012**

Particulars	31st March 2012 (₹)	31st March 2011 (₹)
<b>Cash flows from operating activities</b>		
Net profit before tax	3,798,820	2,176,837
<u>Adjustments for</u>		
Add : Non Cash Item/Items required to be disclosed separately		
Depreciation and amortisation	171,096	177,689
Net (Gains)/Loss on trading of Non Trade Investments	-	5,454
Adjustments in carrying amounts of Trade Investments	165,971	422,521
Provision/(Reversal) for diminution in value of Non-Trade Investments	-	(95,600)
Net loss on trading in Derivate Instruments	127,910	-
Net (Gains)/Loss on trading in Trade Investments	207,666	(66,170)
Provision for Non Performing Assets	1,052,525	(814,634)
Dividend income	(416,119)	(293,035)
Interest income	(66,544)	(184,845)
Operating profit before working capital changes	<u>5,041,325</u>	<u>1,328,216</u>
<u>Changes in Working Capital:</u>		
Long-term loans and advances	(25,088,205)	(41,049,378)
Short-term loans and advances	426,792	2,150,013
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	48,792	(723,532)
Other current liabilities	7,979	22,910
Profit generated from operations	(19,563,317)	(38,271,771)
Less : Direct Taxes	(207,392)	(69,605)
<b>Net Cash generated from operating activities</b>	<b>(i) (19,770,709)</b>	<b>(38,341,376)</b>
<b>Cash flows from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(109,790)	(354,536)
Net of Purchases and proceeds from sales of current trade investments	9,431,743	(15,577,470)
Proceeds from sale of non trade investments	-	90,146
Interest income	66,544	184,845
Dividend income	416,119	293,035
<b>Net cash generated from investing activities</b>	<b>(ii) 9,804,616</b>	<b>(15,363,979)</b>
<b>Cash flows from financing activities</b>		
Proceeds from Issue of share warrants	-	44,568,750
Proceeds from other short-term borrowings	8,375,000	-
<b>Net cash generated from financial activities</b>	<b>(iii) 8,375,000</b>	<b>44,568,750</b>
Net change in cash and cash equivalents	<b>(i+ii+iii) (1,591,094)</b>	<b>(9,136,605)</b>
Cash and cash equivalents at the beginning of the year	<u>4,598,348</u>	<u>13,734,953</u>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,007,254</b>	<b>4,598,348</b>
<b>Notes forming parts of financial statements</b>	1 - 19	

As per our report of even date

**For Tushar Parekh and Associates**  
**Chartered Accountants**  
**(FRN No: 117307W)**

CA Tushar Parekh  
**Proprietor**  
 Membership No: 103230

Place : Mumbai  
 Date : 29th June, 2012

**For and on behalf of the Board of Directors of**  
**India Home Loans Ltd**

Mahesh Pujara  
 Rishabh Siroya  
 Ganesh Ramanathan  
 Mitesh Pujara  
 CA Subhash Patel

**Note 1****Significant Accounting Policies****a) Basis of Preparation of Financial Statements**

The financial statements have been prepared with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and the Directions of the National Housing Bank. The financial statements have been prepared under the historical cost convention on an accrual basis. The accountings policies have been consistently applied by the Company and are consistent with those used in the previous period.

**b) Use of Estimates**

The preparation of the financial statements requires the management to take reasonable estimates and assumption that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates are reasonable and prudent. However, actual results may differ from estimates.

**c) Housing Loans And Investments**

Housing loans are classified into "Performing" and "Non-Performing" assets in terms of guidelines laid down by the National Housing Bank. Non Performing Housing loans are further classified as sub-standard, doubtful and loss assets based on the Housing Finance Companies (NHB) Directions, 2001 as amended till 10<sup>th</sup> June, 2010. Investments are accounted and valued at cost plus incidental expenditure incurred in connection with acquisition. Investments are classified into two categories i.e. Non-Trade (Long-term investments) and Trade (Current investments).

Provisions for non-performing assets and investments are done on a yearly review in accordance with the directives/ guidelines laid down by the National Housing Bank. Permanent diminution in the value of the non-trade investments is reviewed and necessary provisioning is done in the accounts in accordance AS-14 on "Accounting for Investments". Trade Investments are valued at lower of cost or market value.

**d) Cash Flow Statements**

Cash flow statement of the company reports cash flows during the period classified by operating, investing and financial activities.

**e) Revenue Recognition**

Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising of principal and interest. Interest is calculated on the outstanding loan balance (including all interest and fees for defaults) at the beginning of every year and on loan disbursed during the year from the beginning of the month in which the loan has been disbursed till year end at applicable slab rates.

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.

Fees and other income on loan application and subsequent sanction thereof and income from investments are recognised on cash basis as and when received.

**f) Fixed Assets**

Fixed Assets are stated at cost including all incidental expenses incurred for bringing the asset to its current position, less depreciation at rates prescribed in Schedule XIV to the Companies Act, 1956, subject to provisions of Accounting Standard 26 "Intangible Assets".

**g) Depreciation**

Depreciation is provided on written down value method in accordance with section 205(2) of the Companies Act, 1956 at the rates specified in schedule XIV to the Companies Act, 1956 on *pro-rata* basis with reference to the period of put to use of such assets. Assets costing less than ₹ 5,000/- per item are depreciated at 100% in the year of purchase.

**h) Employee Benefits**

All short-term employee benefits are recognised at their undiscounted amount in the accounting period in which they are incurred.

Retirement Benefits in the form of gratuity and leave salary is accounted in the year of payment.

**i) Leases**

Lease rentals in respect of assets taken under operating leases are charged to profit and loss account on a straight line basis over the lease term.

**j) Income Taxes**

Provision for current tax is made for the tax liability payable on taxable income after considering the allowances, deductions and exemptions and disallowances if any determined in accordance with the prevailing tax laws.

The differences between the taxable income and the net profit or loss before tax for the period as per the financial statements are identified and the tax effect on the "timing differences" is recognised as deferred tax asset or deferred tax liability. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on the tax rates and laws, enacted or substantively enacted as of the balance sheet date.

**k) Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated at the higher of net realisable value and value in use. Impairment loss is recognised wherever carrying amount exceeds the recoverable amount.

**l) Provisions, Contingent Liabilities & Contingent Assets**

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the outflow.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the company.

Contingent Assets are neither recognised nor disclosed in the Financial Statements as a matter of prudence.

**INDIA HOME LOANS LIMITED**

**Notes forming part of the financial statements**

Particulars	31st March 2012 (₹)	31st March 2011 (₹)
<b>Note 2 Share Capital</b>		
<b>Authorised</b>		
1,10,00,000 Equity Shares of ₹ 10/- each with voting rights	110,000,000	110,000,000
50,000 Redeemable Preference Shares of ₹ 100/- each with voting rights	5,000,000	-
	<u>115,000,000</u>	<u>110,000,000</u>
<b>Issued , Subscribed and Paid up</b>		
1,09,40,000 Equity Shares of ₹ 10/- each fully paid up with voting rights	109,400,000	109,400,000
(Out of the above 59,42,500 equity shares of ₹ 10/- each with voting rights has been allotted as fully paid under preferential allotment)	<u>109,400,000</u>	<u>109,400,000</u>

**Notes:**

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Issued, subscribed and fully paid up

Particulars	Opening balance	Fresh issue	Bonus	ESOP	Conver- sion	Buy back	Other changes	Closing balance
Equity shares with voting rights								
Year ended 31 March, 2012								
- Number of shares	10,940,000	-	-	-	-	-	-	10,940,000
- Amount (')	109,400,000	-	-	-	-	-	-	109,400,000
Year ended 31 March, 2011								
- Number of shares	10,940,000	-	-	-	-	-	-	10,940,000
- Amount (')	109,400,000	-	-	-	-	-	-	109,400,000

**(ii) Details of shares held by each shareholder holding more than 5% shares:**

**Class of shares/Name of shareholder**

	31 March, 2012		31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Ashok Shanabhai Patel	1,232,810	11.27	1,232,810	11.27
Anant Arun Bhalotia	996,500	9.11	996,500	9.11
Mahesh Narsih Pujara	791,650	7.24	791,650	7.24
Daksha Ashokbhai Patel	600,000	5.48	600,000	5.48
Rishabh Pravin Siroya	996,490	9.11	996,490	9.11

**INDIA HOME LOANS LIMITED****Notes forming part of the financial statements**

Particulars	Note	31st March 2012 (₹)	31st March 2011 (₹)
<b>Note - 3 Reserves and Surplus</b>			
<b>a) Special Reserves in terms of section 36(1)(viii) of Income Tax Act, 1961</b>			
Balance as per last financial statement		5,795,000	5,795,000
Add: Transferred from Profit & Loss Account		875,961	-
		<u>6,670,961</u>	<u>5,795,000</u>
<b>b) Reserve Fund in terms of section 29C of the National Housing Bank Act, 1987</b>			
Balance as per last financial statement	19.14	1,239,900	804,500
Add: Transferred from Profit & Loss Account		-	435,400
		<u>1,239,900</u>	<u>1,239,900</u>
<b>c) Capital Reserve</b>			
Balance as per last financial statement		14,000	14,000
Add/(Less): Transferred/Utilised during the year		-	-
		<u>14,000</u>	<u>14,000</u>
<b>d) Surplus/(Deficit) in statement of profit and loss</b>			
Balance as per last financial statement		(14,133,901)	(15,007,969)
Add: Profit/(loss) for the year		298,572	1,309,468
		<u>(13,835,329)</u>	<u>(13,698,501)</u>
Less: Transferred to Special Reserves in terms of section 36(1)(viii) of Income Tax Act, 1961		<u>(875,961)</u>	<u>(435,400)</u>
Net surplus/(Deficit) in statement of profit and loss		<u>(14,711,290)</u>	<u>(14,133,901)</u>
		<u><b>(6,786,429)</b></u>	<u><b>(7,085,001)</b></u>
<b>Note - 4 Long Term Provisions</b>			
Provision for Non Performing Assets		5,398,576	4,346,051
		<u><b>5,398,576</b></u>	<u><b>4,346,051</b></u>
<b>Note - 5 Short-term borrowings</b> (Unsecured, unless otherwise specified)			
Loans from related parties (Refer Note 18)	18	8,375,000	-
		<u><b>8,375,000</b></u>	<u>-</u>
<b>Note - 6 Trade Payables</b>			
Sundry Creditors		268,411	218,919
		<u><b>268,411</b></u>	<u><b>218,919</b></u>
<b>Note - 7 Other Current Liabilities</b>			
Statutory remittances		24,050	16,071
		<u><b>24,050</b></u>	<u><b>16,071</b></u>
<b>Note - 8 Short Term Provisions</b>			
Provision for Income Tax (Net of advance tax paid ₹ 4,19,087/-, As at 31st March, 2011 ₹ Nil)		303,182	-
		<u><b>303,182</b></u>	<u>-</u>

INDIA HOME LOANS LIMITED

Notes forming part of the financial statements

Note 9.1 Fixed assets

A Tangible assets

GROSS BLOCK										
DESCRIPTION OF ASSETS	Balance as at 1 April, 2011	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency change differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2012
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Plant and Equipment	209,630	84,790	-	-	-	-	-	-	-	294,420
Furniture and Fixtures	682,543	-	-	-	-	-	-	-	-	682,543
Office equipment	118,736	-	-	-	-	-	-	-	-	118,736
<b>Total</b>	<b>1,010,909</b>	<b>84,790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,095,699</b>
Previous year	869,373	141,536	-	-	-	-	-	-	-	1,010,909

Note 9.1 Fixed assets (contd.)

A Tangible assets

DESCRIPTION OF ASSETS	Accumulated depreciation and impairment							Net block		
	Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other adjustments	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Plant and Equipment	91,510	61,934	-	-	-	-	-	153,444	140,976	118,120
Furniture and Fixtures	168,030	93,127	-	-	-	-	-	261,157	421,386	514,513
Office equipment	22,780	13,347	-	-	-	-	-	36,127	82,609	95,956
<b>Total</b>	<b>282,320</b>	<b>168,408</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>450,728</b>	<b>644,971</b>	<b>728,589</b>
Previous year	109,111	173,209	-	-	-	-	-	282,320	728,589	760,262

## INDIA HOME LOANS LIMITED

## Notes forming part of the financial statements

## Note 9.2 Fixed assets

## B Tangible assets

GROSS BLOCK									
DESCRIPTION OF ASSETS	Balance as at 1 April, 2011	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Effect of foreign currency change differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2012
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Computer software	225,500	25,000	(238,000)	-	-	-	-	-	12,500
<b>Total</b>	<b>225,500</b>	<b>25,000</b>	<b>(238,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,500</b>
Previous year	12,500	213,000	-	-	-	-	-	-	225,500

## Note 9.2 Fixed assets (contd.)

## B Tangible assets

DESCRIPTION OF ASSETS	Accumulated depreciation and impairment						Net block		
	Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Other adjustments	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Computer software	5,781	2,688	-	-	-	-	8,469	4,031	219,719
<b>Total</b>	<b>5,781</b>	<b>2,688</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,469</b>	<b>4,031</b>	<b>219,719</b>
Previous year	1,301	4,480					5,781	219,719	11,199

**INDIA HOME LOANS LIMITED**
**Notes forming part of the Balance Sheet and Profit and Loss Account**
**Note - 10 Long term loans and advances**

Housing/ Project Loans	19.4	104,992,684	79,904,479
		<u>104,992,684</u>	<u>79,904,479</u>

**Note - 11 Investments - Trade (Quoted)**

(As valued and certified by the management at lower of Cost or Market Value)

**a) Equity shares fully paid up**

Name of the Company	Qty		Qty	
	31st March 2012	31st March 2011		
Andrew Yule Ltd.	4,750	1,000	107,736	25,400
Artson Engineering Ltd	5,451	-	141,726	-
DPSC Ltd	100,800	-	1,632,960	-
First Source Solutions Ltd.	10,000	16,500	95,700	297,000
Gujarat Siddhi Cement Ltd	8,000	8,000	67,520	88,720
Garware Polyester Ltd	452	-	52,432	-
Grauer & Well Ltd	25,000	-	151,750	-
India Bulls Power Ltd	-	2,500	-	56,375
India Glycols Ltd	100	-	13,210	-
Kirloskar Ferrous Alloys Ltd	6,000	2,000	135,374	46,600
MTNL Ltd	1,000	-	27,350	-
M R P Ltd	-	1,000	-	64,350
Neyveli Lignite Ltd	1,100	950	94,325	92,516
NHPC Ltd	5,500	-	108,075	-
Oriental Trimex Ltd	-	2,500	-	20,125
Punjab Communications Ltd	2,745	-	517,707	-
Pochiraju Ind. Ltd	-	500	-	7,625
Rathi Udyog Ltd	-	5,000	-	85,000
Rohit Pulp & Paper Ltd	450	750	11,588	24,300
Ruchi Strips & Alloys Ltd	-	4,500	-	76,190
Schlafhorst Engg. Ltd	-	1,000	-	10,560
Sicagen India Ltd	-	1,000	-	19,100
SJVN Ltd	2,500	2,000	49,250	44,200
SPIC Electronics Ltd	-	4,500	-	46,575
Taneja Aerospace Ltd	-	1,000	-	34,000
Yashraj Securities Ltd	-	2,500	-	7,825
VBC Ferro Alloys Ltd	425	-	-	59,458
			<u>3,266,160</u>	<u>1,046,461</u>

**b) Mutual Fund**
**(Unquoted, Valued at Cost)**

Name of the Fund	Units		Units	
	31st March 2012	31st March 2011		
HDFC Cash Management Fund	-	463,837.763	-	4,652,989
FT India Short Term Income Retail Plan	2,165.970	-	2,500,000	-
Sundaram Interval Fund	-	1,000,000.000	-	10,000,000
	<u>2,165.970</u>	<u>1,463,837.763</u>	<u>2,500,000</u>	<u>14,652,989</u>

**Notes:**

a) Aggregate market value of listed and quoted investments		3,269,338	1,052,698
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**INDIA HOME LOANS LIMITED****Notes forming part of the Balance Sheet and Profit and Loss Account****Note - 12 Cash and cash equivalents**

Cash on hand	22,753	8,081
Balances with banks		
- In Current Account	2,826,043	4,444,341
- In Deposit Account with original maturity of more than three months (Held as security against bank guarantee)	158,459	145,926
	<u>3,007,254</u>	<u>4,598,348</u>

**Note - 13 Short-term loans and advances**

(Unsecured, considered good unless otherwise stated)

Security Deposits	445,000	445,000
Income Tax Paid	-	6,365
Net of provision for tax (₹ Nil, As at 31st March, 2011, ₹ 6,20,000/-)		
Loans to employee	71,806	26,086
Prepaid expenses	356,170	223,202
Advance recoverable in cash or in kind or for value to be received	16,376	38,266
	<u>889,352</u>	<u>738,919</u>

**Note - 14 Revenue from operations**

Interest Received from		
- Housing / Project Loans	10,446,584	4,958,769
- Others	1,164,042	91,811
Processing and other Fees	480,722	578,820
	<u>12,091,348</u>	<u>5,629,400</u>

**Note - 15 Other Income**

Interest Income	66,544	184,845
Dividend Income from Current Investments	416,119	293,035
Net gain on sale of Current Investments (Trade)		66,170
Reversal of reduction in the carrying amount of Current Investments (Non-trade)	-	95,600
Miscellaneous Income	10,869	70
	<u>493,532</u>	<u>639,720</u>

**Note - 16 Employee benefit expense**

Salaries and Bonus	2,246,300	1,457,062
Staff Welfare Expenses	75,982	33,270
	<u>2,322,282</u>	<u>1,490,332</u>

**INDIA HOME LOANS LIMITED**

**Notes forming part of the Balance Sheet and Profit and Loss Account**

**Note - 17 Other expenses**

Advertising Expenses		30,467	45,004
Telephone Expenses		76,319	78,685
Printing and Stationary		150,172	138,190
Legal and Professional Fees		1,457,930	530,646
Electricity Charges		109,599	59,984
Payment to auditor (As per details below)		157,304	110,300
Postage Expenses		55,464	34,602
Rent, Rates & Taxes	19.15	900,000	820,000
Membership & Subscription		90,789	48,891
Net loss on sale of current investment (trade)		216,593	-
Reduction in the carrying amount of current investments (trade)		165,971	422,521
Net loss in trading in derivative instruments		127,910	-
Loss on sale of Investments (Non trade)		-	5,454
Conveyance Expenses		80,310	47,424
Traveling Expenses		447,490	305,565
Listing and Filing Fees		60,996	119,640
Entertainment Expenses		146,729	75,060
Share Registrar Fees		53,626	-
Miscellaneous Expenses		912,487	396,931
		<b>5,240,157</b>	<b>3,238,897</b>

**Notes**

**Payment to auditor:**

**As auditor:**

Audit fee		80,000	50,000
Tax audit fee		25,000	25,000
Limited review		25,000	15,000

**In other capacity:**

Other services (certification fees)		10,000	10,000
Service tax		17,304	10,300
		<b>157,304</b>	<b>110,300</b>

**INDIA HOME LOANS LIMITED****Notes forming part of the Balance Sheet and Profit and Loss Account****Note 18 Disclosures under Accounting Standards****Related party transactions**

<u>Description of relationship</u>	<u>Names of related parties</u>
Key Management Personnel (KMP)	Mr Mahesh Pujara Mr Rishabh Siroya Mr Ashok Patel Mr Subhash Patel Mr Anant Bhalotia Mr Mitesh Pujara
Relatives of KMP	Mr Bhavin Pujara
Company in which KMP/Relatives of KMP can exercise significant influence	Nil

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:**

<b>Particulars</b>	<b>KMP</b>	<b>Relatives of KMP</b>	<b>Entities in which KMP / relatives of KMP have significant influence</b>	(₹)
				<b>Total</b>
Rent paid during the year	330,000	330,000	-	<b>660,000</b>
	(600,000)	(-)	(-)	<b>(600,000)</b>
Loans taken	8,375,000	-	-	<b>8,375,000</b>
	(-)	(-)	(-)	<b>(-)</b>
<b><u>Balances outstanding at the end of the year</u></b>			-	
Rent Deposit outstanding	300,000	-	-	<b>300,000</b>
	(300,000)	(-)	(-)	<b>(300,000)</b>

Note: Figures in bracket relates to the previous year

**Note 19 Additional information to the financial statements**

<u>NoteParticulars</u>	<u>31st March, 2012</u>	<u>31st March, 2011</u>
	(₹)	(₹)
<b>19.1 Contingent liabilities and commitments (to the extent not provided for)</b>		
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	Nil	Nil

**19.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor

**19.3** Loans granted by the Company are secured or partly secured by

- (a) Equitable mortgage of property and / or
- (b) Pledge of shares, units, other securities, assignments of life insurance policies and / or
- (c) Hypothecation of assets and / or
- (d) Bank guarantees, Company guarantees or Personal guarantees and / or
- (e) Undertaking to create a security

**19.4** The company has complied with the norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognising Non-Performing Assets (NPAs) in preparation of accounts. The NPA consisting of the principal loans outstanding where payments of EMI were in arrears for over 90 days amounted to ₹ 87,48,942/- (Previous Year ₹ 1,36,25,233/-). As per the prudential norms prescribed by the National Housing Bank, in respect of credit exposures, the total provisioning required till 31st March, 2012 is ₹ 53,98,576/- (Previous Year ₹ 43,46,051/-). Details of which is as follows:

<b>Asset Classification</b>	<b>Outstanding As on 31<sup>st</sup> March</b>	<b>Provision As on 31<sup>st</sup> March</b>
Standard (considered good)	96,243,742 (66,279,246)	384,975 (265,117)
Sub-Standard Assets	519,357 (1,869,925)	77,904 (186,993)
Bad and Doubtful Assets	8,199,827 (11,725,550)	4,905,939 (3,864,183)
Loss Assets	29,758 (29,758)	29,758 (29,758)
<b>Total</b>	<b><u>104,992,684</u></b> <b>(79,904,479)</b>	<b><u>5,398,576</u></b> <b>(4,346,051)</b>

Note: Figures in bracket indicates previous year figures

The company has charged/(reversed) excess provision of ₹ 10,52,525/- (Previous Year ₹ 8,14,634/-) during the current year to make up the total provisioning of ₹ 53,98,576/- (Previous Year ₹ 43,46,051/-).

**19.5** In the opinion of the company, there is only one reportable business segment i.e Housing Finance Business Segment geographically only located in India for the purpose of Accounting Standard on "Segment Reporting (AS-17) notified by the Companies (Accounting Standards) Rules, 2006

**19.6 Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

	<b>31 March, 2012 (₹)</b>	<b>31 March, 2011 (₹)</b>
<b>Total (continuing) operations for the year</b>		
Profit/(loss) after tax	298,572	1,309,468
Less : Dividends on convertible preference share & tax thereon	-	-
<b>Net profit/(loss) for calculation of basic/diluted EPS (A)</b>	<b><u>298,572</u></b>	<b><u>1,309,468</u></b>
Weighted average number of equity shares in calculating basic/diluted EPS (B)	-	-
<b>Earnings per share (EPS) (basic/diluted) (A/B)</b>	<b>0.03</b>	<b>0.12</b>

19.7 The following additional disclosures have been given in terms of the circular no. NHB/ND/DRS/PoI-No.35/2010-11 dated October 11,2010 issued by National Housing Bank:

**19.7 A Capital to Risk Assets Ratio (CRAR):**

Items	As at March 31,2012	As at March 31,2011
1. CRAR (%)	116.25	120.90
2. CRAR - Tier I Capital (%)	116.25	120.90
3. CRAR - Tier II Capital (%)	-	-

**19.7 B Exposure to Real Estate Sector**

Items	As at March 31,2012	As at March 31,2011
<b>1 Direct Exposure</b>		
<b>a Residential Mortgages:</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented :		
	Loans >= ₹ 15 lacs: ₹ 853,35,641/-	Loans >= ₹ 15 lacs: ₹ 562,67,757/-
	Loans <= ₹ 15 lacs: ₹ 40,64,371/-	Loans <= ₹ 15 lacs: ₹ 19,31,204/-
(Individual housing loans up to ₹ 15 lacs may be shown separately)	Total	Total
	₹ 894,00,012/-	₹ 581,98,961/-
<b>b Commercial Real Estate:</b>	Nil	Nil
Lending fully secured by mortgages on commercial real estate (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:		
<b>c Investments in Mortgage Backed Securities (MBS) and other securitised exposure:</b>	Nil	Nil
i. Residential		
ii. Commercial Real Estate		
<b>2 Indirect Exposure</b>	Nil	Nil
Fund based and non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		

**19.7 C Asset Liability Management**  
**Maturity pattern of certain items of assets and liabilities as on 31.03.2012**

₹ in crore

	1 day to 30-31 days (One Month)	over one month to 2 months	over 2 month to 3 months	over 3 month to 6 months	over 6 month to 1 year	over 1 year to 3 years	over 3 year to 5 years	over 5 year to 7 years	over 7 year to 10 years	over 10 years	Total
<b>Liabilities</b>											
Borrowings from Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Market Borrowings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Assets</b>											
Advances	0.13	0.13	0.13	0.40	0.80	3.18	3.17	3.32	4.77	5.44	21.47
Investments	Nil	0.33	0.25	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.58

**Maturity pattern of certain items of assets and liabilities as on 31.03.2011**

₹ in crore

	1 day to 30-31 days (One Month)	over one month to 2 months	over 2 month to 3 months	over 3 month to 6 months	over 6 month to 1 year	over 1 year to 3 years	over 3 year to 5 years	over 5 year to 7 years	over 7 year to 10 years	over 10 years	Total
<b>Liabilities</b>											
Borrowings from Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Market Borrowings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Assets</b>											
Advances	0.09	0.09	0.09	0.26	0.53	2.10	2.13	2.41	3.39	4.35	15.43
Investments	Nil	0.1	1.46	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1.56

<b>19.8 Deferred Tax Asset/Liability (Net)</b>	<b>31 March, 2012</b>	<b>31 March, 2011</b>
	(₹)	(₹)
<b>Deferred tax assets</b>		
Provision for Non Performing Assets	1,668,160	1,342,930
On difference between book balance and tax balance of fixed assets	10,177	151
Carry forward loss of Assesment Year 2003-04	-	3,663,455
Gross deferred tax assets <b>(A)</b>	<u><u>1,678,337</u></u>	<u><u>5,006,536</u></u>
<b>Deferred Tax Liability</b>		
On difference between book balance and tax balance of fixed assets	-	-
Gross deferred tax liability <b>(B)</b>	-	-
<b>Deferred tax Asset/(Liability) (Net) (A/B)</b>	<u><u>1,678,337</u></u>	<u><u>5,006,536</u></u>
<b>19.9</b> Value of imports calculated on CIF basis	Nil	Nil
<b>19.10</b> Expenditure in foreign currency	Nil	Nil
<b>19.11</b> Earnings in foreign exchange	Nil	Nil
<b>19.12</b> The balances appearing under unsecured loans, sundry creditors, loans and advances, and certain banks are subject to confirmation and reconciliation and consequential adjustment, if any, will be accounted for in the year of confirmation and/or reconciliation.		
<b>19.13</b> In the opinion of the Board, assets other than fixed assets do have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.		
<b>19.14</b> The company has appropriated a sum of ₹ 8,75,961/- (Previous Year ₹ 4,35,400/-) to reserve fund which is in compliance with the requirement of section 29C of the National Housing Bank Act, 1987.		
<b>19.15</b> The Company leases office under cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases are ₹ 9,00,000/- (Previous Year ₹ 8,20,000/-) during the year.		
<b>19.16</b> Since the Company recognises gratuity and leave salary expense on payment basis no liability for the same has been ascertained and provided in the accounts. Hence, the company has not complied with the provisions of AS-15 "Accounting for Retirement Benefit".		
<b>19.17</b> The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.		

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**INDIA HOME LOANS LIMITED**

Modi House, First Floor, 10, Bora Masjid Street, Fort, Mumbai- 400 001

**ATTENDANCE CARD**

**22<sup>ND</sup> ANNUAL GENERAL MEETING  
ON 14<sup>TH</sup> AUGUST, 2012 AT 4.30 P.M.**

-----  
Folio No.

No. of Shares

Name

Address  
-----

I hereby record my presence at the 22<sup>nd</sup> ANNUAL GENERAL MEETING of the Company at Samrat Hotel, Churchgate, Mumbai - 400 020 at 4.30 p.m. on Tuesday, the 14<sup>th</sup> August, 2012.

Member's Name : \_\_\_\_\_

Member's Signature : \_\_\_\_\_

NOTE:- Members are requested to advice the change in their address, if any, to Purva Sharegistry (India) Pvt. Ltd. 9, Shiv Shakti Industrial Estate, Sitaram Mill Compound, J.R. Boricha Marg, Lower Parel, Mumbai-400 011.

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**INDIA HOME LOANS LIMITED**

Modi House, First Floor, 10, Bora Masjid Street, Fort, Mumbai - 400 001

**FORM OF PROXY**

I/We \_\_\_\_\_

of \_\_\_\_\_ being a Member / Member of INDIA HOME LOANS LIMITED hereby appoint \_\_\_\_\_

of \_\_\_\_\_ of failing him \_\_\_\_\_

of \_\_\_\_\_ of failing him \_\_\_\_\_

of \_\_\_\_\_ as my / our proxy to vote for me / us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company to be held on 14<sup>th</sup> August, 2012 at 4.30 P.M. and at any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

For Office use only \_\_\_\_\_ Member's Signature

Affix

Revenue Stamp

Member's Name

Reg. Folio

No. of Shares



NOTES:

1. The form should be signed across the stamp as per specimen signature registered with the Company.
2. The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting.
3. A Proxy need not be a Member.