



Repco Home Finance Limited

10th Annual Report 2009-2010

HISTORIC OCCASION



Historic Occasion : 21-11-2009. Marking Repco Bank's 40th Anniversary, Hon'ble Union Home Minister **P. Chidambaram** Inaugurates 20 branches of Repco including 7 of RHFL. Cheering this are (from left) : C.Thangaraju, Director, RHFL, R.M. Nair, G.M., SIDBI, M.Balasubramanian, M.D., Repco, S.A. Bhat, CMD, Indian Overseas Bank., and M. Balachandran, Chairman, Star Union Daiichi insurance Ltd.



Home Minister congratulates M.D.



Distinguished Audience share the joy on the occasion.



Karur Branch Inaugurated by Smt. J. Uma Maheswari, I.A.S., Collector, Karur.



Inside Bangalore Branch..... Luxurious ambience.



New Ambience for Ashok Nagar Branch, Chennai.



Ashok Nagar Branch receives award from M.D. for crossing 100 crore business.

BOARD OF DIRECTORS



Shri. D. Jothi Jagarajan, I.A.S.,
Chairman
Secretary, Public & Rehabilitation Dept.
Govt. of Tamilnadu.



Dr Vishwapati Trivedi, I.A.S.,
Addl. Secretary & Financial Adviser,
Ministry of Home Affairs.



Shri. A.K. Goyal,
Joint Secretary to Govt. of India,
Ministry of Home Affairs.



Shri. C.K. Viswanathan, I.A.S.,
Secretary, Labour & Rehabilitation Dept.
Govt. of Kerala.



Shri. M.Mutia Kalaivanan, I.A.S.,
Director of Rehabilitation,
Govt. of Tamilnadu.



Shri.M. Shankar Narayanan
Managing Director,
Carlyle India Advisors Pvt. Ltd.



Shri.Mahesh Parasuraman
Vice President,
Carlyle India Advisors Pvt. Ltd.



Shri. Thomas Paul Diamond
Chief Executive (Retd.),
L.I.C. Housing Finance Ltd.



Shri. V. Nadasabapathy
Dy. General Manager (Retd.),
Syndicate Bank.



Shri. C. Thangaraju
Legal Professional



Shri. M. Balasubramanian
Managing Director



Shri. S.V. Balasubramanian
Executive Director

MEMBERS OF THE AUDIT COMMITTEE

Shri Thomas Paul Diamond

Shri M. Shankar Narayanan

Shri V. Nadanasabapathy

Shri M. Balasubramanian

MEMBERS OF THE MANAGEMENT COMMITTEE

Shri M. Mutia Kalaivanan, I.A.S.

Shri Thomas Paul Diamond

Shri M. Shankar Narayanan

Shri M. Balasubramanian

MEMBERS OF THE COMPENSATION COMMITTEE

Shri M. Mutia Kalaivanan, I.A.S.

Shri M. Shankar Narayanan

Shri V. Nadanasabapathy

Shri M. Balasubramanian

KEY MANAGEMENT PERSONNEL

Shri K. Ashok, General Manager

Smt. Poonam Sengupta, DGM- HR & Business Development

Shri K. Dhiwakaran, DGM-Recovery

Shri T. Karunakaran, DGM-Accounts

Shri K. Prabhu, Company Secretary



REGISTERED OFFICE:
"Repco Tower",
33, North Usman Road,
T. Nagar, Chennai 600 017.



CORPORATE OFFICE:
2nd Floor, North Wing
Karumuttu Centre, 634 Anna Salai,
Nandanam, Chennai 600 035.

FINANCIAL INSTITUTION: National Housing Bank
New Delhi.

AUDITORS: M/s. R. Subramanian and Company
Chennai 600 004.

BANKERS: Repco Bank Ltd.
Axis Bank
Bank of Baroda
Bank of India
Indian Overseas Bank
Oriental Bank of Commerce
State Bank of India
Syndicate Bank
The Catholic Syrian Bank Ltd.
The Dhanalakshmi Bank Ltd.
The HSBC Ltd.,
The Karur Vysya Bank Ltd.
The Lakshmi Vilas Bank Ltd.
UCO BANK

40- Strong Branch Network

Branch	Phone Number
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Adyar	044-24451202
Anna Nagar	044-26285959
Ashok Nagar	044-23718730
Tambaram	044-22261610
Vyasarpadi	0-9445390018

Coimbatore	0422-2215917
Coonoor	0423-2231457
Erode	0424-2262524
Hosur	04344-220303
Karur	04324-239391
Kumbakonam	0435-2402856
Madurai	0452-2527209

Pune	020-24321956
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Hyderabad	040-23811146
Guntur	0863-2226830
Nellore	0861-2311335
Rajahmundry	0883-2441091
Tirupati	0877-2220303
Vijayawada	0866-2437942
Vizag	0891-2799297

Branch	Phone Number
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Mettupalayam	04254-221357
Namakkal	04286-232459
Pattukottai	04373-253715
Pudukottai	04322-221635
Salem	0427-2266456

Thanjavur	04362-271380
Theni	04546-260650
Tirunelveli	0462-2573585
Tirupur	0421-2239202
Trichy	0431-2714314
Tuticorin	0461-2330890
Vellore	0-9445190898
Pondicherry	0413-2330960

Bangalore	080-41233109
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Yelahanka	080-41686515
Mysore	0821-4281424
Belgaum	0831-2493070
Hubli	0836-2371400

Punalur	0475-2230817
Eranakulam	0484-2397980

CHAIRMAN'S STATEMENT

I deem it a privilege to preside over the Tenth Annual General Meeting of Repco Home Finance Limited for the financial year 2009-10. The Company is continuing its impressive growth rate with a highly qualitative portfolio. The Company has embarked on a massive branch expansion strategy to have a diversified geographic presence in India. The Company also proposes to come out with an initial public offering during the financial year 2010-11. This would enhance the value proposition of the Company to its stakeholders.

HIGHLIGHTS

Home Loan Market: Macro Analysis

The Indian Economy felt the brunt of the global economic meltdown in 2009-10 but now with recession fading away the scenario looks brighter. The initial fall in property prices is now exhibiting a stabilizing trend due to the pick up in demand. The interest rates fell during 2009-10 and many players in the sector came up with teaser home loan offerings to attract customers. The Interest Subvention scheme was mooted by the Government whereby the home loans upto Rs. 10 lakhs where the value of the property concerned was not in excess of Rs.20 lakh was given a subsidy of 1% with the same being paid from the government's kitty. The Government provided a lot of thrust to affordable housing.

Towards the end of the fiscal, the sector witnessed a surge in home loan off-take with increasing demand for homes. Customers who had postponed their purchase decision anticipating correction in prices had begun to change their perception. Competition in the market was intense due to sufficient liquidity in the system.

The concept of Base Rate which comes into effect from July 1, 2010 allows banks rejig their credit pricing mechanism. This would have an implication of rise in interest rates which would also result in the fading away of teaser offerings.

The Company adopted a pro-active strategy and revamped its credit policy which was necessitated by prevailing market scenario. It followed a cautious and ethical pricing policy with utmost transparency having concern for valuable customers as well as stakeholders. The Company developed a risk weighted scoring mechanism based upon the categorization of the customers (salaried or business).

Company's Growth: Micro Perspective

The Company has sustained its consistent track record of growth rate over a decade recording a CAGR of 61.48%. The Company achieved a portfolio size of Rs. 1408 cr. recording an incredible growth rate of 42%. The profit of the Company grew by 64% which was extremely well complemented by a net NPA of 0.86%. Loans approved and disbursed during 2009-10 registered a robust growth rate of 37%. The growth is significant particularly in the context that the financial year 2009-10 was characterized by teaser offerings from banks and housing finance companies. Thus overall the performance of the Company was excellent.

Future Outlook

The Company targets Sanction and Disbursements of Rs. 1,000 Cr. and Rs. 900 Cr. respectively in the financial year 2010-11. The targeted outstanding portfolio for 2010-11 would be Rs 2,100 Cr.

The Company plans to open 28 branches spread over the states of Tamilnadu, Karnataka, Kerala, Andhra Pradesh, Orissa and Maharashtra. The branch expansion strategy would be instrumental in achieving the targeted growth. The Company's brand equity is being promoted in the electronic, print and also in the buoyant radio segment. The wide publicity planned for the target markets will enable the branches to gain mileage and expand the customer base. The Company also plans to conduct more frequent loan camps to source business by having direct one-to-one interaction with prospective customers without the aid of middlemen. The Company is also in the process of forging alliances with prominent builders/ corporates and plans to embark on a massive Rural Housing projects in Tier-II and Tier-III centers.

Acknowledgement

I would like to avail this opportunity to express our sincere appreciation to the stakeholders of the organization. I convey my gratitude to the parent Repco Bank for their unrelenting support and the Equity Partner Carlyle Group for their patronage and guidance. I acknowledge the support rendered by the Board and the excellence of the dedicated employees. I place on record my thanks to the the National Housing Bank for regulatory, promotional and financial support and our Bankers for their continued financial support.

I also sincerely thank the customers of the Company for their sustained brand loyalty.

Date: 23 April 2010
Place: Chennai

D. Jothi Jagarajan
Chairman

DIRECTORS' REPORT

To the Members

Your Directors take pride and pleasure in presenting the 10th Annual Report of your Company with the Audited Accounts for the year ended March 31, 2010.

Financial Results

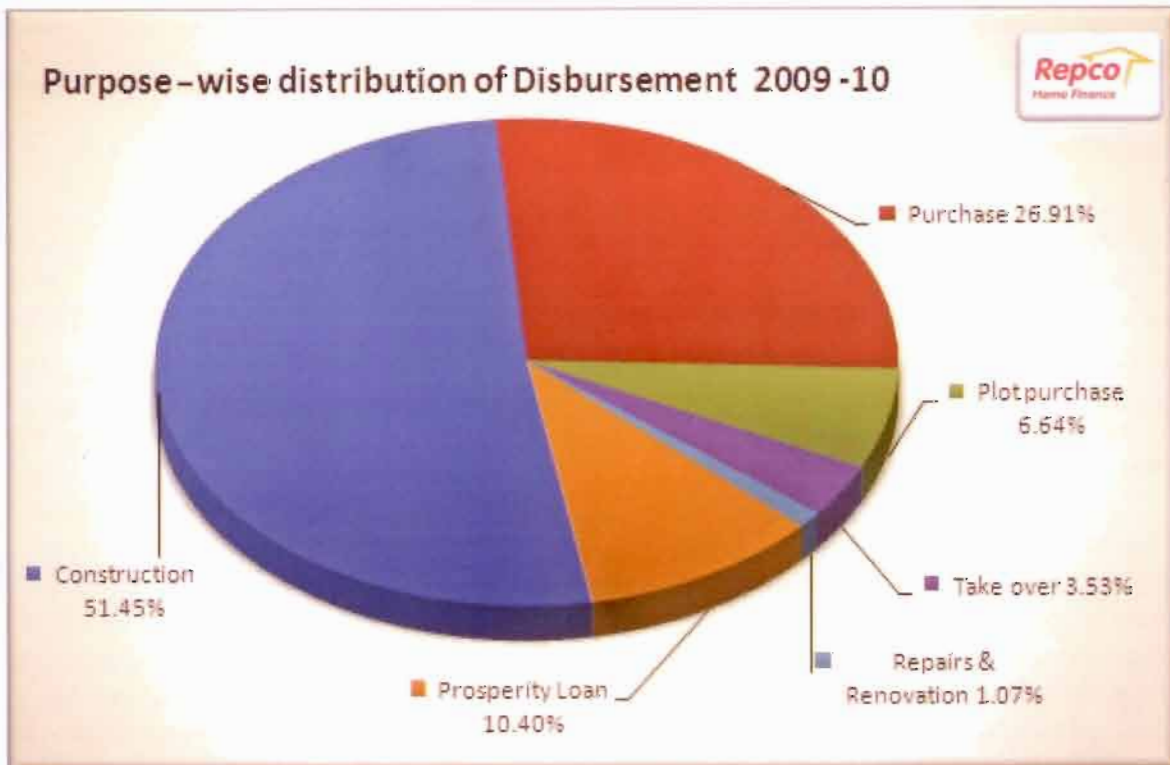
	For the Year ended March 31, 2010 (Rs. in Lakh)	For the Year ended March 31, 2009 (Rs. in Lakh)
Loans Sanctioned	64,905	47,295
Loans Disbursed	58,308	42,837
Loans Outstanding	140,801	99,059
No. of Loan Accounts	23,244	18,676
Business per employee	838.00	846.66
Net NPA as a % of Net Advances	0.86	0.70
Income from Operation	16,428.60	11,482.43
Profit before tax	6,114.78	3,719.67
Less: Provision for tax	1,680.45	1,019.17
Profit after tax	4,434.33	2,700.50
Balance brought forward from previous year	1,365.85	132.53
Profit available for appropriation	5,800.18	2,833.04
Appropriation:		
Transfer to Special Reserve	1,267.64	770.57
Transfer to General Reserve	2,000.00	100.00
Proposed Dividend	464.42	509.95
Corporate Dividend Tax thereon	78.93	86.67
Balance carried forward	1,911.18	1,365.85

Performance Highlights

Lending Operations

During the year 2009-10, your Company accorded sanction to 6,693 loan proposals amounting to Rs. 64,905 lakh thereby taking the cumulative sanction to Rs. 203,004 lakh as on 31 March 2010, an incremental growth of more than 37% as compared to previous year's sanction figure of Rs.47,295 lakh. The disbursement during the year was Rs.58,308 lakh towards 6,387 loan accounts while the cumulative disbursement stood at Rs. 185,928 lakh as on 31 March 2010 registering more than 36% growth over the previous year's disbursal figure of Rs.42837 lakh. The outstanding at the end of the year was Rs.140,801 lakh as against Rs.99,059 lakh as on March 31, 2009, a growth rate of more than 42%. The

Company's excellent growth has been on the solid foundation of credit quality which is evidenced by the GNPA figure of 1.24% and NNPA figure of 0.86% as on March 31, 2010.



Interest rates

This financial year was characterized by a reduction in interest rates by players in the market to stimulate credit off take. Teaser loan offerings were introduced by banks /housing finance companies which were even as low at 8%. However these offerings are expected to be weaned away by the banks/housing finance companies. The presence of sufficient liquidity in the system is resulting in high competition.

The Company effected reduction in the prime lending rate by 50 bps for all existing and prospective loans from 10.50% to 10% for loans up to Rs.20 lakh and from 11% to 10.50% for loans above Rs.20 lakh. This reduction was complemented by a modification in the credit scoring mechanism.

The Company also offered further concession of 0.5% to prospective salaried class customers.

Profitability

Your Company achieved a profit before tax (PBT) of Rs.6,114.78 lakhs as against the corresponding figure of Rs. 3,719.67lakhs in the previous year, registering a growth of more than 64%. Profit after tax (PAT) also increased by more than 64% to reach the figure of Rs. 4,434.33lakhs from Rs. 2,700.50 lakh last year.



Dividend

Your Directors recommend payment of dividend for the year ended March 31, 2010. The dividend shall be paid subject to approval by the shareholders at the tenth annual general meeting to be held on 25 May, 2010 to such shareholders whose name appear in the register of members as on the said date.

Resource Mobilization

Your Company persisted in its effort in building a diversified resource base with lowest cost possible for preferred tenures. The resource base of your Company consists of NHB refinance, term loans from banks and financial assistance from Repco Bank.

Refinance from NHB

During the year, your Company has received sanction for Rs.40,000 lakh and availed fresh refinance assistance amounting to Rs.29,300 lakh from the National Housing Bank (NHB). As on March 31 2010 the outstanding NHB refinance in our books stands at Rs.70,972 lakh.

Term Loan from Banks

During the year under review, term loan of Rs.37,999 lakh were availed from the Banks and Financial Institutions, taking the total term loan outstanding to Rs.54,797.60 lakh. These loans were drawn at varying spread below the prime lending rates of the respective banks.

Compliance with NHB Guidelines

Your Company has been scrupulously conforming to all the guidelines and directions issued by NHB on asset classification, accounting standards, income recognition, provisioning, capital adequacy, credit concentration / investments, credit rating etc., as issued from time to time.

Capital Adequacy

The Capital Adequacy Ratio of the Company as on 31 March 2010 was 21.13% against the minimum stipulated requirement of 12.00%.

Corporate Governance

In business parlance Corporate Governance is defined as an internal system encompassing policies, processes and people, which caters to the need of all stakeholders of the Company by directing and controlling management activities with objectivity, accountability and integrity. Sound corporate governance indicates a healthy board culture which safeguards policies and processes in the backdrop of external marketplace commitment and legislation.

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

Board of Directors

The management of affairs and business of the Company is vested in the Board of Directors comprising a non-executive Chairman, a Managing Director, Executive Director and 9 Directors who are Non Executive Directors. The Chairman and Directors of the Company are professionals and persons of eminence having vast and varied experience.

Pursuant to the provisions of Section 255, 256 and all other applicable provisions of the Companies Act, 1956, two third of the Directors are in the category of Directors required to retire by rotation and one third of those Directors would retire every year and if eligible, they could seek reappointment at the Annual General Meetings.

Meetings of the Board are being held at regular intervals and at least once in a quarter. During the year 2009-10, the Board of Directors met 4 times. The Board discharges the duties and responsibilities diligently as required under the various applicable statute(s) including the Companies Act, 1956, Directions/Guidelines issued by National Housing Bank and other regulatory authorities from time to time.

Committee of the Board

Boards of Directors have constituted Audit Committee, Management Committee and Compensation Committee with appropriate delegations for speedy decision-making and periodical review of business performance. These Committees, depending upon the requirements and delegations, take decisions/prepare the groundwork for decision-making and report at the subsequent meetings of the Board.

Audit Committee

During the year 2009-10, the Audit Committee met thrice. The Committee in its meetings analyzed financial parameters and progress of the Company and gave directions for improvement.

Management Committee

Management Committee met one time in the year 2009-10. Matters involving amendments to the credit policy and a comprehensive review of the Credit and Risk Management function were examined by the committee before being placed to the Board.

Human Resource Development

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

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

The Company provides a professional work environment and maintains a healthy relation with its employees. As on 31 March 2010, the number of people employed by the company stood at 194.

Software Development

RHFL has a web based centralized software solution known as Loan Origination System (LOS)/ Core Banking Solutions (CBS) in place to facilitate online sanction of loans.

Public Deposits

Your Company has not accepted public deposits during the period under review. Hence the particulars as required under Section 10(1)(a)(b) of Housing Finance Companies (NHB) Directions, 2001 are not furnished.

Particulars of Employees

There are no employees covered by Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended.

Particulars Regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Expenditure

Since the Company is not carrying on any manufacturing activity, particulars required relating to Conservation of Energy and Technology absorption are not furnished. There are no transactions involving foreign exchange earnings or outgo during the year under review.

Directors

Your Directors place on record their appreciation of the valuable guidance, service and assistance rendered by Shri Mohan Pyare and Shri E.Santhanam who ceased to be Directors of the Company. Shri Mutia Kalaivanan and Shri C.Thangaraju were appointed as Additional Directors on August 28, 2009 and March 26, 2010 respectively.

In accordance with Articles of the Article of Association and Section 256 of the Companies Act, 1956, Shri. A.K.Goyal, Shri Thomas Paul Diamond, Shri V.Nadanasabapathy and Shri C.K. Viswanathan, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

Auditors

M/s.R.Subramanian And Company, Chartered Accountants retire as Auditors of the Company at the conclusion of the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

Directors' Responsibility Statement

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

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

Particulars Relating to Listing of Securities

The shares of the Company are not listed on any stock exchange.

Risk Management

In compliance with the regulatory requirements as stipulated by the National Housing Bank, the Company has put in place an effective Asset Liability Management Policy.

The Board of Directors of the Company has constituted a high power committee to oversee ALM functions. The Committee reviews and monitors liquidity position and interest rate gap periodically.

Investments

The aggregate investment of the Company as on March 31, 2010 is Rs. 5 lakh in Repco Infrastructure Development Company Limited which is in compliance with NHB guidelines and investment policy of the company. Further the Company has also paid Rs.200 lakh towards subscribing to equity shares of Repco MSME Limited.

Internal Control Systems

The Board of Directors of the Company has already placed well-articulated internal control measures commensurate with the size of the organization and intricacies of the business risk. The system of regular inspection by Inspection Department and Internal Audit by Chartered Accountants firm of selected branches form part of the internal control system. The audit committee regularly reviews the significant observations of internal audit and inspection of the branches. The audit committee observations and recommendations are being placed before the Board and implemented.

Business Operations Network

The Company is currently having 38 branches and 13 centres across Tamil Nadu, Andhra Pradesh, Karnataka, Kerala, Puducherry and Maharashtra. The Company is exploring opportunities for new market expansion in the states of Tamilnadu, Karnataka, Kerala, Andhra Pradesh, Maharashtra and Orissa to open 28 new branches in FY 2010-2011.

Outlook

The Company's prospects appear to be bright given its efficacious treasury management and robust credit appraisal systems. A diversified branch presence across the country in the forthcoming financial year would help in sustaining the staggering growth rate record achieved since inception. The variegated sources of funds procured at a cost effective rate complemented by an increasing trend in credit off take augurs well for the Company which is poised to achieve impeccable growth in its profitability in the future.

Acknowledgements

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

The Board places on record its sincere gratitude to REPCO Bank and the Carlyle Group-the shareholders, Government, local/statutory authorities, customers and all others for their patronage and support for the achievements by the Company despite the most competitive environment in the market.

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

Place : Chennai
Date : April 23, 2010

For and on behalf of the Board of Directors
D.Jothi Jagarajan
Chairman

AUDITORS' REPORT

To the Members of REPCO HOME FINANCE LIMITED

1. We have audited the attached Balance Sheet of REPCO HOME FINANCE LIMITED as at March 31, 2010 and the Profit and Loss account and also the Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditor's report) Order 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent they are applicable to the Company.

4. Further to our comments referred to in the annexure referred in paragraph above we report that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
- iii. The Balance Sheet Profit and Loss Account and the cash flow statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion the Balance Sheet Profit and Loss Account and the cash flow statement of the Company comply with the accounting standards referred to in Sub-Section 3C of Section 211 of the Companies Act, 1956.

5) On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, none of the Directors is disqualified from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- 1) in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2010 ;
- 2) in the case of Profit and Loss Account, of the Profit for the year ended on that date and
- 3) in the case of Cash flow statement, of the cash flow for the year ended on that date.

R. SUBRAMANIAN AND COMPANY

Chartered Accountants,

M. Viswanathan
(M.No. 209258)

Firm Reg. No. 004137S

Place: Chennai

Date : 23 April 2010

ANNEXURE TO AUDITORS' REPORT

ANNEXURE REFERRED IN PARAGRAPH 3 OF OUR REPORT TO THE MEMBERS OF REPCO HOME FINANCE LIMITED ON THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31.03.2010

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

a) Some of the fixed assets were physically verified during the year by the management in accordance with the programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

b) During the year, the Company has not disposed off major part of its fixed assets.

2. a) The Company has not granted loans secured or unsecured to Companies/(or) parties covered in the register maintained under Sec. 301 of the Companies Act. However the Company has availed loans from parties covered in the Register maintained under Sec. 301 of the Companies Act. The details of which are given below:

<u>Name</u>	<u>Loan amount outstanding as on 31-03-2010</u>
Repco Bank.	Rs. 939,186,326/-

(b) The rate of interest and other terms and conditions of the loan availed are prima-facie not prejudicial to the interest of the company.

(c) The repayment of principal amount and interest are regular and there are no overdue amount.

3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control.

4. (a) The transactions that need to be entered into a register in pursuant to the provisions of Sec. 301 of the Companies Act. have been entered into the register.

(b) The loans from a party listed in the register maintained U/s301 have been availed at interest rates which are reasonable having regard to the prevailing market rates.

5. The Company has not accepted any deposits from Public, hence compliance of the directives issued by the Reserve Bank of India and the provisions of Sec. 58 A and 58 AA of the Companies Act and the rules framed there under are not applicable.

6. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

7. The Central Government has not prescribed maintenance of cost records under Sec. 209 (1)(d) of the Companies Act, 1956 for the activities of the company.

8. a) The Company is regular in depositing undisputed statutory dues and there are no arrears of statutory dues as at the last day of the financial year for a period of more than 6 months from the date they become payable.

b) According to the information and explanations given to us, there are no disputed statutory dues, which have not been deposited.

9. The Company has not incurred losses since inception.

10. Based on our audit procedures and on the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in the repayment of dues to Financial Institutions and Banks.
11. Based on our examination of documents and records, we are of the opinion that no loans or advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities, other than housing/mortgage loans granted based on equitable mortgage of properties.
12. In respect of dealing/trading in shares by the company, proper records have been maintained of the transactions and contracts and timely entries have been made. The shares are held in the name of the Company.
13. The provisions of Special Statute relating to Chit fund/Nidhi are not applicable to this Company.
14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions during the financial year.
15. To the best of our knowledge and belief and according to the information and explanation given to us, the term loans availed by the Company during the financial year have been applied for the purpose for which the loans were obtained.
16. According to the Cash flow statement and other records examined by us and based on the information and explanations given to us, on an overall basis, funds raised on short term basis have not been used during the financial year for long term investment.
17. During the year the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act..
18. No debentures have been issued by the Company during the year.
19. As per the information and explanations given to us and the records examined by us, the Company has not raised money by Public issue during the year.
20. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the financial year.
21. Clause 4(ii) and 4(iii) of the above order are not applicable to this Company.

R. SUBRAMANIAN AND COMPANY

Chartered Accountants,

M. Viswanathan
(M.No. 209258)

Firm Reg. No. 004137S

Place: Chennai
Date : 23 April 2010

BALANCE SHEET AS AT March 31, 2010

	Schedule No.	As at 31/03/2010 (Rupees)	As at 31/03/2009 (Rupees)
SOURCES OF FUNDS			
Shareholder's Funds			
a) Capital	1	464,417,890	788,279,120
b) Reserves & Surplus	2	1,485,437,354	772,477,491
Loan Funds			
a) Secured Loans	3	12,577,092,672	8,492,971,612
TOTAL		14,526,947,916	10,053,728,223
APPLICATION OF FUNDS			
Fixed Assets			
a) Gross Block	4	39,731,372	27,756,778
b) Less: Depreciation to date		22,387,776	17,184,893
c) Net Block		17,343,596	10,571,885
Deferred Tax Asset (Net)		18,544,261	11,589,640
Investments	5	500,000	11,237,379
Advance for Investments		20,000,000	-
Housing & Other Loans	6	13,996,167,085	9,865,384,286
Current Assets, Loans and Advances			
a) Current Assets	7	641,808,581	345,537,620
b) Loans & Advances		239,838,193	151,082,691
		881,646,774	496,620,311
Less : Current Liabilities and Provisions			
a) Current Liabilities	8	156,271,057	165,549,406
b) Provisions		250,982,743	176,125,872
		407,253,800	341,675,278
Net Current Assets		474,392,974	154,945,033
TOTAL		14,526,947,916	10,053,728,223

Schedules No. 1 to 15 annexed hereto form part of the Balance Sheet and Profit & Loss Account in terms of our Report of even date attached

For R. Subramanian And Company

Chartered Accountants

Partner

M Viswanathan

(M No.209258)

Firm Reg.No.004137S

K.Prabhu
Company Secretary

S.V. Balasubramanian
Executive Director

M.Balasubramanian
Managing Director

D. Jothi Jagarajan
Chairman

Place: Chennai

Date: 23 April 2010

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2010

	Schedule No.	As at 31/03/2010 (Rupees)	As at 31/03/2009 (Rupees)
INCOME		-	
Operating Income	9	1,636,000,642	1,127,503,592
Other Income	10	13,010,473	20,739,574
TOTAL		1,649,011,115	1,148,243,166
EXPENDITURE AND OTHER CHARGES			
Interest and Other Financial Charges	11	905,331,582	696,484,700
Employees' Emoluments and Benefits	12	44,863,209	35,263,091
Administrative & Other Expenses	13	42,180,181	33,814,059
Depreciation		7,412,994	4,373,970
Provision for Non-Performing Assets / Standard Assets		27,133,154	-
Provision for diminution in value of investments		-	564,420
Bad Debts Written off		10,611,652	5,775,906
TOTAL		1,037,532,772	776,276,146
Profit Before Taxation		611,478,343	371,967,020
Less : Provision for Taxation			
-Current	Rs.	175,000,000	101,000,000
-Deferred	Rs.	(6,954,621)	(83,385)
-Fringe Benefit Tax	Rs.	-	1,000,000
Profit After Taxation		443,432,964	270,050,405
Add : Balance brought forward from previous year		136,584,808	13,253,188
Profit Available For Appropriation		580,017,772	283,303,593
APPROPRIATIONS			
Transfer to Special Reserve (in terms of section 36(1)(viii) of Income tax Act, 1961)		126,764,448	77,057,274
Transfer to General Reserve		200,000,000	10,000,000
Proposed Dividend			
Equity	10% (8%)	46,441,789	30,883,130
Preference	-Nil- (5%)	-	20,112,000
Tax on Dividend		7,892,782	8,666,622
Balance carried forward to Balance Sheet		198,918,753	136,584,567
Total		580,017,772	283,303,593
Earning per share information - (equity shares, par value Rs. 10/- each)			
Weighted average number of equity shares		43,843,479	38,603,912
Basic earnings per share (in Rupees)		10.11	6.39
Diluted earnings per share (in Rupees)		10.11	5.85
Nominal value per equity share (in Rupees)		10.00	10.00
No. of shares used in computing Earnings per share			
Basic		43,843,479	38,603,912
Diluted		43,843,479	46,184,021
Accounting Policies	14		
Notes forming part of accounts	15		

Schedules No. 1 to 15 annexed hereto form part of the Balance Sheet and Profit & Loss Account in terms of our Report of even date attached

For R. Subramanian And Company

Chartered Accountants

Partner

M Viswanathan
(M.No.209258)

K.Prabhu
Company Secretary

S.V. Balasubramanian
Executive Director

M.Balasubramanian
Managing Director

D. Jothi Jagarajan
Chairman

Firm Reg.No.004137S

Place: Chennai

Date : 23 April 2010

SCHEDULES

	As at 31/03/2010 (Rupees)	As at 31/03/2009 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
<i>Authorised</i>		
59,776,000(59,776,000) Equity Shares of Rs.10/- each	597,760,000	597,760,000
40,224,000(40,224,000) Series "A" Cumulative Fully Convertible Preference Shares of Rs.10/- each	<u>402,240,000</u>	<u>402,240,000</u>
	<u>1,000,000,000</u>	<u>1,000,000,000</u>
<i>Issued, Subscribed and Paid up</i>		
46,441,789 (38,603,912) Equity Shares of Rs.10/- each fully paid up (Out of the above, 23,230,606 (27,485,930) Equity Shares are held by M/s Repco Bank Ltd.,)	464,417,890	386,039,120
Nil (40,224,000) 5% Series "A" Cumulative fully convertible Preference Shares of Rs.10/- each fully paid up. (Refer Note. 1 (b) of Schedule 15)	-	402,240,000
	<u>464,417,890</u>	<u>788,279,120</u>
SCHEDULE 2		
RESERVES & SURPLUS		
Special Reserve (in terms of section 36(1) (viii) of the Income-tax Act, 1961)		
As per last Balance Sheet	257,234,565	180,177,291
Add : Transfer from Profit and Loss Account	<u>126,764,448</u>	<u>77,057,274</u>
	383,999,013	257,234,565
General Reserve		
As per last Balance Sheet	103,333,174	93,333,174
Add : Transfer from Profit and Loss Account	<u>200,000,000</u>	<u>10,000,000</u>
	303,333,174	103,333,174
Share Premium Account		
As per last Balance Sheet	275,325,184	275,325,184
Addition during the year on conversion (Refer Note. 1 (b) of Schedule 15)	<u>323,861,230</u>	-
	599,186,414	275,325,184
Surplus in Profit and Loss A/c	<u>198,918,753</u>	<u>136,584,568</u>
	<u>1,485,437,354</u>	<u>772,477,491</u>
SCHEDULE 3		
SECURED LOANS		
Term Loans from Banks	4,496,955,657	3,979,099,279
Term Loans from Repco Bank	43,617,772	51,553,416
Cash Credit From Repco Bank	939,186,326	-
Term Loans from National Housing Bank	7,097,332,917	4,462,318,917
	<u>12,577,092,672</u>	<u>8,492,971,612</u>
Note: The above loans are secured by book debts/receivables of the company and an irrevocable POA given by the Company in favour of the banks/NHB for recovery of monies and for creation of mortgage on the properties of the loan borrowers of the Company		

SCHEDULE 4
Fixed Assets

Particulars	Gross Block (at Cost)				Depreciation			Net Block	
	As on 01/04/09	Addition	Deletion	As at 31/03/10	As on 01/04/09	For the period	Adjustment	As on 31/03/10	As at 31/03/09
Office Equipment	604,556	284,708	204,920	684,344	283,476	187,075	175,818	294,733	389,611
Furniture & Fixtures	3,343,059	1,006,931	65,833	4,284,157	2,287,042	765,754	60,773	2,992,023	1,292,134
Computers	9,137,693	5,671,011	1,909,990	12,898,714	6,347,670	2,055,815	1,881,562	6,521,923	2,790,023
Air Conditioner	618,868	103,900	-	722,768	338,116	47,882	-	385,998	280,752
Stabilizer	125,850	-	125,850	-	86,482	5,476	91,958	-	39,368
Bicycle	13,575	3,300	-	16,875	13,575	3,300	-	16,875	-
Motor Vehicle	2,062,125	581,997	-	2,644,122	884,073	417,285	-	1,301,358	1,178,052
Land & Building	6,675,994	-	-	6,675,994	2,289,145	219,342	-	2,508,487	4,386,849
Temporary Erections	4,290,622	3,402,476	-	7,693,098	4,290,622	3,402,476	-	7,693,098	-
Electrical Fitting	165,490	29,182	-	194,672	152,556	7,564	-	160,120	12,934
Generator	112,570	694,562	-	807,132	47,409	39,125	-	86,534	65,161
Intangible Assets- Computer Software	606,376	2,503,120	-	3,109,496	164,727	261,900	-	426,627	441,649
Total	27,756,778	14,281,187	2,306,593	39,731,372	17,184,893	7,412,994	2,210,111	22,387,776	17,343,596
Previous Year	22,467,880	5,332,369	43,471	27,756,778	12,854,394	4,373,970	43,471	17,184,893	10,571,885

SCHEDULES

As at 31/03/2010
(Rupees)

As at 31/03/2009
(Rupees)

SCHEDULE 5

Investments

(A) LONG TERM INVESTMENTS

Equity shares in Subsidiary Company - Unquoted
50,000 (50,000) equity shares of Rs.10/- each, fully paid up
in Repco Infrastructure Development Company Ltd.,

500,000

500,000

500,000

500,000

(B) CURRENT INVESTMENTS

Investments in Mutual Funds	Cost	NAV	Cost	NAV
	31-03-2010	31-03-2010	31-03-2009	31-03-2009
UTI- Infrastructure Advantage Fund - Dividend Plan	-	-	10,000,000	5,830,000
UTI- Leadership Equity Fund - Dividend Plan	-	-	4,887,500	4,077,298
Reliance Equity Advantage Fund - Retail Plan - Growth Plan	-	-	500,000	335,623
Franklin India High Growth Companies Fund - Dividend Payout	-	-	500,000	271,192
JM Basic Fund - Dividend Plan	-	-	1,000,000	223,265
Total	-	-	16,887,500	10,737,379
Less : Provision for diminution in value of Mutual Funds	-	-	6,150,121	
Total Current Investments	-	-	10,737,379	
Total Investments (A+B)		500,000		11,237,379

SCHEDULE 6

HOUSING & OTHER LOANS (Secured & Considered Good excepting Provision made for Non-Performing Advances)

Individual House Ownership	11,805,127,309	8,278,365,492
Mortgage/Other Loans	2,274,989,925	1,627,521,541
	<u>14,080,117,234</u>	<u>9,905,887,033</u>
Less: Principal Overdue	40,001,003	21,127,433
	14,040,116,231	9,884,759,600
Less: Provision for NPA	43,949,146	19,375,314
	<u>13,996,167,085</u>	<u>9,865,384,286</u>

	As at 31/03/2010 (Rupees)	As at 31/03/2009 (Rupees)
SCHEDULE 7		
CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS		
Cash & Bank Balances		
Cash on hand	8,086,435	8,025,700
Balance with Scheduled Banks in Current A/cs	110,985,828	7,978,329
Balance with Banks in Deposit A/c	151,830	142,830
<i>[The above deposits are held in the joint name of the Company and the employee towards Security Deposit]</i>		
Balance with Repco Bank in Savings Bank & Current A/c	522,584,488	329,390,761
Current Assets (A)	<u>641,808,581</u>	<u>345,537,620</u>
(B) LOANS & ADVANCES		
<i>(Loan Accounts Secured Considered Good excepting provision made for Non-Performing Advances)</i>		
Instalments due from borrowers	72,259,537	42,732,026
Pre-EMI due from borrowers	3,512,782	2,320,224
	<u>75,772,319</u> {a}	<u>45,052,250</u>
<i>(Recoverable in cash or in kind or for value to be received)</i>		
<i>(Unsecured - Considered Good)</i>		
(i) Staff Advance	3,553,390	719,493
(ii) Advance Tax & TDS	150,300,000	97,201,209
(iii) Income Tax / FBT Refund Receivable	2,137,471	815,885
(iv) Advance - Others	1,122,277	1,630,995
(v) Telephone & Other Deposits	1,548,776	1,631,349
(vi) Rental Deposits	5,403,960	4,031,510
	<u>164,065,874</u> {b}	<u>106,030,441</u>
Loans & Advances (a+b)	<u>239,838,193</u>	<u>151,082,691</u>
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Creditors for Expenses	1,929,847	1,518,581
Other Creditors	6,169,678	63,988,992
Interest accrued but not due on Term Loans	148,171,532	100,041,833
	<u>156,271,057</u>	<u>165,549,406</u>
<i>{There is no amount due and outstanding to be credited to Investor Education and Protection Fund}</i>		
PROVISIONS		
Provision for Standard Assets	8,994,348	6,435,026
Provision for Taxation (including FBT)	178,125,824	104,055,447
Provision for Tax on Dividend	7,892,782	8,666,622
Proposed Dividend - Equity	46,441,789	30,883,130
Proposed Dividend - Preference	-	20,112,000
Provision for Gratuity	-	40,981
Provision for Leave Salary	4,028,000	2,908,000
Provision for Exgratia	5,500,000	3,024,666
	<u>250,982,743</u>	<u>176,125,872</u>

SCHEDULE 9
INCOME FROM OPERATIONS

Interest from Housing Loan
Processing fees
Penal Interest
Miscellaneous Income

As at 31/03/2010
(Rupees)

1,540,102,531
68,345,304
13,774,411
13,778,396

1,636,000,642

As at 31/03/2009
(Rupees)

1,058,099,617
50,452,793
8,690,882
10,260,300

1,127,503,592

SCHEDULE 10
OTHER INCOME

Dividend Income
Profit/(Loss) on Sale of Investments
Interest on Deposits [TDS -Nil- (Rs.251,209/-)]
Provision for diminution in value of investments
no longer required written back

477,995
(659,238)
7,041,597
6,150,119

13,010,473

187,496
(11,207,995)
31,760,073
-

20,739,574

SCHEDULE 11
INTEREST AND OTHER FINANCIAL CHARGES

Interest on Term Loans & Refinance
Interest on Others
Bank Charges

850,312,434
49,617,264
5,401,884

905,331,582

639,369,096
53,790,794
3,324,810

696,484,700

SCHEDULE 12
EMPLOYEES' EMOLUMENTS & BENEFITS

Salaries
Employer's Contribution to Provident Fund and
Superannuation Fund
Leave Encashment
Exgratia
Gratuity
Staff Welfare

31,546,302
3,116,458
1,327,205
5,500,000
718,641
2,654,603

44,863,209

27,210,267
3,029,687
723,212
2,915,311
134,119
1,250,495

35,263,091

SCHEDULE 13
ADMINISTRATIVE & OTHER EXPENSES

Professional / Consultancy Charges
Meeting Expenses
Advertisement & Publicity
Audit Fees
Printing & Stationery
Office Expenses
Books & Periodicals
Legal Fees
Rates & Taxes
Telephone Charges
Conveyance Charges
Postage and Telegram
Electricity Charges
Courier Charges
Vehicle Maintenance
Office Maintenance
Corporate Fees
Rent
Training Fee
Business Promotion
Insurance

3,665,371
230,569
8,241,588
500,000
1,243,249
1,909,634
174,646
2,956,966
3,568,021
1,929,149
1,635,854
170,972
1,141,837
288,734
268,386
692,728
216,000
8,237,770
215,560
4,458,047
435,100

42,180,181

6,609,734
315,000
6,779,121
393,000
791,001
1,476,328
170,392
2,093,962
765,766
1,137,167
1,131,833
152,953
567,957
201,319
271,622
796,472
216,000
5,501,378
149,749
3,910,562
382,743

33,814,059

Significant Accounting Policies and Notes On Accounts

Schedule 14

Significant Accounting Policies

1. BASIS OF PREPARATION

The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), and provisions of the Companies Act, 1956 and accounting standards issued by the Institute of Chartered Accountants of India (ICAI) as applicable. The Company also follows the directions prescribed by the National Housing Bank (NHB) for housing finance companies.

2. INCOME RECOGNITION

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

3. INTEREST ON HOUSING LOANS

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

4. FIXED ASSETS AND DEPRECIATION

- a) Fixed Assets are stated at cost. Depreciation on fixed assets is provided on pro-rata basis from the date of installation on written down value method in accordance with Schedule XIV of the Companies Act, 1956.
- b) Assets costing upto Rs.5,000/- are being depreciated fully in the year of acquisition.

5. PROVISION ON NON-PERFORMING ASSETS

Non-performing assets are identified and categorized into Sub-standard, Doubtful and Loss category based on the guidelines and directions issued by NHB. Provision for Non-performing assets are made in accordance with the said guidelines, with the exception of substandard assets wherein provision is made at 15% and in respect of all the doubtful assets (D1, D2 and D3) at 50% on the secured portion of such doubtful assets.

6. INVESTMENTS

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

7. RETIREMENT BENEFITS

(a) Provident Fund & Superannuation Fund Contributions:

The Company's contributions paid and payable during the year towards provident fund are made to Regional Provident Fund Commissioner & are charged to Profit & Loss Account every year.

(b) Gratuity:

The Company's contributions paid and payable during the year towards Gratuity are made to Gratuity Fund managed by the Life Insurance Corporation of India (LIC). The net present value of Company's obligation towards gratuity to employees is actuarially determined based on the projected unit credit method. Actuarial gains and losses are immediately recognized in the Profit & Loss Account.

(c) Leave Encashment:

Liability on account of encashment of leave to employees is provided based on actuarial valuation and has not been funded.

8. ACCOUNTING FOR TAXES ON INCOME

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

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

9. EARNINGS PER SHARE

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

Schedule 15

NOTES ON ACCOUNTS

1) Share Capital

a) Equity shares include 1,004 differential equity shares subscribed by the First Carlyle Growth VI (Investor) and Co-Investors in accordance with the Share Purchase, Share Subscription and Shareholders Agreement entered between the Company, Promoter of the Company, Investor and Co-Investors and carry differential rights in relation to voting, dividend and other rights.

b) 40,224,000 5% Series "A" Cumulative Fully Convertible Preference Shares of Rs. 10/- each were converted into 7,837,877 equity shares on July 30, 2009 at a premium of Rs. 41.32 in accordance with the Share Purchase, Share Subscription and Shareholders Agreement entered between the Company, Promoter of the Company, Investor and Co-Investors. Accordingly, Rs. 78,378,770/- was credited to share capital account and Rs. 323,861,230/- was credited to share premium account.

2) Commitment towards sanction pending disbursement including part disbursements as on March 31, 2010 Rs. 9,520.52 lakh (Rs. 3,380.28 lakh).

3) Secured Loans include Rs. 25,805.92 lakh (Rs. 15,474.33 lakh) lakh falling due for repayment within one year.

4) Deferred Tax:

The components of deferred tax asset as on 31.03.2010 is as under:

Deferred Tax Assets:

(Rupees)

		As at 31/03/2010	As at 31/03/2009
Provision for Non Performing Advances		17,586,505	8,772,935
Provision for diminution in value of investments		NIL	1,898,580
Disallowance under Section 43B etc		1,338,000	988,430
	(A)	18,924,505	11,659,945

Deferred Tax Liabilities:

Difference between written down value of Fixed Assets as per Companies Act and as per Income Tax Act.,	(B)	380,244	70,305
Net Deferred Tax Asset	(A-B)	18,544,261	11,589,640

5) In the opinion of the Management, the Current assets, loans and advances as stated in the balance sheet are realizable in the normal course of business.

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

(Rs in lakh)

	For the year ended 31 03 2010					For the year ended 31 03 2009				
	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Housing Loans (Excluding Installment due from borrowers)										
Individual house ownership	116,639.23	1,046.95	365.09	--	118,051.27	82,027.64	358.52	397.49	--	82,783.65
Mortgage/other loans	22,421.67	207.77	120.46	--	22,749.90	16,084.34	84.64	106.24	--	16,275.22
Total Loans	139,060.90	1,254.72	485.55	--	140,801.17	98,111.98	443.16	503.73	--	99,058.87
Provision - Housing loans	--	157.04	182.55	--	339.59	--	35.85	119.92	--	155.77
Provision other loans	89.94	31.16	68.73	--	189.83	64.35	8.46	29.52	--	102.33
Total Provisions	89.94	188.20	251.28	--	529.42	64.35	44.31	149.44	--	258.10

8) During the year Company has changed the policy of NPA provisioning. In respect of sub standard assets 15% provision was made as against required norms of 10% and in respect of all the doubtful assets provision has been made at 50% on secured provision as against 20% / 30% / 50% stipulated by NHB. Due to this profit for the year is lower by Rs.172/- lakhs

9) There are no Micro and Small Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31-03-2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis at information available with the Company

10) Expenditure incurred in foreign currency

Training expenses

Rs:27,853/- (Nil)

Traveling expenses

Rs. 62,100/- (Nil)

Professional Consultancy Charges

Rs. -Nil- (Rs.2,137,500/-)

11) There are no amounts to be reflected under payable to Investor Protection Fund.

12) Related Party Transactions

As per Accounting Standard 18 on related party disclosure, issued by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

List of related parties:

Promoter

Repco Bank

Company holding substantial interest

First Carlyle Growth VI

Key Management Personnel

Shri M. Balasubramanian, Managing Director

Shri S.V. Balasubramanian, Executive Director

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

Nature of Transaction	Key Management Personnel Managing Director/Executive Director		Promoter REPCO Bank		Company holding substantial interest First Carlyle Growth VI	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Salary Paid to MD	1,645,792	3,402,249*				
Salary paid to ED	1,035,400	9,42,398				
Equity share capital (paid up)			232,306,060	274,859,300	230,818,600	110,560,000
Preference share capital (Paid up)			NIL	NIL	—	400,000,000
Cash Credit Outstanding			939,186,326	NIL	—	—
Term Loan outstanding			43,617,772	51,553,416	—	—
Rent paid			10,94,994	404,364	—	—
Corporate Fees Paid			216,000	216,000	—	—
Interest paid on loans availed from Repco Bank			49,617,264	53,790,794	—	—
Equity dividend proposed			23,230,606	21,988,744	23,081,860	8,844,800
Preference dividend proposed			—	—	—	20,000,000
Interest earned on deposits			70,41,597	30,504,896	—	—

* Including arrear salary paid for the period from Jan 2007 to Mar 2008

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

Particulars	Opening Balance as on 01/04/2009	Provision made during the year	Provisions reversed/adjusted	Closing balance as on 31/03/2010
Non performing advances	19,375,314	24,573,832	—	43,949,146
Provision for Standard non housing loans	6,435,026	2,559,322	—	8,994,348
Investments	6,150,121	—	6,150,121	—
Leave encashment	2,908,000	1,327,205	207,205	4,028,000
Taxation	104,055,447	175,000,000	100,929,623	178,125,824
Proposed dividend (including Dividend Tax)	59,661,752	54,334,571	59,661,752	54,334,571

13) Previous year figures have been regrouped and rearranged wherever necessary.

14) EMPLOYEE BENEFITS

i. Defined Contribution Plan:

Company Contribution to

- i. Provident fund & Superannuation fund : Rs.3,116,458/-

ii. Defined Benefit Plan:

Gratuity

A. Reconciliation of opening and closing balance of present value of the defined benefit obligation

Present value of obligations as at beginning of year	2,392,502
Interest Cost	191,400
Current Service Cost	638,559
Benefits Paid	-
Actuarial loss on obligation	(895,657)
Present value obligations as at end of year.	2,326,804

B. Reconciliation of opening and closing balances of fair value of Plan Assets

Fund Maintained by LIC	
Fair value of plan assets as at beginning of year	2,351,521
Expected return on plan assets	252,046
Contributions	709,437
Benefits paid	-
Actuarial gain on plan assets	-
Fair value of plan assets at the end of year	3,313,004

C. Reconciliation of present value of defined benefit obligation and fair value plan assets to the assets and liabilities.

Fair value of plan assets at beginning of year	2,351,521
Actual return on plan assets	252,046
Contributions	709,437
Benefits paid	-
Fair value of plan assets at the end of year	3,313,004
Funded status (Liability)	-
Excess of actual over estimated return on plan assets	986,200

D. Expenses recognized in the profit and loss account.

Current Service Cost	638,559
Interest Cost	191,400
Expected return on plan assets	(252,046)
Net actuarial loss recognized in the year	(895,657)
Expenses to be recognized in the profit & loss account	(317,744)

E. Details showing fair value of plan assets

Fair value of plan at beginning of year	2,351,521
Actual return on plan assets	252,046
Contributions	709,437
Benefit paid	-
Fair value plan assets at end of year.	3,313,004

F. Actuarial Gain / Loss recognized in the Profit and Loss Account

Actuarial loss / (Gain)on obligation	-
Actuarial gain on plan assets	-
Total loss for the year	-
Actuarial loss recognized in the year	-

G. Actuarial assumption

Discount Rate	8%
Salary Increment	5%
Mortality rates	Based on LIC 1994-96

As a prudent measure, the Company has not recognized net actuarial gain and has charged Rs.709,437/- to Profit & Loss Account being contributions paid. Due to this profit for the year is lower by Rs.10.27 lakh.

**For R. Subramanian And Company
Chartered Accountants**

Partner
M Viswanathan
(M No.209258)
Firm Reg No.004137S

K Prabhu
Company Secretary

S V Balasubramanian
Executive Director

M Balasubramanian
Managing Director

D Jothi Jagarajan
Chairman

Place: Chennai
Date: 23 April 2010.

CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2010

		For the year ended March 31, 2010 (Rupees)		For the year ended March 31, 2009 (Rupees)
A CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX		611,478,340		371,967,021
Adjustments For:				
Depreciation	7,412,995		4,373,970	
(Profit)/Loss on Sale of Fixed Assets	71,232		-	
Dividend Received	(477,995)		(187,496)	
(Profit)/Loss on Sale of Investments	659,238		11,207,995	
Interest Earned on Deposits	(7,041,597)		(31,760,073)	
Provision for Non-Performing Assets/Standard Assets	27,133,154		-	
Provision for Diminution in Value of Investments	(6,150,119)		564,420	
Bad Debts Written Off	10,611,653		5,775,906	
		32,218,561		(10,025,278)
Operating Profit Before Working Capital Changes		643,696,901		361,941,743
Adjustments For:				
Current Assets	(3,615,056)		(4,185,499)	
Current Liabilities	(53,853,694)		8,324,278	
		(57,468,750)		4,138,779
Cash Generated From Operations		586,228,151		366,080,522
Direct Taxes Paid		(155,350,000)		(97,519,043)
Net Cash From Operating Activities (A)		430,878,151		268,561,479
B Cash Flow From Investing Activities				
Purchase of Fixed Assets	(14,281,184)		(5,332,369)	
Sale of Fixed Assets	25,486		-	
Purchase of Investments	(20,000,000)		(500,000)	
Sale of Investments	16,228,262		10,636,015	
Interest Earned on Deposits	7,041,597		31,760,073	
Dividend Received	477,995		187,496	
		(10,507,844)		36,751,215
C Cash Flow From Financing Activities				
Proceeds from issue of Share Capital	-		-	
Increase in Secured and Unsecured Loans	4,132,250,759		2,804,099,648	
Increase in Housing Loans	(4,196,688,353)		(3,373,421,262)	
Dividends Paid	(59,661,752)		(43,226,397)	
		(124,099,346)		(612,548,011)
Net Cash Used in Financing Activities (C)		(124,099,346)		(612,548,011)
Net Increase/Decrease in cash and cash equivalent (A+B+C)		296,270,961		(307,235,317)
Cash and Cash Equivalents - Opening Balance (D)		345,537,620		652,772,937
Cash and Cash Equivalents - Closing Balance (E)		641,808,581		345,537,620
Net Increase/(Decrease) in Cash and Cash Equivalents (E-D)		296,270,961		307,235,317

We have examined the above Cash Flow Statement of Repco Home Finance Ltd., Chennai, for the year ended March 31, 2010. The statement has been prepared by the company based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company.

For R. Subramanian and Company

Chartered Accountants

M Viswanathan

(M No.209258)

Firm Reg No.004137S

K Prabhu
Company Secretary

S V Balasubramanian
Executive Director

M Balasubramanian
Managing Director

D Jothi Jagarajan
Chairman

Place : Chennai

Date : 23 April 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No

			0	4	4	6	5	5
--	--	--	---	---	---	---	---	---

 Balance Sheet Date

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

State Code

1	8
---	---

II Capital Raised during the year (Amount Rs in Thousands)

Public Issue

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

 Rights Issue

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

 Bonus Issue

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

 Private Placement

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

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

Total Liabilities

1	4	5	2	6	9	4	8
---	---	---	---	---	---	---	---

 Total Assets

1	4	5	2	6	9	4	8
---	---	---	---	---	---	---	---

SOURCE OF FUNDS

Paid-up Capital

		4	6	4	4	1	8
--	--	---	---	---	---	---	---

 Reserves & Surplus

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

 Secured Loans

1	2	5	7	7	0	9	3
---	---	---	---	---	---	---	---

 Unsecured Loans

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

APPLICATION OF FUNDS

Net Fixed Assets

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

 Investments

					5	0	0
--	--	--	--	--	---	---	---

 Net Current Assets

1	4	5	0	9	1	0	4
---	---	---	---	---	---	---	---

 Misc. Expenditure

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

 Accumulated Loss

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

IV Performance of Company (Amount Rs in Thousands)

Turnover

		1	6	4	9	0	1	1
--	--	---	---	---	---	---	---	---

 Total Expenditure

		1	0	3	7	5	3	2
--	--	---	---	---	---	---	---	---

 Profit Before Tax

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

 Profit After Tax

		4	4	3	4	3	3
--	--	---	---	---	---	---	---

 Earnings per Share in Rs(Annualised)

		1	0		1	1
--	--	---	---	--	---	---

 Dividend Rate (%)

						1	0
--	--	--	--	--	--	---	---

V General Names of Three principal products / Services of Company (as per monetary terms)

Item Code No
 ITC Code
 Product
 Description

H	O	U	S	I	N	G	F	I	N	A	N	C	E
---	---	---	---	---	---	---	---	---	---	---	---	---	---

In terms of our report of even date attached

For R. Subramanian And Company
 Chartered Accountants

M. Viswanathan Partner (M.No.209258)	K.Prabhu Company Secretary	S V Balasubramanian. Executive Director	M. Balasubramanian Managing Director	D Jothi Jagarajan Chairman
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Firm Reg. No.004137S

Place: Chennai

Date : 23 April 2010

RHFL Schemes... Realise Customers' Dreams

Repco Home Finance

- Dream Home Loan
- Home Makeover Loan
- Plot Loan
- Prosperity Loan
- New Horizon Loan
- Second Mortgage Loan
- Interim / Bridge Loan
- Fifty Plus Loan
- NRI Housing Loan
- Super Loan

Available Schemes

Repco

Repco Schemes for Your Dreams

...listed institution that has
...ive their heart's desire -
...CO Bank - Government of

370

Repco Home Finance

Repco New Horizon Loan

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... of loans for commercial
... prosperity by encouraging

425 - 9070

Repco Home Finance

Repco Dream Home Loan

Lovely homes are just a loan away!

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Repco Home Finance

Repco Home Makeover Loan

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Punalur



At
Tirupur





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