

Repco
Home Finance

12th
Annual Report 2011-12



BOARD OF DIRECTORS



CHAIRMAN
Shri T.S. KRISHNA MURTHY
(Chief Election Commissioner, Retd)



Shri S.C. PANDA I.A.S
Additional Secretary and Financial Advisor,
Ministry of Home Affairs, Government of India



Shri R.R. JHA
Joint Secretary to Govt. of India,
Ministry of Home Affairs,
(Rehabilitation Division)



Shri THOMAS PAUL DIAMOND
Chief Executive (Retd)
LIC Housing Finance Ltd.



Shri M. SHANKAR NARAYANAN
Managing Director,
The Carlyle Group



Shri MAHESH PARASURAMAN
Director,
The Carlyle Group



Shri K. DEENABANDHU I.A.S
Principal Secretary/
Commissioner of Rehabilitation,
Govt. of Tamil Nadu



Shri V. NADANASABAPATHY
Dy. General Manager (Retd)
Syndicate Bank



Shri G.R. SUNDARAVADIVEL
Executive Director (Retd)
United Bank of India



Shri C. THANGARAJU
(Legal Professional)



Shri R. VARADARAJAN
Managing Director

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 Dhanaalakshmi Bank Ltd. | • The HSBC Ltd. | • The Karur Vysya Bank Ltd. |
| • The Lakshmi Vilas Bank Ltd. | • UCO Bank | • Indian Bank |
| • Corporation Bank | • IDBI bank Ltd. | • HDFC Bank |
| • Canara Bank | | |

MEMBERS OF THE AUDIT COMMITTEE

- Shri. Thomas Paul Diamond
- Shri. V. Nadasabapathy
- Shri. G.R. Sundaravadiel
- Shri. M. Shankar Narayanan

MEMBERS OF THE MANAGEMENT COMMITTEE

- Shri. Thomas Paul Diamond
- Shri. V. Nadasabapathy
- Shri. G.R. Sundaravadiel
- Shri. M. Shankar Narayanan
- Shri. R. Varadarajan

MEMBERS OF THE COMPENSATION COMMITTEE

- Shri. G.R. Sundaravadiel
- Shri. Thomas Paul Diamond
- Shri. V. Nadasabapathy

SHAREHOLDERS' GRIEVANCE COMMITTEE

- Shri. G.R. Sundaravadiel
- Shri. Thomas Paul Diamond
- Shri. V. Nadasabapathy

REMUNERATION COMMITTEE

- Shri. G.R. Sundaravadiel
- Shri. Thomas Paul Diamond
- Shri. V. Nadasabapathy

KEY MANAGEMENT PERSONNEL

- Shri K. Ashok, General Manager
- Smt. Poonam Sen, DGM - HR
- Shri T. Karunakaran, DGM - Accounts
- Shri K. Prabhu, Company Secretary

CHAIRMAN'S STATEMENT

I deem it a privilege to preside over the Twelfth Annual General Meeting of Repco Home Finance Limited for the financial year 2011-12 and present my first communication with you after taking over as the Chairman in September 2011. The year gone by was punctuated by the fact that the Company filed the draft red herring prospectus with SEBI on 30 September 2011. This is indeed a prestigious milestone in the history of the Company.

The economy witnessed spiraling interest rates in the scenario of an inflationary climate. Which had a bearing on the overall credit off take.

The key demand drivers of the housing finance segment are population growth backed by favorable demographics, acute shortage of housing stock, increasing urbanization and rising affordability levels. The Company is a prominent player in the housing finance segment in Southern India. Its unique proposition is that it caters to the niche of self employed category where there is abundant growth opportunities.

The Company's competitive strengths are direct customer contact, transparency, speed of operations, robust risk management systems and focus on under penetrated markets.

HIGHLIGHTS

Company's Growth: Micro Perspective

The Company sustained its impeccable track record of growth rate since inception in 2000 recording a CAGR of 58%. The Company achieved a portfolio size of Rs 2802.16 cr. and recorded an incredible growth rate of 35%. The profit of the Company was Rs. 61.46 Cr. as against Rs.58.16 Cr last year with the net NPA of 0.95%. Loan approvals during the year were Rs. 1111.56 Crore as against Rs.991.83 Crore. The disbursements during the year were Rs.1042.34 Crore as against Rs.915.59 Crore.

I am happy to report that the performance of the Company has been commendable.

Future Outlook

The Company intends coming out with its Initial Public Offering during 2012-13 which would be a momentous one in the history of the Company. The Listing would enable unlocking of the real value of the Company to its stakeholders and would also bolster capital adequacy requirements besides helping to reduce the cost of funds.

The Company plans to embark upon a cautious branch expansive strategy in 2012-13. 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.

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 Ministry of Home Affairs, the parent - Repco Bank for their unrelenting support and the Equity Partner, Carlyle Group for their continued 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 support.

I also sincerely thank the customers of the Company for their continued co operation brand loyalty.

Date : May 14, 2012

Place : Chennai

(T.S. Krishna Murthy)

Chairman

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the 12th Annual Report of your Company with the Audited Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS		
(₹ in Crore)		
	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Profit before tax	81.63	79.25
Less: Provision for tax	20.17	21.09
Profit after tax	61.46	58.16
Balance brought forward from previous year	36.16	19.89
Profit available for appropriation	97.62	78.05
Appropriation:		
Special Reserve	19.72	16.49
General Reserve	20	20
Proposed Dividend	5.11	4.64
Corporate Dividend Tax thereon	0.83	0.75
Balance carried forward to Balance sheet	52.51	36.17

PROFITABILITY

Profit after tax (PAT) was Rs.61.46 as compared to Rs. 58.16 Crore last year.

DIVIDEND

Your Directors recommend payment of dividend for the year ended March 31, 2012 at the rate of 11% on equity shares (as compared to 10% last year). The dividend shall be paid subject to approval by the shareholders at the Twelfth annual general meeting to be held on June 14, 2012 to such shareholders whose name appear in the register of members as on the said date.

LENDING OPERATIONS

Loan approvals during the year were Rs. 1111.56 Crore as against Rs.991.83 Crore. The disbursements during the year were Rs.1042.34 Crore as against Rs.915.59 Crore.

LOAN BOOK SIZE

The loan book size at the end of the year was Rs. 2802.16 crore as against Rs.2073.52 crore for the previous year, showing a growth rate of 35 %.

The GNPA and NNPA were and 1.37% and 0.95% respectively as on 31-3-2012.

RESOURCE MOBILIZATION

The Company's resources mobilization were from three avenues namely, 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. 500 Cr. and availed fresh refinance assistance amounting to Rs.475.46 Cr from the National Housing Bank (NHB). As on 31 March 2012 the outstanding NHB refinance stood at Rs 1174.31 Cr.

TERM LOAN FROM BANKS

During the year under review, term loans amounting to Rs. 535.00 Cr. were availed from the Banks and Financial Institutions, taking the total term loan outstanding to Rs. 1311.74 Cr.

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 2012 was 16.50 % against the minimum stipulated requirement of 12.00%.

CORPORATE GOVERNANCE

The Board was reconstituted in September 2011 in accordance with Clause 49 of Listing Agreement and has 4 independent directors and is chaired by a Non-Executive Chairman. Further the Company also constituted Shareholder's Grievance Committee, Compensation Committee, Remuneration Committee in accordance with Clause 49.

HUMAN RESOURCE DEVELOPMENT

The Company believes in attracting, nurturing and retaining a qualitative workforce is of paramount importance to accomplishment of Corporate objectives. To achieve this end the Company provides the necessary internal/external training to keep employees in tune with prevailing benchmark practices in the housing finance segment.

The Company provides a professional work environment and maintains a healthy relation with its employees. As on 31 March 2012, the number of people employed by the company stood at 350.

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

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

AUDITORS

M/s.R.Subramanian And Co. 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:

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

PARTICULARS RELATING TO LISTING OF SECURITIES

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

RISK MANAGEMENT

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

INVESTMENTS

The aggregate investment of the Company as on 31 March 2012 is Rs. 5 lakh in Repco Infrastructure Development Company Limited and Rs. 8 Crore in equity shares of Repco MSME Limited which is in compliance with NHB guidelines and investment policy of the company.

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 68 branches and 20 centres across Tamil Nadu, Andhra Pradesh, Karnataka, Kerala, Puducherry, Orissa, Gujarat and Maharashtra.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVE:

The Company renovated houses of the economically weaker sections of Moovendar Nagar Village in Erode incurring an outlay of Rs. 15.68 lakh.

ACKNOWLEDGEMENTS

The Company places on record its earnest gratitude to all its stakeholders for their valuable support, patronage, and guidance.

The Board places on record its sincere gratitude to the Ministry of Home Affairs, Government of India, REPCO Bank and the Carlyle Group, the shareholders, and all others for their patronage and support for the achievements by the Company despite the most competitive environment in the market.

The Directors of your Company wish to place on record their sincere gratitude to the National Housing Bank, Ministry of Corporate Affairs (Registrar of Companies), Reserve Bank of India, Financial Intelligence Unit, 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.

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.

For and on behalf of the Board of Directors

Place : Chennai

(T.S. Krishna Murthy)

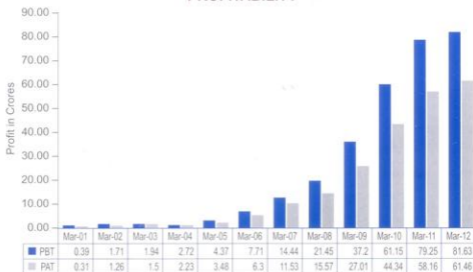
Date : 14 May 2012

Chairman

BUSINESS YEAR WISE



PROFITABILITY



Annual Review Meet 2012



Managing Director
Addressing
the Managers

RHFL Branch Heads



CSR Initiative - Renovation of houses of Repatriates at Moovendar Nagar, Erode

Inauguration by
Chairman



Managing Director lighting the Kuthu Vilakku



Chairman addressing the gathering



Renovated house

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, 2012, the Statement of Profit and Loss and the Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on 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, Statement of Profit and Loss 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, Statement of Profit and Loss and the cash flow statement dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 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, 2012;
 - 2) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date and
 - 3) in the case of Cash flow statement, of the cash flows for the year ended on that date.

R. SUBRAMANIAN AND COMPANY

Chartered Accountants

Partner

(N. Krishnamurthy)

(M No. 19339)

Firm Reg No. 004137s

Place: Chennai

Date : 14th May 2012

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 31-03-2012.

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:

Name of the Party	Nature of Loan availed	Balance o/s as at 31/03/2012
Repco bank Limited	Secured Term Loan	2.23 Crores
Repco Bank Limited	Cash Credit	240.52 Crores

- b) The rate of interest and other terms and conditions of the loan availed are prima-facie not prejudicial to the interest of the company.
 - c) The repayment of principal amount and interest are regular and there are no overdue amount.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control.
 4. a) The transactions that need to be entered into a register in pursuant to the provisions of Sec. 301 of the Companies Act. have been entered into the register.
 - b) The loans from a party listed in the register maintained U/s301 have been availed at interest rates which are reasonable having regard to the prevailing market rates at the relevant time.
 5. The Company has not accepted any deposits from Public, hence compliance of the directives issued by the National Housing Bank and the provisions of Sec. 58 A and 58 AA or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
 6. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 7. The Company is not a manufacturing Company and hence the maintenance of cost records under Sec. 209 (1)(d) of the Companies Act, 1956 is not applicable to 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, the statutory dues that have not been deposited on account of disputed matters pending before the appropriate authorities are as under:-

Name of the Statute	Nature of Dues	Amount Rs. in Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income tax	20.38	AY 2009-10	Commissioner of Income Tax (appeals)

9. The Company has not incurred losses since inception.
10. Based on our audit procedures and on the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in the repayment of dues to Financial Institutions and Banks.
11. Based on our examination of documents and records, we are of the opinion that no loans or advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities, other than housing/mortgage loans granted based on equitable mortgage of properties.
12. During the year no dealing/trading in shares by the Company was noticed.
13. The provisions of Special Statute relating to Chit fund/Nidhi are not applicable to this company.
14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions during the financial year.
15. To the best of our knowledge and belief and according to the information and explanation given to us, the term loans availed by the Company during the financial year have been applied for the purpose for which the loans were obtained.
16. According to the Cash flow statement and other records examined by us and based on the information and explanations given to us, on an overall basis, funds raised on short term basis have not been used during the financial year for long term investment.
17. During the year the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act.
18. No debentures have been issued by the Company during the year.
19. 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, in addition to the item reported in Note No. 21 (f) of the accounts, sums aggregating to Rs.226.39 Lakhs involving 10 fraud cases on the company was noticed, and reported during the year.
21. Clause 4(ii) of the above order is not applicable to this Company.

R. SUBRAMANIAN AND COMPANY
Chartered Accountants
Partner
(N. Krishnamurthy)
(M No.19339)
Firm Reg No.004137s

Place: Chennai
Date : 14th May 2012

BALANCE SHEET

AS AT MARCH 31, 2012

(Amt in INR)

Particulars	Note No.	As at 31st March 2012	As at 31st March 2011
I. EQUITY AND LIABILITIES			
1) Shareholder's Funds			
a) Share Capital	1	464,407,850	464,417,890
b) Reserves and Surplus	2	2,568,222,380	2,012,991,119
2) Non-Current Liabilities			
a) Long Term Borrowings	3	17,702,132,166	13,064,158,836
b) Long Term Provisions	4	246,185,782	87,786,960
3) Current Liabilities			
(a) Short Term Borrowings	5	2,405,152,014	2,430,312,352
(b) Other Current Liabilities	6	5,041,358,670	2,850,910,791
(c) Short Term Provisions	7	80,435,034	62,187,907
Total		28,507,893,896	20,972,765,855
II. ASSETS			
1) Non-Current Assets			
a) Fixed Assets	8		
(i) Tangible Assets		31,590,854	27,907,565
(ii) Intangible Assets		1,583,006	2,067,567
b) Non-Current Investments	9	80,500,000	20,500,000
c) Deferred Tax Assets (net)	10	79,291,242	27,569,848
d) Long Term Loans and Advances	11	26,291,122,282	19,339,507,984
2) Current Assets			
a) Cash and Bank Balances	12	175,023,783	84,549,851
b) Short Term Loans and Advances	13	1,779,609,027	1,418,707,417
c) Other Current Assets	14	69,173,702	51,955,623
Total		28,507,893,896	20,972,765,855

Accounting Policies

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Notes Forming Part of Accounts

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For R. Subramanian And Company
Chartered Accountants

Partner
(N. Krishnamurthy)
(M No.19339)
Firm Reg No.004137S

R. Varadarajan
Managing Director

K. Prabhu
Company Secretary

T.S. Krishna Murthy
Chairman

Place : Chennai
Date : 14 May 2012

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2012

(Amt In INR)

Particulars	Notes	For The Year ended 31st March 2012	For The Year ended 31st March 2011
III. INCOME:			
Revenue From Operations	15	3,188,154,506	2,255,372,672
Other Income	16	698,316	4,142,002
Total Income		3,188,852,822	2,259,514,674
IV. EXPENDITURE:			
Interest and Other Financial Charges	17	2,023,101,232	1,278,672,852
Employee Benefit Expenses	18	105,048,795	72,195,180
Depreciation and Amortization Expenses	8	16,170,092	15,729,957
Other Expenses	19	72,887,469	61,726,912
Provision for Non-Performing Assets		48,301,960	25,871,500
Contingency Provisions against Standard Assets		106,675,876	3,222,966
Bad-Debts Written Off		385,425	9,591,321
Total Expenses		2,372,570,849	1,467,010,688
V. Profit Before Tax (III-IV)		816,281,973	792,503,986
VI. Tax Expense:			
(1) Current Tax		253,400,000	220,000,000
(2) Deferred Tax		(51,721,394)	(9,025,587)
VII Net Profit/(Loss) for the period		614,603,367	581,529,573
VIII Earning Per Equity Share:			
Weighted Average no. of Shares Outstanding During the Period		46,441,268	46,441,789
Nominal Value Per Equity Share		10	10
Earnings Per Share After Extra-Ordinary Item			
- Basic & Diluted EPS		13.23	12.52
Earnings Per Share Before Extra-Ordinary Item			
- Basic & Diluted EPS		13.23	12.52

Accounting Policies

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Notes Forming Part of Accounts

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For R. Subramanian And Company
Chartered Accountants

R. Varadarajan
Managing Director

T.S. Krishna Murthy
Chairman

Partner
(N. Krishnamurthy)
(M No.19339)
Firm Reg No.0041375

K. Prabhu
Company Secretary

Place : Chennai
Date : 14 May 2012

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

	As at March 31, 2012		As at March 31, 2011	
		Rs		Rs
Shareholder's Fund				
NOTE 1:				
SHARE CAPITAL				
Authorised Capital				
10,00,00,000 Equity shares of Rs.10/- each		1,000,000,000		1,000,000,000
Issued, Subscribed & Paid up Capital				
4,64,40,785 Equity shares of Rs.10/- each		464,407,850		464,407,850
(Out of the above 2,32,30,606 (2,32,30,606) Fully Paid Up Equity Shares are held by promoter M/s Repco Bank Ltd.)				
1,004 Differential Voting Equity Shares of Rs.10/- each		-		10,040
Total		464,407,850		464,417,890
Reconciliation of Share outstanding at the beginning and at the end of the year.				
Equity Shares (Face value of Rs.10/- each)	No's	Rs.	No's	Rs.
Shares outstanding at the beginning of the year	46,440,785	464,407,850	46,440,785	464,407,850
Shares issued during the year at face value Rs.10/-	-	-	-	-
Shares bought back during the year.	-	-	-	-
Shares outstanding at the end of the year	46,440,785	464,407,850	46,440,785	464,407,850
Differential Voting Equity Shares (Face of Rs.10/- each)	No's	Rs.	No's	Rs.
Shares outstanding at the beginning of the year	1,004	10,040	1,004	10,040
Shares issued during the year at face value Rs.10/-	-	-	-	-
Shares bought back during the year.	1,004	10,040	-	-
Shares outstanding at the end of the year	-	-	1,004	10,040
Shareholders holding more than 5% shares				
Equity Shares				
Name of Equity Shareholder	No's	% of holding	No's	% of holding
(Equity Shareholder holding more than 5 % of Equity share capital)				
Repco Bank Limited	23,230,606	50.02%	23,230,606	50.02%
First Carlyle Growth VI	23,080,860	49.70%	23,080,860	49.70%
	46,311,466	99.72%	46,311,466	99.72%
Differential Equity Shares				
Name of Differential Equity Shareholder	No's	% of holding	No's	% of holding
(Differential Equity Shareholder holding more than 5 % of Differential equity share capital)				
First Carlyle Growth VI	-	-	1,000	99.60%
	-	-	1,000	99.60%

The Company bought back at par 1,004 equity shares of Rs.10/- each with differential rights as to voting, dividend and other rights on 24-09-11 from First Carlyle Growth VI (Investor) and Co-Investors in pursuance of letter of offer dated 15-09-11 issued by the company and accepted by Investors & Co-Investors.

	As at March 31, 2012		As at March 31, 2011	
	Rs	Rs	Rs	Rs
NOTE 2:				
RESERVES AND SURPLUS				
a. Special Reserve in terms of section 360(viii) of Income tax act, 1961				
Opening Balance	548,894,289		383,999,013	
(+) Current Year Transfer	197,105,711		164,895,276	
(-) Written Back in Current Year	-		-	
Closing Balance		746,000,000		548,894,289
b. Capital Redemption Reserve				
Opening Balance	-		-	
(+) Current Year Transfer	10,040		-	
(-) Written Back in Current Year	-		-	
Closing Balance		10,040		-
c. Securities Premium Reserve				
Opening Balance	599,186,414		599,186,414	
(+) Current Year Transfer			-	
(-) Written Back in Current Year			-	
Closing Balance		599,186,414		599,186,414
d. General Reserve				
Opening Balance	503,333,174		303,333,174	
(+) Current Year Transfer	200,000,000		200,000,000	
(-) Written Back in Current Year	-		-	
Closing Balance		703,333,174		503,333,174
e. Surplus				
P&L - Opening balance	361,577,242		198,918,753	
(+) Net Profit / (Loss) for the year	614,603,367		581,529,573	
(+) Transfer from Reserves	-		-	
(-) Transfer to Special Reserve	197,105,711		164,895,276	
(-) Transfer to Capital Redemption Reserve	10,040		-	
(-) Transfer to General Reserve	200,000,000		200,000,000	
(-) Proposed Dividend - Equity 11% (10%)	51,084,864		46,441,789	
(-) Tax on Proposed Dividend	8,287,242		7,534,019	
Closing balance		519,692,752	361,577,242	361,577,242
Total		2,568,222,380		2,012,991,119

	Non-Current Portion		Current Maturities	
	31-03-2012		31-03-2011	
	Rs	Rs	Rs	Rs
NOTE 3:				
LONG TERM BORROWINGS				
Secured:				
Term Loan from Repco Bank Ltd.,	9,927,561	22,053,627	12,327,913	11,324,739
Term Loan from Other Banks	8,203,463,776	5,908,462,238	2,486,560,808	976,436,950
Term Loan from NHB	9,488,740,829	7,133,642,971	2,254,257,000	1,615,709,946
Amount Disclosed Under the Head "Other Current Liabilities (Note 6)	-	-	(4,753,145,721)	(2,603,471,635)
Total	17,702,132,166	13,064,158,836	-	-

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

	LONG TERM	
	31-03-2012	31-03-2011
	Rs	Rs
NOTE 4:		
LONG TERM PROVISIONS:		
Employee Benefits	9,169,986	5,749,000
Other Provisions for :		
Non-Performing Advances	118,122,606	69,820,646
Standard Advances	118,893,190	12,217,314
Total	246,185,782	87,786,960

	31-03-2012	31-03-2011
	Rs	Rs
	NOTE 5:	
SHORT TERM BORROWINGS:		
Secured		
Cash Credit from Repco Bank Ltd.,	2,405,152,014	2,430,312,352
Total	2,405,152,014	2,430,312,352

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

	31-03-2012	31-03-2011
	Rs	Rs
NOTE 6:		
OTHER CURRENT LIABILITIES		
Other Creditors	3,060,983	2,265,626
Current Maturities of Long Term Borrowings	4,753,145,721	2,603,471,635
Interest Accrued But Not Due	241,269,521	174,467,726
Advance Receipts	84,792	568,633
Statutory Dues	1,127,209	454,487
Other Liabilities	42,670,444	69,682,685
Total	5,041,358,670	2,850,910,791

	SHORT TERM	
	31-03-2012	31-03-2011
	Rs	Rs
NOTE 7:		
SHORT TERM PROVISIONS		
Provisions:-		
Employee Benefit	12,296,134	7,386,275
Income Tax (Net of Advance Tax Paid)	8,766,794	825,824
Dividend	51,084,864	46,441,789
Tax on Dividend	8,287,242	7,534,019
Total	80,435,034	62,187,907

(Rupees)

Particulars	Gross Block (at Cost)			Depreciation		Net Block	
	As on 01.04/11	Addition	Deletion	As at 31.03/12	For the period	As on 31.03/12	As at 31.03/11
TANGIBLE ASSETS:							
Land & Building	6,675,994	-	-	6,675,994	197,957	2,914,600	3,959,131
Furniture & Fixtures	5,629,628	1,839,579	65,355	7,404,046	217,355	4,177,879	1,624,001
Motor Vehicle	5,083,199	1,916,233	-	6,999,432	1,423,362	2,698,147	3,808,414
Bicycle	16,675	-	3,300	13,375	3,300	13,375	-
Computers	26,313,627	7,642,964	33,956,591	11,732,671	7,409,467	19,142,138	14,580,956
Air Conditioner	1,162,979	1,291,769	2,454,748	456,663	189,047	645,730	1,809,018
Office Equipment	1,152,628	355,055	7,500	1,500,183	308,655	7,500	828,686
Electrical Fitting	349,065	201,632	10,986	539,711	179,667	10,986	49,759
Generator	2,952,264	798,189	-	3,750,453	416,564	792,145	2,958,308
Temporary Erections	14,177,327	4,952,975	29,160	19,101,042	4,952,875	29,160	19,101,042
Total	63,513,766	18,998,290	116,301	82,395,775	35,606,221	50,804,921	31,590,654
INTANGIBLE ASSETS:							
Software	3,781,996	390,582	-	4,172,578	875,143	2,589,572	1,583,006
Total	3,781,996	390,582	-	4,172,578	875,143	2,589,572	1,583,006
Total	67,295,762	19,388,872	116,301	86,568,353	37,320,650	53,394,483	29,975,132
Previous Year	39,731,370	28,776,587	1,212,175	67,295,762	22,387,776	797,083	97,320,650
							29,975,132
							17,345,584

	31-03-2012 Rs	31-03-2011 Rs
NOTE 9:		
NON-CURRENT INVESTMENTS:		
At Cost, Unquoted, Trade		
Investment in Associates:		
50,000(50,000) Equity shares of Rs.10/- Each Fully Paid up in Repco Infrastructure Development Finance Company Ltd.,	500,000	500,000
80,00,000 (20,00,000) Equity Shares of Rs.10/- Each Fully Paid up in Repco MSME Development & Finance Ltd.,	80,000,000	20,000,000
Total	80,500,000	20,500,000

	31-03-2012 Rs	31-03-2011 Rs
NOTE 10:		
DEFERRED TAX		
Deferred Tax Assets:		
Provision for Non Performing assets	38,324,880	22,653,308
Others	42,204,967	5,829,171
Gross Deferred Tax Asset (A)	80,529,847	28,482,479
Deferred Tax Liabilities:		
Difference Between Written Down Value of Fixed Assets as per Companies act and as per Income tax Act.,	1,238,605	912,631
Gross Deferred Tax Liability (B)	1,238,605	912,631
Net Deferred tax Asset/(Liability)	79,291,242	27,569,848
Amount Debited / (Credited) in Profit & Loss Account	(51,721,394)	(9,025,587)

	31-03-2012 Rs	31-03-2011 Rs
NOTE 11:		
LONG TERM LOANS & ADVANCES		
(Secured & Considered Good excepting Provision made for Non-Performing Advances)		
Housing Loan to Individuals	22,679,733,295	16,504,457,512
Mortgage / Other Loans	3,587,758,965	2,815,596,074
Capital Advances (unsecured, considered good)	2,033,816	3,196,131
Security Deposits (unsecured, considered good)	13,023,055	10,079,375
Other loans & advances (Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in Kind	4,573,733	2,045,024
Loan to Employees	3,999,418	4,133,869
Total	26,291,122,282	19,339,507,984

	31-03-2012	31-03-2011
	Rs	Rs
NOTE 12:		
CASH AND BANK BALANCES:		
Cash and Cash Equivalents		
Cash on Hand	7,281,332	5,479,143
Balance with Bank in Current a/c	150,500,644	47,613,638
Balance with Repco Bank in Savings a/c	17,096,807	31,312,071
Other Bank Balance *		
Balance with Bank in Deposit a/c with more than 12 months maturity. [The above deposits are held in the joint name of the company and the employee towards Security Deposit]	145,000	145,000
Total	175,023,783	84,549,851

	31-03-2012	31-03-2011
	Rs	Rs
NOTE 13:		
SHORT TERM LOANS & ADVANCES (Secured & Considered Good excepting Provision made for Non-Performing Advances)		
Current Maturities of Housing Loan	1,427,772,671	1,137,645,252
Current Maturities of Mortgage / Other Loans	326,285,117	277,523,093
Other loans & advances (Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in Kind	23,318,972	1,908,517
Loan to Employees	1,990,772	1,602,361
Travel Advance	241,495	128,194
Total	1,779,609,027	1,418,707,417

	31-03-2012	31-03-2011
	Rs	Rs
NOTE 14:		
OTHER CURRENT ASSETS		
Interest Due from Borrowers	63,591,479	47,773,235
PEMI Due from Borrowers	5,582,223	4,182,388
Total	69,173,702	51,955,623

	31-03-2012	31-03-2011
	Rs	Rs
NOTE 15:		
REVENUE FROM OPERATIONS		
Interest on Housing Loan/Home Equity Loan	3,024,436,708	2,115,214,657
Processing Fee	111,839,207	99,071,944
Penal Interest	30,888,058	23,236,587
Other Operating Income	20,990,533	17,849,484
Total	3,188,154,506	2,255,372,672

	31-03-2012	31-03-2011
	Rs	Rs
NOTE 16:		
OTHER INCOME		
Interest on Deposits with Bank		
Interest Others (Refer Note 22 (f) (ii))	555,459	4,002,094
Profit on Sale of Fixed Assets	125,557	-
	17,300	139,908
Total	698,316	4,142,002

	31-03-2012	31-03-2011
	Rs	Rs
NOTE 17:		
Interest and other Financial Charges		
Interest on Loan from Banks		
Interest on Refinance	1,189,696,053	609,513,932
Bank Charges	826,157,633	664,931,520
	7,247,546	4,227,400
Total	2,023,101,232	1,278,672,852

	31-03-2012	31-03-2011
	Rs	Rs
NOTE 18:		
EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages		
Exgratia	74,730,635	53,053,564
Contribution to PF and Other Funds	9,804,235	6,758,007
Leave Encashment	8,365,843	5,365,265
Staff Welfare	4,498,207	2,614,538
	7,649,875	4,403,806
Total	105,048,795	72,195,180

	31-03-2012	31-03-2011
	Rs	Rs
NOTE 19:		
OTHER EXPENSES		
Advertisement & Business Promotion	11,904,251	13,868,886
Legal Fees	8,250,323	5,460,476
Communication Expenses	5,159,815	6,449,811
CERSAI Fee	2,900,523	-
Professional & Consultancy Fee	2,867,772	2,335,448
Electricity Expenses	2,099,757	1,652,968
Miscellaneous Expenses	10,052,215	9,387,020
Printing and Stationary	2,298,585	1,924,945
Rates & Taxes	637,084	1,356,898
Rent	19,173,269	13,398,763
Remuneration to auditors		
- Statutory Audit	960,000	800,000
- For Certification	93,000	77,500
- For Tax Audit and Other Matters	210,000	75,000
Repairs & Maintenance - Others	1,687,898	1,772,490
Travelling & Conveyance	3,272,033	2,238,243
Training Expenses	738,796	392,603
Vehicle Maintenance	582,148	535,862
Total	72,887,468	61,728,912

Significant Accounting Policies and Notes on Accounts

NOTE 20

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), 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 guidelines / directions prescribed by the National Housing Bank (NHB) for housing finance companies.

2. INCOME RECOGNITION

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

3. INTEREST ON HOUSING LOANS

Repayment of Housing Loans or 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.5000/- are being depreciated fully in the year acquisition.

5. PROVISION FOR NON-PERFORMING ASSETS/PERFORMING ASSETS

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

6. INVESTMENTS

Investments are classified as Long Term Investments and Current Investments and are valued in accordance with guidelines of National Housing Bank and Accounting Standards on Accounting for Investments' (AS-13), 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. EMPLOYEE BENEFITS

(a) Short-term Employee Benefits

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

(b) Post Employment Benefits

Defined Contribution Plan

i) Provident Fund:

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

Defined Benefit Plan

i) Gratuity:

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

ii) Leave Encashment:

The Company provides for staff leave encashment based 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.

NOTE 21
NOTES ON ACCOUNTS
a) CONTINGENT LIABILITIES

- i) Commitment towards sanction pending disbursement including part Disbursements as on 31-03-2012 - Rs.15,458.53 lakh (Rs.14,031.26 lakh).
- ii) Claims against the Company not acknowledged as Debts Rs.20.96 lakh (Rs. 20.96 lakh)
- iii) No provision is considered in the accounts in respect of disputed Income tax Liability of Rs.20.38 lakh (NIL) as the company has preferred appeals

b) DEFERRED TAX:

The components of deferred tax assets and Deferred tax Liabilities as on 31-03-2012 and as at 31/03/2011 are as under:

		(Rupees)	
		As at 31.03.2012	As at 31.03.2011
Deferred Tax Assets:			
Provision for Non Performing Advances		38,324,880	22,653,308
Others		42,204,967	5,829,171
	(A)	80,529,847	28,482,479
Deferred Tax Liabilities:			
Difference between written down value of Fixed Assets as per Companies Act and as per Income Tax Act.	(B)	1,238,605	912,631
Net Deferred Tax Asset	(A-B)	79,291,242	27,569,848

- c) In the opinion of the Board, all Assets other than Fixed Assets and Non current Investments have a realizable value in the Ordinary course of business which is not different from the amount at which it is stated with the exception of Non performing advances for which requisite provision has been made in accordance with the NHB Guidelines.
- d) Classification of Loans and Provisions made for Non-Performing Assets are as under:

	For the year ended 31-03-2012					For the year ended 31-03-2011				
	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Housing Loans (Excluding Installment due from borrowers)										
Individual house ownership	237,702.80	1,759.55	1,612.71	-	241,075.06	174,312.02	1,377.72	731.28	-	176,421.02
Mortgage/other loans	38,682.74	248.03	209.67	-	39,140.44	30,521.21	225.98	184.01	-	30,931.20
Total Loans	276,385.54	2,007.58	1,822.38	-	280,215.50	204,833.23	1,603.70	915.29	-	207,352.22
Provision-Housing loans	950.81	265.41	757.41	-	1,973.63	-	206.86	365.65	-	572.31
Provision other loans	238.12	37.20	121.20	-	396.52	122.17	33.90	92.00	-	248.07
Total Provisions	1188.93	302.61	878.61	-	2,370.15	122.17	240.56	457.65	-	820.38

- e) Pursuant to the NHB Circulars dated 05th August 2011 and 19th January 2012 on Provisioning norms the Company has changed its Provision Policy relating to Non performing advances in accordance with the Provisioning requirements of NHB. Further the provision towards Standard assets is made as per the amended provisioning requirements of NHB. Due to the change in policy on account of the above the profit for the year is lower by Rs.1,001.63 lakh(net).
- f) Pursuant to the Enquiry /Investigation carried out by the Central Bureau of Investigation (CBI) against Erstwhile Managing Director and also Erstwhile Executive Director of the Company in regard to amount/remuneration identified as excess, the company has initiated steps for recovery and the status of the same is as under:-
- (i) As regards Amount Recoverable from the Erstwhile Managing Director amounting to Rs.89.69 lakh (including notional loss of interest of Rs.3.19 lakh) the same is yet to be recovered. No adjustments has been carried out in respect of the same.
 - (ii) As regards Amount recoverable from Erstwhile Executive Director amounting to Rs.4.51 lakh (including notional loss of interest of Rs.1.26 lakh) the same has been recovered /adjusted out of the retirement benefits during the current year. While the notional loss of interest is credited to interest others classified under other income the amount of Rs.3.25 lakh recovered is credited to the salary expenses of the current year.
- g) There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues, which are outstanding for more than 45 days as at 31-03-2012. 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 of information available with the Company.
- h) Earnings/Expenditure incurred in foreign currency: Rs. NIL (NIL)
- i) There are no amounts to be reflected under payable to Investor Protection Fund.
- j) Related Party Transactions

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

List of related parties:

Promoter

Repco Bank

Associates

Repco MSME Development Company Ltd.,

Repco Infrastructure Development Company Ltd.,

Company holding substantial interest

First Carlyle Growth VI

Key Management Personnel

Shri R. Varadarajan, Managing Director

Shri S.V. Balasubramanian, Executive Director (upto 14-02-2012)

Shri P. Natarajan, Executive Director (In charge) from 17-02-2012

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

(Rs.)

Nature of Transaction	Key Management Personnel Managing Director/ Executive Director	Promoter REPCO Bank	Company holding substantial interest First Carlyle Growth VI	Associate
Remuneration Paid to Managing Director	686,315 (2,357,192)	-	-	
Remuneration Paid to Executive Director	2,156,721* (1,975,300)	-	-	
Equity Share Capital (Paid-up outstanding)	-	232,306,060 (232,306,060)	230,808,600 (230,808,600)	
Differential Equity Share Capital - Bought Back	-	-	-	(10,000)
Cash Credit Outstanding	-	2,405,152,014 (2,430,312,352)	-	
Term Loan Outstanding	-	22,255,474 (33,378,366)	-	
Rent Paid (Excluding Service tax)	-	1,077,600 (1,118,588)	-	
Corporate Fee Paid (Excluding Service tax)	-	216,000 (216,000)	-	
Interest	**125,557	255,144,346 (144,136,992)	-	
Equity Dividend Proposed	-	25,553,667 (23,230,606)	25,388,946 (23,081,860)	
Interest earned on deposits	-	555,459 (3,010,312)	-	
Capital Expenditure Paid	-	-	-	
Investments o/s as at the end of the year	-	-	-	80,500,000 (29,500,000)
Professional fee paid	-	-	-	- (204,225)

*Net of recovery of Rs.3.25 lakh as detailed in Note 22(i) (ii)

** refer Note 22(i) (ii)

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

- l) Earning per share (Basic and Diluted)

(Rs.)

	2011-12	2010-11
(a) Profit for the year after Tax	614,603,368	581,529,573
(b) Weighted average number of Equity Shares outstanding during the year	46,441,268	46,441,789
(c) Basic and Diluted Earning per Share	13.23	12.52
(d) Nominal Value per Equity Share	10.00	10.00

- m) During the current year the Company has filed Draft Red Herring Prospectus (DRHP) with SEBI on 30th September 2011 and is in the process of filing Red Herring Prospectus (RHP) in connection with proposed Initial Public Offering (IPO) of Equity Shares. Expenses incurred in relation to the proposed IPO upto 31/03/2012 aggregating to Rs.224.43 lakh (including Rs.10 lakh paid to the Auditors) have been classified under Short Term loans and Advances and the same will be recognized as expense in the year the in which Public Issue materializes.

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

Year in which dividend paid	2011-12	2010-11
No of Shareholders	1	1
No of Shares held	23,081,860	23,081,860
Year for Which Dividend is Paid	2010-11	2009-10
Gross amount of Dividend (Rupees)	23,081,860	23,081,860

- o) Rupee Equivalent of Foreign Currency paid towards Buy back of shares during the current year Rs. 10,000/- (NIL)

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

Particulars of Provision for	Opening Balance as on 01/04/2011	Provision made during the year	Provisions reversed / adjusted	Closing balance as on 31/03/2012
Non performing advances	69,820,646	48,301,960	--	118,122,606
Contingent Provisions on Standard Assets	12,217,314	106,375,876	--	118,893,190
Leave encashment	5,749,000	4,498,207	1,077,221	9,169,986
Taxation	398,125,824	253,400,000	395,159,030	256,366,794
Proposed dividend (including Dividend Tax)	53,975,808	59,372,106	53,975,808	53,974,641

- q) EMPLOYEE BENEFITS

- i. Defined Contribution Plan:
Company Contribution to
Provident fund : Rs.5,235,862/-
- ii. Defined Benefit Plan: Gratuity

	2011-12	2010-11
A. Reconciliation of opening and closing balance of present value of the defined benefit obligation		
Present value of obligations as at beginning of year	4,003,966	2,326,804
Interest Cost	320,317	186,144
Current Service Cost	988,077	563,929
Benefits Paid	(258,288)	(158,060)
Actuarial loss on obligation	2,268,369	1,085,149
Present value obligations as at end of year.	7,322,441	4,003,966
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	4,295,520	3,313,004
Expected return on plan assets	446,782	337,350
Contributions	1,111,581	803,226
Benefits paid	(258,288)	(158,060)
Actuarial gain on plan assets	NIL	NIL
Fair value of plan assets at the end of year	5,595,595	4,295,520
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	4,295,520	3,313,004
Actual return on plan assets	446,782	337,350
Contributions	1,111,581	803,226
Benefits paid	(258,288)	(158,060)
Fair value of plan assets at the end of year	5,595,595	4,295,520
Funded status (Liability)	-	-
Excess of actual over estimated return on plan assets	(1,726,846)	2,915,541
D. Details showing fair value of plan assets		
Fair value of plan at beginning of year	4,295,520	3,313,004
Actual return on plan assets	446,782	337,350
Contributions	1,111,581	803,226
Benefit paid	(258,288)	(158,060)
Fair value plan assets at end of year.	5,595,595	4,295,520
E. Actuarial assumption		
Discount Rate	8.00%	8.00 %
Salary Increment	5.00%	5.00 %
Mortality rates	Based on LIC 1994-06	Based on LIC 1994-96
r) Capital to Risk Assets Ratio (CRAR) (As certified by the Management)		
Items	As on 31-03-2012	As on 31-03-2011
i) CRAR (%)	16.50	18.21
ii) CRAR - Tier I Capital (%)	16.50	18.21
iii) CRAR - Tier II Capital (%)	-	-

S. Exposure to Real Estate Sector (As certified by the Management)		(Rs in Crore)	
Category		As on 31-03-2012	As on 31-03-2011
a)	Direct Exposure		
	(i) Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	251.54	199.54
	(i) Out of the above Individual Housing Loans up to Rs. 15.00 lakh	154.65	125.23
	(ii) Commercial Real Estate -		
	Lending Secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	139.86	109.77
	(iii) Investments in Mortgage Backed Securities (MBS) and other securities exposures -	Nil	Nil
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

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

											(Rs in Crore)	
	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total	
Liabilities												
Borrowings from Banks / NHB	63.93	2.29	64.14	105.59	239.36	991.17	512.57	327.38	179.22	--	2,486.05	
Market Borrowings	--	--	--	--	--	--	--	--	--	--	--	
Assets												
Advances (Gross)	21.33	13.40	13.52	41.30	85.85	383.53	445.07	464.52	611.19	722.44	2,802.15	
Investments	--	--	--	--	--	--	--	--	--	--	--	

u) Amount of Dividend proposed to be distributed to the Equity Shares holders for the year ended 31/03/2012

Particulars	(Rs in Crore)	
	2011-12	2010-11
Dividend %		
Dividend amount/Share	11	10
Total Amount of dividend Proposed to be distributed	1.10	1.00
	51,084.864	46,440,785

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

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

Particulars	(Rs in Crore)				
	Upto 1 Year	Over 1 year to 3 Years	Over 3 years to 5 Years	Over 5 year to 10 Years	Total
Secured Loans from Banks	249.88	586.61	189.27	285.99	1,311.75
Term Loans from National Housing Bank (NHB)	225.43	404.56	323.70	220.61	1,174.30
Total	475.31	991.17	512.97	506.60	2,486.05

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

For R. Subramanian And Company
Chartered Accountants

Partner
(N. Krishnamurthy)
(M No.19339)
Firm Reg No.0041375

Place: Chennai
Date : 14 May 2012

R. Varadarajan
Managing Director

K. Prabhu
Company Secretary

T.S. Krishna Murthy
Chairman

CASH FLOW STATEMENT

FOR THE YEAR ENDING MARCH 31, 2012

	For the year ended March 31, 2012	For the year ended March 31, 2011	Rupees
A Cash Flow From Operating Activities			
Net Profit Before Tax			
Adjustments For:			
Depreciation	816,281,973		792,503,986
(Profit)/Loss on Sale of Fixed Assets	16,170,092		
Interest Earned on Deposits *	(17,300)	15,729,957	
Bad debts written off	(555,459)	(139,908)	
Provision for Non-Performing Assets/ Standard Assets	385,425	(4,002,094)	
	154,977,836	9,581,321	
Operating Profit Before Working Capital Changes		29,094,466	
Adjustments For:	170,960,594		50,273,742
Current Assets	987,242,567		842,777,728
Current Liabilities and other Employee benefits	(26,187,790)		
	(17,697,158)	(9,607,821)	
Cash Generated From Operations		68,499,045	
Direct Taxes Paid	(43,894,948)		
Net Cash From Operating Activities	943,357,619		58,891,224
B Cash Flow From Investing Activities (A)	(245,459,030)		901,668,952
Purchase of Fixed Assets	697,898,589		(246,639,639)
Sale of Fixed Assets			655,028,913
Subscription to Investments	(19,388,872)	(28,776,585)	
Interest Earned on Deposits	37,352	555,000	
Net Cash Used in Investing Activities	(60,000,000)	-	
C Cash Flow From Financing Activities (B)	555,459	4,002,094	
Buy Back of Share capital	(78,796,061)		(24,219,491)
Increase in Secured and Unsecured Loans	(10,040)		
Increase in Housing Loans	6,829,288,873		5,547,146,345
Dividends Paid	(7,303,931,622)		(6,680,880,325)
Net Cash Used in Financing Activities	(53,975,808)		(54,334,571)
Net Increase/Decrease in cash and cash equivalent (A+B+C)	(528,629,297)		(1,188,068,551)
Cash and Cash Equivalents - Opening Balance	90,473,931		(557,258,729)
Cash and Cash Equivalents - Closing Balance	84,549,852		641,808,581
Net Increase/(Decrease) in Cash and Cash Equivalents (E-D)	175,023,783		84,549,852
	90,473,931		557,258,729

We have examined the above Cash Flow Statement of Repco Home Finance Ltd., Chennai, for the year ended March 31, 2012. 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

Partner
(N. Krishnamurthy)
(M No. 19339)
Firm Reg No. 004137S

R. Varadarajan
Managing Director

T.S. Krishna Murthy
Chairman

K. Prabhu
Company Secretary

Place: Chennai
Date : 14 May 2012

68 STRONG BRANCH NETWORK

BRANCH NAME	LANDLINE	MOBILE
BRANCHES IN CHENNAI		
Adayar	044-24451202	9444394922
Anna Nagar	044-26285959	9444394978
Ashok Nagar	044-23718730	9444394921
Tambaram	044-22261610	9444394920
Vysarpadi	044-25514546	9445390018
BRANCHES IN TAMIL NADU		
Coimbatore	0422-2215917	9444394968
Cottnoor	0423-2231457	9444394970
Dindigul	0451-2434309	9445394081
Erode	0424-2262524	9444976942
Hosur	04344-220303	9445007435
Kancheepuram	044-27229919	9445394083
Karur	04324-239391	9444976943
Kumbakonam	0435-2402856	9444394942
Madurai	0452-2527209	9444394972
Mayiladuthurai	04364-240399	9445394082
Mettupalayam	04254-221357	9445195904
Nagercoil	04652-220092	9445796817
Namakkal	04286-232459	9444394973
Pattukkottai	04373-253715	9444394915
Perambalur	04328-225025	9791817164
Pudukkottai	04322-221635	9444394917
Salem	0427-2334677	9444394974
Thanjavur	04362-271380	9444394975
Theni	04546-260650	9445007436
Thiruvannamalai	04175-220180	8939616432
Trunelveli	0462-2551979	9444986216
Tiruppur	0421-2239202	9444394976
Trichy	0431-2740874	9444394977
Tuticorin	0461-2330890	9445008491
Vellore	0416-2247273	9445190898
BRANCHES IN ANDHRA PRADESH		
Guntur	0863-2223830	09391234527
Hyderabad	040-23811146	09393811146
Habsiguda	040-27154414	09397154414
Ongole	08592-283133	09391583618
Nellore	0861-2311335	09391714555
Kakinada	0884-2347534	09396930291

BRANCH NAME	LANDLINE	MOBILE
BRANCHES IN ANDHRA PRADESH		
Kurnool	8518-227123	09393672123
Rajamundry	0883-2441091	09390662666
Thirupathi	0877-2220303	09391711115
Vijayawada	0866-2437942	09392105485
Vizag	0891-2799297	09392277773
Kadapa	08562-224568	09912850568
Ananthapur	08554-278295	09849888295
BRANCHES IN KARNATAKA		
Bangalore	080-41233109	09341269752
Belgaum	0831-2493070	09343167525
Davangere	08192-232836	09342440967
Hubli	0836-2371400	09663398188
Mangalore	0824-2213465	09448251365
Mysore	0821-4281424	09343979260
Shimoga	08182-272100	09379737277
Yelahanka	080-41686515	09379664223
Hassan	08172-235440	08880376949
Gulbarga	08472-265553	08880125553
Bellary	08392-275918	09894984789
BRANCHES IN KERALA		
Emakulam	0484-2397980	09446060209
Kollam	0474-2766444	09349125152
Kottayam	0481-2564301	09446553377
Palakkad	0491-2544383	09895757345
Punalur	0475-2230817	09387874487
Trivandrum	0491-2333040	09446413040
BRANCHES IN PONDICHERRY		
Pondicherry	0413-2330960	09444394971
BRANCHES IN MAHARASHTRA		
Dombivili	0251-2426787	09372618683
Nasik	0253-2509769	09371406789
Pune	020-24431956	09372267110
Nagpur	0712-2540135	09370070721
BRANCHES IN ORISSA		
Bhuvaneshwar	0674-2360166	09437496998
BRANCHES IN GUJARAT		
Ahmedabad	079-26461872	09409251348
Vadodra	0265-2780224	09879579505

Customer's Dreams Completed Projects...





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