NOTICE

Notice is hereby given that the **3rdAnnual General Meeting** of the members of **Shriram Housing Finance Limited** will be held onJuly 12, 2013at 3:00 P. M. at No. 144, Santhome High Road, Shriram City Business Solutions Centre, Mylapore, Chennai – 600 004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the Profit and Loss Account of the Company for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Ms. SubhasriSriram, who retires by rotation and being eligible, offers her for re-appointment.

3. To appoint M/s. Pijush Gupta & Co., Chartered Accountants, Kolkata, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications, the following resolution as ordinary resolution:

   "**RESOLVED THAT** Mr. G. S.Sundararajan who was appointed as an Additional Director of the Company by the Board of Directors with effect from 26th October, 2012, under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing him for the office of Director under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"**RESOLVED THAT** Dr. Qudsia Gandhi who was appointed as an Additional Director of the Company by the Board of Directors with effect from 7th November, 2012, under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing her for the office of Director under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification(s), the following by ordinary resolution:

"**RESOLVED THAT** pursuant to Section 94(1)(a) and all other applicable provisions, the Authorised Share Capital of the Company be increased from the existing ₹115,00,00,000/- (Rupees One hundred and Fifteen Crore Only) divided into 11,50,00,000 (Eleven Crore Fifty lakh) Equity Shares of ₹10/- each to ₹220,00,00,000 (Rupees Two hundred and Twenty crore Only) divided into 22,00,00,000 (Twenty Two crore only) Equity Shares of ₹10/- each and ranking paripassu with the existing shares of the Company.

RESOLVED FURTHER THAT pursuant to provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956 the first sentence of existing Clause No. V of the Memorandum of Association of the Company be deleted and substituted with the following clause:

V. The Authorised Share Capital of the Company is ₹220,00,00,000/- (Rupees Two Hundred and Twenty crore] divided into 22,00,00,000 (Twenty TwoCrore) Equity Shares of₹10/- each.

RESOLVED FURTHER THAT, the Board of Directors or any officer designated by the Board of Directors is hereby authorised to take necessary steps to give effect to the increase in the Authorised Share Capital as above and to file necessary forms with the Registrar of Companies, Ministry of Corporate Affairs as required under the provisions of the Companies Act, 1956 and take necessary steps for alteration of the capital clause of the Memorandum of Association of the Company."

7. To consider and if thought fit, to pass with or without modification(s), the following as a special resolution:

   "**RESOLVED AS A SPECIAL RESOLUTION THAT** in terms of Section 81(lA) and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the Subscription Agreement, 2,72,20,000 (Two crore Seventy Two Lakh Twenty Thousand only) Equity Shares**("STIS and TTIS")** representing 22.7493% of the Share Capital of the Company on a fully diluted basis at a par value of ₹10 (Rupees Ten only) per Equity Share and a premium of ₹25 (Rupees Twenty Five Only) per Equity Share be and hereby are issued and allotted to the Investor against receipt of an aggregate consideration of ₹95,27,00,000/- (Rupees Ninety Five crores Twenty Seven Lakhs only) **("Second and Third Tranche Investor Share Subscription Amount")**;

   RESOLVED FURTHER THAT, that the board of directors or any officer designated by the board of directors of the Company be and is hereby authorised to take necessary steps to give effect to issue and allotment of STIS and TTIS Shares as above and to file necessary forms with the Registrar of Companies, Ministry of Corporate Affairs as required under the provisions of the Companies Act, 1956 or with other concerned regulatory authorities."

8. To consider and if thought fit, to pass with or without modification(s), the following as a special resolution:

   "**RESOLVED AS A SPECIAL RESOLUTION THAT** in terms of Section 81(lA) and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the Subscription Agreement, 9,54,40,000 (Nine Crore Fifty Four Lakh Forty Thousand only) Equity Shares ("**STPS and TTPS Shares**") and representing 77.2507%of the Share Capital of the Company on a fully diluted basis at a par value of ₹10 (Rupees Ten only) per Equity Share (**"STPS& TTPS**") be and hereby are issued and allotted to the Promoter against receipt of an aggregate consideration of ₹95,44,00,000/- (Rupees Ninety Five Crore Forty Four Lakhs only) ("**Second and Third Tranche Promoter Share Subscription Amount**");

   RESOLVED FURTHER THAT, that the board of directors or any officer designated by the board of directors of the Company be and is hereby authorised to take necessary steps to give effect to issue and allotment of STPS and TTPS Shares as above and to file necessary forms with the Registrar of Companies, Ministry of Corporate Affairs as required under the provisions of the Companies Act, 1956 or with other concerned regulatory authorities."

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE PROXIES IN ORDER TO BE VALID MUST BE DULY COMPLETED, STAMPED AND SIGNED AND MUST REACH THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

By order of Board of Directors

Place : Chennai
Date :June 14, 2013

Sujan Sinha
Managing Director & CEO

EXPLANATORY STATEMENT PURSUANT TO

SECTION 173(2) of THE COMPANIES ACT 1956

ITEM NO 4:

The Board of Directors in their meeting held on October 26, 2012 appointed Mr. G. S. Sundararajan as an Additional Director. Mr. Sundararajan holds office upto the forthcoming Annual General meeting. Under section 257 of the Companies Act, 1956, the Company has received notice from a member proposing the candidature of Mr. Sundararajan for the office of Director.

Mr. Sundararajan is a vastly experienced finance professional, having served with Citibank, Fullerton India and, more recently, the Shriram Group. He originally joined the group as the Managing Director of Shriram Capital Ltd. He is currently associated with a large number of group companies, including Shriram City Union Finance as its Managing Director, providing oversight in critical areas of strategic growth opportunities in these companies. During his tenure as the Managing Director of Fullerton India, he was nominated onto the Boards of two financial services investments of Temasekin China, in Nanjing & Chengdu.

ITEM NO 5:

The Board of Directors appointed Dr. Qudsia Gandhi as an Additional Director with effect from November 7, 2012. Dr. Gandhi holds office upto the forthcoming Annual General meeting. Under section 257 of the Companies Act, 1956, the Company has received notice from a member proposing the candidature of for the office of Director.

Dr. Gandhi is a retired member of the Indian Administrative Services. Dr. Gandhi has vast experience of over 30 years in government administration, in various fields such as Treasury, Accounts, Training, Health& Family Welfare. At present she is the chairperson and Managing Director of TamilNadu Transport Development Finance Corporation Ltd. She has earlier served on the Boards of Tamil Nadu Power Finance & Infrastructure Development Corporation Ltd., Overseas Manpower Corp Ltd and State Industries Promotion Corp of Tamil Nadu Ltd.

ITEM NO.6

The Company has entered into a Share Subscription agreement with Shriram City Union Finance Limited, its Promoter and Valiant Mauritius Partners FDI Limited whereby the Promoter and Investor would be investing in the Company. Pursuant to the agreement the authorized share capital of the company needs to be increased for the purpose of inflow of

funds in the future on time to time basis. Thus the existing authorised share capital of ₹115,00,00,000 (Rupees One Hundred and Fifteen Crores Only) divided into 11,50,00,000 (Eleven Crore Fifty Lakh) Equity Shares of ₹10/- each needs to be increased to ₹220,00,00,000 (Rupees Two Hundred and Twenty crore)]. The approval of the shareholders is being sought for such increase in the authorized share capital of the Company and amendment of the Memorandum of Association of the Company to that effect.

None of the Directors is concerned or interested in the resolution, except in their capacity as shareholders of the Company.

ITEM NO. 7 and 8

In accordance with the Share Subscription Agreement entered into with Valiant Mauritius Partners FDI Limited (Investor) and Shriram City Union Finance Limited (Promoter):

a) The Investor shall subscribe to and the Company shall issue and allot 2,72,20,000 (TwoCroreSeventy Two Lakh and Twenty Thousand only) Equity Shares ("STIS and TTIS Shares") representing 22.7493% of the Share Capital of the Company on a fully diluted basis at a par value of ₹10 (Rupees Ten only) per Equity Share and a premium of ₹25 (Rupees Twenty Five Only) per Equity Share ("STIS") for an aggregate consideration of ₹95,27,00,000/- (Rupees Ninety Five Crore Twenty Seven Lakhs only) ("Secondand Third Tranche Investor Share Subscription Amount");

b) The Promoter shall subscribe to and the Company shall issue and allot 9,54,40,000 (Nine Crore Fifty Four Lakh Forty Thousand)Equity Shares ("STPS & TTPS Shares") representing 77.2507% of the Share Capital of the Company on a fully diluted basis at a par value of ₹10 (Rupees Ten only) per Equity Share for an aggregate consideration of ₹95,44,00,000/- (Rupees Ninety Five Crore Forty Four Lakhonly) ("Second and Third Tranche Promoter Share Subscription Amount");

The Board of Directors recommends the passing of the special resolutions as set out in the accompanying notice.

SHRIRAM HOUSING FINANCE
FINDING WAYS TO FUNDING HOMES

DIRECTORS' REPORT

To
The Members of
Shriram Housing Finance Limited

Your Directors are pleased to present the 3rd Annual Report and Accounts for the financial year ended 31st March, 2013.

FINANCIAL RESULTS:

(₹ in lac)

Particulars	2012-13	2011-12
Revenue from Operations	972.77	35.21
Other Income	719.02	7.97
Profit/ (loss) before Taxation	9.24	(489.18)
Provision for Taxation	(31.38)	44.39
Profit/ (loss) after Taxation	(22.14)	(444.79)
Add: Balance brought forward	(444.79)	NIL
Balance carried to Balance Sheet	(466.93)	(444.79)

OPERATIONS:

The Year under review has been the first full year of Operations. During the year, total income of the Company for the year was ₹ 1691.70 lac. The Company had a total expense of ₹ 1682.55 lac. The Company has incurred a net loss of ₹ 22.14 lac for the year ended 31st March, 2013.

DISBURSEMENTS:

The Company commenced the disbursement of loans w.e.f. December 1st, 2011. The total disbursements for the financial year 2012-13 aggregated to ₹ 11,496 lacs.

CAPITAL STRUCTURE:

During the year under review, the paid up share capital of the company was increased from ₹ 14,80,00,000/- to ₹ 91,50,00,000/-. The company had not made any borrowings during the year.

MATERIAL DEVELOPMENT:

A Shareholders' Agreement and Share Subscription Agreement was executed between the promoter Shriram City Union Finance, Valiant Mauritius Partners FDI Limited and the Company w.e.f. March 29, 2012. The amount of investment under these agreements is to be received in three tranches.

The first tranche of the investments under these agreements was received on 3rd April 2012, both from the investor, M/S Valiant Mauritius Partners FDI Limited and the promoter, M/S Shriram City Union Finance Ltd.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company has implemented Employees Stock Options Scheme (ESOS) approved by the members at the Extra-Ordinary General Meeting held on March 28, 2013. The board level compensation committee has been constituted to administer and monitor.

DIVIDEND:

Since the revenue generation of the Company is in its initial stages, the Directors have not recommended any dividend for the year ended March 31, 2013.

NHB DIRECTIONS

Your Company continues to comply with all the requirements prescribed by the National Housing Bank.

DIRECTORS:

During the year, in October 2012, Mr. G. S. Sundararajan was appointed as an Additional Director.

Dr. Qudsia Gandhi, a retired member of the Indian Administrative Service, was appointed as an Independent Director on the Board of Directors of the Company, in November 2012.

Ms. Subhasri Sriram retires by rotation and being eligible offers herself for reappointment. Your directors recommend her re-appointment. Necessary resolution with regards to the same is being placed before the shareholders for their approval.

None of the Directors are disqualified from being appointed as Directors, as specified in Section 274 (1) (g) of the Companies Act, 1956.

AUDITORS:

M/S. Pijush Gupta & Co., retire as Statutory Auditors of the Company at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from the retiring Auditors to the effect that their appointment as Statutory Auditors, if made, would be within the limits prescribed u/s 224 (1B) of the Companies Act, 1956.

Members are requested to re-appoint M/s. Pijush Gupta & Co as the Statutory Auditors of the Company for the year 2013-2014.

PARTICULARS OF EMPLOYEES:

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, form a part of this report. However, as per the provisions of Section 219(1) of the Companies Act, 1956 this report and accounts are being sent to all the members of the Company and others entitled there to, excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Secretarial Office of the Company and the same will be sent by post.

FIXED DEPOSITS:

The Company has not invited/accepted/renewed any fixed deposits as per the provisions of Section 58A of the Companies Act, 1956 from the public during the year.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departure;

- That the Directors' had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at end of the financial year and of the loss of the Company for that period;

- That the Directors had taken proper and sufficient care, for the maintenance of adequate accounting records in accordance with the provisions of this Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- That the Directors had prepared the annual accounts on a going concern basis.

SHRIRAM
HOUSING FINANCE
FINDING WAYS TO FUNDING HOMES

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

Provisions of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 in relation to conservation of energy and technology absorption are currently not applicable to the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, the Company had no foreign exchange earnings and outgo.

ACKNOWLEDGEMENT:

Your Directors place on record their appreciation for the support and assistance received from the investors, customers, vendors, bankers, financial institutions, business associates, regulatory and governmental authorities. Your Directors also place on record the commitment and involvement of the employees at all levels and looks forward for their continued co-operation.

For and On behalf of Board of Directors,

Sujan Sinha
Managing Director

S. Subhash
Subhash Sriram
Director

Date: Chennai
Place: 15th May, 2013

PIJUSH GUPTA & CO
CHARTERED ACCOUNTANTS

P-199, C.I.T.ROAD, SCHEME IV-M, KOLKATA –700 010

INDEPENDENT AUDITOR'S REPORT

To the Members of
Shriram Housing Finance Limited

We have audited the accompanying financial statements of Shriram Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and the Cash Flow Statement respectively for the year then ended, and a summary of significant accounting policies and other explanatory information incorporated in the Schedules and Notes to Accounts attached thereto.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of Internal Control relevant to the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements

in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2005 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;

e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Company, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section274 of the Act.

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration Number: 309015E

Pijush Kumar Gupta
Partner
Membership Number 015139

Place: Chennai.
Date: May 15, 2013.

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in our Independent Auditor's Report of even date in respect of financial year ended March 31, 2013, of Shriram Housing Finance Limited ("the company")

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

   (b) According to the information and explanations given to us, the fixed assets were physically verified by the management in accordance with the program of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such physical verification.

   (c) There was no disposal of fixed assets during the year.

2. The Company is primarily engaged in the business of providing long term finance for housing loans and therefore does not hold any physical inventories.

3. The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services. There are no purchases of inventory and sale of goods during the period of audit. During the course of our audit, we have not observed any major weakness in such internal control system.

5. To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements, the particulars of which need to be entered into register maintained in section 301 of the Companies Act, 1956.

6. According to the information and explanations given to us, the Company has not accepted deposits from the public during the period covered by our audit report. According to the information and explanation given to us, no order has been passed by the company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard in respect of the Company.

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

PIJUSH GUPTA & CO. Chartered Accountants

8. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any of the services rendered by the Company.

9. (a) According to the information and explanations provided to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, service tax, income tax, and other material statutory dues applicable to it and there are no dues payable in respect of Employees' State Insurance, Investor Education and Protection Fund, Excise duty, Custom Duty and Sales Tax.

   (b) There were no undisputed amounts payables in respect of Income-tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other statutory dues in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.

   (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, wealth tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.

10. The Company has been incorporated on November 09, 2010. The question of accumulated losses is not applicable now.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or financial institutions.

12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.

13. In our opinion the company is not a chit fund or a nidhi/mutual benefit fund/society.

14. In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities and debentures.

15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

16. As appears from our examination of company's books and records the company has not obtained any term loans.

17. In our opinion and according to the information and explanations given to us and on overall examination of the books and records no funds have been raised by the company on short term basis.

Chartered Accountants

18. The company, during the year has made preferential allotment of equity shares to parties and companies covered in the registrar maintained under section 301 of the Companies Act, 1956. The price at which the shares have been issued is not prejudicial to the interest of the company.

19. According to the information and explanations given to us, during the period, the Company has not issued any secured debentures.

20. During the period covered by our audit report, the Company has not raised any money by way of a public issue.

21. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company except a fraud of ₹ 21 lacs committed by a borrower on the company which has been charged off to revenue.

For Pijush Gupta &Co.
Chartered Accountants
Firm Registration No:309015E

Pijush Kumar Gupta
Partner
Membership No:015139

PIJUSH GUPTA & CO. Chartered Accountants

Place: Chennai.
Date: May 15, 2013

Shriram Housing Finance Limited

(₹ in Lacs)

Balance Sheet as at March 31,	Notes	2013	2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	5	9,150.00	1,480.00
Reserves and surplus	6	4,908.07	(444.79)
Non-current liabilities			
Long-term provisions	7	87.04	20.61
Current liabilities			
Other current liabilities	8	221.71	38.86
Short-term provisions	7	16.40	5.19
		14,383.22	**1,099.87**
ASSETS			
Non-current assets			
Fixed assets	9		
- Tangible assets		94.38	70.72
- Intangible assets		79.09	0.31
Deferred tax assets (net)	10	13.01	44.39
Long-term loans and advances	11	11,175.23	533.03
Other non-current assets	12	294.51	59.76
Current assets			
Cash and cash equivalents	13	166.55	365.24
Current investments	14	2,119.32	-
Short-term loans and advances	11	368.69	11.70
Other current assets	12	72.44	14.72
		14,383.22	**1,099.87**

The notes referred to above form an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of
Shriram Housing Finance Limited

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No : 309015E

Pijush Kumar Gupta
Partner
Membership No:015139

Place: Chennai
Date: May 15, 2013

Sujan Sinha
Managing Director

Subhasri Sriram
Director

Nikita Hule
Company Secretary

Shriram Housing Finance Limited

(₹ in Lacs)

Statement of Profit and loss for the year ended March 31,	Notes	2013	2012
Revenue from Operation	15	972.77	35.21
Other Income	16	719.02	7.97
Total Revenue		**1,691.79**	**43.18**
Expenses:			
Employee benefits expense	17	624.90	179.99
Depreciation and amortisation expense	9	53.33	6.63
Other expenses	19	939.11	185.01
Provisions & written offs (net)	20	65.21	160.73
Total Expenses		**1,682.55**	**532.36**
Profit/Loss before exceptional and extraordinary items and tax		**9.24**	**(489.18)**
Exceptional items		-	-
Profit before extraordinary items and tax		**9.24**	**(489.18)**
Extraordinary Items		-	-
Profit before tax		**9.24**	**(489.18)**
Tax expense/(write back):			
(1) Current tax		-	-
(2) Deferred tax		(31.38)	44.39
Profit (Loss) for the period from continuing operations		**(22.14)**	**(444.79)**
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-
Profit (Loss) for the period		**(22.14)**	**(444.79)**
Earnings per equity share:			
(1) Basic		(0.02)	(9.00)
(2) Diluted		(0.02)	(9.00)

The notes referred to above form an integral part of the financial statements.

As per our report of even date

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No : 309015E

Pijush Kumar Gupta
Partner
Membership No:015139

Place: Chennai
Date: May 15, 2013

For and on behalf of the Board of Directors of
Shriram Housing Finance Limited

Sujan Sinha
Managing Director

Subhasri Sriram
Director

Nikita Hule
Company Secretary

Shriram Housing Finance Limited

(₹ in Lacs)

Cash Flow Statement for the year ended March 31,	2013	2012
A) Cash flow from Operating activities		
Net profit/Loss before taxation	9.24	(489.18)
Non-cash adjustments to reconcile profit before tax to net cash flows:		
- Depreciation and amortization	53.33	8.15
Provision for sub standard, doubtful & loss assets	-	-
- Contingent Provision on Standard assets	44.21	1.95
- Provision for gratuity	2.20	18.21
- Provision for leave benefits	2.56	0.52
- Provision for Lease Rental	19.14	-
Provision for Bonus and Ex-gratia	9.53	5.12
Interest income on current and long term investments and interest income on fixed deposits	(316.93)	(7.46)
Dividend Income	(334.49)	-
Profit on sale of investment	(61.95)	-
Operating profit before working capital changes	**(573.16)**	**(462.69)**
Movement in Working capital:		
(Increase) / decrease in Short-term loans and advances	(356.99)	(64.28)
(Increase) / decrease in Long-term loans and advances	(10,642.20)	(480.45)
(Increase) / decrease in other current assets	(57.72)	(14.72)
(Increase) / decrease in other non-current assets	(234.75)	(36.00)
Increase / (decrease) in current liabilities	182.85	20.19
Cash generated from operation	**(11,681.97)**	**(1,037.95)**
Net Cash flow from/(used in) operating activities (A)	**(11,681.97)**	**(1,037.95)**
B) Cash flow from Investing Activities		
Purchase of fixed and intangible assets	(155.77)	(76.46)
Purchase of Investments	(2,119.32)	-
Interest received on current and long term investments and interest on fixed deposits	316.93	7.46
Dividend received	334.49	-
Profit on Sale of Investments	61.95	-
Net Cash flow from/(used in) investing activities (B)	**(1,561.72)**	**(69.00)**
C) Cash flow from Financing activities		
Issue of equity share capital including securities premium and share application money	13,045.00	1,230.00
Net Cash flow from/(used in) financing activities (C)	**13,045.00**	**1,230.00**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(198.69)	123.05
Cash and cash equivalents at the beginning of the Year	365.24	242.19
Cash and cash equivalents at the end of the year	**166.55**	**365.24**

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Component of Cash and Cash Equivalents as at March 31,	2013	2012
Cash on hand	0.07	0.09
Balances with banks:		
- Current Account	166.48	65.15
- Bank Deposit with original maturity of less than 3 months	-	300.00
Total Cash and cash equivalents	**166.55**	**365.24**

As per our report of even date

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No : 309015E

Pijush Kumar Gupta
Partner
Membership No:015139

Place: Chennai
Date: May 15, 2013

For and on behalf of the Board of Directors of
Shriram Housing Finance Limited

Sujan Sinha
Managing Director

Subhasri Sriram
Director

Nikita Hule
Company Secretary

Notes to Financial Statements for the year ended March 31, 2013.

1. The Entity

Shriram Housing Finance Limited (the "company') is registered as a public limited company under the Companies Act, 1956, having received its Certificate of Incorporation on November 9, 2010 and Certificate of Commencement of Business on January 21, 2011, from Registrar of Companies (ROC), Chennai. The company received its Certificate of Registration from National Housing Bank (NHB) as required under Section 29A of the National Housing Bank Act, 1987, on August 4, 2011. The company is a subsidiary of Shriram City Union Finance Limited (SCUF). The company is engaged in the business of providing home loans.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India. The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 as amended and the relevant provisions of the Companies Act, 1956 and the guide- lines issued by NHB as applicable to the Company. The financial statements have been prepared on an accrual basis and under the historical cost convention.

3. Consistency of Accounting Policies

Accounting Policies adopted in the preparation of these financial statements are consistent with those of previous year except where specifically indicated in the paragraphs below.

4. Significant Accounting Policies

4.1 Use of estimates

Preparation of financial statements in conformity with accounting principles generally accepted in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of the operations for the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and/or liabilities in future periods.

4.2 Tangible Fixed Assets

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for intended use. Borrowing costs relating to acquisition of fixed assets are capitalized to the extent they relate to period till such assets are ready to be put to use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

replacing parts, are charged to the statement of profit and loss for the period during which such expenditure is incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on Fixed Asset is calculated on a straight line basis as per the useful lives of the assets estimated by the management, or, by using rates prescribed under the Schedule XIV to Companies Act, 1956, whichever is higher. Leasehold Improvements are amortised at a rate of 20% or over the lease period whichever is higher.

4.3 Capital Advances

Capital advances are advances given for procurement of fixed assets. Company does not expect to realise them in cash and over a period of time these advances get converted into fixed assets. These advances are non-current in nature. Therefore irrespective of when the fixed assets are expected to be received such advances are disclosed under Long-Term Loans and Advances.

4.4 Intangible Assets

Intangible assets comprising computer software acquired separately are measured and recognised at cost. Such assets generated internally are capitalized at all expenditure that can be directly attributed or allocated including overheads on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Expenditure over and above development costs as above are not capitalized and are recognized as expense and reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortised on a straight line basis over the estimated useful economic life of such assets. It is presumed that the useful economic life of Computer Software will not exceed three years from the date such assets are available for use. If there is a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

4.5 Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. Cost comprises of purchase price and directly attributable acquisition expenses like brokerages and other fees and duties.

Current Investments are carried in the financial statements at lower of cost and fair value determined on individual investment basis. Long-term Investments including non-current and current portions thereof are carried at cost. However provision for diminution in value of long-term investments is made to recognize a decline in value other than temporary in nature.

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On disposal of an investment, the difference between its carrying value and net disposal proceeds is charged or credited in the statement of profit and loss.

4.6 Home Loans

Home Loans consist of secured loans given for acquisition of property and/or loans against existing property. Home loans are classified under Current and Non-Current categories depending upon their respective due dates of recovery. Normal finance charges accrued as per agreement and expenses recoverable are added to the principal amounts outstanding as on reporting date. The assets are disclosed net of write-offs.

A Loan which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower is identified as a Loss Asset. Entire loss assets are written off and if such assets are carried in the books for any reason whatsoever, provision is made in the books for a full 100% amount of the outstanding.

Provision for other Doubtful and Sub-Standard Assets is made in the books subject to the minimum prescribed under the provisions of National Housing Finance Companies (NHB) Directions, 2010. Such provisions are not netted from gross advances but are disclosed separately.

4.7 Revenue Recognition

Interest income on home loans disbursed is recognised on accrual basis. Loans are repayable in Equated Monthly Instalments (EMIs) along with interest. EMIs commence only on disbursal of entire sanction amount. Pre-EMI interest is payable monthly where the loan is partly disbursed.
Profit/Loss on sale of investments is recognized at the time of sale/redemption.
Dividend is recognized as income in the year in which right to receive such dividend is established.
Interest on deposits with banks and other institutions is recognized as income on a time proportion basis to the extent said deposits were outstanding during the year.
Loan Processing fees are taken as Income upfront.

4.8 Contingent Liabilities

The company does not recognize a contingent liability but discloses its existence in the financial statement. Contingent liability for this purpose is a possible obligation that arises from past events whose value will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company. Contingent liabilities also include a present obligation that is not recognized as there is a possibility that outflow of resources will not arise to settle the obligation. A contingent liability also arises where there is a liability that cannot be measured reliably.

4.9 Provisions

A provision is recognized when the company has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Values of such provisions are determined based on the best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimate.

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4.10 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the Provident Fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the Provident Fund.

The company operates one defined benefit plan for its employees, viz., gratuity. Provision for costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. The actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the statement of profit and loss in the period in which they occur.

Accumulated leave which is expected to be utilized within the next 12 months is treated as short term employee benefit. The company measures the expected cost of such entitlements as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term entitlements are provided for based on actuarial valuation using projected unit credit method at year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. Both the schemes of gratuity and accumulated leave are un-funded.

4.11 Operating Leases

Properties taken on operating lease are not capitalized and lease payments are recognized as expense on straight line method in accordance with Accounting Standard (AS19) issued by ICAI.

4.12 Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities calculated in accordance with the provisions laid down in the Income Tax Act, 1961. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating in the current year and reversal of timing differences of the earlier years. Tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted as on the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for all deductible timing differences, subject to consideration of prudence to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In case the company has unabsorbed depreciation or carry forward losses under tax laws deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The company on each reporting date re-assesses unrecognized deferred tax assets and recognizes hitherto unrecognized deferred tax assets to the extent the same fulfills criteria for such recognition as above. Similarly the carrying amounts of deferred tax assets are reviewed at each reporting date and writes down or reverses write downs as the case may be depending upon circumstances obtaining at that time.

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The company sets off assets and liabilities representing current tax as there is legally enforceable right to set off the recognized amounts and the company intends to settle the asset and liability on a net basis. The deferred tax assets and deferred tax liabilities are similarly set off.

4.13 Segment Reporting Policies

The main business of the company is to provide long term home loans. Accordingly there is no separate reportable segment as per "Accounting standard AS 17 Segment Reporting".

4.14 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting attributable taxes by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.15 Cash and cash equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments. Cash equivalents are short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash in hand, cheques in hand, remittances in transit and short-term investments with an original maturity of three months or less.

Chartered Accountants

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

5.Share Capital

(₹in Lacs)

Particulars as at March 31,	2013	2012
Authorised 115000000(Previous Year : 115000000) Equity Shares of ₹10/- each	11,500.00	11,500.00
	11,500.00	**11,500.00**
Issued, Subscribed & Fully Paid Up Equity Shares 91500000 (Previous year : 14800000) equity shares of ₹10/- each	9,150.00	1,480.00
Total	**9,150.00**	**1,480.00**

5.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars as at March 31,	2013		2012	
	Number	(₹ in Lacs)	Number	(₹in Lacs)
Shares outstanding at the beginning of the year	14,800,000	1,480.00	25,00,000	250.00
Shares Issued during the year	76,700,000	7,670.00	1,23,00,000	1,230.00
Shares outstanding at the end of the year	91,500,000	9,150.00	1,48,00,000	1,480.00

5.2 Terms/Rights attached to Equity Shares: The Company has only one class of equity shares having a face value of ₹ 10/- per equity share. Each holder of equity share is entitled to one vote per share.

5.3 Details of shareholders holding more than 5 percent of the shares in the Company

Name of Shareholder as at March 31,	2013		2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Valiant Marutius Partners FDI Ltd	21,500,000.00	23.50%	-	-
Shriram City Union Finance Ltd., and it's Nominees	70,000,000.00	76.50%	1,48,00,000	100.00%

5.4 There are no shares allotted as fully paid up pursuant to any contract without payment being received in cash, and there are no shares allotted as bonus shares, during the period of five years immediately preceding the date of the Balance Sheet.

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

6. Reserves & Surplus

(₹ in Lacs)

Particulars as at March 31,	2013	2012
Securities Premium	5,375.00	-
Profit & loss account	(466.93)	(444.79)
Total	**4,908.07**	**(444.79)**

7. Provisions

(₹ in Lacs)

Particulars as at March 31,	Long Term		Short Term	
	2013	2012	2013	2012
Provision for Employee Benefits:				
Provision for gratuity(Refer Note No.-4.10)	20.41	18.21	-	-
Provision for leave benefits (Refer Note No.-4.10)	2.80	0.48	0.28	0.04
Provision for bonus and ex-gratia	-	-	14.65	5.12
Other Provisions				
Provision for Lease Rent	19.14	-	-	-
Contingent provision for standard assets as per NHB Directions 2010	44.69	1.92	1.47	0.03
Total	**87.04**	**20.61**	**16.40**	**5.19**

8.Other Current Liabilities

(₹ in Lacs)

Particulars as at March 31,	2013	2012
Tax Deducted at Source	16.11	0.02
Outstanding expenses	46.95	3.34
Rent Deposit	117.39	-
Retention money	-	0.50
Deposit from Employees	35.00	35.00
Collection contra	6.26	
Total	**221.71**	**38.86**

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

9. Tangible and Intangible Fixed Assets

(₹ in Lacs)

Particulars	Tangible Asset						Total Tangible Asset	Intangible Assets	Total Fixed Assets
	Land	Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Leasehold Improvements		Computer software	
Gross Block									
As at April 1, 2011	-	-	2.73	-	-	-	2.73	-	2.73
Additions	-	-	27.80	3.67	-	44.65	76.12	0.34	76.46
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2012	-	-	30.53	3.67	-	44.65	78.85	0.34	79.19
Additions	-	-	34.82	2.11	-	7.66	44.59	111.18	155.77
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2013	-	-	**65.35**	**5.78**	-	**52.31**	**123.44**	**111.52**	**234.96**
Depreciation									
As at April 1, 2011	-	-	0.01	-	-	-	0.01	-	0.01
Charge for the year	-	-	2.22	0.19	-	5.71	8.12	0.03	8.15 *
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2012	-	-	2.23	0.19	-	5.71	8.13	0.03	8.16
Charge for the year	-	-	8.73	1.30	-	10.90	20.93	32.40	53.33
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2013	-	-	**10.96**	**1.49**	-	**16.61**	**29.06**	**32.43**	**61.49**
Net Block									
As at March 31, 2012	-	-	**28.30**	**3.48**	-	**38.94**	**70.72**	**0.31**	**71.03**
As at March 31, 2013	-	-	**54.39**	**4.29**	-	**35.70**	94.38	79.09	**173.47**

***Depreciation for the year ended March 31, 2012 includes depreciation amount of Rs.1.53 lacs, which has been taken as pre-operative expenses**

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

10.Deferred Tax Liabilities/ (Assets) (Net)

(₹ in lacs)

Particulars as at March 31,	2013	2012
Deferred tax liabilities		
Timing difference on account of :		
Differences in depreciation as per income tax & as charged in financial statement	(15.94)	(1.96)
Gross Deferred Tax Liabilities (A)	**(15.94)**	(1.96)
Deferred tax asset		
Timing difference on account of :		
Deferred revenue expenditure	-	38.50
Contingent Provision against standard assets	14.26	0.60
Provision For Lease Rent	5.91	-
Provision for leave encashment	0.95	0.16
Provision for gratuity	6.31	5.63
Preliminary expenditure	0.51	0.67
Provision for bonus	1.01	0.79
Gross Deferred Tax Assets (B)	**28.95**	**46.35**
Net Deferred Tax (Liabilities)/Asset (B-A)	**13.01**	**44.39**

11. Loans and Advances

Home loans granted by the company are secured by Equitable mortgage of the property financed, There are no loans & advances to related parties. (Ref Note No: 24)

(₹ in Lacs)

Particulars as at March 31,	Long-Term		Short-Term	
	2013	2012	2013	2012
Home Loans - Secured, considered good	11,172.73	480.45	368.69	11.70
Unsecured, considered good- Capital Advances	2.50	52.58	-	-
Total	**11,175.23**	**533.03**	**368.69**	**11.70**

12. Other Assets

(₹ in Lacs)

Particulars as at March 31,	Non-current		Current	
	2013	2012	2013	2012
Unsecured considered good				1.99
Interest receivable on fixed deposits			0.89	-
Service tax credit (input) receivable			9.70	8.37
Prepaid expenses			0.75	0.22
TDS receivable			44.35	1.38
Security deposit	294.26	52.76		2.76
Fixed deposit with bank under lien (Ref Note no. 23a)		7.00	7.00	
Advances for assets	0.25	-		
Other Advances			9.75	-
Total	**294.51**	**59.76**	72.[illegible]	**14.72**

13. Cash & Cash Equivalents

(₹ in Lacs)

Particulars as at March 31,	Non-current		Current	
	2013	2012	2013	2012
a. Balances with banks				
- Current Account	-	-	166.48	65.15
Other Bank Balances				
Bank deposit with Original maturity for more than 3 months but less than 12 months	-	-	-	300.00
- Fixed Deposit with Bank under lien	-	7.00	7.00	
b. Cash on hand	-	-	0.07	0.09
	-	**7.00**	**173.55**	**365.24**
Amount disclosed under the head "Other Asset" (Ref Note no:12)	-	(7.00)	(7.00)	-
Total	-	-	**166.55**	**365.24**

14.Current Investments

(₹ in Lacs)

Particulars as at March 31,	2013	2012
Investment in Mutual funds	2,119.32	-
Total	**2,119.32**	-

15. Revenue from Operation

(₹ in Lacs)

Particulars as at March 31,	2013	2012
Interest income	700.04	7.82
Processing fees	270.15	27.39
Other charges	2.58	-
Total	**972.77**	**35.21**

16. Other Income

(₹ in Lacs)

Particulars as at March 31,	2013	2012
Interest on deposit with Bank	316.93	7.46
Dividend Income	334.49	-
Profit on sale of investment	61.95	-
Miscellaneous income	5.65	0.51
Total	**719.02**	**7.97**

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17. Employee benefits expense

(₹ in Lacs)

Particulars as at March 31,	2013	2012
Salaries	573.09	149.80
Contributions to provident fund	21.12	3.88
Provision for gratuity (Refer note no.- 4.10)	2.20	18.51
Provision for leave benefits (Refer note no.- 4.10)	2.74	0.65
Staff welfare expenses	5.82	1.45
Training expenses	3.28	0.58
Bonus and ex-gratia	14.07	5.12
Incentives	2.58	-
Total	**624.90**	**179.99**

18. Gratuity and Other Post Employment Benefit Plans:

The company operates one defined plans, viz., gratuity for its employees. Under the gratuity plan every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is unfunded.

18.1 Net Employee Benefit Expense (Recognized in Employee Benefits Expenses)

In Statement of Profit & Loss

(₹ in Lacs)

Year ended March 31,	2013	2012
Current Service Cost	2.50	2.30
Interest Cost on benefit obligation	1.59	-
Expected return on plan assets	-	-
Net Actuarial (gain). Loss recognized in the year	(1.89)	15.91
past services cost	-	-
Net Benefit expense	2.20	18.21

In Balance Sheet

Benefit Asset/Liability

(₹ in Lacs)

As at March 31,	2013	2012
Opening defined benefit obligation	18.21	-
Interest cost	1.59	-
Current services cost	2.50	2.30
Benefits paid	Nil	-
Actuarial (gains)/losses on obligation	(1.89)	15.91
closing defined benefit obligation	20.41	18.21
The principal assumptions used in determining gratuity and post employment medical benefit	-	-
Salary Rise (%)	5.00	5.00
Discount rate (%)	8.75	8.75
Attrition Rate (%)	3.00	3.00
Average balance service	25.69Years	26.66Years

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19. Other Expenses

(₹ in Lacs)

Particulars as at March 31,	2013	2012
Rent	211.46	73.14
Printing & stationery	18.04	3.47
Travelling and conveyance	63.40	22.40
Books & periodicals	5.03	0.82
Meeting expenses	14.47	1.17
Business promotion	40.85	3.07
Business commission	25.50	-
Communication expenses	16.26	3.68
Directors' sitting fees	0.11	0.10
Electricity expenses	16.85	4.55
Freight Charges	0.53	-
Insurance - others	6.10	-
Bank expenses	0.94	0.10
Audit fees	5.32	1.05
Professional and consultancy expenses	286.54	12.57
Registration & filing fees	0.04	55.25
Repairs & maintenance	18.18	1.29
Postage & courier expenses	8.02	0.82
Rates, duties & taxes	1.89	0.19
Brokerage	1.38	-
Membership fees	29.99	-
Miscellaneous Expenditure	0.25	-
Royalty	53.09	-
Advertising expenditure	41.74	-
Loan processing expenses	73.13	1.34
Total	**939.11**	**185.01**

20. Provisions & write offs

(₹ in Lacs)

Particulars as at March 31,	2013	2012
Contingent Provision for standard assets	44.21	1.95
Bad debts written off	21.00	-
Preliminary expenditure	-	2.73
Pre Operative expenditure	-	155.75
Others	-	0.30
Total	**65.21**	**160.73**

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

21. Related Party Disclosure

21.1. Names of Related Party and Respective Relations :

Nature of Relationship	Name of the Company
Holding Company	Shriram City Union Finance Limited
Enterprises having significant influence over the Company	Shriram Capital Limited
Key Managerial Personnel	Mr. Sujan Sinha, Managing Director

21.2 Related parties have been identified by the Company.

(₹ in lacs)

Particulars as on March 31,	Shriram Capital Ltd.		Shriram City Union Finance Ltd.		Key Managerial Personnel		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Payments/Expenses								
Employee Benefits	-	-	-	-	62.84	24.15	62.84	24.15
Rent	23.58	129.63	6.19	-	-	-	29.77	129.63
Other Expenses reimbursements	1.71	4.67	1.62	11.03	-	-	3.33	15.70
Commission	-	-	2.41	-	-	-	2.41	-
Receipts								
Other expenses reimbursement	-	-	9.04	14.80	-	-	9.04	14.80
Share Capital	-	-	5,520.00	1,230.00	-	-	5,520.00	1,230.00
Rent	-		112.75	-	-	-	112.75	-
Security Deposit for Rent	-		117.38	-	-	-	117.38	-
Balance outstanding at the year end								-
Share Capital	-	-	7,000.00	1,480.00			7,000.00	1,480.00

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22. Earnings per share

(₹ in Lacs)

Particulars as at March 31,	2013	2012
Profit/(Loss) after tax as per profit and loss account and the same profit/(Loss) is considered for calculation of EPS (` in lacs)(A)	(22.14)	(444.79)
Weighted average number of equity shares for calculating Basic EPS (in lacs) (B)	910.80	49.43
Weighted average number of equity shares for calculating Diluted EPS (in lacs) (C)	910.80	49.43
Basic earnings per equity share (in Rupees) (Face value of ₹10/- per share) (A) / (B)	(0.02)	(9.00)
Diluted earnings per equity share (in Rupees) (Face value of ₹ 10/- per share) (A) / (C)	(0.02)	(9.00)

(₹ in Lacs)

Particulars for the year ended March 31,	2013	2012
Weighted average number of equity shares for calculating EPS (₹ in lacs)	910.80	49.43
Add : Equity shares arising on conversion of optionally convertible warrants (in lacs)	-	-
Add : Equity shares for no consideration arising on grant of stock options under ESOP (in lacs)	-	-
Weighted average number of equity shares in calculation diluted EPS (in lacs)	910.80	49.43

23. Contingent liability and commitment:

a) Contingent Liability: Bank deposit of ₹ 7.00 Lacs liened against corporate credit card.

b) Estimated amount of contract remaining to be executed on capital account for interior work net of advance to be paid ₹ 2.37 Lacs (Previous Year ₹ 50 Lacs).

24. As certified by the Management, loans given by the company are secured by Equitable Mortgage/Registered Mortgage of the property & Assets Financed &/or assignment of Life Insurance policies &/or Personal Guarantees &/or undertaking to create a security & are considered appropriate & good.

25. Funds raised through Preferential allotment of shares were used for the purpose for which they were raised.

26. Value of Imports on CIF basis-Nil (previous Year-Nil).

27. Foreign exchange earnings and out go- Nil (Previous Year-Nil).

28. Based on the information received by the company, none of the suppliers have confirmed to be registered under the MICRO, Small and Medium Enterprises Development (MSMED) Act, 2006.

29. The figures of previous year has been rearranged/ regrouped to conform to the current year.

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30. The Company does not have licensed capacity as it is a Home Finance Company. The list of Branches is attached.

31.Transfer to reserve fund:

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of net profits every year to reserve fund. The company has not transferred any amount (Previous Year NIL) to Reserve Fund as the company has not made any profits during year.

32. Disclosure of details as required under amended guidelines on Asset Liability Management (ALM) issued by NHB vide circular dated October 11, 2010, NHB(ND)/DRS/Pol No.35/2010-11.

32.1 Capital to Risk Ratio (CRAR)

Items As at March 31,	2013	2012
1. CRAR(%)	129.28%	168.71%
2.CRAR(%)Tier I capital	129.28%	168.71%
3.CRAR(%)Tier II capital	-	-

32.2 Exposure to Real Estate Sector

a) Direct exposure

i) Residential mortgages

Lending fully secured by mortgage on Residential property that is or will be occupied by the borrower or that is rented

(₹ in lacs)

Category As at March 31,	2013	2012
(i) Housing Loan to Individuals upto ₹ 15 Lakhs	6114.65	292.43
(ii) Housing Loan to individual	4033.64	96.06
(iii) Other Housing Loans;		
- Loan given to corporate	N A	N A
- Non Housing Loan against residential property	1269.48	103.67
- Non Housing Loan against Non-residential	N A	NA

(ii) Commercial Real Estate **(₹ in lacs)**

Category As at March 31,	2013	2012
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 includes non-fund based (NFB) limits	123.64	-

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iii) Investment in mortgage backed securities (MBS) and other securitized exposures

Category As at March 31,	2013	2012
a) Residential -	-	-
b) Commercial Real Estate -	-	-

b) Indirect exposure
Fund based and non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs) – Nil (previous year- Nil)

32.3 Asset Liability Management:

Maturity pattern of certain items of Assets and Liabilities

(₹ in Lacs)

	Liabilities		Assets	
Period	**Borrowings from Banks**	**Market Borrowings**	**Advances**	**Investment**
1 day to 30-31 days (one month)	-	-	106.49	2,119.32
Over one month to 2months	-	-	2.97	-
Over 2 months up to 3months	-	-	-	-
Over 3 months to 6months	-	-	44.46	-
Over 6 months to 1 year	-	-	259.82	-
Over 1 year to 3years	-	-	229.93	-
Over 3 to 5 years	-	-	77.30	-
Over 5 to 7 years	-	-	155.85	-
Over 7 to10 years	-	-	1,017.84	-
Over 10 Years	-	-	9,646.75	-
Total	**-**	**-**	**11,541.41**	**2,119.32**

As per our report of even date

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No:309015E

Pijush Kumar Gupta
Partner
Membership No:015139

Place : Chennai.
Date: May15,2013

For and on behalf of the Board of Directors of
Shriram Housing Finance Limited

Sujan Sinha
Managing Director

Subhasri Sriram
Director

Nikita Hule
Company Secretary

Shriram Housing Finance Limited
List of Branches

Sr. No.	State	Branch Name
1	Andhra Pradesh	Guntur
2	Andhra Pradesh	Hyderabad
3	Andhra Pradesh	Karimnagar
4	Andhra Pradesh	Kurnool
5	Andhra Pradesh	Nellore
6	Andhra Pradesh	Rajahmundry
7	Andhra Pradesh	Tirupati
8	Andhra Pradesh	Vijayawada
9	Andhra Pradesh	Visakhapatnam
10	Andhra Pradesh	Warangal
11	Chattisgarh	Raipur
12	Delhi	Delhi
13	Gujarat	Ahmedabad
14	Gujarat	Mehsana
15	Gujarat	Rajkot
16	Gujarat	Surat
17	Gujarat	Vadodara
18	Haryana	Karnal
19	Haryana	Ambala
20	Karnataka	Bengaluru
21	Madhya Pradesh	Bhopal
22	Madhya Pradesh	Indore
23	Maharashtra	Amravati
24	Maharashtra	Aurangabad
25	Maharashtra	Chandrapur
26	Maharashtra	Kolhapur
27	Maharashtra	Navi Mumbai
28	Maharashtra	Nagpur
29	Maharashtra	Nashik
30	Maharashtra	Pune
31	Orrisa	Bhubaneshwar
32	Punjab	Jalandhar
33	Punjab	Ludhiana
34	Punjab	Mohali
35	Rajasthan	Jaipur
36	Rajasthan	Jodhpur
37	Tamilnadu	Chennai
38	Tamilnadu	Thiruchirapalli
39	Uttar Pradesh	Lucknow
40	Uttar Pradesh	Meerut
41	West Bengal	Durgapur
42	West Bengal	Kolkata

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