



## *Chairman's Foreword*

## *Dear Stakeholders,*

### **The Year in Retrospect**

For Indian economy as also of the rest of the world, 2008-09 was one of the toughest years to be in business. In the wake of global financial meltdown, it was hard for business to raise resources and maintain the growth. The Indian economy was relatively protected by the conservative handling of credit policies by the regulator. The effect of this shrinkage in the world economy has been felt more severely in the Export, Realty and Manufacturing sectors. The Indian economic growth slowed down to less than 7 % in the fiscal year 2008-09.

### **Housing Finance Industry Scenario**

The home loan market did not show significant growth for a major part of 2008 on account of higher interest rates coupled with rising property prices. The RBI began cutting back policy rates from September 2008 onwards in response to impending economic slowdown. Other initiatives of RBI like hike in the priority sector lending limit to Rs. 20 lakhs for housing loan and the downward revision of lending rates by banks necessitated a review of the interest rate on home loans. The growth in the average value of loan has led to a consistent growth in housing finance in the recent past, but with declining real estate prices, growth now will come from reaching more number of households. With its expanding network, the Company will try to seize this opportunity. Housing affordability has been a cause of concern for a long time due to rise in assets prices and interest rates. But the declining real estate prices and interest rates are likely to improve the affordability levels. All real estate developers and housing finance companies are now believing and promoting the affordable housing concept. The Government is also playing a supportive role in promoting affordable housing in urban centers by including it in its urban planning and policy.

### **Highlights of Company's Performance**

The performance of your company has to be reviewed against this backdrop. Your company during the year under review recorded a total income of Rs. 1794.36 lacs, against Rs. 1220.44 lacs in the previous year, an increase of 47.03 %. The Profit after Tax (PAT) for the financial year ended March 31, 2009 recorded an increase of 54.02 % to Rs. 175.56 lacs from Rs. 113.98 lacs in the previous year. Shareholders equity (Net Owned Fund) increased to Rs. 2067.91 lacs from Rs. 1892.35 lacs in the previous year, an increase of 9.28 %.

### **Corporate Governance**

The Board of Directors and the management of your Company are committed to high standards of governance in the functioning of the Company. These governance norms have indeed assumed further importance in view of certain developments that unfolded across the globe as well as within India in recent times. Your Company is aware of its responsibility towards its shareholders, business partners, employees and the society at large.

### **Conclusion**

I remain confident of the company's abilities and strategies which make me look forward to the future with enthusiasm and optimism. The continued support from all our stakeholders including our customers, business associates and shareholders, our employees is the key driver to our success.

**Subrata Roy Sahara**  
Chairman









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