# GIC HOUSING FINANCE LTD.

गृहे सौख्यम् विराजते

**GICHFL/SEC/2016/** 01435

**22nd September, 2016**

*The Listing Department,*
**The National Stock Exchange Limited,**
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
MUMBAI - 400 051

Dear Sir,

**Scrip Code: GICHSGFIN**

**Sub.: Minutes of 26th AGM of the Company.**

Please find enclosed herein the copy of 26th AGM of the Company for your record purpose.

Thanking You,

Yours faithfully,

**S. Sridharan**
**Sr. Vice President & Company Secretary**

**Encl.: a/a**

22/9/16
listing
10921

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**MINUTES OF THE PROCEEDINGS OF THE TWENTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF GIC HOUSING FINANCE LTD., HELD ON WEDNESDAY, 27TH JULY, 2016 AT 3.30 P.M. AT YASHWANTRO CHAVAN PRATISHTHAN, MUMBAI, CHAVAN CENTRE, CULTURAL HALL, 4TH FLOOR, GENERAL JAGANNATH BHOSALE MARG, MUMBAI-400 021.**

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Total 88 (Eighty Eight) Members were personally present at the commencement of the meeting including authorised representatives of the Corporate Bodies namely, General Insurance Corporation of India (GIC Re) and United India Insurance Company Ltd.

Smt. Alice G. Vaidyan, Chairperson of the meeting, Director(s) S/s. K. Sanath Kumar, Y. Ramulu, V. Ramasamy, Kamlesh S. Vikamsey, Smt. Mona Bhide, B. Chakrabarti, M. K. Garg, A. V. Muralidharan and Warendra Sinha, Managing Director & CEO were present.

Shri S. Sridharan, Company Secretary welcomed the Chairperson, Board Members and Shareholders. Company Secretary informed that Shri G. Srinivasan, CMD of Promoter Insurance Company was not able to attend the meeting due to official exigencies.

Company Secretary confirmed the quorum and declared that meeting has commenced. Company Secretary introduced Scrutinizer, Shri Makarand M. Joshi, Practicing Company Secretary who was appointed as scrutinizer for the poll process. Shri Makarand M. Joshi, Scrutinizer, showed the ballot box and requested shareholders present to exercise their vote by dropping the ballot form, which had already been provided by the Company, into the ballot box kept in the meeting hall.

Company Secretary confirmed about the details of proxies received and representations under Section 113 of the Companies Act, 2013. Company Secretary requested Managing Director & CEO to address shareholders present at the meeting.

**Shri Warendra Sinha, Managing Director & CEO** welcomed the shareholders and the Board of Directors sitting on the dias and thanked the shareholders for their active participation and showing interest in the Organisation. Shri Warendra Sinha, Managing Director & CEO introduced himself and introduced Chairperson, Directors, Statutory Auditors, Secretarial Auditor present in the meeting and also gave brief profile of the Directors getting re-appointed and appointed.

Managing Director & CEO then in his welcome address briefed the Shareholders about the growth in profitability, sanctions and disbursements, first quarter results of the current financial year, disbursement growth in the month of June, 2016 and the present market scenario of Housing Finance Industry, especially about the high cost of acquisition of funds vis-a-vis the Banks who are very aggressive in housing loan segment.

He briefed the shareholders that Company's share price has had tremendous growth trend in the financial year 2015-16 as compared to previous financial year. He informed the shareholders that the Company has opened new Branches at Greater Noida (Uttar Pradesh), Raipur (Chhattisgarh), Vijayawada (Andhra Pradesh), Vasai (Maharashtra) and Patiala (Punjab) in the financial year 2015-16. He also told that in the beginning of the financial year (2016-17), Company has opened Branches at Pitampura (NCR), Hinjewadi (Pune) and will be opening shortly at Barasat (Kolkata). For new Branches, the rental outgo is kept minimum and at the same, located at such places that Company gets visibility. He also indicated that new Branches opened during the recent years have already started showing profits.



CHAIRMAN'S INITIALS

Managing Director & CEO while throwing light on the financial performance of the Company briefed the shareholders that loan disbursement of the Company for the first quarter 2016-17 is Rs.626 crs. as against Rs.543 crs. for the corresponding period of the previous year registering a growth of 15%. Despite continuous foreclosures, we are able to sustain growth in portfolio. Non-Performing assets has gone up in the first quarter and also there is NPA increase due to negative amortization (loan accounts wherein over dues are more than the loan amount disbursed). Managing Director & CEO also said that, our Company is one of the best dividend paying Companies. Our Company has maintained consistency in dividend distribution.

Managing Director & CEO told that average cost of funds as at 31st March 2016 was 9.39% which is further coming down as we are able to get loan from Banks and refinance from NHB at lesser rate. Our significant portion of borrowings is in long term Bank/NHB long term lines. He also informed that Company has disbursed around Rs. 325 crores under Rural Housing Loan which comes under special refinance from NHB (wherein rate of interest charged to the borrowers is 8.87%).

Managing Director & CEO also covered in his welcome speech that our Loan Portfolio as at 31st March, 2016 is Rs. 7980 crores, registering a growth of 20% despite attrition of around Rs.1200 crores during the year. Our Net NPA is NIL and gross NPA is 1.76% including negative amortization portfolio of Rs.13 crores. Our Net worth is Rs.720 crores as against Rs.622 crores in the previous financial year. Our Company is having Rs. 1272 crores as loan against property (LAP) loan portfolio as on 31st March 2016

Managing Director & CEO said that our Borrowers are now given option to choose Life Insurance coverage either from Kotak Life or Future Generali, added during the year. He also told that our Company has framed its CSR Policy which is available at the website of the Company and Company is having total available funds of Rs.3.76 Crores for spending towards CSR Activity. We have spent Rs.1.08 Crores towards Prime Ministers National Relief Fund, Clean Ganga Fund and Swach Bharat Abhiyan. He also informed that Company has provided fund to the Sulabh International Social Service Organisation to construct a "Sulabh Toilet Complex" at NM Joshi Marg, Chinchpokli, Mumbai as part of the CSR - Sanitation Activity of the Company. He also told that we are contacting Railway Authorities for taking up the contracts of new Toilets at Railway Stations.

Managing Director & CEO also informed the shareholders that employee strength of the Company as on 31st March, 2016 was 265 and we are recruiting Officers from reputed Management & Banking Institutes; and recruitment of Officers will gradually increase.

Company Secretary then requested the Chairperson to conduct the proceedings.

**Smt. Alice G. Vaidyan** took the Chair, welcomed the Shareholders and Directors present for the twenty sixth Annual General Meeting and delivered her speech. Chairperson's address was circulated to the Members present.

Company Secretary then further conducted the proceedings of the meeting and confirmed that with the consent of members, Chairperson's (Chairperson of the Board) address, the Notice dated 29th April, 2016 and the Auditor's Report were taken as read.



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Thereafter, Company Secretary took up the Agenda items contained in the Notice of 26th Annual General Meeting and reiterated that Company had already provided Electronic Voting facility to the Members to vote from 22nd July, 2016 (Friday) to 26th July, 2016 (Tuesday) in proportion to their holding as on the Record date of 15th July, 2016 and E-voting Report was also provided to the Company by Scrutinizer on 27th July, 2016. Hence, Members (who have not exercised e-voting rights) present individually or through Proxy at this meeting were also given the facility to Vote by way of Ballot Form. Hence, all the Resolutions as stated in the Notice of 26th AGM will be considered to be passed by requisite majority by taking together all the votes cast in favour or against a resolution through e-voting facility and Ballot Form.

The Chairperson then proceeded to propose the resolutions:

1. **To receive, consider and adopt the audited Financial Statements for the year ended on 31st March, 2016 for the financial year ended 31st March, 2016 together with the Reports of the Directors and Auditors thereon.**

The Resolution was proposed by Mr. Vinod Motilal Agarwal, Shareholder and seconded by Mrs. Savithri Nankani, Shareholder. Before putting the resolution to vote on poll, Chairperson asked the members as to whether they had any questions or clarifications to seek on the financial statements.

**Mr. Vazirani,** shareholder, welcomed the Members of the Board and also appreciated the presentation of the 26th Annual Report. Then, he enquired about the interest expenses provided in the Balance Sheet.

**Shri Beruz Pouredehi,** shareholder, congratulated for the good performance of the Company and then raised the following issues.

- How many new Branch Offices were opened in the financial year 2015-16?
- What was the amount of refinance assistance provided by NHB?
- What is the Dividend Payout Ratio for F.Y. 2015-16?
- Is there any plan for split of shares by the Company?

**Smt. Homa Pouredehi,** shareholder, raised the following issues:

- What is the total number of Branch Offices as on 31st March, 2016?

He also suggested to open new Branch Offices in rural and slum areas.

**Shri Mihir M. Manek,** shareholder, raised the following issue:

- What is current Gross/Net NPA?

**Shri Vishal Mehta,** shareholder raised the following issues:

- Our disclosures in the website are not adequate and the same needs to be improved?
- What is the average cost of funds?
- What is the dividend distribution policy of the Company?
- What is the Net NPA?

**Shri Sanjay Phulchand Kular,** shareholder appreciated the multilingual website of the Company and then raised the following issues:

- What is the average cost of funds?
- What is the size of the Loan book?
- What is the net interest margin?



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**Shri Tehmtan M Davar,** shareholder, raised the following issues:

- Why Dividend is same in the current F.Y. 2015-16 also?
- Data presentation is not proper on the website.
- Analyst meet to be upgraded.
- What are the major challenges in the industry?
- Is there any plan for ESOP Programme by the Company.
- What are Company's plan for future growth?

**Shri G. Shah,** suggested that Company should have a policy for dividend distribution and also appoint one regular Chief Executive Officer from outside for day to day operation of the Company.

Managing Director& CEO in his reply stated that the majority of the issues raised were answered in his welcome address and for the rest reply was made as under:

- ✓ Dividend payout Ratio is 26.02%.
- ✓ NHB provided refinance facility of Rs. 1000 crores to the Company.
- ✓ Total number of Offices as on 31st March is 60.

With regard to suggestion for issue of ESOPs to employees, the same will be brought to the notice of the Board.

Then the following Resolution proposed as an **Ordinary Resolution** by Shri Vinod Motilal Agarwal, shareholder and seconded by Smt. Savithri Nankani, shareholder was put to vote by poll and passed.

"**RESOLVED THAT** audited Annual Financial Statements for the year ended on 31st March 2016 together with the Reports of the Directors and Auditors thereon be and are hereby approved and adopted."

**2. To declare dividend on equity shares for the year ended 31stMarch, 2016.**

The following resolution proposed as an **Ordinary Resolution** by Shri Aadit Devanand, shareholder and seconded by Shri Bharat Raisingani, shareholder was put to vote by poll and passed.

"**RESOLVED THAT** a dividend of 50% (i.e. Rs.5/- per equity share) on the paid up equity capital be and is hereby declared for the year 2015-16 to those shareholders holding shares in physical/Demat form whose names appear in the Register of Members of the Company as on 15th July, 2016."

**3. To appoint a Director in place of Shri G. Srinivasan (DIN 01876234), who retires by rotation and, being eligible offers himself for re-appointment.**

The following resolution proposed as an **Ordinary Resolution** by Shri Rajesh H Vora, shareholder and seconded by Smt. B. Radhika, shareholder was put to vote by poll and passed.

"**RESOLVED THAT** Shri G. Srinivasan (DIN 01876234) be and is hereby appointed as a Director retiring by rotation and being eligible to offer himself for re-appointment."



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**4. To ratify the appointment of M/s. CNK & ASSOCIATES, LLP, Chartered Accountants, Mumbai, (Firm Registration No 101961W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of 27th Annual General Meeting of the Company and to authorize the Board of Directors of the Company to fix their remuneration.**

The following resolution proposed as **Ordinary Resolution** by Shri Aadit Devanand, shareholder and seconded by Shri Nirmal Tamhane, shareholder was put to vote and carried unanimously:

**"RESOLVED THAT** pursuant to Section 139 of the Companies Act, 12013, the appointment of M/s. CNK & Associates, LLP, Chartered Accountants, Mumbai [ICAI Firm Registration No.101961W], be and are hereby ratified as Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of 27th Annual General Meeting of the Company and to authorize the Board of Directors of the Company to fix their remuneration".

**5. To appoint Shri Y. Ramulu (DIN 07234450), as Non – Executive Director.**

The following Resolution proposed as an **Ordinary Resolution** by Smt. Meena Agarwal, Shareholder and seconded by Smt. M. Shankarappa, shareholder was put to vote by poll and passed.

**"RESOLVED THAT** Shri Y. Ramulu (DIN 07234450), who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 30th June, 2015 and who holds office up to the forthcoming Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the Office of Director of the Company, be and is hereby appointed as a Non-Executive Director of the Company of the Company whose period of Office shall be liable to retire by rotation."

**6. To appoint, Smt. Alice G. Vaidyan (DIN 07394437) as Non-Executive Director (Chairperson).**

The following Resolution proposed as an **Ordinary Resolution** by Shri Lynet Coutinho, shareholder and seconded by Shri Kiran Lad, shareholder was put to vote by poll and passed.

**"RESOLVED THAT Smt. Alice G. Vaidyan** (DIN 07394437), who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 29th January, 2016 and who holds office up to the forthcoming Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing her candidature for the Office of Director of the Company, be and is hereby appointed as an Non-Executive Director, Chairperson of the Company, whose period of Office shall not be liable to retire by Rotation pursuant to the provision of Article 142 of the Articles of Association of the Company."



CHAIRMAN'S INITIALS

**7. To appoint Shri K. Sanath Kumar (DIN 03444096), as Non-Executive Director.**

The following Resolution proposed as an **Ordinary Resolution** by Smt. Shreya Amit Gandhi, Shareholder and seconded by Smt. Suparna Vinay Bhide, shareholder was put to vote by poll and passed.

**"RESOLVED THAT Shri K. Sanath Kumar** (DIN 03444096), who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 21st March, 2016 and who holds office up to the forthcoming Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Non-Executive Director of the Company whose period of Office shall be liable to retire by rotation."

**8. To approve the limit of Related Party Transactions upto an aggregate limit of Rs. 1,000 Crores Only.**

The following Resolution proposed as an **Ordinary Resolution** by Shri Ankush Arjun Raut, Shareholder and seconded byShri Nayan Eknath Ghag, shareholder was put to vote by poll and passed.

**"RESOLVED THAT** approval of the Members of the Company be and is hereby accorded to enter into agreement(s) / transaction(s) with Related Parties in the ordinary course of business at arm's length basis for the purpose of raising funds through NCDs / Bonds, to take property/properties on lease / rent, to avail / render any services or any other kind of transactions which construe to be Related Party Transactions up to an aggregate limit of Rs. 1,000 crores (Rupees One Thousand Crores only) till the conclusion of 27th AGM from the date of this Resolution including the transaction(s) already entered into with such party / parties from 1st April, 2016 till the date of this resolution."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to the Officials of the Company, to give effect to the aforesaid Resolution."

Managing Director & CEO thanked the members for attending the Annual General Meeting and then Chairperson declared the meeting as concluded.

**Conduct of Poll:**

Shri Makrand Joshi, appointed as Scrutinizer for the poll conducted the poll which includes distribution of polling papers, showing empty polling box, locking and sealing of the same. After ensuring that all the Members and proxies cast their votes, Scrutinizers closed the poll and took the custody of the Box.

**Result of Voting through Electronic Mode and Poll:**

On the basis of Scrutinizer's report for the voting done by Electronic mode and by ballot form dated 27th July 2016 and Scrutinizer's Report on Voting by Poll at the AGM dated 27th July 2016, the summary of complete Voting is given hereunder:

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| Resolution Nos. as given in the Notice of 26th AGM | Particulars of Votes cast | | | | | | | Results Declared |
|---|---|---|---|---|---|---|---|---|
| | | Electronic Voting (A) | | Poll & Ballot(B) | | Voting Result | | |
| | | Nos. | % | Nos. | % | No. (A+B) | % | |
| **Ordinary Business** | | | | | | | | |
| 1 | Votes cast in favour | 30538331 | 100 | 18304 | 100 | 30556635 | 100 | Approved by requisite majority |
| | Votes cast against | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2 | Votes cast in favour | 30538331 | 100 | 18304 | 100 | 30556635 | 100 | Approved by requisite majority |
| | Votes cast against | 0 | 0 | 0 | 0 | 0 | 0 | |
| 3 | Votes cast in favour | 30328517 | 99.31 | 18304 | 100 | 30346821 | 100 | Approved by requisite majority |
| | Votes cast against | 209814 | 0.69 | 0 | 0 | 0 | 0 | |
| 4 | Votes cast in favour | 30538231 | 100 | 18304 | 100 | 30556535 | 100 | Approved by requisite majority |
| | Votes cast against | 100 | 0 | 0 | 0 | 100 | 0 | |
| 5 | Votes cast in favour | 30534385 | 99.99 | 18304 | 100 | 30552689 | 99.98 | Approved by requisite majority |
| | Votes cast against | 3846 | 0.01 | 0 | 0 | 3846 | 0.01 | |
| 6 | Votes cast in favour | 30534385 | 99.99 | 18304 | 100 | 30552689 | 99.99 | Approved by requisite majority |
| | Votes cast against | 3846 | 0.01 | 0 | 0 | 3846 | 0.01 | |
| 7 | Votes cast in favour | 30538231 | 100 | 18304 | 100 | 30556535 | 100 | Approved by requisite majority |
| | Votes cast against | 0 | 0 | 0 | | 0 | 0 | |
| 8 | Votes cast in favour | 7549283 | 97.34 | 0 | 0 | 7549283 | 97.34 | Approved by requisite majority |
| | Votes cast against | 205968 | 2.66 | 0 | 0 | 205968 | 2.66 | |

Hence, the Resolutions as recorded in the Notice were passed with requisite majority and recorded herein as part of the proceedings of the 26th Annual General Meeting held on 27th July 2016.

**Date of Entry:** 10/08/16

**Date & Place of Signing:** 25/08/16

**Alice G. Vaidyan**
**Chairperson**

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