

HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

Minutes of the proceedings of the Thirty-sixth Annual General Meeting of the Members held on Friday, July 19, 2013 at 3.00 p.m. at "Birla Matushri Sabhagar", 19, New Marine Lines, Mumbai 400 020.

PRESENT

1,387 Members were present in person and through valid proxies.

The following directors of the Corporation were present:

Mr. Deepak S. Parekh	-	Chairman
Mr. Shirish B. Patel	-	Independent Director
Mr. Bansi S. Mehta	-	Independent Director
Mr. D. M. Sukthankar	-	Independent Director
Mr. D. N. Ghosh	-	Independent Director
Dr. S. A. Dave	-	Independent Director
Dr. Ram S. Tarneja	-	Independent Director
Mr. Nasser. M. Munjee	-	Independent Director
Dr. Bimal Jalan	-	Independent Director
Mr. V. Srinivasa Rangan	-	Executive Director
Ms. Renu Sud Karnad	-	Managing Director
Mr. Keki M. Mistry	-	Vice Chairman & CEO

CHAIRMAN

Mr. Deepak S. Parekh, in his capacity as the Chairman of the Board of Directors of the Corporation, took the Chair and presided over the meeting.

QUORUM

The Quorum being present, the Chairman called the meeting to order and welcomed all the Members, the Directors, the Auditors, Legal Counsels and other members of the Public.

The Chairman informed the Members that the Corporation had received 1,211 valid proxies from shareholders in respect of 85,28,15,132 equity shares of ₹ 2 each representing 54.87 % of its total issued and paid-up equity share capital and 57 corporate representations under Section 187 of the Companies Act, 1956 in respect of 6,79,89,154 equity shares of ₹ 2 each representing 4.37 % of its total issued and paid-up equity share capital, both as on July 1, 2013.

The Chairman informed the Members that Dr. S. A. Dave, Chairman of the Audit Committee of Directors was present at the Meeting and that Mr. Keshub Mahindra and



Dr. J J Irani, independent directors, could not attend the Meeting due to personal reasons and had sought leave of absence for the same.

NOTICE, AUDITORS' REPORT AND CHAIRMAN'S ADDRESS

With the approval of the Members, the Notice convening the 36th Annual General Meeting was taken as read. The Chairman then requested Mr. Girish V. Koliyote, Company Secretary to read the Auditors' Report to the Members. Thereafter, Mr. Girish V. Koliyote read the Auditors' Report. The annexure to the Auditors' Report was taken as read with the permission of the Members.

Thereafter the Chairman continued to address the Members.

In his speech, the Chairman *inter alia* apprised the Members about the consolidated financial results for FY 2012-13, growth in business of the Corporation, its recovery performance and the financial performance during the financial year 2012-13, the consolidated and standalone financial results for the quarter ended June 30, 2013.

The Chairman stated that on a consolidated basis for the financial year ended March 31, 2013, the profit before tax was Rs. 7,467 crores as compared to Rs. 6,217 crores in the previous year representing a growth of 20% and profit after tax, after providing for tax and adjusting for share of profit of minority interest and for net share of profit from associates, was Rs. 6,640 crores as compared to Rs. 5,463 crores in the previous year, representing an increase of 22%. The Chairman further stated that said increase was attributable to increase in profits of the Corporation, HDFC Bank, HDFC Asset Management Company and due to improved financial performance of both the insurance companies viz. HDFC Standard Life Insurance Company Limited and HDFC ERGO General Insurance Company Limited. The Chairman stated that, for the financial year ended March 31, 2013, the share of profit from subsidiary and associate companies in the consolidated profit after tax grew from 25% to 27%.

As regards the growth in business, the Chairman informed the Members that during FY 2012-13, the Corporation had approved loans amounting to ₹ 1,03,260 crores as compared to ₹ 90,154 crores during the previous year and disbursed loans amounting to ₹ 82,452 crores as against ₹ 71,113 crores during the previous year. He further informed the Members that during FY 2012-13, individual loan approvals and disbursements grew by 29% and 33% respectively and the average size of the individual home loans was Rs. 21.6 lacs .

The Chairman stated that despite an increase in residential property prices the demand for individual home loans remained buoyant, with strong growth coming from Tier 2 and Tier 3 cities.

Commenting on the recovery performance of the Corporation, the Chairman stated that the gross non-performing loans, defined as loans, where instalments are outstanding for



more than 90 days, as at March 31, 2013 stood at ₹ 1,199 crores, equivalent to 0.70% of the loan portfolio as compared to 0.74% of the loan portfolio during the previous year.

He further stated that, as per the prudential norms prescribed by the National Housing Bank, the Corporation was required to carry a provision of ₹ 1,506 crores which includes a provision of ₹ 387 crores on account of non-performing loans and the balance ₹ 1,119 crores in respect of general provisioning on standard loans, including dual rate loans.

He further stated that as against the non-performing loans of ₹ 1,199 crores, the balance in the provision for contingencies account as at March 31, 2013 stood at ₹ 1,792 crores (inclusive of provision for non-performing loans), which is equivalent to 1.05% of the loan portfolio and hence the Corporation carried an additional provision of ₹ 286 crores over the regulatory requirements.

On the standalone financials, the Chairman stated that for the year ended March 31, 2013, profit before tax stood at ₹ 6,573 crores as against ₹ 5,666 crores in the previous year, and the profit after tax for the year ended March 31, 2013, increased by 18% to ₹ 4,848 crores, as compared to ₹ 4,123 crores in the previous year.

He further stated that the spread on loans over the cost of borrowings for the year ended March 31, 2013, stood at 2.30% per annum as against 2.27% in the previous year.

The Chairman also stated the Corporation's cost to income ratio stood at 7.8% for the year ended March 31, 2013 and it continues to be amongst the lowest in the financial sector in Asia.

The Chairman informed the Members that the Board of Directors of the Corporation has recommended a dividend of ₹ 12.50 per equity share of ₹ 2 each for the year ended March 31, 2013 as compared to dividend of ₹ 11 per equity share of ₹ 2 each for the previous year. The Chairman stated that the payment of the dividend if approved would commence from tomorrow.

The Chairman thereafter dwelt on the consolidated and the standalone financial results of the Corporation during the quarter ended June 30, 2013, which had been subjected to a limited review by the Statutory Auditors and approved by the Board of Directors at its meeting held earlier during the day.

He stated that for the quarter ended June 30, 2013, the consolidated profit after tax stood at ₹ 1,707 crores as compared to ₹ 1,276 crores, representing an increase of 34%. He further stated that the share of profit from subsidiary and associate companies in the consolidated profit after tax grew to 31% for the quarter ended June 30, 2013, as compared to 25% in the corresponding quarter of the previous year.



He further stated that on a standalone basis, for the quarter ended June 30, 2013, the profit after tax amounted to ₹ 1,173 crores as compared to ₹ 1,002 crores in the corresponding quarter of the previous year representing an increase of 17%.

The Chairman stated that the cost of printing the Annual Report for the year 2012-13 was ₹ 34.46 per copy as against ₹ 31.48 per copy in the previous year. He further stated that in support of the green initiative undertaken by the Ministry of Corporate Affairs (MCA) and SEBI, the Corporation had sent the annual report for the financial year 2012-13 and the notice convening this AGM by e-mail to those shareholders who had registered their e-mail address with their depository participants or the Corporation, which resulted in savings towards printing and postage charges.

The Chairman concluded his speech by placing on record his appreciation to all shareholders, customers, depositors, lenders and regulatory authorities for having reposed their confidence in the Corporation and to the employees of the Corporation for their hard work and sincerity.

Thereafter, the Chairman proposed the resolution pertaining to approval and adoption of the audited accounts of the Corporation for the financial year ended March 31, 2013 and the reports of the Directors' and Auditors' thereon.

Before putting the resolution to vote, the Chairman invited questions, if any, from the Members. Thereafter, the following Members spoke at length on various issues concerning the financials and operations of the Corporation and also that of its subsidiary companies.

Mrs. Ashalata Maheshwari, Mr. T.M. Davar, Mr. V. M. Raste, Mr. H V Sanghvi, Mr. Kamal Kumar Majumdar, Mr. Aloysius Mascarenhas, Mr. R.V. Chari, Mr. Harishchandra Raut, Mr. H. K. Keshruvala, Mrs. Celestine Mascarenhas, Mr. Mukund J. Varu, Mr. Lokesh Manik, Mr. Vinit Kumar Parikh, Mrs. Rohini Parikh, Mr. Jayesh Mahendrakumar Manek, Mr. Kaushik Sahukar, Mrs. Homayun B. Pouredahi, Mr. Seshan Krishnamoorthy, Mr. Beroz Pouredahi, Mr. Joseph Martin, Mr. Shailesh P. Mahadevia, Mr. Micheal Martin, Mr. Umesh Sheth, Mrs. Shobhana Mehta, Mrs. H S Patel, Mr. Has Mukh Vora, Mr. Dinesh Bhatia, Mr. Prakash A. Vijayakar, Mr. Kirti Shah, Mr. L. A. Belur, Mr. Sureshchandra V. Parekh and Mr. Janak Mathuradas.

Several Members congratulated the Board of Directors for the excellent performance, the awards and accolades received by the Corporation during the financial year 2012-13 and for having recommended a dividend of ₹ 12.50 per equity share of ₹ 2 each of the Corporation. The Members also appreciated the transparent and wide range of information provided by the Corporation in the Annual Report.

The said Members also raised queries on various issues concerning the Corporation. The queries that were raised inter alia related to the increase in the limit for acquiring of equity shares of the Corporation by Foreign Institutional Investors under the Portfolio Investment Scheme (PIS), tenure of some of the independent directors and statutory



auditors, board succession plan, number of women employed with the Corporation, special schemes for senior citizens, number of employees of the Corporation, the Corporation's new ventures, measures taken to reduce the quantum of unclaimed dividend, ability of the Corporation to maintain the dividend payout ratio, issue of bonus shares, impact of the increase in the interest rates, the impact of inflation and credit policies of the Reserve Bank of India on the profitability of the Corporation and the probability of listing of the subsidiary companies engaged in life insurance and mutual fund businesses and allocation of the shares of the said companies to shareholders of the Corporation on a preferential basis.

One Ms. Shobhana Mehta, a Member stated that a Member from Ahmedabad Mr. Sureshchandra V Parekh had whilst the meeting was on tried to brief her about his grievances and allegations against the Corporation and its Directors and showed her papers about various Court cases and further suggested that in light of the statements made by Mr. Sureshchandra V Parekh, the Management should consider resolving the issue amicably as it would impact the reputation of the Corporation and its Directors.

Thereafter, Mr. Sureshchandra V. Parekh stood up and instead of raising queries on the accounts or business operations of the Corporation, started addressing the other shareholders in Gujarati informing them about the litigations filed by the Corporation against him and making baseless allegations against the Corporation and its Directors. The Chairman repeatedly requested Mr. Sureshchandra V. Parekh to speak or raise queries only on accounts and maintain peace so that the meeting can be smoothly conducted. As regards the Court cases, the Chairman stated that since the matter is sub-judice, we should let the Courts decide. The Chairman also reminded Mr. Sureshchandra V Parekh that there is an order passed against him by City Civil Court at Ahmedabad restraining him from making any allegations against the Corporation and its Directors and Officers and that as such he was in contempt of the said order. Several other Members, in particular Mr. R. V. Chari, Mrs. Ashalata Maheshwari, Mr. Janak Mathuradas and Mr. Jayesh Mahendrakumar Manek stood up and warned Mr. Sureshchandra V. Parekh to stop his unacceptable behaviour and requested the Chairman to call Police so that the meeting can be conducted in an orderly fashion.

However, without heeding to the request of the Chairman and other shareholders, Mr. Sureshchandra V. Parekh continued to make defamatory statements as well as baseless allegations and accusations against the Corporation and its Directors.

After repeated requests by the Chairman and warning by several Members, Mr. Sureshchandra V Parekh concluded his speech.

After all the shareholders spoke, the Chairman thanked the Members for their valuable suggestions, their appreciation for the performance and achievements of the Corporation and thereafter replied to their queries.

As regards queries by Members on high foreign shareholding limit, the Chairman stated that foreign investors would be able to increase their shareholding only if domestic



shareholders sell their holdings. As regards requests from several Members for issue of bonus shares considering huge reserves the Corporation has, the Chairman responded that the Board would decide the same at an appropriate time. As regards IPO of HDFC Standard Life Insurance Company (HDFC Life) and preferential issue thereof to the shareholders of the Corporation, the Chairman stated that the Bill proposing the increase in FDI limit in the insurance sector from 26% to 49% is yet to be passed by the Parliament and the Board of HDFC Life would decide on modalities of listing of existing / new shares / preferential issue etc. at an appropriate time. The Chairman also gave replies to the other queries raised by the Members.

Thereafter, the following resolution, which was earlier proposed by the Chairman and duly seconded by Mr. T. M. Davar, a Member, was, on a show of hands, passed with a majority vote:-

1. ADOPTION OF THE AUDITED ANNUAL ACCOUNTS, DIRECTORS' AND AUDITORS' REPORT:

“**RESOLVED THAT** the audited annual accounts of Housing Development Finance Corporation Limited for the year ended March 31, 2013 and the reports of the Directors' and Auditors' thereon, be and are hereby approved and adopted.”

2. DIVIDEND:

The following resolution proposed by Mr. Keshruwala, a Member, and seconded by Mr. Aloysius Mascarenhas, a Member, was, on a show of hands, with a majority vote-

“**RESOLVED THAT** dividend at the rate of ₹ 12.50 per equity share, payable for the full financial year in respect of 155,41,31,425 equity shares of ₹ 2 each of the Corporation, be and is hereby declared for the financial year ended March 31, 2013 **AND THAT** such dividend, be paid to those Members whose names appear in the Register of Members of the Corporation / statements of beneficial ownership maintained by the Depositories, as at the close of business hours on Monday, July 1, 2013.”

3. RE-APPOINTMENT OF DIRECTOR – MR. DEEPAK S. PAREKH:

Mr. Deepak S. Parekh, Chairman, being interested vacated the Chair and requested Mr. Keki M. Mistry, Vice-Chairman and CEO to preside over the meeting.

The following resolution proposed by Mr. Jayesh Mahendrakumar Manek, a Member, and seconded by Mrs. Celestine Mascarenhas, a Member, was, on a show of hands, passed with a majority vote:-

“**RESOLVED THAT** Mr. Deepak S. Parekh, be and is hereby re-appointed as a Director of the Corporation liable to retire by rotation.”



Thereafter, Mr. Keki M. Mistry vacated the Chair and Mr. Deepak S. Parekh presided over the rest of the Meeting.

4. RE-APPOINTMENT OF DIRECTOR – MR. KESHUB MAHINDRA:

The following resolution proposed by, Mr. Joseph Martin, a Member, and seconded by Mrs. Ashalata Maheshwari, a Member, was, on a show of hands, passed with a majority vote:-

“RESOLVED THAT Mr. Keshub Mahindra, be and is hereby re-appointed as a Director of the Corporation liable to retire by rotation.”

5. RE-APPOINTMENT OF DIRECTOR – MR. D. M. SUKTHANKAR:

The following resolution proposed by Mrs. H S Patel, a Member, and seconded by Mr. Keshruwala, a Member, was, on a show of hands, passed with a majority vote:-

“RESOLVED THAT Mr. D. M. Sukthankar, be and is hereby re-appointed as a Director of the Corporation liable to retire by rotation.”

6. RE-APPOINTMENT OF DIRECTOR – MR. NASSER M. MUNJEE:

The following resolution proposed by Mr. Jayesh Mahendrakumar Manek, a Member, and seconded by Mr. Umesh Seth, a member, was, on a show of hands, passed with a majority vote:-

“RESOLVED THAT Mr. Nasser M. Munjee, be and is hereby re-appointed as a Director of the Corporation liable to retire by rotation.

7. APPOINTMENT OF STATUTORY AUDITORS:

The following resolution proposed as an ordinary resolution by Mrs. Shobhana S. Mehta, a Member, and seconded by Mr. Kaushik Sahukar, a Member, was, on a show of hands, passed with a majority vote:-

“RESOLVED THAT Messrs Deloitte Haskins & Sells, Chartered Accountants, having Registration No. 117366W issued by The Instituted of Chartered Accountants of India, be and are hereby appointed as auditors of the Corporation, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Corporation, on a remuneration of ₹ 1,02,00,000 (Rupees One Crore Two Lacs only) plus applicable service tax and reimbursement of out-of-pocket expenses incurred by them for the purpose of audit of the Corporation’s accounts at the head office in Mumbai, all its branch offices in India and its offices at London and Singapore.”



“RESOLVED FURTHER THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof, the Board of Directors of the Corporation be and is hereby authorised to appoint Messrs Deloitte Haskins & Sells, Chartered Accountants, having Registration No. 117366W issued by The Instituted of Chartered Accountants of India, or any other person who may be qualified to act as such, in consultation with the auditors of the Corporation as branch auditors of the Corporation and to fix their remuneration, for the purpose of audit of any branch office(s) that may be opened by the Corporation outside India during the period until the conclusion of the next Annual General Meeting.”

8. APPOINTMENT OF BRANCH AUDITORS:

The following resolution proposed as an Ordinary Resolution by Mr. Dinesh Bhatia, a Member, and seconded by Mr. Vineet Kumar Parikh, a Member, was, on a show of hands, passed with a majority vote:-

“RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof, Messrs PKF, Chartered Accountants, having Registration No.10 issued by the Ministry of Economy, U.A.E., be and are hereby appointed as branch auditors of the Corporation for the purpose of audit of the accounts of the Corporation’s branch office(s) at Dubai, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such terms and conditions and on such remuneration, as may be fixed by the Board of Directors of the Corporation, depending upon the nature and scope of work of the said branch auditors.”

9. INCREASE IN THE BORROWING POWERS FOR THE PURPOSE OF BUSINESS OF THE CORPORATION ACCORDED TO THE BOARD OF DIRECTORS OF THE CORPORATION:

The following resolution proposed as an Ordinary Resolution by Mr. Maheshwari, Member, and seconded by Mr. Jayesh Mahendrakumar Manek, a Member, was, on a show of hands, passed with a majority vote:-

“RESOLVED THAT in supersession of the resolution passed at the 34th Annual General Meeting of the Corporation held on July 8, 2011, the consent of the Corporation be and is hereby accorded under the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof and the Articles of Association of the Corporation to the Board of Directors of the Corporation to borrow, from time to time, such sum or sums of money as they may deem necessary for the purpose of the business of the Corporation, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Corporation (apart from temporary loans obtained from the Corporation’s bankers in the ordinary course of



business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Corporation and its free reserves, that is to say, reserves not set apart for any specific purpose: Provided that the total amount upto which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of ₹ 3,00,000 crores (Rupees Three Lac Crores only)”

“**RESOLVED FURTHER THAT** the Board of Directors of the Corporation be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such borrowings, from time to time, viz. terms as to interest, repayment, security or otherwise as it may think fit and to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be necessary, expedient and incidental thereto for giving effect to this resolution.”

Thereafter the Chairman thanked all the Members for their participation.

There being no other business, Mr. Jayesh Mahendrakumar Manek, a Member of the Corporation proposed a vote of thanks to the Chair.

DATE: 13 - 8 - 2013

SD/-
CHAIRMAN

Certified true copy

V. Srinivas Rangan
V. Srinivas Rangan
Executive Director