



**MINUTES OF THE PROCEEDINGS OF THE TWENTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF GIC HOUSING FINANCE LTD., HELD ON 26<sup>TH</sup> JULY, 2013 AT 3.30 P.M. INDIAN MERCHANTS CHAMBER, WALCHAND HIRACHAND HALL, 4<sup>TH</sup> FLOOR, INDIAN MERCHANTS CHAMBER MARG, CHURCHGATE, MUMBAI-400 020.**

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Sixty 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), The Oriental Insurance Company Ltd., The New India Assurance Company Ltd., National Insurance Company Ltd., United India Insurance Company Ltd. and LIC of India.

Shri Ashok K. Roy, Chairman, Director(s) S/s. M. K. Tandon, N. Mohan and Warendra Sinha, Managing Director were present.

**Shri Warendra Sinha, Managing Director** welcomed the Chairman, Board of Directors and shareholders and thanked the shareholders for their active participation and showing interest in the organisation. Shri Warendra Sinha, Managing Director introduced himself to the Shareholders, introduced the Board of Directors present for the meeting and briefed the Shareholders about the growth in profitability, sanctions and disbursements, first quarter results of the current financial year and the present market scenario of Housing Finance Industry. He also mentioned that the Company has plans for further expansion.

The Managing Director then requested the Chairman to conduct the proceedings.

**Shri Ashok K. Roy** took the Chair, welcomed the Members and Directors present for the twenty third Annual General Meeting and having ascertained that the members present form the quorum as per Article 84 of the Articles of Association of the Company, called the meeting to order and initiated the proceedings. Company Secretary informed the members present that proxies were received from 8 members holding 22,22,547 number of shares. Company Secretary also read out the details of representations received from the following Corporates namely, General Insurance Corporation of India (GIC Re), The Oriental Insurance Company Ltd., The New India Assurance Company Ltd., National Insurance Company Ltd., United India Insurance Company Ltd. and LIC of India under Section 187 of the Companies Act, 1956.

Chairman then addressed the members and in his address covered the economic scenario, performance highlights for the year 2012-13, future outlook and prospects for the current year.

With the consent of members, the Notice dated 10<sup>th</sup> May, 2013 was taken as read. Chairman then asked the Company Secretary to read the Auditors' Report. Company Secretary read the report to the members.

**The Chairman then proceeded to propose the resolutions.**



**1. To receive, consider and adopt the Audited Statement of Accounts together with Directors' Report as also the Auditors Report thereon for the financial year ended 31<sup>st</sup> March, 2013.**

The Resolution was proposed by Shri Beruz F. Pouredehi Shareholder and seconded by Mrs. Hemkala L. Trivedi shareholder. Before putting the resolution to vote on show of hands, Chairman asked the members as to whether they had any questions or clarifications to seek on the financial statements.

**Mrs. Shobhana S. Mehta, shareholder,** welcomed the new members of the Board namely Shri Warendra Sinha, Managing Director, Dr. A. K. Saxena and Shri Milind A. Kharat and thanked for recommending dividend payment at 50% per equity share and expressed satisfaction over the first quarter results of the Company and also about the presentation of the Annual Report. Then she raised the following issues:

- Out of 11 Directors why only 4 Directors have come for the Annual General Meeting?
- How many employees are there in the Company and out of that how many are women employees?
- Why there is increase in "other expenses" under repair and maintenance expenses; details of "others" under this head needs to be given.
- Why there is huge increase in Legal and professional fees?
- What is the capital expenditure plan for the year 2013-14?
- How many new branches are to be opened in the year 2013-14.?

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

- Why share price is not up to the industry standards?
- What is the cost of borrowing?
- Why our Company is not accepting fixed deposits.
- What is percentage of NPA and whether it is fully provided for?

**Shri Vinay Bhide, shareholder,** raised the following issues:

- Who are the Company's legal advisor and solicitor? And suggested that the name of Legal Advisor shall be reported in the Annual Report.
- In what way the introduction of "Real Estate Regulator Bill" will benefit housing finance Companies.
- What is the reason for increase in 'Other expenses" compared to previous year? Loans to related parties.

**Shri Bheruz Pouredehi, shareholder,** welcomed the new Managing Director and requested to give details for the following:

- Staff Housing Loans.
- Loan to related parties
- Prepaid expenses.



- Other operating income.
- Interest Subsidy received under Interest Subvention Scheme.

**Shri Sanjay Kular, shareholder,** raised the following issues:

- What is the net interest margin?
- Why Our Company's share price is on a lower side compared to peers in the industry?
- What is the percentage of holding of Promoters?
- What is the size of the Loan book?

While concluding he requested the Directors to specify about their outlook for the Company.

**Shri S. K. Nangia, shareholder,** raised the following issues:

- Why cost of borrowings has gone up?
- Why additional provision reported in the Directors Report not tallying with the quantum mentioned in the Schedule to the Accounts?
- Why Company is not accepting Fixed Deposits?
- Why Company has not reported about its activities of Corporate Social Responsibility?
- What is the percentage of shares converted in to Demat and what is the percentage of shares now held in physical form.

**Shri Christopher Rodrigues, shareholder,** raised the following issues:

- Why the Company has invested in preference shares of such companies which have no value today (as reported in page 50 of Annual Report) and who is monitoring the recovery of such investments.

While concluding he expressed satisfaction for 26% growth in total income over the previous year.

**Shri Kirti Shah, shareholder** raised the following issues:

- What is the Capital Adequacy Ratio as on 31<sup>st</sup> March, 2013?
- Whether Our Company has sanctioned any Reverse Mortgage Loans?
- Why there is no mention in the Annual Report about Corporate Social Responsibility activities undertaken by the Company?.
- Why the Company's share price is not moving up, when the book value per share is Rs.92 and Capital and reserves are Rs.550 crores.

**Shri Arjun Ashar, shareholder,** requested for the clarification and the present status on the statement in the Directors Report about observations made by National Housing Bank regarding provisioning for Non Performing Assets pertaining to the year ended 31<sup>st</sup> March, 2012.



**Mrs. C. E. Mascarenhas, shareholder**, complimented on the good presentation of the Annual Report and expressed her concern that as per CRISIL report Non performing Assets in the Banking industry will go up due to current economic conditions and desired that adequate steps shall be taken by the Company for recoveries.

The Chairman then requested the Managing Director to clarify on certain specific issues raised by the shareholders.

Managing Director in his reply stated that:

- ✓ Other expenses are mainly incurred towards payment of fees to panel lawyers and valuers and the increase is due to increase in volume of business and revision in their fees.
- ✓ The Company may consider undertaking Corporate Social Responsibility activities like maintaining a "Public Park".
- ✓ The investment in redeemable preference Shares were made in the year 1995 and 1996 and the recovery of it is followed up by the Management and monitored by the Audit Committee.
- ✓ With regard to observation relating to provisioning for the year ended 31<sup>st</sup> March, 2012 by National Housing Bank, the Company has received favourable reply from National Housing Bank accepting our submissions that the provision for NPA accounts are made as per the guidelines.

Clarifications sought on certain accounts related issues were answered separately.

Then the following Resolution proposed as an **Ordinary Resolution** was put to vote and carried unanimously.

**"RESOLVED THAT** the Directors' Report, Audited Statement of Accounts of the Company and the Auditors Report for the year 2012-13 be and are hereby approved and adopted."

## **2. TO DECLARE DIVIDEND ON EQUITY SHARES FOR THE YEAR ENDED 31<sup>st</sup> March, 2013.**

The following Resolution proposed as an **Ordinary Resolution** by Shri Vinay Bhide shareholder and seconded by Shri S. K. Nangia shareholder was put to vote and carried unanimously.

**"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 2012-13 to those shareholders holding shares in physical form whose names appear in the Register of Members of the Company as on 26<sup>th</sup> July, 2013 and those holding shares in the Demat form as Beneficial Owners in the record of the depositories as on 19<sup>th</sup> July, 2013."



**3. Shri M. K. Tandon, Director due to retire by rotation at this Annual General Meeting and not seeking re-election.**

The following Resolution proposed as an **Ordinary Resolution** by Shri Kirti Shah shareholder and seconded by Mrs. Pooja Swami was put to vote and carried unanimously

**"RESOLVED THAT** vacancy thereby caused be not filled up at this meeting or at any adjournment thereof"

**4. Shri Manu Chadha, Director due to retire by rotation at this Annual General Meeting and not seeking re-election.**

The following Resolution proposed as an **Ordinary Resolution** by Shri Ajay Bacha Doshi shareholder and seconded by Shri Mihir M. Manik was put to vote and carried unanimously

**"RESOLVED THAT** vacancy thereby caused be not filled up at this meeting or at any adjournment thereof".

**5. To appoint Auditors for the year 2013-14 and fix their remuneration and for that purpose to pass the following resolution with or without modification, as a SPECIAL RESOLUTION:**

The following Resolution proposed as **Special Resolution** by Mrs. Shobhana S. Mehta, shareholder and seconded by Shri Adil, shareholder was put to vote and carried unanimously

**"RESOLVED THAT** pursuant to Section 224A of the Companies Act, 1956 M/s. Contractor, Nayak & Kishnadwala, Chartered Accountants, Mumbai [ICAI Firm Registration No.101961W], be and are hereby re-appointed as Auditors of the Company to hold the Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as mutually agreed upon by the Board of Directors and the Auditors, in addition to the reimbursement of service tax and actual out-of-pocket expenses incurred in connection with the audit of Accounts of the Company for the financial year ending 31<sup>st</sup> March, 2014."

**6. To appoint, Dr. A. K. Saxena, Chairman Cum Managing Director of The Oriental Insurance Company Ltd., who was appointed as an Additional Director by the Board of Directors on 16<sup>th</sup> October, 2012 and holds Office up to the 23<sup>rd</sup> Annual General Meeting of the Members of the Company and is eligible for appointment. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing the candidature of Dr. A. K. Saxena, for the Office of the Director, liable to retire by rotation:**



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The following Resolution proposed as an **Ordinary Resolution** by Shri Anant R. Desai, shareholder and seconded by Mrs. Supriya S. Joshi, shareholder was put to vote and carried unanimously

**"RESOLVED THAT** Dr. A. K. Saxena, who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 16<sup>th</sup> October, 2012 and who holds Office up to the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956, and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956, proposing his candidature for the Office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**7. To appoint, Shri Milind A. Kharat, Chairman Cum Managing Director of The United India Insurance Company Ltd., who was appointed as an Additional Director by the Board of Directors on 8<sup>th</sup> January, 2013 and holds Office up to the 23<sup>rd</sup> Annual General Meeting of the Members of the Company and is eligible for appointment. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing the candidature of Shri Milind A. Kharat, for the Office of the Director, liable to retire by rotation:**

The following Resolution proposed as an **Ordinary Resolution** by Shri Naresh S. Minawala, shareholder and seconded by Mrs. Homa B. Pouredehi, shareholder was put to vote and carried unanimously.

**"RESOLVED THAT** Shri Milind A. Kharat, who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 8<sup>th</sup> January, 2013 and who holds Office up to the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956, and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956, proposing his candidature for the Office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**8. To appoint Shri Warendra Sinha as a Director, who was earlier appointed as an Additional Director by the Board of Directors and holds Office up to 23<sup>rd</sup> Annual General Meeting of the Company and is eligible for appointment.,**

The following Resolution proposed as an **Ordinary Resolution** by Shri K. P. Srinivasan representing National Insurance Company Ltd., and seconded by Mrs. Arpita Shah, shareholder was put to vote and carried by majority of shareholders.

**"RESOLVED THAT** Shri Warendra Sinha, who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 31<sup>st</sup> December, 2012 and who holds office up to the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956,



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and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956, proposing his candidature for the Office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### 9. APPOINTMENT OF MANAGING DIRECTOR OF THE COMPANY.

The following Resolution proposed as an **Ordinary Resolution** by Shri Arjun Ashan, Shareholder and seconded by Mrs. Jayashree Raja, shareholder was put to vote and carried by majority of shareholders.

**"RESOLVED THAT** subject to provisions of Article 116, 117 and 118 of the Articles of Association of the Company and pursuant to provisions of sections 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to any other approvals, as may be required, Shri Warendra Sinha be and is hereby appointed as Managing Director with effect from 31<sup>st</sup> December, 2012 for a period of two years or up to his extended period of deputation if any at the remuneration he is entitled to in accordance with the Service Regulations applicable to General Manager cadre (Scale VII) of General Insurance Corporation of India (GIC Re) with any modifications, revisions, thereof, if any that might take place from time to time, and also entitled for performance linked incentive if any approved by the Remuneration Committee and the Board subject to ceiling limits prescribed by Schedule XIII to the Companies Act, 1956."

**"RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profit, the aforesaid salary, allowances and perquisite payable to Shri Warendra Sinha, Managing Director be paid to him as minimum remuneration (according to Schedule XIII) during the said period of appointment pursuant to Provisions of the Companies Act, 1956".

After all the resolutions were passed, Managing Director thanked the members for attending the Annual General Meeting and then Chairman declared the meeting as concluded.

**Date:**

**Ashok K. Roy**  
**Chairman**