

HELD AT \_\_\_\_\_ ON \_\_\_\_\_ TIME \_\_\_\_\_

**MINUTES OF THE PROCEEDINGS OF THE TWENTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF GIC HOUSING FINANCE LTD., HELD ON FRIDAY, 17<sup>TH</sup> JULY, 2015 AT 3.30 P.M. AT YASHWANTRO CHAVAN PRATISHTHAN, MUMBAI, CHAVAN CENTRE, CULTURAL HALL, 4<sup>TH</sup> FLOOR, GENERAL JAGANNATH BHOSALE MARG, MUMBAI-400 021.**

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Total 103 (Hundred and three) 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 New India Assurance Company Ltd., National Insurance Company Ltd. and United India Insurance Company Ltd.

Shri Ashok K. Roy, Chairman of the meeting, Director(s) S/s. Milind A. Kharat, 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 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 informed that Shri G. Srinivasan and Dr. A. K. Saxena, Directors, who are CMDs of Promoter Insurance Companies were not able to attend the meeting due to official exigencies. Then, Shri Warendra Sinha, Managing Director & CEO gave a brief profile of the Directors getting re-appointed and Independent Directors getting appointed. Managing Director & CEO then introduced Scrutinizer, Shri Makarand M. Joshi, Practicing Company Secretary who is appointed as scrutinizer for the poll process and Shri Suresh Agaskar, Chartered Accountant, Statutory Auditor of the Company. 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.

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, 2015 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 maintained the same growth trend of previous financial year in the financial year 2014-15 also. He informed the shareholders that the Company has opened new Branches at Boisar (Maharashtra), Meerut and Ghaziabad (Uttar Pradesh), Margao (Goa), Dwarka (Delhi), Electronic City (Bengaluru), Garia (Kolkata) and Hadapsar (Maharashtra) in the financial year 2014-15. He also told that Company has plans to open its Branch at Raipur, Vijayawada, Greater Noida and Mangalore. He also covered that Rental Outgo for new Branches is kept at a minimum and at the same time, it is located at such places where our Company gets visibility. He also informed that new Branch Offices opened during last two years will start earning profit now for the Company.

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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 2015-16 is Rs.543 crs. as against Rs.440 crs. for the corresponding period of the previous year registering a growth of 23%. 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) ; which has to be considered by the Company due to NHB inspection observations. Managing Director & CEO also said that, our Company is one of the best dividend paying Companies.

Managing Director & CEO told that average cost of funds as at 31<sup>st</sup> March 2015 was 9.74% and it came down this quarter ended June 2015 to 9.64%. Company is also sourcing refinance from NHB at cheaper rate of interest and our last refinance rate was 9.10%. We are also sourcing finance through Commercial Paper and NCDs where rate is much less than Bank Base rate.

He also informed that Company has introduced Rural Housing Loan under refinance from NHB, wherein rate of interest charged to the borrowers is 8.87%, which falls under affordable housing segment. Managing Director & CEO also covered in his welcome speech that Loan against Property (LAP) Loan gives higher margin and our portfolio as on 31<sup>st</sup> March, 2015 is Rs. 982 crs., which is 15% of total individual loan portfolio (NIM 3.35%) registering growth of 85% over the previous year. (31<sup>st</sup> March, 2014 was Rs.532 crs) and 60% of business volume comes from the West and followed by north especially Branches in NCR.

Managing Director & CEO said 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.2.17 Crores for spending towards CSR Activity. We have spent Rs. 1.08 Crores (i.e. 50% of available funds) towards Prime Ministers National Relief Fund, Clean Ganga Fund and Swach Bharat Abhiyan.

Managing Director & CEO also informed the shareholders that around 25 Officers were recruited last year from reputed Management & Banking Institutes and recruitment of Officers will gradually increase.

Company Secretary then requested the Chairman to conduct the proceedings.

**Shri Ashok K. Roy** took the Chair, welcomed the Shareholders and Directors present for the twenty fifth Annual General Meeting and having ascertained that the members present form the quorum as per Section 103 of the Companies Act, 2013, called the meeting to order and initiated the proceedings. Company Secretary informed the members present that 9 proxies were received from members holding 1005 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 New India Assurance Company Ltd., National Insurance Company Ltd. and United India Insurance Company Ltd. under Section 113 of the Companies Act, 2013.

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Chairman's address was circulated to the Members present.

With the consent of members, Chairman's (Chairman of the Board) address, the Notice dated 6<sup>th</sup> May, 2015 and the Auditor's Report were taken as read.

Thereafter, Company Secretary took up the Agenda items contained in the Notice of 25<sup>th</sup> Annual General Meeting and reiterated that Company had already provided Electronic Voting facility to the Members to vote from 14<sup>th</sup> July, 2015 to 16<sup>th</sup> July, 2015 in proportion to their holding as on the Record date of 10<sup>th</sup> July, 2015 and E-voting Report was also provided to the Company by Scrutinizer on 17<sup>th</sup> July, 2015. 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 25<sup>th</sup> 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 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, 2015.**

The Resolution was proposed by Mr. Babubhai Naginlal Mehta, shareholder and seconded by Mr. Ramesh Anand More, shareholder. Before putting the resolution to vote on poll, Chairman asked the members as to whether they had any questions or clarifications to seek on the financial statements.

**Mrs. Ashalata Maheshwari**, shareholder, welcomed the new Members of the Board namely Shri B. Chakrabarti, Shri M. K. Garg and Shri A. V. Muralidharan and thanked for recommending dividend payment at 50% per equity share and also appreciated the presentation of the 25<sup>th</sup> Annual Report. Then, she raised the following issues:

- What is the growth percentage expected in the current financial year?
- How many Branch Offices will be opened in the current financial year?
- What is the current Capital Adequacy Ratio?
- What is the current Gross/Net NPA?
- What is the Average Cost of Funds?
- Why less Dividend has been proposed compared to last financial year?

She also requested to consider issue of Bonus shares to the shareholders.

**Shri T. M. Dawar**, shareholder, raised the following issue:

- Why Silver Jubilee Dividend was not given for the Financial Year 2014-15?
- Why Shareholders are not given any insurance cover as given to Borrowers?
- What are your staff expenses?
- What are the plans for slum / poor people under CSR Programme of the Company?
- What is the contribution made by the Company for Nepal Earthquake calamity?
- What are the marketing efforts taken by the Company to increase the income?

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**Shri Aspi B. Bhesania**, shareholder, raised the following issues:

- Why not Silver Jubilee Year Dividend has been given for F.Y. 2014-15?
- What is the quantum of Individual Loans and Retail Loans? How much growth is expected in this financial year?
- How many new Branch Offices to be opened in the financial year 2015-16?
- What is the percentage of CAR?
- What is the average cost of funds?
- Is there any plan for right issue/Bonus issue by the Company?
- What is current Gross/Net NPA?

He also suggested that steps to be taken for transfer of Unpaid amount relating to Fixed Deposit and Right Issue amounting to Rs.56,000/-

**Shri Adil Irani**, shareholder, raised the following issues:

- What is the return on Investment for F.Y. 2014-15?
- Why more dividend was not given for the F.Y. 2014-15?

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

- When Earning Per Share has gone up; why there is no increase in dividend.
- What are steps taken by the Company to clear the outstanding amount in Un paid Dividend Account.
- Why Company is not coming for right issue like Can Fin Homes Ltd.?

**Shri N M Gudi**, shareholder, raised the following issues:

- Why dividend percentage has come down?
- Let the Company start opening Offices in tier 2 cities like Belgaum in order to improve business.
- Let the Company also think about declaring interim dividend.

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

- Whether Company has introduced Reverse Mortgage Loans?

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

- CSR activity was approved in the current year only; whereas the Annual Report says in the last year; which is correct.
- Why Company has not provided for Unquoted Investment aggregating to Rs.9.82 crs.
- Requested to circulate the quarterly results
- Suggested to start new Offices in tier 2/3 tiercities and in Smart Cities.

**Smt. Shobhana S. Mehta**, shareholder welcomed the new Directors and then raised the following issues:

- Appreciated our convening AGM well in advance as compared to previous year.
- What is PBT and PAT for the first quarter of the F.Y. 2015-16?
- When EPS has gone up , why Dividend has come down?

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**Shri Vinod Agrawal**, shareholder raised the following issues:

- Why Company is not having ESOP?
- Dividend yield has come down?
- What is the average size of the loan?
- Whether Company will contribute for constructing Night Shelter /Day shelter under CSR activity?
- Is there any interest subvention available for affordable housing?

**Shri Dinesh Ji Bhatia**, shareholder raised the following issues:

- What is the Book Value per share?
- What is the plan for Bonus issue?
- What is the steps taken by the Company against the fraud committed either by Employee or Borrower as reported in the Auditors Report ?

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

- Our disclosures in the website is not adequate.
- What is the average cost of funds?
- Why NIM has come down?
- Disclosures needs to be improved
- Cost to income ratio is going up.

**Smt. CE Macarcenes**, shareholder raised the following issues:

- When there is sizable reserves, why Bonus issue is not considered.
- Average cost of funds is on higher side.
- Why MD and CEOs salary is very less?

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:

- ✓ Capital Adequacy Ratio is 15.36%
- ✓ Gross NPA as on March 2015 is 1.73%.
- ✓ Average cost of Funds is 9.74%
- ✓ Present employee strength of the Company is 218.

With regard to suggestion for issue of Bonus shares, interim dividend and ESOPs to employees, the same will be brought to the notice of the Board. The benchmark for growth rate is 25%.

Then the following Resolution proposed as an **Ordinary Resolution** by Shri Babubhai Naginlal Mehta, shareholder and seconded by Shri Ramesh Anand More, shareholder was put to vote by poll and passed.

**"RESOLVED THAT** audited Annual Financial Statements for the year ended on 31<sup>st</sup> March 2015 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 31<sup>st</sup> March, 2015.**

The following resolution proposed as an **Ordinary Resolution** by Shri Rajesh S Vora, shareholder and seconded by Shri Anil Babu Bhai Mehta, shareholder was put to vote by poll and passed.

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**"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 2014-15 to those shareholders holding shares in physical/Demat form whose names appear in the Register of Members of the Company as on 10<sup>th</sup> July, 2015."

**3. To appoint a Director in place of Dr. A. K. Saxena (DIN 05308801), who retires by rotation and, being eligible offers himself for re-appointment.**

The following resolution proposed as an **Ordinary Resolution** by ShriParag S Sampat, shareholder and seconded by Mrs. B. Radhika, shareholder was put to vote by poll and passed.

**"RESOLVED THAT** Dr. A. K. Saxena, Director (DIN 05308801) be and is hereby appointed as a Director retiring by rotation and being eligible to offer himself for re-appointment."

**4. To appoint a Director in place of Shri Milind A. Kharat (DIN 02502200)who retires by rotation and being, eligible, offers himself for re-appointment.**

The following resolution proposed as an **Ordinary Resolution** by Shri VimalSawant, shareholder and seconded by ShriAnkush Arjun Raut, shareholder was put to vote by poll and passed.

**"RESOLVED THAT**ShriMilind A. Kharat, Director (DIN No.02502200) be and is hereby appointed as a Director retiring by rotation and being eligible to offer himself forre-appointment."

**5. 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 26th 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 Prashant K Pendurkar, shareholder and seconded by Shri M V RamanaMurty, shareholder was put to vote and carried unanimously:

**"RESOLVED THAT** pursuant to Section 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 26th Annual General Meeting of the Company and to authorize the Board of Directors of the Company to fix their remuneration".

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**6. To appoint Shri B. Chakrabarti (DIN 00017513), as an Independent Director.**

The following Resolution proposed as an **Ordinary Resolution** by Shri Kishore Gualb Rao Panjabi, Shareholder and seconded by Mrs. Marina Correa, shareholder was put to vote by poll and passed.

**"RESOLVED THAT** Shri B. Chakrabarti(DIN 00017513), who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 6<sup>th</sup> February 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 an Independent Director of the Company, up to the conclusion of 27<sup>th</sup> Annual General Meeting of the Company."

**7. To appoint, Shri A. V. Muralidharan(DIN 00015725)as an Independent Director.**

The following Resolution proposed as an **Ordinary Resolution** by Mr. Rajesh Dhiran Rao Metawala, shareholder and seconded by Mr. Kiran Lad, shareholder was put to vote by poll and passed.

**"RESOLVED THAT** Shri A. V. Muralidharan(DIN 00015725), who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 6<sup>th</sup> February 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 an Independent Director of the Company up to the conclusion of 27<sup>th</sup> Annual General Meeting of the Company."

**8. To appoint Shri M. K. Garg (DIN 00081454), as an Independent Director.**

The following Resolution proposed as an **Ordinary Resolution** by Mrs. Kirti Shah, Shareholder and seconded by Shri Rajesh H. Vora, shareholder was put to vote by poll and passed.

**"RESOLVED THAT** Shri M. K. Garg (DIN 00081454), who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 6<sup>th</sup> February, 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 an Independent Director of the Company up to the conclusion of 27<sup>th</sup> Annual General Meeting of the Company."

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

#### Conduct of Poll:

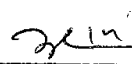
Shri Makrand Joshi, appointed as Scrutinizer for the poll conducted the poll which includes distribution of polling papers, showing empty polling box, locking and sealing of the same. After ensuring that all the Members and proxies cast their votes, Scrutinizers closed the poll and took the custody of 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 17<sup>th</sup> July 2015 and Scrutinizer's Report on Voting by Poll at the AGM dated 17<sup>th</sup> July 2015, the summary of complete Voting is given hereunder.

Resoluti on Nos. as given in the Notice of 25 <sup>th</sup> AGM	Particulars of Votes cast							Results Declared
		Electronic Voting (A)		Poll(B)		Voting Result		
		Nos.	%	Nos.	%	No. (A+B)	%	
<b>Ordinary Business</b>								
1	Votes cast in favour	28627882	99.99	13629	56.96	28641511	99.96	Approved by requisite majority
	Votes cast against	5	0.01	10300	43.04	10305	0.04	
2	Votes cast in favour	28627882	99.99	13629	56.96	28641511	99.96	Approved by requisite majority
	Votes cast against	5	0.01	10300	43.04	10305	0.04	
3	Votes cast in favour	28602038	99.91	13629	56.96	28615667	99.87	Approved by requisite majority
	Votes cast against	25757	0.09	10300	43.04	36057	0.13	
4	Votes cast in favour	28601088	99.91	13629	56.96	28614717	99.87	Approved by requisite majority
	Votes cast against	25757	0.09	10300	43.04	36057	0.13	
5	Votes cast in favour	28627667	99.99	13628	56.95	28641295	99.96	Approved by requisite majority
	Votes cast against	58	0.01	10301	43.05	10359	0.04	

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**SPECIAL BUSINESS**

Resoluti on Nos. as given in the Notice of 25 <sup>th</sup> AGM	Particulars of Votes cast							Results declared
		Electronic Voting (A)		Poll (B)		Voting Result		
		NO.	%	NO.	%	NO. (A+B)	%	
6	Votes cast in favour	28627579	99.99	13629	56.96	28641208	99.96	Approved by requisite majority
	Votes cast against	66	0.01	10300	43.04	10366	0.04	
7	Votes cast in favour	28627680	99.99	13629	56.96	28641309	99.96	Approved by requisite majority
	Votes cast against	115	0.01	10300	43.04	10415	0.04	
8	Votes cast in favour	28627735	99.99	13629	56.96	28641364	99.96	Approved by requisite majority
	Votes cast against	60	0.01	10300	43.04	10360	0.04	

Hence, the Resolutions as recorded in the Notice were passed with requisite majority and recorded herein as part of the proceedings of the 25<sup>th</sup> Annual General Meeting held on 17<sup>th</sup> July 2015.

Date: 07/08/2015

  
**Ashok K. Roy**  
 Chairman