

Since time immemorial, the peepal tree has spread its branches and provided shelter and comfort.

So do we.



GIC HOUSING FINANCE LTD.

YOUR ROAD TO A DREAM HOME

Annual Report 2015-16



25th Annual General Meeting - 17th July, 2015



Induction Programme for New Officers - 28th March, 2016

CORPORATE INFORMATION

BOARD OF DIRECTORS

1)	Smt. Alice G. Vaidyan	Chairperson
2)	Shri G. Srinivasan	Director
3)	Shri K. Sanath Kumar	Director
4)	Shri Y. Ramulu	Director
5)	Shri V. Ramasamy	Director
6)	Shri Kamlesh S. Vikamsey	Director
7)	Smt. Mona Bhide	Director
8)	Shri B. Chakrabarti	Director
9)	Shri A. V. Muralidharan	Director
10)	Shri M. K. Garg	Director
11)	Shri Warendra Sinha	Managing Director & CEO

SENIOR VICE PRESIDENT & COMPANY SECRETARY (CFO)

Shri S. Sridharan

STATUTORY AUDITORS

M/s CNK & ASSOCIATES LLP (Firm Reg. No. 101961W)
Chartered Accountants, Mumbai

SECRETARIAL AUDITORS

Shri Makarand Joshi,
M/s MAKARAND M. JOSHI & CO.
Practicing Company Secretaries

PRINCIPAL BANKERS

Allahabad Bank, Axis Bank Limited, Bank of Baroda, Bank of India, Bank of Maharashtra, Bhartiya Mahila Bank, Corporation Bank, Deutsche Bank AG, HDFC Bank Limited, Indian Bank, Kotak Mahindra Bank Ltd., Oriental Bank of Commerce, Punjab & Sind Bank, State Bank of Bikaner and Jaipur, State Bank of India, State Bank of Mysore, Syndicate Bank, The Bank of Nova Scotia, Union Bank of India, United Bank of India, Vijaya Bank.

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited

REGISTERED OFFICE

National Insurance Building,
6th Floor, 14, Jamshedji Tata Road,
Churchgate, Mumbai - 400 020.

REGISTRARS AND SHARE TRANSFER AGENTS

M/s Karvy Computershare Private Limited,
Corporate Office:

Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad, Telangana - 500 032.
Tel No. +91 40 67162222, Fax No. +91 40 23420814
Email: einward.ris@karvy.com

Mumbai Front Office:

24-b, Raja Bahadur Mansion,
Ground Floor, Ambalal Doshi Marg,
Behind BSE, Fort, Mumbai - 400 023.
Tel No. +91 226623 5454/412/427

CONTENTS

PAGE
NO.

Corporate Information	1
Notice of AGM	4
Directors' Report	15
Management Discussion & Analysis Report	33
Corporate Governance Report	37
Shareholders Information	44
Auditors' Report	50
Balance Sheet	56
Statement of Profit and Loss	57
Cash Flow Statement	58
Notes to Accounts	60
Financial Analysis	82
Five Years' at a Glance	83

26th ANNUAL GENERAL MEETING

Date	:	Wednesday, 27th July, 2016
Time	:	3.30 p.m.
Venue	:	Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4th Floor, General Jagannath Bhosale Marg, Mumbai - 400 021

**BOARD COMMITTEES****AUDIT COMMITTEE**

- 1) Shri V. Ramasamy – Chairman
- 2) Shri Kamlesh S. Vikamsey
- 3) Shri Y. Ramulu

STAKEHOLDERS RELATIONSHIP COMMITTEE

- 1) Shri V. Ramasamy – Chairman
- 2) Smt. Mona Bhide
- 3) Shri Y. Ramulu

NOMINATION AND REMUNERATION COMMITTEE

- 1) Smt. Mona Bhide – Chairperson
- 2) Shri V. Ramasamy
- 3) Shri Y. Ramulu

ASSET LIABILITY & RISK MANAGEMENT COMMITTEE

- 1) Shri V. Ramasamy – Chairman
- 2) Shri Y. Ramulu
- 3) Shri Warendra Sinha

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- 1) Shri Milind A. Kharat - Chairman
(upto 31st May, 2016)
- 2) Smt. Mona Bhide
- 3) Shri Warendra Sinha

MANAGEMENT

- 1) Shri Rajib De Senior Vice President
- 2) Shri K. B. Suresh Senior Vice President
- 3) Shri S. Sridharan Senior Vice President &
Company Secretary
- 4) Shri Mahesh Ghagre Vice President

BUSINESS HEAD

Sr. No.	Branch Offices	Manager
1	Ahmedabad	Mr. Amit Thakur
2	Bengaluru	Mr. S Vijayaramesh
3	Bhubaneswar	Mr. Siddhartha Roy
4	Boisar	Mr. Kiran Alhad Lad
5	Borivali	Mr. Shrinivas Mahishi
6	Chandanagar	Mr. S Prashanth Kumar
7	Chandigarh	Mr. Pramender Singh
8	Chennai	Mrs. C V Vijayavardhini
9	Chinchwad	Mr. Joseph Thomas
10	Coimbatore	Mr. B Chitra
11	Diamond Harbour	Mr. N. Ragothaman
12	Dehradun	Mr. Akshay Kumar Singh
13	Delhi	Mr. Muneshwar N Basutkar
14	Durgapur	Mr. Dibyendu Mohan Das
15	Dwarka	Mr. Bidyut Pal
16	Electronic City	Mr. R Ramachandran
17	Garia	Mr. Santosh Singh
18	Ghaziabad	Mr. Shanish Sharma
19	Greater Noida	Mr. Lohit T. V.
20	Gurgaon	Mr. Vinayak Kumar
21	Hadapsar	Mr. Vicky Adtani
22	Hyderabad	Mr. Mainak Pal
23	Indore	Ms. Kriti Kaul Ogra
24	Jaipur	Mr. Sukhendu Acharya
25	Jodhpur	Mr. Ganesh Singh Hada
26	Kalyan	Mr. Rohit Medhekar
27	Kochi	Mr. H S Gowrishankar
28	Kolhapur	Ms. Meenu Mohan
29	Kolkata	Mr. N Ragothaman
30	L B Nagar	Mr. Mahesh Mogaveera
31	Lucknow	Mr. Deepak Kumar
32	Ludhiana	Mr. Nitesh Kumar
33	Margao	Mr. Harish Kamath
34	Madurai	Mr. M S Chandrasekhar
35	Malout	Mr. Pramender Singh
36	Meerut	Mr. Kumar Sawrabh
37	Mumbai	Mrs. Supriya Joshi
38	Nagpur	Mr. Ramesh More
39	Nashik	Mr. Subhajit Basu
40	Navi Mumbai	Mrs. Mahalakshmi Sharma
41	Nere Panvel	Mr. Ramesh Gaikwad
42	Noida	Mr. Arpit Tambi
43	Panaji	Mr. Christopher D Souza
44	Panvel	Mr. Amit Kumar Jha
45	Patna	Mr. Dinesh R Srivastava
46	Patiala	Mr. Varun Mehta
47	Pitampura	Mr. Chakradhar Shah
48	Porur	Mr. Sreenivas Putta
49	Pune	Mr. Yogesh Deshpande
50	Raipur	Mr. Imran Ahamad Ansari
51	Tambaram	Mr. S Shyam
52	Thane	Mr. Sudhir Vishnu Kasbekar
53	Trivandrum	Mr. K V Govindanath
54	Trichy	Mr. K G Krishnan
55	Vadodara	Mr. Rushi Bharati
56	Vasai	Mrs. Sushma Rohit Shetty
57	Vijayawada	Mr. K Appa Rao
58	Virar	Mr. Vinayak Sharad Joshi
59	Vizag	Mrs. Asha Somayajula
60	Yelahanka	Mr. Thangaraj

BOARD OF DIRECTORS



Smt. Alice G. Vaidyan
Chairperson



Shri G. Srinivasan
Director



Shri K. Sanath Kumar
Director



Shri Y. Ramulu
Director



Shri V. Ramasamy
Director



Shri Kamlesh S. Vikamsey
Director



Smt. Mona Bhide
Director



Shri B. Chakrabarti
Director



Shri M. K. Garg
Director



Shri A. V. Muralidharan
Director



Shri Warendra Sinha
Managing Director & CEO



(CIN: L65922MH1989PLC054583)

Reg. Off.: National Insurance Building, 6th Floor, 14, Jamshedji Tata Road, Churchgate, Mumbai 400 020, India
Tel No. +91 22 2285 1765/1766/2285 3866 /Email: corporate@gichf.com/investors@gichf.com/Website: www.gichfindia.com

NOTICE

26th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of **GIC HOUSING FINANCE LTD.** will be held on **Wednesday, 27th July, 2016** at 3.30 p.m. at Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4th Floor, General Jagannath Bhosale Marg, Mumbai - 400 021 to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 1:

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

ITEM NO. 2:

To declare dividend on Equity Shares for the financial year ended on 31st March, 2016.

ITEM NO. 3:

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

ITEM NO. 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.

SPECIAL BUSINESS:

ITEM NO. 5:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“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 whose period of Office shall be liable to retire by rotation.”

ITEM NO. 6:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“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 a 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.

ITEM NO. 7:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“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.”

ITEM NO. 8:

Related Party Transactions upto an aggregate limit of ₹ 1,000 Crores only.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**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 ₹ 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.”

Place : Mumbai

Date : 29th April, 2016

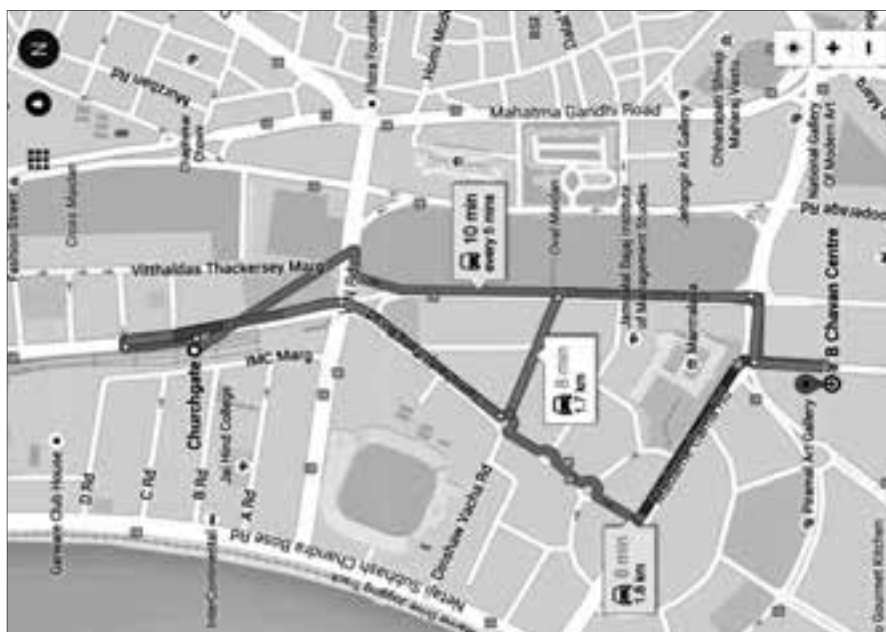
Registered Office:

National Insurance Building,
6th Floor, 14, Jamshedji Tata Road,
Churchgate,
Mumbai - 400 020

For and on behalf of the Board of Directors

Sd/-
Warendra Sinha
Managing Director & CEO

ROAD MAP FOR 26TH AGM VENUE





NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IS PLACED AT THE END OF THIS ANNUAL REPORT.**
- 2. THE PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos. 5, 6, 7 & 8 is given below and forms part of the Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 16th July, 2016 to Wednesday, 27th July, 2016 (both days inclusive) in connection with the Annual General Meeting and for the purpose of payment of dividend for the year 2015-16.
5. The dividend as recommended by the Board, if declared at the meeting, will be paid to those Members:
 - a) Whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/Registrars and Transfer agent on or before 15th July, 2016 (Friday), and
 - b) Whose names appear as Beneficial Owners in the list of Beneficial Owners on 15th July, 2016 furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
6. The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the Depositories for depositing dividend. Dividend will be credited to the Members' Bank Account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records.
7. Members are requested to fill, sign and send the ECS mandate form, which forms part of this Annual Report, along with a photocopy of the cheque issued by the bank for verifying the accuracy of the MICR Code number to the Registrars and Share Transfer Agents viz. M/s Karvy Computershare Pvt. Ltd., Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500 032 (in case of Members holding shares in physical form) and to the respective Depository participants (in case of Members holding shares in dematerialised form).
8. Members attending the Annual General Meeting are requested to bring the following for admission to the meeting hall (as applicable).
 - a) Attendance Slip duly completed and signed as per the specimen signature lodged with the Company.
 - b) Members holding shares in dematerialized form, their DP and Client ID number(s).
 - c) Members holding shares in physical form, their folio number(s).
 - d) Copy of the Annual Report (2015-16).
9. The Company would accept only the Attendance Slip from a Member actually attending the Meeting; or from the person attending as a Proxy under a valid proxy form registered with the Company not less than 48 hours prior to the Meeting. Attendance Slip of Members not personally present at the meeting and Proxy Forms, which are invalid, will not be accepted.
10. Member Companies or Organisations are requested to send a copy of the resolution of their governing body authorising their representative to attend and vote at the Annual General Meeting.
11. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e. Electricity / Telephone Bill, Driving License or a copy of the Passport and bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are in dematerialised form, this information should be passed on directly to their respective Depository Participants and not to the Company/ RTA.
12. In all correspondence with the Company, members are requested to quote their account/ folio numbers and in case their shares are held in the dematerialised form, they must quote their DP ID. and Client ID. No(s).

13. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to an individual Member. Members holding shares in physical form may utilise the nomination facility available by sending the prescribed Form No. SH-13 duly filled, to our Registrars and Share Transfer Agents viz. **M/s Karvy Computershare Pvt. Ltd.**, Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500 032. Members holding shares in dematerialised form has to send their "nomination" request to the respective Depository Participants.
14. Equity Shares of the Company are under compulsory Demat trading by all investors. Those Members, who have not dematerialised the shares, are advised to dematerialise their shareholding, to avoid inconvenience in future.
15. SEBI vide circular Ref. No. MRD/DoP/Cir-05/2007 dated 27th April, 2007 made Permanent Account Number (PAN) mandatory for all securities market transaction. Thereafter, vide circular no. MRD/Dop/Cir-05/2009 dated 20th May, 2009 it was clarified that for securities market transactions and off market/ private transaction involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company/ RTAs for registration of such transfer of shares.
SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:
 - a) Deletion of name of the deceased Member(s), where the shares are held in the name of two or more Member(s).
 - b) Transmission of shares to the legal heir(s), where deceased Member was the sole holder of shares.
 - c) Transposition of shares when there is a change in the order of names in which physical shares are held jointly in the names of two or more Members.
16. Investors/Members are requested to kindly note that if physical documents viz. Demat Request Form (DRF) and Share Certificates etc... are not received from their DPs by the Registrar within a period of 15 days from the date of generation of the DRN for dematerialisation, the DRN will be treated as rejected/cancelled. This step is being taken on the advice of Depository viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) so that no demat request remains pending beyond a period of 21 days. Upon rejection/cancellation of the DRN, a fresh DRF with new DRN has to be forwarded along with the share certificates by the DPs to the Registrar. This note is only to advise investors/ Members that they should ensure that their DP's do not delay in sending the DRF and share certificates to the Registrar after generating the DRN.
17. Dividend for the financial year 2008-09, which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund (IEPF) of the Central Government, pursuant to the provisions of Section 205C of the Companies Act, 1956 (which are still applicable) in the month of October, 2016. Members, who have not yet encashed their dividend for the financial year 2008-09, are requested to lodge their claims with the Company or **M/s Karvy Computershare Pvt. Ltd.**, Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500 032 without delay. Members are advised that no claims shall lie against the said fund or against the Company for the amount of dividend so transferred to the fund. During the year 2015-16, the Company has deposited a sum of ₹ 9,81,280/- (Rupees Nine Lacs Eighty One Thousand Two Hundred and Eighty only) to Investor Education and Protection Fund of the Central Government, on account of unclaimed/ unpaid dividend for the year 2007-08.
18. Those Members who have not encashed or received their dividend for the financial years 2008-09 to 2014-15 are requested to approach our Registrars and Share Transfer Agents viz. **M/s Karvy Computershare Pvt. Ltd.**, Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500 032.
19. The Members holding shares in more than one folio are requested to consolidate their folios by sending a request letter to the Company or to the Registrars and Transfer Agents of the Company. Consolidation of folios would facilitate one-stop tracking of all corporate benefits and would reduce time and effort required for monitoring multiple folios. Consolidation of share certificates also helps in saving costs in case of dematerialisation and also provides convenience in holding shares physically.
20. A brief profile of the Directors seeking appointment is furnished and forming part of the notice as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
21. The annual report of the Company circulated to the Members of the Company, will be made available on the Company's website at **www.gichfindia.com**



22. All Documents referred to the Notice are open for inspection at the Registered Office of the Company on all working days between 10.30 a.m. to 12.00 noon up to the date of the Annual General Meeting.
23. The Ministry of Corporate Affairs, Government of India has introduced a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies for service of documents to their Members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013.

However, Members who are desirous of obtaining hard copy of the Notice, Annual Reports and other documents may forward their written request to the Company/RTA for the same.

24. Electronic copy of the Annual Report for the financial year 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes along with hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of the 26th Annual General Meeting of the Company *inter alia* **indicating the process and manner of e-voting** along with Attendance Slip and Proxy Form is being sent in the permitted mode.
25. In terms of the provisions of Section 107 of the Companies Act 2013, since the resolutions as set out in this Notice are being conducted through e voting and ballot paper, the said resolutions will not be decided on a show of hands at the AGM.
26. **Voting through Electronic Means:**

- a) In compliance with the provisions of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rule 2014 as amended by the Companies (Management and Administration) Amendment Rules 2015, the Company is offering E-voting facility to all its Members to enable them to exercise their right to vote on all matters listed in this Notice of 26th AGM by electronic means and the business may be transacted through e-voting services. The members who do not have access to e-voting facility shall be given Ballot form also from the Company for casting votes. The facility of casting votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by **Karvy Computershare Pvt. Ltd. (Karvy)**.
- b) The facility for voting through ballot paper only shall be made available at the AGM venue also and the members attending the meeting who have not cast their vote by remote e-voting and ballot form shall be able to exercise their right at the meeting through ballot paper.
- c) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- d) The remote e-voting period commences on Friday, 22nd July, 2016 (9.00 a.m.) and ends on Tuesday, 26th July, 2016 (5.00 p.m.). During this period Members' of the Company, holding shares either in physical form or in dematerialized form may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter.
- e) Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- f) A person who is not a Member as on cut off date, should treat this notice for information purpose only.

The instructions for e voting are as under:

- ❖ **Member whose e-mail IDs are registered with the Company/DPs will receive an e-mail from Karvy informing them of their User-ID and Password. Once the Members receives the email, he or she will need to go through the following steps to complete the e-voting process:**
- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - (ii) Enter the login credentials (i.e. User ID and password) which will be sent separately. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
 - (iii) After entering these details appropriately, click on "LOGIN".

- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the E-Voting Event Number for GIC Housing Finance Limited.
- (vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- (xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Power of Attorney/Authority Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: gichfl1234@gmail.com

❖ **In case a member receives physical copy of the Notice of AGM [for members whose e-mail IDs are not registered or have requested the physical copy]:**

- i) Initial password is provided in below format at the bottom of the Attendance Slip for the AGM :

USER ID	PASS WORD
---------	-----------

- ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.

- g) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.
- h) If the member is already registered with Karvy e-voting platform then he/she can use his/her existing User ID and password for casting the vote through remote e-voting.
- i) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication.
- j) As the Voting would be through electronic means, the members who do not have access to e-voting are given Physical Ballot form from the Company. You are required to fill in the ballot form and send it to the Scrutinizer in the enclosed self-addressed Prepaid Postage Business Reply Envelops.
- k) Postage Charges will be borne by the Company. However, in case a Member sends the Ballot Form by courier or registered post or delivers it in person at his/her expenses, such Ballot Form will also be accepted. Unsigned, incomplete or incorrectly ticked forms shall be rejected.



- l) The ballot form must be received by the Scrutinizer on or before Tuesday, 26th July, 2016 (5.00 p.m.). The Scrutinizers decision on the validity of the forms will be final. Members are required to vote only through the electronic system or through Ballot only and in no other form. In the event, a member casts his/her votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.
- m) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Wednesday, 20th July, 2016.
- n) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 20th July, 2016, may obtain the User ID and password in the manner as mentioned below:
- If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS : **MYEPWD** <space> E-Voting Event Number + Folio No. or DP ID Client ID to **9212993399**
Example for NSDL:
MYEPWD <SPACE> IN12345612345678
Example for CDSL :
MYEPWD <SPACE> 1402345612345678
Example for Physical :
MYEPWD <SPACE> XXXX1234567890
 - If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - Member may call Karvy's toll free number 1-800-3454-001.
 - Member may send an e-mail request to evoting@karvy.com.
- o) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., Wednesday, 20th July, 2016 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- p) **Shri Makarand Joshi, Practicing Company Secretary** (Membership No. FCS 5533), M/s MAKARAND M JOSHI & CO., Mumbai has been appointed as the Scrutiniser by the Board of Directors of the Company to scrutinise the e-voting process in a fair and transparent manner.
- q) Voting shall be allowed at the end of discussion on the resolutions on which voting is to be held with the assistance of Scrutiniser, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- r) The Scrutinizer shall after the conclusion of voting at the general meeting will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by her in writing, who shall countersign the same and declare the result of the voting therewith.
- s) The Results declared along with Scrutinizer's Report shall be placed on the Website of the Company www.gichfindia.com after the declaration of result by the Chairperson or a person authorized by her in writing and also the same will be communicated to the National Stock Exchange of India Ltd. and BSE Limited.
- t) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e. 27th July, 2016.



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 5:

Shri Y. Ramulu (DIN 07234450) was appointed as an Additional Director of the Company pursuant to the provision of Section 161 of the Companies Act, 2013 by the Board of Directors on 30th June, 2015 and holds office till the date of the 26th Annual General Meeting of the Company and is eligible for appointment. Shri Y. Ramulu, General Manager of GIC Re, is a Post Graduate in Communications & Journalism from Osmania University and also an Associate of the Insurance Institute of India.

The Company has received a notice in writing from a Member as per section 160 of Companies Act 2013 proposing the candidature of Shri Y. Ramulu as Non-Executive Director whose Office shall be liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in this resolution except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

ITEM NO. 6:

Smt. Alice G. Vaidyan (DIN 07394437) was appointed as an Additional Director of the Company pursuant to the provision of Section 161 of the Companies Act, 2013 by the Board of Directors on 29th January, 2016 and holds office till the date of the 26th Annual General Meeting of the Company and is eligible for appointment.

Smt. Alice G. Vaidyan, Chairman cum Managing Director (CMD) of General Insurance Corporation of India (GIC Re) is a Post Graduate in English literature and Fellow of the Insurance Institute of India. Prior to her present posting, she was General Manager and CFO of GIC Re from October 2012 till 24th January, 2016 when she was elevated as CMD of GIC Re.

She began her career with the public sector general insurer, The New India Assurance Company Limited. Over the years, she worked in Thiruvananthapuram, Ahmedabad, Kochi and Mumbai Offices of the Company, including the Corporate Office of The New India Assurance Company Limited in various capacities. She moved to GIC Re in 2008 as Deputy General Manager (Reinsurance).

The Company has received a notice in writing from a Member as per section 160 of Companies Act, 2013 proposing the candidature of Smt. Alice G. Vaidyan as Non-Executive Director, Chairperson whose Office shall not be liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in this resolution except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

ITEM NO. 7:

Shri K. Sanath Kumar (DIN 03444096) was appointed as an Additional Director of the Company pursuant to the provision of Section 161 of the Companies Act, 2013 by the Board of Directors on 21st March, 2016 and holds office till the date of the 26th Annual General Meeting of the Company and is eligible for appointment.

Shri K. Sanath Kumar, Chairman cum Managing Director, National Insurance Company Limited, is a Zoology Graduate. He is a direct recruit Officer of the 1979 batch of General Insurance Officers. Shri K. Sanath Kumar was earlier General Manager & Director of GIC Re with the additional charge as Officiating CMD.

He had his first posting at United India Insurance Company Ltd., Ernakulam Office. He was promoted as General Manager in 2008 in United India Insurance Company Limited and in 2010, he was moved to New India Assurance Company Limited at Mumbai where he has been in charge of IT structure, Business Re-Engineering, E-Commerce and Alternative business channel, Large Corporate & Brokers & Indian and International Business development. In September 2012, he was nominated to the Board of Directors of New India Assurance Company Limited.

He has also been a Member of High Level Claims Committee in New India Assurance and was in the Broker's Committee of IRDA.

The Company has received a notice in writing from a Member as per section 160 of the Companies Act, 2013 proposing the candidature of Shri K. Sanath Kumar as Non-Executive Director, whose Office shall be liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in this resolution except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the resolution set forth in Item No. 7 for the approval of the Members.

**ITEM NO. 8:**

Pursuant to provisions of the Companies Act, 2013 and in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the transactions in the nature of raising of funds through NCDs/Bonds, taking property on lease/rent, availing of services in the ordinary course of business or any other kind of transactions entered into by the Company up to an aggregate limit of ₹ 1,000 Crores (Rupees One Thousand Crores Only) which though in the ordinary course of business may be construed to be related party transactions with the conflict of interest, it is therefore proposed to Shareholders to approve as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, concerned or interested in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the resolution set forth in Item No.8 for the approval of the Members.

Place : Mumbai

Date : 29th April, 2016

Registered Office:

National Insurance Building,
6th Floor, 14, Jamshedji Tata Road,
Churchgate,
Mumbai - 400 020

For and on behalf of the Board of Directors

Sd/-
Warendra Sinha
Managing Director & CEO

Information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 of the Listing Agreement in respect of Directors seeking re-appointment/appointment at the 26th Annual General Meeting:**1. Shri G. Srinivasan, Chairman cum Managing Director of The New India Assurance Company Limited.**

Shri G. Srinivasan (DIN 01876234) has taken charge as Chairman cum Managing Director of The New India Assurance Company Limited from 18th October, 2012.

Prior to his appointment as CMD of New India, he was the CMD of United India Insurance Company Ltd. He served as Managing Director of The New India Assurance Company (TNT) Ltd., Trinidad and Tobago and General Manger for The New India Assurance Company Ltd. He has over 36 years of experience in the Insurance Industry. He has been a Director of General Insurance Corporation of India since 28th July, 2010.

The other Directorships/Committee memberships of Shri G. Srinivasan are as follows:

Name of the Company	Board Membership	Committee Membership
The New India Assurance Company Ltd.	Chairman cum Managing Director	<ul style="list-style-type: none"> • Investment Committee – Chairman • Policyholders Protection Committee – Chairman • Risk Management Committee – Chairman • IT Committee – Chairman • Property Review Committee – Chairman
Prestige Assurance Plc, Lagos, Nigeria	Director	—
The New India Assurance Co. (Trinidad and Tobago Ltd. Port of Spain)	Chairman	—
India International Insurance Pte Singapore	Director	—
Health Insurance TPA of India Limited	Director	—
General Insurance Corporation of India	Director	—

Shri G. Srinivasan does not hold any share in the Company.

2. Shri Y. Ramulu, General Manager, General Insurance Corporation of India (GIC Re).

Shri Y. Ramulu, General Manager of GIC Re, is a Post-Graduate in Communications & Journalism from Osmania University and also an Associate of the Insurance Institute of India. He has also got a Certificate Course in PMS. Shri Y. Ramulu, is a Direct



Recruit Officer of the 1983 batch, joined Non-Life Insurance Industry after completing his MBA. After induction at New India Training College, Mumbai, he joined GIC Re, Head Office, Mumbai in April, 1984 and worked in Reinsurance Accounts and HR Department in various capacities for 9 years.

In the year, 2002 on promotion as Manager (Scale-V), he was posted at Oriental Insurance Company Ltd., Head Office, New Delhi, and handled the Motor Technical, Vigilance & HR Departments up to the year 2005. He joined GIC Re, Head Office, Mumbai again as DGM in August, 2008 and entrusted with HR, Office Services Group and Co-ordination Departments and Motor Pool up to the year 2012 and subsequently, was allotted the portfolios of Motor Reinsurance, Motor Pool & Life Re Departments, NAT CAT Pool and Nuclear Pool and handled the same upto May, 2014. He has been elevated to the cadre of General Manager in the month of May, 2014.

The other Directorships/Committee memberships of Shri Y. Ramulu are as follows:

Name of the Company	Board Membership	Committee Membership
NIL		

Shri Y. Ramulu does not hold any share in the Company.

3. Smt. Alice G. Vaidyan, Chairman cum Managing Director of General Insurance Corporation of India (GIC Re).

Smt. Alice G. Vaidyan has assumed charge of Chairman cum Managing Director of General Insurance Corporation of India (GIC Re) on 25th January, 2016. Prior to her present posting, she was General Manager and CFO of GIC Re from October 2012 till 24th January, 2016 when she was elevated as CMD of GIC Re.

Smt. Alice G. Vaidyan, a Post Graduate in English literature and Fellow of the Insurance Institute of India is a Direct Recruit Officer of the 1983 batch of General Insurance Industry. She began her career with the public sector general insurer, The New India Assurance Company Limited.

Over the years, she worked in Thiruvananthapuram, Ahmedabad, Kochi and Mumbai Offices of the Company, including the Corporate Office of The New India Assurance Company Limited in various capacities. She moved to GIC Re in 2008 as Deputy General Manager (Reinsurance).

Smt. Vaidyan has won several national and international awards. She is a speaker of repute in national and international conferences. She won the Lloyds List Marine Insurance Award in 2007 for The New India Assurance Company Limited for best marine insurer. Also with Smt. Vaidyan at the helm of the Marine portfolio, GIC Re won the Marine Insurance Award in the Seatrade Middle East & Indian Subcontinent Awards for 2011 and 2012.

Name of the Company	Board Membership	Committee Membership
General Insurance Corporation of India	Chairman cum Managing Director	<ul style="list-style-type: none"> • CSR Committee – Chairperson • Enterprise Risk Management Committee – Chairperson • Investment Committee – Chairperson • Ethics Committee-Chairperson
ECCG Ltd.	Director	—
GIC Re South Africa	Director	—
Kenindia Assurance Co. Ltd.	Director	<ul style="list-style-type: none"> • Credit Committee – Chairperson • Risk Committee – Member
Health Insurance TPA of India Ltd.	Director	<ul style="list-style-type: none"> • Risk Management Committee – Member • IT Committee – Member • Ethics Committee – Member
Asian Reinsurance Corporation	Director	—

Smt. Alice G. Vaidyan does not hold any share in the Company.

4. Shri K. Sanath Kumar, Chairman cum Managing Director of National Insurance Company Limited.

Shri K. Sanath Kumar, Chairman cum Managing Director, National Insurance Company Limited, is a Zoology Graduate. He is a direct recruit Officer of the 1979 batch of General Insurance Officers. Shri K. Sanath Kumar was earlier General Manager &



Director of GIC Re with the additional charge as Officiating CMD.

He had his first posting at United India Insurance Company Ltd., Ernakulam Office. He was promoted as General Manager in 2008 in United India Insurance Company Limited and in 2010, he was moved to New India Assurance Company Limited at Mumbai where he has been in charge of IT structure, Business Re-Engineering, E-Commerce and Alternative business channel, Large Corporate & Brokers & Indian and International business development. In September 2012, he was nominated to the Board of Directors of New India Assurance Company Limited.

He has also been a Member of High Level Claims Committee in New India Assurance and was in the Broker's Committee of IRDA.

Name of the Company	Board Membership	Committee Membership
National Insurance Company Ltd.	Chairman cum Managing Director	<ul style="list-style-type: none">• Investment Committee – Chairman• CSR Committee – Chairman• HR Committee – Chairman• IT Committee – Chairman• Property Review Committee – Chairman• Risk Management Committee – Member• Policyholder Protection Committee – Member
Health Insurance TPA of India Ltd.	Director	<ul style="list-style-type: none">• Risk Management Committee – Chairman• IT Committee – Member

Shri K. Sanath Kumar does not hold any share in the Company.

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 26th Annual Report of your Company and the Audited Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

(₹ in Lacs)

PARTICULARS	March 31, 2016	March 31, 2015
Total Income	87637	73274
Less: Interest expenditure	60065	50893
Overheads	8379	6660
Depreciation & amortization	82	351
Profit Before Tax	19111	15370
Provision for Tax	6110	4860
Deferred Tax Assets	551	214
Profit After Tax	12450	10296
Profit brought forward	4	5
Profit available for appropriation	12454	10301
APPROPRIATIONS:		
General Reserve	5835	4200
Special Reserve under Section 36(1)(viii) of Income Tax Act, 1961	3372	2856
Proposed Equity Dividend	2693	2693
Tax on Proposed Dividend	548	548
Balance carried over to Balance Sheet	6	4

IMPORTANT FINANCIAL RATIOS

PARTICULARS	March 31, 2016	March 31, 2015
Return on Net Worth (%)	17.28	16.53
Return on Total Assets (%)	1.55	1.53
Book Value per share (₹)	133.77	115.65
Earnings per share (₹)	23.12	19.12
Debt Equity Ratio (times)	9.72	9.30
Average cost of funds (%)	9.39	9.74
Average yield on advances (%)	12.06	12.22
Net Interest Margin	2.67	2.48

DIVIDEND

Your Directors recommend payment of dividend for the year ended 31st March, 2016 of ₹ 5 per equity share of ₹ 10/- each. The total dividend outgo for the current year would amount to ₹ 32.41 crores including dividend distribution tax of ₹ 5.48 Crores, as in the previous year.

The dividend payout ratio for the current year, inclusive of additional tax on dividend will be 26.02%.

OPERATIONS – PERFORMANCE

Income, Profit, Loan Approvals and Disbursements: Total income for the year under review is ₹ 876.37 crores as against ₹ 732.74 crores for the year 2014-15. Profit before tax for the year ended is ₹ 191.11 crores and Profit after tax for the year ended is ₹ 124.50 crores as against ₹ 153.70 crores and ₹ 102.96 crores respectively for the previous year.

The Company's main thrust continues to be on Individual Loans. New loans approved during the year amounted to ₹ 2636 crores and loans disbursed during the year are ₹ 2511 crores as against ₹ 2305 crores and ₹ 2225 crores for the year ended 31st March, 2015 respectively. The Retail Loan portfolio as at 31st March, 2016 stood at ₹ 7907 crores as compared to ₹ 6593 crores as on 31st March, 2015.



During the year under review, your Company has made provision to the extent of ₹ 15.76 crores as against ₹ 12.28 crores provided for in the year 2014-15. The Company is also carrying an additional provision of ₹ 83.86 crores in books, beyond what is prescribed under the guidelines, as a prudential measure. Gross Non-Performing Assets on retails loans as on 31st March, 2016 is 1.76% as against 1.73% for the previous year. Net non performing loans as on 31st March, 2016 is NIL as that of the previous year.

RESOURCE MOBILISATION:

Your Company takes every effort to tap the appropriate source of funding to minimize the weighted average cost of funds. Your Company has mobilized resources through the following sources:

A. Term Loans from Banks and Insurance Companies.

Your Company has borrowed fresh long term loans of ₹ 1343 crores from banks during the year as compared to ₹ 1404 crores during the previous year. The aggregate of term loans outstanding at the end of the financial year stood at ₹ 4708 crores as against ₹ 4174 crores as at the end of the previous year.

B. Refinance from National Housing Bank (NHB):

With the continued support of National Housing Bank (NHB), your Company availed refinance amounting to ₹ 1000 crores during the year under review as against ₹ 350 crores in the previous year. The refinance facility outstanding as on 31st March, 2016 is ₹ 1630 crores as against ₹ 860 crores as at the end of the previous year.

C. Short-term Loan and Commercial Paper:

During the year 2015-16, your Company has raised resources by issuing Commercial Paper and also resorted to short-term borrowings from the banks and the outstanding amount as on 31st March, 2016 is ₹ 626 crores (Gross).

D. Non-Convertible Debentures:

Your Company has outstanding balance of ₹ 45 Crores through issue of Non-Convertible Debentures (NCDs) on private placement as on 31st March, 2016.

CREDIT RATING

Your Company had received rating from CRISIL and ICRA for its various borrowing programmes as follows:

CRISIL Rating:

- For Commercial Paper/short-term loan programmes of ₹ 800 crores as [CRISIL] "A1+" (Pronounced as CRISIL A1 plus).
- For Fund Based Long Term Loan Programme of ₹ 100 crores as [CRISIL] AA+(Stable) (Pronounced as CRISIL double A plus/Stable).
- For Non-Convertible Debentures Borrowing Programme of ₹ 550 crores [CRISIL] "AA+(Stable)" (Pronounced as CRISIL double A Plus/Stable).

ICRA Rating:

- For Commercial Paper/short-term loan programmes of ₹ 1200 crores as [ICRA] "A1+" (Pronounced as ICRA A1 plus). This rating is the highest credit quality rating assigned by ICRA for Short-Term Debt Instruments.
- As per the Basel-II requirements - For Fund Based Long Term Loan Programme of ₹ 7000 crores as [ICRA] AA+ (Stable) (Pronounced as ICRA double A plus/stable). This rating indicates the high credit quality rating assigned by ICRA to Long-Term Debt Instruments.
- For Non-Convertible Debentures Borrowing Programme of ₹ 550 crores [ICRA] "AA+(Stable)" (Pronounced as ICRA double A Plus/stable).

BRANCH EXPANSION

During the year under review your Company has opened its Branches at Greater Noida (Uttar Pradesh), Raipur (Chhattisgarh), Vijayawada (Andhra Pradesh), Vasai (Maharashtra) and Patiala (Punjab). The total number of Offices as on 31st March, 2016 is 60. Your Company is initiating brand building measures to generate general awareness and improve the image of the Company.

INSURANCE COVERAGE TO BORROWERS

Your Company had taken "Special Contingency Insurance" with The New India Assurance Company Ltd., which covers the borrowers of your Company as under:



- **Personal Accident Insurance:** Personal accident (death only) risk cover, free of cost to the borrowers up to an amount of outstanding loan at any particular point of time during the term/tenure of the housing loan.
- **Mortgaged Property Insurance:** The property acquired out of loan, for and up to an extent of the outstanding loan amount, covered free of cost against fire, earthquake and allied perils affecting the mortgaged property.

Your Company has also tied up with 'Kotak Mahindra Old Mutual Life Insurance Limited' and "Future Generali India Life Insurance Company Limited" for getting insurance cover on the life of the borrower to the extent of the "Outstanding Home Loan". The said "Group Life Cover" is optional and the Company arranges this insurance on request from the borrower. These schemes ensure protection to the families of the borrower in case of un-expected eventualities like untimely death of borrower due to accident or natural death.

CAPITAL ADEQUACY RATIO (CAR)

The Company has been maintaining the Capital Adequacy Ratio (CAR) above the minimum required level prescribed by National Housing Bank (NHB) from time to time. The CAR prescribed for the present is 12%.

The Capital Adequacy Ratio of the Company as at 31st March, 2016 is 17.40% as against 15.36% as at 31st March, 2015.

DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of Principal or interest was outstanding as of Balance sheet date.

DEMATERIALIZATION OF SHARES AND NOMINATION FACILITY AND LISTING AT STOCK EXCHANGES

As per the Securities & Exchange Board of India directives, the transactions of the Company's shares must be compulsorily in dematerialised form. Your Company has signed an agreement with the Central Depository Services (India) Limited and National Securities Depository Limited for transaction of shares in dematerialised form. Shareholders holding shares in physical form are requested to convert their holdings into dematerialised form. Out of 5,38,51,066 equity shares, 5,32,85,785 equity shares are in dematerialised form, (5,32,61,704 shares as on 31st March, 2015) which is 98.95% (98.91% as on 31st March, 2015) of the total shares as on 31st March, 2016.

Shareholders holding shares in physical form may utilise the nomination facility available by sending the prescribed Form No.SH-13 duly filled, to our Registrars and Share Transfer Agents viz. M/s Karvy Computershare Pvt. Ltd., Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500 032. Shareholders holding shares in dematerialised form has to send their "Nomination" request to the respective Depository Participants.

The equity shares of the Company continue to be listed on BSE Ltd. and The National Stock Exchange of India Ltd. The Annual Listing fees for the year 2015-16 have been paid to these Stock Exchanges.

UNCLAIMED DIVIDEND TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

In terms of the provisions of the Companies Act, 1956 (which are still applicable), the amount (dividends) that remained unclaimed and unpaid for more than 7 years from the date become first due for payment, shall be transferred to IEPF (Fund). In terms of the applicable statutory provisions of the Companies Act, 1956, no claim would lie against the Company or the said Fund after such transfer to IEPF.

The Company has been intimating the shareholders to lodge their claim for payment due, if any, from time to time and such claims have been settled. In spite of constant and sincere efforts to pay the unclaimed dividend to the respective shareholders, certain amount still remains unclaimed. The Company has been intimating the shareholders to lodge their claim for dividend from time to time and such information is being mentioned in the Annual Reports every year.

Unclaimed dividend amounting to ₹ 9,81,280/- that has not been claimed by shareholders for the financial year 2007-08 has been transferred to Investor Education and Protection Fund (IEPF) during the month of October, 2015 wherein no claim would lie against the Company or the said fund after the transfer.

The dividend pertaining to the financial year 2008-09 remaining unclaimed and unpaid amounting to ₹ 11,04,952/- as on 31st March, 2016, would be transferred to IEPF during October, 2016 after settlement of claims received up to the date of completion of 7 years from the date of declaration of the dividend. The Company has sent individual reminder letters to the respective shareholders during the month of June 2016. Shareholders who have not claimed the said dividend may write to



Registrars and Share Transfer agent.

STATUTORY INFORMATION:

Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and expenditure

Since the Company does not own any manufacturing facility, the particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, required to be furnished under Section 134(m) of Companies Act, 2013 are not applicable.

The Company did not earn any income in foreign currency during the year under review and also not incurred any expenses in foreign currency.

None of the employees of your company were in receipt of remuneration in excess of the limits as laid down under Section 134 of Companies Act, 2013 read with Companies (Particulars of Employees) Amendment Rules, 2011.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors hereby confirms that:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) We have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as at the end of 31st March, 2016 and of the Profit/Loss of the Company for the year ended on that date.
- c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) We have prepared the annual accounts on a going concern basis.
- e) We have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- f) We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS

M/s CNK & ASSOCIATES LLP Chartered Accountants, Mumbai were re-appointed as Statutory Auditors in the twenty-fourth Annual General Meeting of the Company for the period of Five Years from the conclusion of 24th Annual General Meeting up to the conclusion of 29th Annual General Meeting of the Company subject to ratification of their appointment at every Annual General Meeting.

The Company received the requisite confirmation from them to the effect that their re-appointment, if made, would be as per Section 139 & 141 of Companies Act, 2013.

The Directors of your Company recommend for ratification of appointment of M/s CNK & ASSOCIATES LLP Chartered Accountants, Mumbai as Statutory Auditors of the Company from the ensuing Annual General Meeting till conclusion of 27th Annual General Meeting. Suitable resolution for re-appointment requiring approval of the shareholders forms part of the agenda of the Annual General Meeting.

SECRETARIAL AUDITOR

The Board has appointed Shri Makarand Joshi, M/s Makarand M. Joshi & Co., Practicing Company Secretaries as the Secretarial Auditor of your Company for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed as **Annexure A** to this report. The Secretarial Audit Report does not contain any qualification, reservations or adverse remark.

DIRECTORS

Shri Y. Ramulu, Smt. Alice G. Vaidyan and Shri K. Sanath Kumar were appointed as Additional Director (s) of the Company w.e.f. 30th June, 2015, 29th January, 2016 and 21st March, 2016 respectively as per Section 161 of the Companies Act, 2013, if any and

Article 111 of Articles of Association of the Company.

Your Company has received a notice in writing from a shareholder(s) as per Section 160 of the Companies Act, 2013, proposing the candidature of Shri Y. Ramulu, Smt. Alice G. Vaidyan and Shri K. Sanath Kumar for the office of Director(s) of the Company at the ensuing Annual General Meeting, for their appointment as Non Executive Directors of the Company.

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164 of the Companies Act, 2013. The Board of Directors recommends their appointment.

The Company has complied according to the provision of Section 149(6) of the Companies Act, 2013. The Company has also obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013.

Appointment of any new Director in the Company is done by the Board on the basis of recommendation of Nomination and Remuneration Committee. While selecting new Directors, Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

STATEMENT FOR FORMAL ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Our Company has prescribed required parameters to evaluate the performance of the Board and its Committees. It is always recognized that the Board comprises appropriately qualified and professional people with broad range of experience. While evaluating the performance of the individual Director, it is always seen the Knowledge to perform their role; time and level of participation; performance of duties and level of oversight; and professional conduct and independence etc.

The performance evaluation of the Directors was completed for the year. The performance evaluation of the Chairperson, Non Executive Directors and Independent Directors was carried out by the Board and Nomination and Remuneration Committee. The Board of Directors expressed their satisfaction with the evaluation process.

MEETINGS OF THE BOARD

Board met 6 (Six) times during the year. For further details, please refer report on Corporate Governance.

RELATED PARTY TRANSACTION U/S 188

Your Company is having following related party transactions which are not material in nature but the same are entered at arm's length basis with the prior approval of Audit Committee:

1. Premises taken on Lease from Promoter Insurance Companies for our Registered and Corporate Office and Branch Offices.
2. Insurance Cover taken from Promoter Group Companies.
3. Raising of financial resources.

During the year, Company has also given the following Housing Loans to the Director's relatives and KMP which have been duly approved by Audit Committee:

Name	Loan Amount (₹)	Outstanding due as on 31st March 2016 (₹)
Shri Aniket Milind Kharat (Son of Shri Milind A. Kharat, CMD of United India Insurance Company Ltd. and Non Executive Director of the Company)	75,00,000/-	73,90,426/-
Shri S. Sridharan, Sr. Vice President & Company Secretary	21,11,282/-	14,31,713/-

Form AOC 2 as required under Companies Act, 2013 for related party transaction is annexed as **Annexure B** to the Directors' Report which is having NIL Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY U/S 135 OF THE COMPANIES ACT, 2013.

Our Company is having its CSR Policy which is available at the website (www.gichfindia.com) of the Company. Company is having total available funds of ₹ 2.67 crores for spending towards CSR Activity. The approved Action Plan for financial year 2015-16 towards CSR Programmes was:

1. Contribution to the Prime Minister's National Relief Fund;



2. Contribution to the “Swach Bharat Kosh” set up by the Central Govt.;
3. Contribution to the “Clean Ganga Fund” set up by the Central Govt.;
4. Education;
5. Sanitation.

Accordingly, it was proposed to contribute 50% of available fund i.e., ₹ 1.34 crores to the 3 funds as stated herein above and balance available funds will be utilized towards Education and Sanitation relating CSR Activities. Your Company is in the process of finalising the suitable NGO for its sanitation activity and the same will be executed in the F.Y. 2016-17.

Your Company has contributed ₹ 1.08 crores (the carried forward amount for the F.Y. 2014-15) to Prime Minister’s National Relief Fund, Swach Bharat Kosh and Clean Ganga Fund in the F.Y. 2015-16.

The total unspent CSR amount as on 31st March, 2016 is ₹ 3.76 crores (₹ 2.67 crores relating to F.Y. 2015-16 and ₹ 1.09 crores relating to F.Y. 2014-15).

VIGILANCE MECHANISM

As a conscious and vigilant organization, your Company has established proper vigilance mechanism for its Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. The Company has framed Whistle Blower Policy and the same is uploaded at the website of the Company.

NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework for selection and remuneration of Directors, Key Managerial Personal (KMP) and Senior Management of the Company. The Nomination and Remuneration policy is available on the website (www.gichfindia.com) of the Company and also enclosed as **Annexure C**.

CORPORATE GOVERNANCE

The Auditors Certificate on Corporate Governance issued by the Secretarial Auditor of the Company for the year under review, as required under Companies Act, 2013 and in pursuance of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 is annexed to the Report of the Directors on Corporate Governance.

Your Company has been complying with the principles of good Corporate Governance over the years. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 entered into with the Stock Exchange(s), the Management Discussion and Analysis Report forms part of this report.

HUMAN RESOURCES & INDUSTRIAL RELATIONS.

The Company aims to align HR practices with business goals, motivate people for higher performance and build a competitive working environment. Your Company has continuously been working to improve human resource competence and capabilities in the Company to deliver the desired results. Your Company has developed a comprehensive “in-house” induction training module to make sure that new employees understand the basic focus of the Company in its all operations. Apart from fixed salaries and perquisites, we also have in place performance linked incentive scheme to all the employees which rewards the outstanding performing teams that achieve certain performance targets. In pursuance of the Company’s commitment to develop and retain the best available talent, the Company has been sponsoring the employees for training programmes conducted by National Housing Bank for upgrading the skill and knowledge of the employees in different operational areas. The work force strength of Your Company as on 31st March, 2016 is 265.

EXTRACT OF ANNUAL RETURN AS PER SECTION 92

Annual Return in Form MGT 9 is enclosed as per **Annexure D** to the Directors’ Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN

Your Company is committed to provide and promote safe and healthy environment to all its employees without any discrimination. During the year under review, there was no case filed pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**ACKNOWLEDGEMENTS**

The Directors thank the valued customers, shareholders for their goodwill, patronage and support.

The Directors acknowledge with gratitude the valuable and timely advice, guidance and support received from the Promoter(s) namely General Insurance Corporation of India (GIC Re), The New India Assurance Company Ltd., National Insurance Company Ltd., The Oriental Insurance Company Ltd. and United India Insurance Company Limited.

The Directors also thank the National Housing Bank for their support and continued refinance assistance, Banks for their continued support through term loans. The Directors also thank the Security Exchange Board of India (SEBI); Stock Exchanges; Depositories; Ministry of Corporate Affairs; Credit Rating Agencies; Government(s) local/statutory authorities; Registrars and Share Transfer agent and the Auditors of the Company for their continued support.

The Directors place on record their deep appreciation of the valuable contribution of the members of the staff at all levels for the progress of the Company during the year and look forward to their continued cooperation in realization of the corporate goals in the years ahead.

Place : Mumbai

Date : 29th April, 2016

Registered Office:

National Insurance Building,
6th Floor, 14, Jamshedji Tata Road,
Churchgate,
Mumbai - 400 020

For and on behalf of the Board of Directors

Sd/-
Warendra Sinha
Managing Director & CEO



FORM NO. MR. 3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
GIC HOUSING FINANCE LIMITED
National Insurance Building, 6th Floor,
14, Jamshedji Tata Road, Churchgate,
Mumbai- 400 020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GIC Housing Finance Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the Audit Period**).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 and its amendments notified on 18th September, 2015 (**Not Applicable to the Company during the Audit Period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Notified with effect from 1st July, 2015)**.
- (ii) The Listing Agreements entered into by the Company with stock exchange(s) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with National Housing Bank Directions, 2010 as specifically applicable to the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has

1. Allotted Secured Redeemable Non-Convertible Debentures (NCDs)/ Bonds of ₹ 45 Crores on Private Placement Basis.
2. **Passed Special Resolutions through Postal Ballot on 28.04.2015 for :**
Private Placement of Secured Redeemable Non-Convertible Debentures (NCDs)/ Bonds of ₹ 400 Crores
3. **Passed Special Resolutions through Postal Ballot on 17.12.2015 for :**
 - Creation of Charge on Movable and Immovable properties of the Company, both present and future under Section 180(1)(a) of the Companies Act, 2013.
 - Enhancement of Borrowing powers from ₹ 8,000 Crores to ₹ 10,000 Crores under Section 180(1)(c) of the Companies Act, 2013.
 - Private Placement of Secured Redeemable Non-Convertible Debentures (NCDs)/ Bonds of ₹ 800 Crores.

For **Makarand M. Joshi & Co.**
Practicing Company Secretaries

Makarand Joshi
Partner
FCS No.: 5533
CP No: 3662

Place: Mumbai
Date: 29th April, 2016



Annexure B

Form No. AOC-2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. **Details of contracts or arrangements or transactions not :** **NONE**

at arm's length basis

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/ arrangements/ transactions
- (c) Duration of the contracts/ arrangements/ transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) date(s) of approval by the Board
- (g) Amount paid as advances, if any
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.

2. **Details of material contracts or arrangement or transactions :** **NONE**

at arm's length basis

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/ arrangements/ transactions
- (c) Duration of the contracts/ arrangements/ transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Date(s) of approval by the Board, if any
- (f) Amount paid as advances, if any.

Place : Mumbai

Date : 29th April, 2016

Registered Office:

National Insurance Building,
6th Floor, 14, Jamshedji Tata Road,
Churchgate,
Mumbai - 400 020

For and on behalf of the Board of Directors

Sd/-
Warendra Sinha
Managing Director & CEO

NOMINATION AND REMUNERATION POLICY

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“referred as Listing Regulations, 2015”), the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three non-executive Independent Directors as required under Listing Regulations, 2015. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Regulations, 2015, the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Listing Regulations, 2015.

II. DEFINITIONS:

“**Board**” means Board of Directors of the Company.

“**Company**” means GIC HOUSING FINANCE LIMITED.

“**Policy or This Policy**” means, “Nomination and Remuneration Policy”.

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the IncomeTax Act, 1961;

“**Independent Director**” means a Director referred to in Section 149 (6) of the Companies Act, 2013.

“**Key Managerial Personnel**” means Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director; Chief Financial Officer; Company Secretary; and such other Officer as may be prescribed.

“**Senior Managerial Personnel**” means the personnel of the Company who are members of its core management team (Sr. Vice President and Vice President) excluding Board of Directors.

III. OBJECTIVE:

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- c) To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation.
- d) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- e) To Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- f) To devise a policy on Board diversity.
- g) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- h) To perform such other functions as may be necessary or appropriate for the performance of its duties.

IV. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company’s Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Wholetime Director who has attained the age of seventy years.

**BOARD DIVERSITY:**

Our Company recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Board Corporate Governance & Nominations Committee ('the Committee') reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors. The Committee also oversees the conduct of the annual review of Board effectiveness. In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

Term / Tenure:**1. Managing Director/Whole-time Director/Manager (Managerial Person):**

The Company shall appoint or re-appoint any person as its Managerial person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he /she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

V. EVALUATION:

The Committee shall carry out evaluation of performance of Directors yearly or at such intervals as may be considered necessary.

VI. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT :

In our Company, Managerial Persons are appointed from one of our Promoter Insurance Companies on deputation basis and their remuneration is also as per the pay structure of the concerned Promoter Insurance Companies.

The remuneration of KMP and Senior Management is also approved by the Board of the Directors of the Company and the same is revised every five years with the Board's approval.

VII. SITTING FEE TO INDEPENDENT DIRECTORS:

Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

VIII. MINUTES OF COMMITTEE MEETING:

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Committee meeting.

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON 31-03-2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L65922MH1989PLC054583
Registration Date	12/12/1989
Name of the Company	GIC Housing Finance Limited
Category / Sub-Category of the Company	Company Limited By Shares/Non Government Company
Address of the Registered office and contact details	National Insurance Building, 6th Floor, 14, J. Tata Road, Churchgate, Mumbai - 400 020 Tel. No. 022-2285 1765 (5 lines)
Whether listed company	YES
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Karvy Computershare Pvt. Ltd. Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana-500032 Tel. No. : 040 67162222

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ Services	NIC Code of the product/ service	% to total turnover of the Company
1	HOUSING FINANCE	65922	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – Not Applicable

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2015				No. of Shares held at the end of the year 31-03-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt./ State Govt(s)	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	22549128	0	22549128	41.87	22751128	0	22751128	42.25	0.38
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0



Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2015				No. of Shares held at the end of the year 31-03-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (A) (1)	22549128	0	22549128	41.87	22751128	0	22751128	42.25	0.38
2. Foreign	0	0	0	0	0	0	0	0	0
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	22549128	0	22549128	41.87	22751128	0	22751128	42.25	0.38
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	3029597	3500	3033097	5.63	4478958	3500	4482458	8.32	2.69
b) Banks / FI	212015	300	212315	0.39	233804	300	234104	0.43	0.04
c) Central Govt./State Govt(s).	0	0	0	0	0	0	0	0	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	2550250	0	2550250	4.74	2550250	0	2550250	4.74	0
g) FIs	2014188	0	2014188	3.74	84387	0	84387	0.16	-3.58
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investors	0	0	0	0	942307	0	942307	1.75	1.75
Domestic Companies	4575345	5002	4580347	8.51	4147226	5002	4152228	7.71	-0.80
Trust	49950	0	49950	0.09	51270	0	51270	0.10	0.01
Sub-total (B)(1)	12431345	8802	12440147	23.1	12488202	8802	12497004	23.21	0.11
2. Non-Institutions									
a) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 2 lakh	10608280	579760	11188040	20.78	11478617	555679	12034296	22.34	1.56
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	6985453	0	6985453	12.97	5940956	0	5940956	11.03	-1.94
c) Others (specify)									
NBFCs Registered with RBI	0	0	0	0	3150	0	3150	0.01	0.01
Non Resident (Non-Rep)	220512	100	220612	0.41	211432	100	211532	0.39	-0.02
Non Resident (Rep)	466986	700	467686	0.87	412300	700	413000	0.77	-0.10
Sub-total (B)(2):-	18281231	580560	18861791	35.03	18046455	556479	18602934	34.54	-0.49
Total Public Shareholding (B)=(B)(1)+(B)(2)	30712576	589362	31301938	58.13	30534657	565281	31099938	57.75	-0.38
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A + B + C)	53261704	589362	53851066	100	53285785	565281	53851066	100	0

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share-holding during the year
1	GENERAL INSURANCE CORPORATION OF INDIA	8218802	15.26	0	8218802	15.26	0	0
2	THE NEW INDIA ASSURANCE COMPANY LTD.	4694204	8.72	0	4694204	8.72	0	0
3	UNITED INDIA INSURANCE COMPANY LTD.	3956000	7.35	0	3956000	7.35	0	0
4	THE ORIENTAL INSURANCE COMPANY LTD.	2975024	5.52	0	2975024	5.52	0	0
5	NATIONAL INSURANCE COMPANY LTD.	2705098	5.02	0	2907098	5.40	0	0.38

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year 01-04-2015		Cumulative Shareholding during the year 31-03-2016	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	NATIONAL INSURANCE COMPANY LTD.	2705098	5.02	2907098	5.40

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	2550250	4.74%	2550250	4.74%
2	TATA INVESTMENT CORPORATION LIMITED	1900000	3.53%	1900000	3.53%
3	RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE SMALL CAP FUND	1641000	3.05%	2017800	3.74%
4	THE PABRAI INVESTMENT FUND II, LP	993558	1.85%	0	0
5	SONAL D. SHAH	500010	0.93%	500010	0.93%
6	URMILA D. SHAH	500000	0.93%	500000	0.93%
7	PREETI N. SHAH	500000	0.93%	500000	0.93%
8	SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND	454583	0.84%	0	0
9	PABRAI INVESTMENT FUND 3, LTD.	369109	0.69%	0	0
10	C D EQUISEARCH PVT. LTD.	365338	0.68%	58214	0.11%



(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	0	0	0	0
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	0	0	0	0
3	At the End of the year	0	0	0	0

V. INDEBTEDNESS:

Indebtedness of the Company including interest Outstanding/accrued but not due for payment:

(Amount in ₹)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	51,49,50,89,035	6,44,75,31,026	-	57,94,26,20,061
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7,83,05,553	-	-	7,83,05,553
Total (i + ii + iii)	51,57,33,94,588	6,44,75,31,026	-	58,02,09,25,614
Change in Indebtedness during the financial year				
• Addition	23,87,70,00,000	38,68,40,00,000	-	62,56,10,00,000
• Reduction	11,54,71,25,543	38,94,59,55,026	-	50,49,30,80,569
Net Change	12,32,98,74,457	(26,19,55,026)	-	12,06,79,19,431
Indebtedness at the end of the financial year				
i) Principal Amount	63,82,49,63,492	6,18,55,76,000	-	70,01,05,39,492
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,65,85,247	-	-	3,65,85,247
Total (i + ii + iii)	63,86,15,48,739	6,18,55,76,000	-	70,04,71,24,739

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director & CEO:

Sl. No.	Particulars of Remuneration	Shri Warendra Sinha (Managing Director & CEO)	
		Amount (₹)	Total Amount (₹)
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	17,45,635	17,45,635
	(b) Salary Arrear	14,13,939	14,13,939
	(c) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,18,427	3,18,427
	(d) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0	0
5	Others : <ul style="list-style-type: none"> • Performance Incentive • Leave Encashment and Other Allowances 	4,75,000 5,03,138	4,75,000 5,03,138
6	Contribution to Pension and other funds	83,094	83,094
	Total A	45,39,233	45,39,233
	Ceiling as per Act	Maximum 5% of net profit	Maximum 5% of net profit

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount (₹)
		Shri V. Ramasamy	Shri Kamlesh S. Vikamsey	Smt. Mona Bhide	Shri B. Chakrabarti	Shri A. V. Muralidharan	Shri M. K. Garg	
1.	Independent Directors							
	• Fee for attending board & committee meetings	3,96,000	1,37,000	2,97,000	1,39,000	1,39,000	1,39,000	12,47,000
	• Commission	0	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0	0
	Total (i)	3,96,000	1,37,000	2,97,000	1,39,000	1,39,000	1,39,000	12,47,000
2.	Other Non-Executive Directors							
	• Fee for attending board / committee meetings	0	0	0	0	0	0	0
	• Commission	0	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0	0
	Total (ii)	0	0	0	0	0	0	0
	Total (B) = (i + ii)	3,96,000	1,37,000	2,97,000	1,39,000	1,39,000	1,39,000	12,47,000
	Total Managerial remuneration (A + B)	57,86,233						
	Overall Ceiling for sitting fee as per the act	₹ 1,00,000/- per Director for each meeting						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Shri S. Sridharan (Sr. Vice President & Company Secretary)	
		Amount (₹)	Total Amount (₹)
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	25,99,363	25,99,363
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,39,265	3,39,265
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0	0
5	Others, please Specify	0	0
	Total	29,38,628	29,38,628

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/punishment/compounding fee imposed	Appeal made, if any (give details)
NA	NA	NA	NA	NA

MANAGEMENT DISCUSSION & ANALYSIS REPORT

GENERAL: OVERVIEW OF THE ECONOMY

➤ Global Economy:

The world economy stumbled in 2015, amid weak aggregate demand, falling commodity prices and increasing financial market volatility in major economies. The world gross product is projected to grow by a mere 2.4 per cent in 2015, marking a downward revision from the 2.8 per cent forecast in the World Economic Situation and Prospects as of mid-2015 (United Nations, 2015). The growth rates of gross fixed capital formation and aggregate demand continue to remain subdued. The world economy is projected to grow by 2.9 per cent in 2016 and 3.2 per cent in 2017, supported by generally less restrictive fiscal and still accommodative monetary stances worldwide. The anticipated timing and pace of normalization of the United States monetary policy stance is expected to reduce policy uncertainties, while preventing excessive volatility in exchange rates and asset prices. While the normalization will eventually lead to higher borrowing costs, rising interest rates should encourage firms to front-load investments in the short run. The improvement in global growth is also predicated on easing of downward pressures on commodity prices, which should encourage new investments and lift growth, particularly in commodity dependent economies.

GDP growth for the United States is adjusted downward by 0.4 percentage points to 2.0 per cent, as the GDP growth in the 4th quarter and jobs growth over the past months have been somewhat disappointing. Growth rates of China, India and Southeast Asia are unlikely to see significant improvement in 2016 compared to last year. Chinese growth in 2016 is expected to stay the same as that of 2015 at 3.7 per cent.

➤ Domestic Economy:

India's economic growth will slow to 7.4 per cent in 2016-17, from 7.6 per cent in 2015-16, with tepid external demand offsetting the pickup in domestic demand as per the projection of Asian Development Bank (ADB).

In its annual Asian Development Outlook 2016 report, GDP (Gross Domestic Product) growth in India is expected to dip marginally this year as expansion in public investment weakens under fiscal constraints, private corporations continue to deleverage, and external demand remains anaemic. Moreover, the weak balance sheets of public sector banks will hamper lending and growth prospects.

The Economic Survey pegged the economy's growth at 7-7.75 per cent in 2016-17, indicating a greater chance of deceleration from the previous year's GDP estimate of 7.6 per cent.

The slowdown in advanced economies, including US, lower commodity prices and weaker currencies in some major trading partners, vis-à-vis the Indian rupee, are likely to hit merchandise exports and financial, telecom, business and other tradable services.

As per World Bank Report, India will be a bright spot amid a gloomy outlook for developing countries in the next two years.

The World Bank says that India is "well positioned to withstand near-term headwinds and volatility in global financial markets" compared with other major emerging economies and predicts it will grow at 7.9 per cent by 2018.

That would make it the fastest-growing developing-country economy by some margin, ahead of the next quickest, Bangladesh, at 6.8 per cent and China at 6.5 per cent, according to the World Bank's "Global Economic Perspectives" report.

➤ Economy Outlook for 2015-16:

According to IMF World Economic Outlook April, 2015, India ranks seventh globally in terms of GDP at current prices and is expected to grow at 7.5 per cent in 2016.

India's economy has witnessed a significant economic growth in the recent past, growing by 7.3 per cent in FY2015 as against 6.9 per cent in FY 2014. The size of the Indian economy is estimated to be at ₹ 129.57 trillion (US\$ 2.01 trillion) for the year 2014 compared to ₹ 118.23 trillion (US\$ 1.84 trillion) in 2013. In its World Economic Outlook Update, IMF pegged the country's growth rate at 6.5 per cent for 2016-17.

The steps taken by the government in recent times have shown positive results as India's Gross Domestic Product (GDP) at factor cost at constant (2011-12) prices 2014-15 is ₹ 106.4 trillion (US\$ 1.596 trillion), as against ₹ 99.21 trillion (US\$ 1.488 trillion) in 2013-14, registering a growth rate of 7.3 per cent. The economic activities which witnessed significant growth were 'financing, insurance, real estate and business services' at 11.5 per cent and 'trade, hotels, transport, communication services' at 10.7 per cent.



Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. This initiative is expected to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. Currently, the manufacturing sector in India contributes over 15 per cent of the GDP. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP.

The International Monetary Fund (IMF) and the Moody's Investors Service have forecasted that India will witness a GDP growth rate of 7.5 per cent in 2016, due to improved investor confidence, lower food prices and better policy reforms. Besides, according to mid-year update of United Nations World Economic Situation and Prospects, India is expected to grow at 7.6 per cent in 2015 and at 7.7 per cent in 2016.

➤ **INDUSTRY STRUCTURE & DEVELOPMENTS**

The launch of "Housing-For-All by 2022" scheme in 2015 heralded a new era in the housing finance sector. It delivered much-needed boost to the real estate and housing finance industry by creating an enabling and supportive environment for expanding credit flow and increasing home ownership. Housing for all by 2022 requires development of about 11 crore housing units and this will need investment of more than US\$ 2 trillion. This translates to about \$250 to \$260 billion annually, more than double the annual investments witnessed in FY 2014.

The schemes and policies that are implemented by entities including HUPA, HUDCO and NHB at the center and various authorities at the state level will promote development of houses for the EWS and LIG categories which have largely been left out earlier. Credit risk guarantee for home loans up to ₹ 5 lakh, project finance for affordable housing developers and refinance for housing finance companies by The National Housing Bank is also significant in this context.

The government has been at the forefront in pushing India's housing finance sector this year. Many new initiatives and policies focussed on lending for housing were introduced in the last 12 months. The biggest highlight was to bring housing loans of up to ₹ 50 lakh under affordable housing and bringing loans up to ₹ 28 lakh in urban and ₹ 25 lakh in other centres under Priority Sector Lending.

Over the last six months, various regulatory changes have been announced, including lowering of risk weights for housing loans, grant of SARFAESI Licence to 41 HFCs and revision in the interest rate and in the on-lending cap under the Rural Housing Fund and Urban Housing Fund. These measures are likely to support growth in the low ticket affordable housing segment. Over the last few years, the housing finance market, has continued to report robust growth despite challenges in the economy which has made this segment attractive for both banks as well as NBFCs.

➤ **OPPORTUNITIES & THREATS**

The housing sector in the Country has been growing progressively and has a vast potential for further growth. Considering the projected housing shortage during the 11th Plan Period is around 26.53 million units; indicating a huge growth potential for the housing sector and in turn present a growth opportunity for the housing finance industry.

Future growth outlook of the housing market looks reasonably good, with the sector becoming more demand driven, the challenge lies in its inclusiveness. Presently access to formal credit is mostly available to the people in the formal sector who are salaried and have dominant incomes.

There is a lot of potential in urban areas also for housing finance to penetrate. India will ride the wave of urban expansion. The urban population share may reach 50 per cent in 25 years adding 300 to 400 million people to the existing population of about 350 million in urban areas (Source: Mid-Term appraisal of the 11th Five Year Plan). The potential rise in urban households will also be potential customer base for Housing Finance Companies.

Housing being one of the low risk asset classes for financiers and hence scheduled commercial banks has become very aggressive in this segment, which are having established network across the country and also have access to funds at a relatively cheaper rate. With the active presence of scheduled banks in the housing finance segment, the market dynamics will play a pivotal role in determining the lending rates and consequently will affect the margins of "stand alone housing finance companies", for which the availability of longer term funds at affordable rates is a cause of concern.

➤ **SEGMENT REPORTING**

The Company is exclusively engaged in the Housing Finance business and revenues are mainly derived from this activity.



Accounting Standard 17 regarding Segment-wise Reporting issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Amendments Rules, 2011 does not apply to your Company since revenues are derived from only one segment i.e. housing finance activity.

➤ **RISKS AND CONCERNS**

Your Company is exposed to risks such as liquidity risk, interest rate risk, credit risk, increase in Non-Performing Assets and operational risk which are inherent in the housing finance business e.g. take-overs of our existing accounts.

Intense competition, increase in cost of borrowing and narrowing of spread, pose a big challenge for sustaining profitability on consistent basis. Prevailing inflationary trends will impact the affordability of vast number of end users.

➤ **RISK MANAGEMENT**

Liquidity risks and interest rate risks arising out of maturity mismatch of assets and liabilities are managed by your Company by constant monitoring of the maturity profiles with a periodical review of the position. Your Company's majority of housing loan advances are on variable rate of interest basis and normally any movement in rate of borrowings is hedged by the loans advanced at variable rates to a certain extent.

Credit risks are minimized by having established credit appraisal system in place, prescribing exposure limits, periodic review of the portfolio. Our Company operates in the mid segment and large chunk of borrowers are in the salary group. Your Company is having CIBIL checks, field verification, stringent legal and technical due diligence etc. which have helped to reduce incremental delinquencies. Our recovery mechanism is also robust supported by best use of SARFAESI Act. Operational risks are minimized by strengthening the internal control procedures and addressing the deficiencies reported by the internal auditors.

➤ **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has internal control systems which is commensurate with the size of the operations. Adequate records and documents are maintained as required by law from time to time. Internal audit checks are conducted regularly and internal auditor's recommendations are reviewed for improving systems and procedures. Your Company takes efforts from time to time to meet the changes in business conditions along with statutory and accounting requirements.

The internal audit is carried out by independent firms of Chartered Accountants and covers the key areas of business. There is also in house internal audit department which supplements the outsourced internal audit activity. The Audit Committee & Statutory Auditors are periodically apprised of the internal audit findings and compliances and Audit Committee reviews the internal control system. Internal audits and checks are regularly conducted and internal auditor's recommendations are reviewed after which systems and procedures are adopted for improvement.

➤ **MARKETING**

The marketing of your Company's home loan products are done through direct sales, through Direct Selling Agents and tie up with builders. Marketing of home loan products with a focused attention on existing as well as the prospective customers is a constant endeavour at the Company with 60 Offices spread across the country. Your Company is also giving its thrust to improve the average yield on advances by selling more number of "mortgage loans" (i.e. Loans against the property" - LAP); for which the margin is high compared to the loans for purchase of homes.

➤ **HUMAN RESOURCES / INDUSTRIAL RELATIONS**

The Company has a dedicated team of 263 employees, who have been contributing to the progress and growth of the Company. The manpower requirement at Offices of the Company is assessed continuously and recruitment is conducted accordingly.

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Your Company has developed a comprehensive "in-house" induction training module to make sure that new employees understand the basic aspect of the Company in its all operations.

In pursuance of the Company's commitment to develop and retain the best available talent, the Company has been sponsoring employees for training programmes organised by National Housing Bank for upgrading their skill and knowledge in different operational areas.



➤ **RELATED PARTY TRANSACTIONS**

The Related Party Transactions with details are furnished in the Notes on Accounts [Note No. 25 point No. 8], forming part of the Accounts. None of the transactions with any of the related parties were in conflict with the interests of the Company. Transactions with related parties entered into by the Company in the normal course of business were placed before the Audit Committee.

➤ **CAUTIONARY STATEMENT**

Statements in this report describing the Company's objectives, projections, estimations, expectations are "forward looking statements" within the meaning of applicable securities, laws and regulations. These statements are based on certain assumptions in respect of future events and Company assumes no responsibility in case the actual results differ materially due to change in internal or external factors.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 29th April, 2016

sd/-
Warendra Sinha
Managing Director & CEO



CORPORATE GOVERNANCE REPORT

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximising value for all its stakeholders.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board;
- Availability of information to the members of the Board and Board Committees to enable them discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Appropriate systems and processes for internal control; and
- Ethical business conduct by the Board, Senior Management and Employees.

The Company's Board follows ethical standards of Corporate Governance and adheres to the norms and disclosures mentioned in the SEBI Listing Regulations with Stock Exchanges.

The Board of Directors is pleased to place here below a report on the Corporate Governance practices followed by your Company:

GOVERNANCE STRUCTURE: BOARD OF DIRECTORS AND THE COMMITTEE OF DIRECTORS:

BOARD OF DIRECTORS/ BOARD MEETINGS

COMPOSITION OF THE BOARD

The Board of your Company comprises 13 members as on 31st March, 2016. Most of the members of the Board are Non-Executive Directors.

Sr. No.	Name of the Director	Executive/ Non Executive/ Independent	No. of Directorships	No. of Committees	
				Member	Chairman/ Chairperson
1	Smt. Alice G. Vaidyan (Non-Executive Chairperson) (Nominee GIC Re)	Non-Executive Director	5	9	4
2	Shri G. Srinivasan	Non-Executive Director	6	5	5
3	Dr. A. K. Saxena (upto 30 th June, 2016)	Non-Executive Director	3	10	9
4	Shri Milind A. Kharat (upto 31 st May, 2016)	Non-Executive Director	3	7	6
5	Shri K. Sanath Kumar	Non-Executive Director	2	9	6
6	Shri Y. Ramulu	Non-Executive Director	Nil	Nil	Nil
7	Shri V. Ramasamy	Non-Executive/ Independent Director	Nil	Nil	Nil
8	Shri Kamlesh S. Vikamsey	Non Executive/ Independent Director	7	13	1
9	Smt. Mona Bhide	Non Executive/ Independent Director	Nil	Nil	Nil
10	Shri B. Chakrabarti	Non-Executive/ Independent Director	2	Nil	Nil
11	Shri M. K. Garg	Non-Executive/ Independent Director	3	3	Nil
12	Shri A. V. Muralidharan	Non-Executive/ Independent Director	1	2	1
13	Shri Warendra Sinha	Managing Director & CEO	Nil	Nil	Nil

The Directors furnish a notice of disclosure of interest as specified in Section 184 of the Companies Act, 2013. The Company maintains Register of Contracts and details of Companies and Firms in which Directors are interested as provided in Section 189(1)



of the Companies Act, 2013. The Independent and Non-Executive Directors of the Company do not have any pecuniary relationship or transactions with the Company except for the sitting fees received by them.

TERM OF OFFICE OF DIRECTORS

In terms of applicable provisions of Section 152 of Companies Act, 2013 two thirds of the total strength of the Directors are liable to retire by rotation and one third of them are required to retire every year and if eligible, may seek re-appointment at the Annual General Meeting.

In accordance with the requirements of the Companies Act, 2013, and Article 125 of the Articles of Association of the Company, Shri G. Srinivasan Director, who is retiring by rotation at the ensuing Annual General Meeting. Shri G. Srinivasan offer himself for re-appointment.

Shri Y. Ramulu, Smt. Alice G. Vaidyan and Shri K. Sanath Kumar were appointed as an Additional Director on 30th June, 2015; 29th January, 2016 and 21st March, 2016 respectively and they offer themselves for appointment as Non-Executive Directors.

Your Directors recommend re-appointment and appointment of Directors and the related resolution on the subject is included in the notice convening the ensuing Annual General Meeting.

CODE OF CONDUCT

The Company has framed and put in place the Code of Conduct, duly approved by the Board of Directors. The said Code is applicable to all Directors and Senior Management of the Company and annual affirmations are obtained. All the Directors and Senior Management have affirmed their adherence to the provisions of the said Code. The code of conduct is posted on the website of the Company www.gichfindia.com

RESPONSIBILITIES OF THE BOARD

The Board of Directors provide direction/guidance to the Management, review performance and ensure ongoing compliances to protect long-term interest of the shareholders.

The Board discharges the duties and responsibilities as required under the various statute(s) as are applicable to the Company, like the Companies Act, 2013, Directions/ Guidelines/ Regulations issued by the Securities Exchange Board of India (SEBI), National Housing Bank (NHB) and other Regulatory Authorities, issued from time to time, including reporting to the shareholders. The Board interalia, reviews the annual business plans, periodically studies the actual performance vis-à-vis the targets fixed, quarterly financial results, minutes of various Committees constituted by the Board, status of NPA and updates and reviews thereof, significant changes in policies and internal controls, show cause, demand, prosecution and penalty notices, if any, received and which are materially important, material defaults, if any, in financial obligations to and by the Company, claims on Company, significant development in Human Resources/Industrial Relations and non-compliance, if any, under any regulatory, statutory or SEBI listing regulations.

The Members of the Board ensure that other responsibilities do not have any material impact on their responsibility as a Director of the Company. The day to day operations of the Company are conducted by the Managing Director & CEO subject to the supervision and control of the Board of Directors. The composition of the Board of Directors meets the requirements of SEBI Listing Regulations. None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees (as specified in Listing Regulations), across all Companies in which they are Directors.

MEETINGS OF THE BOARD

Normally the meetings of the Board are held at Mumbai, dates of which are decided in advance. The Members of the Board have access to all information and records of the Company. Senior officials are invited to attend the meetings to provide clarification as and when required.

The Board met six times during the year on 6th May, 2015; 17th July, 2015; 29th October, 2015; 14th December, 2015; 29th December, 2015; 29th January, 2016. The gap between two meetings did not exceed four months.

Attendance Record of Directors: Number of Board Meetings held: 6

Name of the Director	Number of Meetings attended	Whether attended last AGM held on 17 th July, 2015
Smt. Alice G. Vaidyan (appointed on 29 th January, 2016)	1	NA
Shri G. Srinivasan	3	No
Dr. A. K. Saxena (30 th June, 2016)	2	No
Shri Milind A. Kharat (upto 31 st May, 2016)	5	Yes
Shri K. Sanath Kumar	3	NA
Shri Y. Ramulu (appointed on 30 th June, 2015)	5	No
Shri Kamlesh S. Vikamsey	3	Yes
Smt. Mona Bhide	6	Yes
Shri B. Chakrabarti	6	Yes
Shri M. K. Garg	6	Yes
Shri A. V. Muralidharan	6	Yes
Shri Warendra Sinha	6	Yes

COMMITTEES OF THE BOARD

With a view to enable more focused and timely attention to the affairs of the Company, the Board has constituted the following Committees with delegation in particular areas.

AUDIT COMMITTEE

The Audit Committee of the Company was constituted in the year April 1996. The present Audit Committee consists of Shri V. Ramasamy, Director, as the Chairman of the Committee, Shri Y. Ramulu and Shri Kamlesh S. Vikamsey; Directors are its other members. The Members of the Committee are experienced Directors having knowledge of Accounts, Law and other related subjects. The quorum for the meeting is two Independent Directors. The Chairman of committee is Independent Director. The composition, quorum, powers, role, review of information, scope etc... of the Audit Committee is in accordance with Section 177 of Companies Act, 2013 and the provisions of SEBI Listing Regulations.

The powers, role and scope of the Audit Committee are as per Regulation 18 of SEBI Listing Regulations, issued as per the directions of SEBI and the Companies Act, 2013. The Members of the Committee are qualified, experienced and possess professional knowledge with reference to powers, role and scope of the Committee and as such effectively contribute to its functioning. The prime responsibility of Audit Committee is to review with the Management, the quarterly/annual financial statements prior to its submission before the Board for approval. It includes the oversight of the Company's financial reporting process and the disclosure of its financial information to ensure its content, sufficiency and credibility, recommending the appointment/re-appointment, replacement or removal, if any, of external/internal auditors, fixation of audit fee, reviewing the internal control systems, scope and functions of internal auditors, findings of internal investigations, if any. The terms of reference include review of draft audit reports, reviewing with Management, the performance of statutory and internal auditors, reports relating to compliance with laws and other legal requirements, records relating to related party transactions and defaults, if any, in the payment(s) to the various investors of the Company. The Audit Committee reviews the inspection reports, if any, submitted by the statutory/regulatory Authorities together with the replies thereon.

The Company Secretary acts as the Secretary to the Committee. The Committee met six times during the year under review on 6th May, 2015; 10th July, 2015; 17th July, 2015; 23rd October, 2015; 29th October, 2015 & 29th January, 2016. Senior Officials and Statutory Auditors are invited to attend the meetings and provide clarification as and when required. The minutes of meetings of the Audit Committee are placed before the Board for noting.

Attendance Record of Directors: Number of Audit Committee Meetings held: 6

Sr. No.	Name of the Director	Number of Meetings Attended
1	Shri V. Ramasamy	6
2	Shri Y. Ramulu (appointed on 30 th June, 2015)	5
3	Shri Kamlesh S. Vikamsey	4

**REMUNERATION OF DIRECTORS**

The Non Executive Directors of our Company were paid only the eligible sitting fees for attending meetings and no other remuneration has been paid. The Non Executive Independent Directors do not have any material pecuniary relationship or transaction with the Company.

The quantum of sitting fees paid to the Non-Executive, Independent Directors are as follows:

Sr. No.	Name of the Non-Executive Director	Sitting Fees Paid (₹)
1	Shri V. Ramasamy	3,96,000/-
2	Shri Kamlesh S. Vikamsey	1,37,000/-
3	Smt. Mona Bhide	2,97,000/-
4	Shri B. Chakrabarti	1,39,000/-
5	Shri M. K. Garg	1,39,000/-
6	Shri A. V. Muralidharan	1,39,000/-

The details of the Remuneration paid to the Managing Director & CEO for the year 2015-16 are as follows:

Shri Warenda Sinha, Managing Director & CEO

Particulars	Amount (₹)
Salary	17,45,635/-
Salary Arrears	14,13,939/-
Leave Encashment and other allowances	5,03,138/-
Performance Incentive	4,75,000/-
Contribution to Pension and Other funds	83,094/-
Perquisites	3,18,427/-
Total	45,39,233/-

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Sr. No.	Name of the Director	Number of shares held
1	Smt. Alice G. Vaidyan	Nil
2	Shri G. Srinivasan	Nil
3	Dr. A. K. Saxena	Nil
4	Shri Milind Kharat	Nil
5	Shri K. Sanath Kumar	Nil
6	Shri Y. Ramulu	Nil
7	Shri V. Ramasamy	Nil
8	Shri Kamlesh S. Vikamsey	Nil
9	Smt. Mona Bhide	Nil
10	Shri B. Chakrabarti	Nil
11	Shri M. K. Garg	Nil
12	Shri A. V. Muralidharan	Nil

The Nomination and Remuneration Policy is available on the website (i.e. www.gichfindia.com) of the Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee (previously known as Shareholders Grievance Committee) was constituted in the year March 1995. It presently consists of 3 Directors. Shri V. Ramasamy, Director is the Chairman of the Committee. The other members include Shri Y. Ramulu and Smt. Mona Bhide.

The Chairman of the Committee is a Non-Executive (Independent) Director. The Committee reviews, processes, standard operating procedures and initiatives taken by the Company relating to investor service, reviews compliances with the requirements relating to listing agreements and Corporate Governance, share-holding pattern, periodical transfers/transmissions of shares,

de-materialisation and re-materialisation of shares, issue of duplicate certificates of the securities issued by the Company, complaints, if any, like non-receipt of balance sheet, non-receipt of declared dividends, complaints made with any statutory agencies including SEBI by the shareholders/investors, if any, compliance with the applicable provisions of “the Companies Act, 1956 (applicable to the extent sections not yet notified) and the Companies Act, 2013” and various other statutes as applicable and the effective steps taken for redressal. To expedite the process of share transfers, the Board delegated the power of share transfer to the Committee consisting of the Managing Director & CEO and the Company Secretary. The Committee meets on weekly basis and approves the periodical transfers/transmissions, issue of duplicate shares, Rematerialisation, Name deletion etc... The Board Committee reviews the queries and complaints received from the shareholders and the steps taken for their redressal, reconciliation of share capital, shareholding pattern. During the year under review, 21 queries were received, which were replied/resolved to the satisfaction of the shareholders. There are no pending share transfers.

Shri S. Sridharan (Sr. Vice President & Company Secretary) is the Compliance Officer of the Committee.

NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee (previously known as Remuneration Committee) was constituted by the Board in its meeting held on 6th May, 2009. The terms of reference of the Remuneration Committee includes to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management, to formulate a criteria for determining qualifications, positive attributes and independence of a Director, to evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation, to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management, to ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks, to devise a policy on Board diversity, to carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable, to perform such other functions as may be necessary or appropriate for the performance of its duties. The Committee presently consists of 3 Directors - Smt. Mona Bhide, Director is the Chairperson of the Committee. The other members include Shri V. Ramasamy and Shri Y. Ramulu. The Committee has laid down the following criteria for evaluation of performance of Independent Directors and the Board:

1. Attendance and contribution at Board and Committee meetings.
2. Familiar with the Company's Policies, Values & Beliefs and Code of Conduct.
3. Keep himself/herself updated with the development & factors affecting the Company's business.
4. Discloses his/her interest in any of the agenda items under discussion and any change in directorship/other interest.
5. Provides inputs and suggestions to Management/Board in his/her areas of expertise
6. Any other criteria, as fixed by the Committee from time to time.

Attendance Record of Directors: Number of Committee Meetings held: 4

Sr. No.	Name of the Director	Number of Meetings Attended
1	Smt. Mona Bhide	4
2	Shri V. Ramasamy	4
3	Shri Y. Ramulu (appointed on 30 th June, 2015)	3

ASSET LIABILITY AND RISK MANAGEMENT COMMITTEE

Asset Liability and Risk Management Committee of the Board consists of 3 Directors – Shri V. Ramasamy, Chairman of the Committee, Shri Y. Ramulu, Member and Shri Warendra Sinha, Member.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Corporate Social Responsibility (CSR) Committee was constituted by the Board in its meeting held on 7th May, 2014. The Board level Committee shall oversee the entire process of implementation of CSR related activities through review meeting on the reports of Management level Committee, which shall be submitted to it quarterly.

The CSR Committee presently consists of Shri Milind A. Kharat, Non-Executive Director (Chairman), Smt. Mona Bhide, Independent Director and Shri Warendra Sinha, Managing Director & CEO.

Compliance Officer: Shri S. Sridharan, Senior Vice President & Company Secretary

E-mail ID for the purpose of registering queries/complaints by investors – investors@gichf.com

**COMMUNICATION TO THE SHAREHOLDERS**

The main source of information to the Shareholders is the Annual Report, which includes *inter alia*, the Directors' Report, the Report of the Board of Directors on Corporate Governance, Management Discussion and Analysis Report and the audited financial results. The unaudited quarterly and audited results are published for the information of the Shareholders in leading National and Regional daily newspapers and intimated to the Stock Exchanges as required under the Listing Agreements. The financial results of the Company are uploaded in the Company's website. The Company's website address is www.gichfindia.com.

ANNUAL GENERAL MEETINGS (AGMs)

The particulars of Annual General Meetings held during the last three years are as follows:

Year	Date	Time	Location
2012-13	26 th July, 2013	3.30 p.m.	Indian Merchant Chambers, 'Walchand Hirachand Hall', 4 th Floor, Indian Merchants' Chamber Marg, Churchgate, Mumbai - 400 020.
2013-14	11 th September, 2014	3.30 p.m.	Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4 th Floor, General Jagannath Bhosale Marg, Mumbai - 400 021.
2014-15	17 th July, 2015	3.30 p.m.	Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4 th Floor, General Jagannath Bhosale Marg, Mumbai - 400 021.

DETAILS OF SPECIAL RESOLUTIONS PASSED IN THE LAST THREE YEARS

Date of AGM/ Postal Ballot/EGM	Number of Resolutions	Details
26 th July, 2013 (AGM)	1	1. Appointment of Statutory Auditors.
11 th September, 2014 (AGM)	4	1. Increase in the borrowing power of the Company. 2. Creation of Charges on moveable and immovable property of the Company. 3. Alteration of Articles of Association of the Company. 4. Private Placement of Redeemable Non-convertible Debentures (NCDs/Bonds).
17 th July, 2015 (AGM)	Nil	Nil

DETAILS OF SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT IN THE LAST YEAR.**a) Passed Special Resolutions through Postal Ballot on 28.04.2015 for:**

- Private Placement of Secured Redeemable Non-Convertible Debentures (NCDs)/Bonds of ₹ 400 crores.

b) Passed Special Resolutions through Postal Ballot on 17.12.2015 for:

- Creation of Charge on Movable and Immovable properties of the Company, both present and future under section 180(1)(a) of the Companies Act, 2013.
- Enhancement of Borrowing powers from ₹ 8,000 crores to ₹ 10,000 crores under section 180(1)(c) of the Companies Act, 2013.
- Private Placement of Secured Redeemable Non-Convertible Debentures (NCDs)/Bonds of ₹ 800 crores.

PERSON WHO CONDUCTED THE POSTAL BALLOT EXERCISE:

Shri Makarand Joshi, M/s. Makarand M. Joshi & Co., Practicing Company Secretaries was appointed as Scrutiniser for conducting both postal ballot exercises by the Board.

WHETHER ANY SPECIAL RESOLUTION IS PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT:

No Resolution is proposed to be conducted through Postal Ballot as on the date of AGM.

PROCEDURE FOR POSTAL BALLOT:

Your Company follows the provisions of the Companies Act, 2013 and Listing Regulations, 2015 for Postal Ballot, if any.



DISCLOSURES

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company. Transactions with related parties entered into by the company in the normal course of business were placed before the Audit Committee. Details of related party transactions as per Accounting Standards – 18 are included in Notes to the Accounts [Note No. 25 point No. 8]

Policy on related party transaction is available on the Company's website i.e. www.gichfindia.com

- b) Details of non-compliances by the Company, penalties and strictures imposed on the Company by the Stock Exchange/s, SEBI and any statutory authority on any matter related to capital markets, during the last three years.

There were no instances of non-compliance of any matter related to capital markets during the last three years. There were no strictures or penalties imposed by Securities and Exchange Board of India or by the Stock Exchange/s or any statutory authority for non compliance of any matter related to the capital markets.

- c) VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and Employees to report to the Audit Committee about the unethical behaviour, fraud or violation of Company's Code of Conduct. The Whistle Blower Policy is displayed on the Company website i.e. www.gichfindia.com. None of the personnel of the Company has been denied access to the Audit Committee.

- d) The Company has complied with the applicable Accounting Standards issued by the Institute of the Chartered Accountants of India from time to time.

- e) The Company has laid down procedures to appraise the Board of Directors regarding key risk assessment and risk mitigation mechanisms.

- f) REMUNERATION OF INDEPENDENT DIRECTORS

Sitting Fee is only paid to Independent Directors of the Company for attending meetings of the Board and Committees.

- g) RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified practicing Company Secretary carries out audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) with the total issued, paid-up and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate number of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL). The said audit report is placed before the Shareholders Grievance Committee for review and before the Board for noting.

- h) SUBSIDIARIES

Your Company has no subsidiaries and as such the requirement relating to certain compliances as prescribed are not applicable.

- i) GOING CONCERN

The Board of Directors of your Company is satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently considers it appropriate to adopt the Going Concern basis in preparing its financial statements.

- j) AUDIT QUALIFICATION

There is no qualification on any of the financial statements for the financial year 2015-16 of the Company.

SHAREHOLDERS INFORMATION

Detailed information in this regard is provided in the Section "Shareholders Information" which forms part of this Annual Report.

For and on behalf of the Board of Directors

Sd/-

Warendra Sinha
Managing Director & CEO

Place: Mumbai
Date: 29th April, 2016



SHAREHOLDERS INFORMATION

1. **Twenty-Sixth Annual General Meeting:**
- Date : 27th July, 2016 (Wednesday)
Time : 3.30 P.M.
Venue : Yashwantrao Chavan Pratishthan Mumbai,
Chavan Centre, Cultural Hall, 4th Floor,
General Jagannath Bhosale Marg,
Mumbai-400 021.

2. **Financial Year: 1st April, 2015 to 31st March, 2016**

3. **Financial Calendar for the year 2016-17: (Provisional)**

Results for the first quarter ending 30 th June, 2016 (Subject to Limited Review).	Before the end of July, 2016.
Results for the second quarter ending 30 th September, 2016 (Subject to Limited Review).	Before the end of October, 2016.
Results for the third quarter ending 31 st December, 2016 (Subject to Limited Review).	Before the end of January, 2016.
Audited Results for the financial year ending 31 st March, 2017	Before the end of May, 2017.
Annual General Meeting for the year ending March, 2017	Before the end of August, 2017.

4. **Book Closure**

The Register of Members and Share Transfer books are closed keeping in view the Scheduled date of the Annual General Meeting. For the year under reference the above registers/ books would be closed from **16th July, 2016 (Saturday) to 27th July, 2016 (Wednesday)** (both days inclusive) and was notified accordingly.

5. **Listing of Shares & Non-Convertible Debentures**

Equity Shares - The equity shares issued by the Company are listed on the BSE Limited and National Stock Exchange of India Limited. Annual Listing fees as prescribed have been paid to both the stock exchanges for the year 2016-17.

Security Code for Equity shares

- **National Stock Exchange of India Limited: GICHSGFIN**

The National Stock Exchange Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051

- **BSE Limited: 511676**

BSE Limited
P.J. Towers,
Dalal Street, Fort,
Mumbai – 400 001

Non-Convertible Debentures (NCDs) - The Non-Convertible Debentures issued by the Company are listed with BSE Limited. Annual Listing fees as prescribed have been paid to BSE Limited.

Security Code for Non-Convertible Debentures

- Bombay Stock Exchange: 952052

6. Dematerialisation of shares

With effect from 20th August, 2000, the Equity Shares of the Company are to be traded compulsorily in Dematerialised form. 98.95% of the paid-up Equity Capital has been dematerialised as on 31st March, 2016.

The Company has entered into agreements with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for this purpose and the equity shares of the Company have been admitted as an 'eligible security' into the Depository System.

ISIN Number for Equity Shares - INE289B01019

ISIN Number for NCD - INE289B07024

7. Dividend Payment

Subject to approval by the Shareholders, dividend warrants/NECS advice will be posted to eligible members within the time limit permissible under the provisions of the Companies Act, 2013.

Dividend warrants/ NECS advice in respect of shares held in Demat form are posted to the beneficial owners to their addresses as per the information furnished by the NSDL & CDSL as on the date of Book Closure. Dividend will be paid on or after 8th August, 2016 (Monday).

8. Market price data during the last financial year on BSE and NSE.

- Monthly high & low Index Quotes and Volume traded in BSE.

MONTH	INDEX (SENSEX) (₹)		QUOTE (₹)	
	High	Low	High	Low
April, 2015	29044.44	27011.31	254.50	218.20
May, 2015	27957.50	26599.11	228.90	210.90
June, 2015	27895.97	26370.98	223.70	196.50
July, 2015	28504.93	27459.23	233.80	214.25
August, 2015	28298.13	25714.66	223.10	174.05
September, 2015	26218.91	24893.81	196.70	168.45
October, 2015	27470.81	26220.95	213.60	190.20
November, 2015	26590.59	25482.52	216.60	207.30
December, 2015	26169.41	25036.05	236.20	197.30
January, 2016	26160.90	23962.21	237.75	198.70
February, 2016	24824.83	22951.83	223.35	183.60
March, 2016	25341.86	23779.35	250.05	202.80

- Monthly high & low Index Quotes and Volume traded in NSE.

MONTH	INDEX (NIFTY) (₹)		QUOTE (₹)	
	High	Low	High	Low
April, 2015	8834.00	8181.50	254.55	218.70
May, 2015	8458.95	8057.30	229.40	211.25
June, 2015	8433.40	7965.35	223.70	196.80
July, 2015	8633.50	8328.55	234.10	214.15
August, 2015	8588.65	7791.85	222.80	175.25
September, 2015	7981.90	7558.80	196.65	168.65
October, 2015	8295.45	7950.90	213.65	189.50
November, 2015	8060.70	7731.80	216.80	209.10
December, 2015	7954.90	7610.45	236.25	197.05
January, 2016	7963.20	7276.80	238.10	197.45
February, 2016	7555.95	6970.60	223.75	183.25
March, 2016	7738.40	7222.30	250.35	202.30

**9. Distribution of Shareholding as on 31st March, 2016**

DESCRIPTION	HOLDER (S)		HOLDING (S)	
	FOLIOS	%	SHARES	%
Less than 500	34344	88.340	4422127	8.212
501 – 1000	2227	5.728	1823735	3.387
1001 – 2000	1102	2.835	1711401	3.178
2001 – 3000	409	1.052	1052372	1.954
3001 – 4000	173	0.445	632624	1.175
4001 – 5000	167	0.430	792631	1.472
5001 – 10000	226	0.581	1710679	3.177
More than 10000	229	0.589	41705497	77.446
TOTAL	38877	100.000	53851066	100.000

10. Shareholding pattern as at 31st March, 2016.

CATEGORY	NO. OF SHARES	%
Promoters	22751128	42.25
Mutual Funds	4482458	8.32
Banks, Financial Institutions/Insurance Companies (Central/State Govt. Institutions/Non Government Institutions)	2761446	5.13
Private Corporate Bodies	4152228	7.71
NBFC	26058	0.05
NRIs	624532	1.16
Foreign Institutional Investors	84387	0.16
Foreign Portfolio Corporates	942307	1.75
Trusts	51270	0.09
Indian Public	17975252	33.38
Total	53851066	100.00

11. Compliance Officer: Shri S. Sridharan

Senior Vice President & Company Secretary

12. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity:

Not Applicable.

13. Plant Location: Not Applicable**14. Registrars, Share Transfer Agents & Shareholders Correspondence****New Registrars & Share Transfer Agents (from 11th May, 2016 onwards)****M/S KARVY COMPUTERSHARE PVT. LTD.,****Corporate Office :** Karvy Selenium, Tower B, Plot 31-32, Gachibowli,
Financial District, Narakamguda, Hyderabad, Telangana - 500 032

Tel. No. +91 40 67162222

Fax No. +91 40 23420814

E-mail: einward.ris@karvy.com

Mumbai Front Office : 24-b,Raja Bahadur Mansion,

Ground Floor, Ambalal Doshi Marg,

Behind BSE, Fort, Mumbai - 400 023.

Tel. No. +91 226623 5454/ 412/ 427



Previous Registrars & Share Transfer Agents (up to 10th May, 2016)

M/s. Sharepro Services (India) Private Limited,
13AB, Samhita Warehousing Complex,
Second Floor, Sakinaka Telephone Exchange Lane,
Off. Andheri-Kurla Road,
Sakinaka, Andheri (East),
Mumbai - 400 072
Tel. No.: 022 – 67720300/ 67720400 Fax – 022 – 28591568/ 28508927.
E-mail – sharepro@shareproservices.com

15. Share Transfer System

All the transfers are processed by the Registrars and Share Transfer Agents namely, **M/s Karvy Computershare Private Limited** and approved by the Committee constituted for the said purpose which meets on a weekly basis.

UNCLAIMED DIVIDEND

In terms of the provisions of Section 205A (5) of the Companies Act, 1956, money transferred to the Unpaid Dividend Account of the Company, which remain unclaimed and unpaid for a period of 7 years from the date on which it was first due for payment, are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C(1) of the Companies Act, 1956. Further, in terms of Section 205C, no payments shall be made by the Company in respect of claims made after the above period of 7 years. The Company sends final reminder letters to individual share holders well ahead of due dates for transfer of unclaimed dividend amount to IEPF. Despite such reminders, there are few shareholders who have not claimed their dividends.

The due date for transfer of unclaimed dividend pertaining to year 2008-09 is October, 2016.

Members of the Company can claim the unpaid dividend, if any, from the Company before the date of transfer to IEPF as mentioned above.

The Members may please note that after the unpaid dividend is transferred to the said Fund, no claim shall lie against the Company or the Fund.

BANK ACCOUNT PARTICULARS

The Members holding shares in physical mode are requested to furnish their latest bank account number/ particulars (comprising 15 digits or otherwise, as the case may be), directly to the Registrars and Share Transfer Agents for incorporation of the same on the dividend warrants. This would avoid any fraudulent encashment of warrants and facilitate for payment of dividend through NECS.

DIVIDEND PAYMENT THROUGH NECS

The dividend warrants in respect of the shares held in electronic/ demat mode as of the date of Book Closure would be posted to the beneficial owners to their addresses as per the information furnished by the NSDL and CDSL. The Company will arrange to remit the dividend through NECS, to those beneficial owners with bank account number/ particulars (comprising 15 digits or otherwise, as the case may be), subject to availability of NECS facility at such Centres as notified by the Reserve Bank of India.

NOMINATION

Shareholders of the Company holding physical shares in single name are requested to nominate a person of their choice by submitting the prescribed nomination form i.e., Form SH-13, in duplicate, to the Company or to its Registrars & Share Transfer Agents. Shareholders holding shares in dematerialised form are requested to contact their Depository Participant. Every shareholder in a Company may at any time, nominate in the prescribed manner, a person to whom his shares in the Company shall vest in the event of his death. Only individual shareholder(s) applying for/holding shares on his/their behalf can make nomination. If the shares are held jointly, all the holders may jointly nominate an individual person as their nominee. Nomination stands automatically rescinded on transfer/dematerialisation of shares.

**16. Non-Mandatory Requirements****1. Chairperson of the Board**

Chairperson (Non-Executive Director) of our Board is Chairman cum Managing Director of General Insurance Corporation of India (GIC Re).

2. Shareholders Rights

The financial results are well published in the press. The details are as follows:

Quarter Ended	Details of Publication	
31.03.2015	Audited Financial Results	The Financial Express and Loksatta dated 7 th May, 2015.
30.06.2015	Unaudited Financial Results (Subject to Limited Review Report)	The Financial Express and Loksatta dated 18 th July, 2015.
30.09.2015	Unaudited Financial Results (Subject to Limited Review Report)	The Financial Express and Loksatta dated 31 st October, 2015.
31.12.2015	Unaudited Financial Results (Subject to Limited Review Report)	The Financial Express and Loksatta dated 30 th January, 2016.
31.03.2016	Audited Financial Results	The Financial Express and Loksatta dated 30 th April, 2016.



DECLARATION ON CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is available on the website of the Company.

As Managing Director & CEO of GIC Housing Finance Ltd., and as required under SEBI Listing Regulations of the Stock Exchanges in India, I hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the financial year 2015-16

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th April, 2016

Sd/-
Warendra Sinha
Managing Director & CEO

CEO/CFO CERTIFICATION

We, S. Sridharan, Sr. Vice President & Company Secretary (CFO) and Warendra Sinha, Managing Director & CEO, certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2016 which are fraudulent, illegal or violative of the Company's code of conduct, except the fraudulent transactions if any as reported to the Board in individual loans.
- c) We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company and disclosed to the auditors and the Audit Committee, deficiencies in the design and operation of internal controls, if any, of which we are aware and the steps taken or proposed to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - i. significant changes in the internal control during the year ended 31st March, 2016;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For and on behalf of the Board of Directors

Sd/-
S.Sridharan
Sr. Vice President & Company Secretary (CFO)

Place: Mumbai
Date: 29th April, 2016

For and on behalf of the Board of Directors

Sd/-
Warendra Sinha
Managing Director & CEO



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
GIC Housing Finance Limited

We have examined the compliance of conditions of Corporate Governance by GIC Housing Finance Limited ("the Company"), for the year ended on 31st March, 2016, as stipulated in Clause 49 of Listing Agreement and Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement and Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Makarand M. Joshi & Co.**
Practicing Company Secretaries

Sd/-
Makarand Joshi
Partner
FCS No.: 5533
CP No: 3662

Place: Mumbai
Date: 29th April, 2016



INDEPENDENT AUDITORS' REPORT

To the Members of GIC Housing Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **GIC Housing Finance Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 25(11) to the financial statements, which describes the accounting treatment of the expenditure on creation of Deferred Tax Liability on Special Reserves under Section 36(1)(viii) of the Income Tax Act, 1961 as at 31st March, 2016, pursuant to NHB's Circular No. NHB (ND)/DRS/Policy Circular No. 65/2014-15 dated 22nd August, 2014. Our opinion is not qualified in respect of this matter.



INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March, 2016, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25(2) to the financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March, 2016.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2016.

For **CNK & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961W

Date: 29th April, 2016
Place: Mumbai

(Suresh S. Agaskar)
Partner
Membership No. 110321



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2016, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has granted secured housing loans to two parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the parties listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - (b) In the case of the loans granted to the parties listed in the register maintained under Section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - (c) There are no overdue amounts for more than ninety days in respect of the loan granted to parties listed in the register maintained under Section 189 of the Act.
- iv) The Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under Sections 185 and 186 of the Act. Consequently, requirements of Clause (iv) of paragraph 3 of the order are not applicable.
- v) According to the information and explanations given to us, Company has not accepted any deposits to which directives of Reserve Bank of India and provisions of Sections 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed thereunder apply. Accordingly, the provisions of Clause 3(v) of the said Order are not applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Employee's State Insurance, income-tax, sales tax, value added tax, cess, duty of customs, service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or debenture holders during the year.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations provided to us the Company has applied term loans for the purpose for which the loans were obtained.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is a Non-Banking Financial Institution; however it has been exempted from the requirement of registration under section 45 IA of the Reserve Bank of India Act, 1934. Since, the Company is registered under National Housing Bank (NHB) Act, 1987 and regulated by the directions issued by the National Housing Bank.

For **CNK & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961W

Date: 29th April, 2016
Place: Mumbai

(Suresh S. Agaskar)
Partner
Membership No. 110321

ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GIC HOUSING FINANCE LIMITED

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GIC Housing Finance Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **CNK & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961W

Date: 29th April, 2016
Place: Mumbai

(Suresh S. Agaskar)
Partner
Membership No. 110321



BALANCE SHEET

as at 31st March, 2016

		₹ in Lacs	
	NOTE	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	5,388	5,388
Reserves and Surplus	3	67,792	60,649
		73,180	66,037
NON-CURRENT LIABILITIES			
Long-Term Borrowings	4	5,51,075	4,35,905
Long-Term Provisions	5	21,814	20,160
		5,72,889	4,56,065
CURRENT LIABILITIES			
Short-Term Borrowings	6	61,856	64,475
Trade Payables :	7		
- Dues to Micro and Small Enterprises		-	-
- Dues to Others		667	466
Other Current Liabilities :	8		
- Borrowings		87,175	79,046
- Others		2,555	2,322
Short-Term Provisions	9	3,816	3,656
		1,56,069	1,49,965
	TOTAL	8,02,138	6,72,067
II. ASSETS			
NON-CURRENT ASSETS			
FIXED ASSETS			
Tangible Assets	10	216	262
Intangible Assets		-	-
		216	262
Non-Current Investments	11	980	983
Deferred Tax Assets (Net)	12	1,144	3,760
Long-Term Loans and Advances	13	1,820	1,723
Other Non-Current Assets	14	-	144
		3,944	6,610
LOANS	15		
Non-Current		7,57,017	6,29,754
Current		34,208	30,040
		7,91,225	6,59,794
CURRENT ASSETS			
Trade Receivables	16	1,213	941
Cash and Bank Balances	17	5,234	4,157
Short-Term Loans and Advances	18	306	303
		6,753	5,401
	TOTAL	8,02,138	6,72,067
Significant Accounting Policies	1		
Notes forming part of Accounts	25		

As per our Report attached of even date

For and on behalf of the Board of Directors

CNK & Associates LLP
Chartered Accountants
ICAI Firm Reg. No. 101961W

(Suresh S. Agaskar)
Partner
Membership No. 110321

Alice G. Vaidyan
Chairperson

Y. Ramulu
Director

Warendra Sinha
Managing Director & CEO

Place: Mumbai
Date: 29th April, 2016

S. Sridharan
Chief Financial Officer
(Sr. Vice President & Company Secretary)

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2016

₹ in Lacs

	NOTE	For the year ended 31.03.2016	For the year ended 31.03.2015
REVENUE:			
Revenue from Operations			
(a) Interest Income	19	85,728	71,598
(b) Other Financial Services	20	1,716	1,493
Other Income	21	193	183
Total Revenue	(A)	87,637	73,274
EXPENDITURE:			
Finance Cost	22	60,065	50,893
Employee Benefits Expenses	23	2,259	1,956
Depreciation and Amortisation	10	82	351
Other Expenses	24	4,544	3,476
Provision for Non-performing assets and Contingencies (net)		1,576	1,228
Total Expenditure	(B)	68,526	57,904
PROFIT BEFORE TAX	(A-B)	19,111	15,370
Tax Expense			
- Current Tax		6,110	4,860
- Deferred Tax		551	214
PROFIT AFTER TAX FOR THE PERIOD		12,450	10,296
PROFIT FOR THE YEAR		12,450	10,296
Earnings Per Share - (Basic & Diluted) face value of ₹ 10 each		23.12	19.12
Refer Point No. 10 of Note No. 25 (Notes forming part of Accounts)		23.12	19.12
Significant Accounting Policies	1		
Notes forming part of Accounts	25		

As per our Report attached of even date

For and on behalf of the Board of Directors

CNK & Associates LLP
Chartered Accountants
ICAI Firm Reg. No. 101961W

(Suresh S. Agaskar)
Partner
Membership No. 110321

Alice G. Vaidyan
Chairperson

Y. Ramulu
Director

Warendra Sinha
Managing Director & CEO

Place: Mumbai
Date: 29th April, 2016

S. Sridharan
Chief Financial Officer
(Sr. Vice President & Company Secretary)



CASH FLOW STATEMENT

for the year ended 31st March, 2016

₹ in Lacs

	For the year ended 31.03.2016	For the year ended 31.03.2015
A: Cash Flow From Operating Activities :		
Net Profit Before Tax	19,110	15,370
Adjustments For :		
Depreciation and Amortisation	82	351
Provision for Non-Performing Assets & Contingencies	1,576	1,228
(Profit)/Loss on Sale of Fixed Assets (Net)	-	-
(Profit)/Loss on Sale of Investments	(193)	(152)
Operating Profit Before Working Capital Changes	20,575	16,797
Adjustments For :		
(Increase)/Decrease in Long-term Loans And Advances	(167)	(224)
(Increase)/Decrease in Non-Current Assets	144	856
(Increase)/Decrease in Bank Deposits Having Maturity Of More Than 3 Months	(158)	5,111
(Increase)/Decrease in Trade Receivables	(271)	25
(Increase)/Decrease in Short-term Loans And Advances	(3)	175
(Increase)/Decrease in Other Current Assets	-	67
Increase/(Decrease) in Long-term Provisions	79	41
Increase/(Decrease) in Short-term Provisions	159	347
Increase/(Decrease) in Trade Payables	202	(49)
Increase/(Decrease) in Other Current Liabilities	233	(12)
Operating Profit after Working Capital Changes	20,793	23,134
Adjustments For :		
(Increase)/Decrease Housing Loans	(1,31,432)	(1,28,532)
Cash Generated from Operating Activity	(1,10,639)	(1,05,398)
Taxes Paid	(6,041)	(4,864)
Net Cash Generated from Operating Activity	(A) (1,16,680)	(1,10,262)
B: Cash Flow from Investment Activities		
Acquisition of Fixed Assets	(36)	(95)
Sale of Fixed Assets	-	3
Purchase of Investments	(5,88,834)	(4,26,025)
Sale of Investments	5,89,027	4,26,177
Receipt on Refund of Face Value of Investment	3	10
Net Cash Generated from Investing Activity	(B) 160	70

CASH FLOW STATEMENT

for the year ended 31st March, 2016

₹ in Lacs

	For the year ended 31.03.2016	For the year ended 31.03.2015
C: Cash Flow from Financing Activities		
Long-term Loans taken during the period	2,38,770	1,75,420
Long-term Loans paid during the period	(1,15,471)	(78,844)
Short-term Loans taken during the period	3,98,255	2,78,333
Short-term Loans paid during the period	(4,00,875)	(2,60,659)
Dividend Paid on Equity Shares	(2,693)	(3,231)
Dividend Distribution Tax paid	(548)	(549)
Net Cash Generated from Financing Activity	(C) 1,17,438	1,10,470
Net Increase/(Decrease) of Cash & Cash Equivalents	(A + B + C) 918	278
Cash & Cash Equivalents as at Beginning of the year	4,119	3,841
Cash & Cash Equivalents as at the end of the year	5,037	4,119
Components of Cash And Cash Equivalents		
Cash on Hand	107	77
Remittances in Transit	139	150
Balance with Bank		
- On Current Accounts	4,677	3,785
- On Unpaid Dividend Account (Refer Note Below)	114	107
	5,037	4,119

Note: Balance available in Unpaid Dividend Accounts is not available for use by the company.

As per our Report attached of even date

For and on behalf of the Board of Directors

CNK & Associates LLP
Chartered Accountants
ICAI Firm Reg. No. 101961W

(Suresh S. Agaskar)
Partner
Membership No. 110321

Alice G. Vaidyan
Chairperson

Y. Ramulu
Director

Warendra Sinha
Managing Director & CEO

Place: Mumbai
Date: 29th April, 2016

S. Sridharan
Chief Financial Officer
(Sr. Vice President & Company Secretary)



SIGNIFICANT ACCOUNTING POLICIES:

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES:

i. Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with accounting principles generally accepted in India. Pursuant to Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rule, 2014, and other relevant provisions of Companies Act, 2013, the National Housing Bank Act, 1987 and The Housing Finance Companies (NHB) Directions, 2010 as amended.

Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.

ii. Presentation and Disclosure of Financial Statements:

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

iii. Use of Estimates:

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known/materialize. Any revision to accounting estimates is recognized prospectively in the current and future period.

1. REVENUE RECOGNITION:

a) INCOME ON LOANS :

- i. Repayment of loans is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest is calculated on the outstanding loan balance at the beginning of every month. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month.
- ii. Interest on Loans which are classified as Non-performing assets is recognized on realization as per the directives/guidelines laid down by National Housing Bank.
- iii. Fees are recognized as and when accrued.
- iv. Penal Interest and other charges are recognized when received.

b) INVESTMENT INCOME :

- i. Dividend and interest income:
Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits and interest bearing securities is recognized on the time proportionate method taking into account the amount outstanding and the rate applicable.
- ii. Income on Investments which are classified as Non-performing is recognized only on realization as per the directives/guidelines laid down by National Housing Bank.

2. CASH AND CASH EQUIVALENT:

For purpose of the Cash Flow Statement, Cash comprises Cash in Hand, Balance with Banks and Demand Deposits with Banks.

3. CASH FLOW STATEMENT:

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

4. FIXED ASSETS:

Fixed Assets are stated at cost of acquisition, or construction inclusive of expenses incidental thereto less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to an item of Fixed Assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

SIGNIFICANT ACCOUNTING POLICIES:

5. DEPRECIATION:

Depreciation on Fixed Assets is provided on the reducing balance method over the estimated useful life of the assets as prescribed under Schedule II to the Companies Act, 2013. Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.

6. INTANGIBLE ASSETS AND AMORTIZATION:

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the enterprise and the cost of asset can be measured reliably. Intangible assets are stated at acquisition cost, net off accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on straight line basis over their estimated useful life.

The amortization period and the amortization method are reviewed at least at each financial year end. If expected life of asset is significantly different from previous estimates the amortization period is changed accordingly. Computer Application Software is amortized over the period of 3 years on straight line basis or useful life, whichever is shorter.

7. IMPAIRMENT OF ASSETS:

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset [tangible and intangible] is impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds the recoverable amount are written down to the recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting period may no longer exists or may have decreased.

8. INVESTMENTS:

Investments are classified into current and noncurrent investments

In accordance with the Guidelines issued by National Housing Bank (NHB), current investments are carried at lower of cost and fair value. Long term investments are carried at cost. However, provision for diminution in value of long-term investments is made to recognize decline, other than temporary, on an individual investment basis.

Unquoted investments in the units of mutual funds in the nature of current investments are carried at lower of cost and the net asset value declared by mutual funds in respect of each particular scheme.

9. PROVISIONING FOR LOANS AND INVESTMENTS:

- i. Loans are classified into "Performing" and "Non-Performing" assets in terms of guidelines/ directions laid down/ given by the National Housing Bank. Loans are further classified as standard, sub-standard, doubtful and loss assets.
- ii. Provisions for performing assets and non-performing assets and investments are made on a periodic review in accordance with the directives/guidelines laid down by the National Housing Bank.

10. EMPLOYEE BENEFITS:

Defined contribution plan:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Employees' Pension Scheme, Employee State Insurance Scheme and EDLI, which are defined contribution plans are recognized as an employee benefit expense in the statement of profit and loss as and when the services are received from the employees.

Defined benefit plans:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of provident fund plan, leave encashment plan and gratuity plan, which are defined benefit plans, and certain other defined benefit plans are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

Retirement and other employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, performance incentive, paid annual leave, leave travel assistance, medical allowance,



SIGNIFICANT ACCOUNTING POLICIES:

contribution to provident fund and superannuation etc. recognized as actual amounts due in period in which the employee renders the related services.

- i. The Company has formed a Provident Fund Trust for its employees. Contributions are made to the Trust, which is administered by the Trustees. Trust makes investments and also settles claims of members. Interest payable to the members shall not be at a rate lower than the statutory rate. In case of short fall in the interest accrued, the same is contributed by the Company. Contribution to Provident Fund is charged to accounts on accrual basis.

For this Scheme, contributions are made by the Company, based on current salaries, to recognized Fund maintained by the Company; simultaneously contributions are also made by the employees to Provident fund scheme.

- ii. The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods. For this purpose the Company has obtained qualifying group gratuity insurance policy from Life Insurance Corporation of India.
- iii. The Company provides benefits to its employees under the Leave Encashment pay plan which is a non-contributory defined benefit plan. The employees of the Company are entitled to receive certain benefits in lieu of the annual leave not availed of during service, at the time of retirement. The benefits payable takes into account the Salary and the leave balance to the credit of the employees on the date of retirement.

11. SEGMENT REPORTING:

The segments have been identified taking into account the nature of the products/services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

12. LEASES:

Assets acquired on lease where significant portions of the risk and rewards incidental to the ownership are retained by the lessors are classified as operating leases. Rental expenses on assets obtained under operating lease arrangements are recognized on a straight line basis as expense in the Statement of Profit and Loss over the lease term of respective lease arrangement.

13. EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

14. TAXATION:

Tax expense comprises of current and deferred tax charge or credit.

Current Tax is determined as the amount of income tax payable to the taxation authorities in respect of taxable income for the period.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. A deferred tax asset are reviewed at each balance sheet date and is written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

15. PROVISIONS AND CONTINGENCIES :

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that the cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

NOTE 2

SHARE CAPITAL :

AUTHORISED CAPITAL :

Equity Shares

15,00,00,000 Equity shares of ₹ 10 each

(Previous Year 15,00,00,000 Equity shares of ₹ 10 each)

ISSUED, SUBSCRIBED & PAID UP:

5,38,51,066 Equity shares of ₹ 10 each

(Previous Year 5,38,51,066 Equity Shares of ₹ 10 each)

Forfeited Shares (Refer Note 2.4)

₹ in Lacs

	As at 31.03.2016	As at 31.03.2015
	15,000	15,000
	15,000	15,000
	5,385	5,385
	3	3
TOTAL	5,388	5,388

Note 2.1 :

Reconciliation of the number of shares outstanding

Particulars

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
Shares outstanding at the beginning of the year	5,38,51,066	5,385	5,38,51,066	5,385
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,38,51,066	5,385	5,38,51,066	5,385

Note 2.2 :

Terms/Rights attached to equity shares

The Company has only one class of Equity shares having par value of ₹ 10 each.

Each holder of equity shares is entitled to one vote per share.

The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.

In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts.

However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 2.3 :

Details of Shareholders holding more than 5% shares in Company

Name of Shareholder

Name of Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
General Insurance Corporation of India	82,18,802	15.26	82,18,802	15.26
The New India Assurance Company Limited	46,94,204	8.72	46,94,204	8.72
United India Insurance Company Limited	39,56,000	7.35	39,56,000	7.35
The Oriental Insurance Company Limited	29,75,024	5.52	29,75,024	5.52
National Insurance Company Limited	29,07,098	5.40	27,05,098	5.02

Note 2.4 : The Company has forfeited 53,800 Equity Shares on which amount originally paid-up is ₹ 2,69,000



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

NOTE 3

RESERVES AND SURPLUS :

SECURITIES PREMIUM :

Balance at the beginning of the year

Add : Transferred during the year

SPECIAL RESERVE :

1. In terms of Section 29C(1) of the National Housing Bank Act, 1987

Balance at the beginning of the year

Add : Transferred during the year

2. In terms of Section 36(1)(viii) of the Income tax Act, 1961

Balance at the beginning of the year

Add : Transferred during the year

GENERAL RESERVE :

Balance at the beginning of the year

Add : Transferred during the year

Less : Utilised for creation of DTL on opening balances of Special Reserve U/S 36(1)(viii) of Income Tax Act, 1961. (Refer Point No. 11 of Note No. 25 Notes forming part of Accounts)

SURPLUS IN STATEMENT OF PROFIT AND LOSS

Balance at the beginning of the year

Add : Net Profit for the period

Amount available for Appropriation

Appropriations :

- Amount Transferred to General Reserve

- Amount Transferred to Special Reserve

- Proposed Dividend (Refer Note 3.2)

- Tax on Proposed Dividend

Net Surplus

TOTAL

₹ in Lacs

As at 31.03.2016	As at 31.03.2015
11,699	11,699
456	456
-	-
456	456
26,731	23,875
3,372	2,856
30,103	26,731
21,759	19,625
5,835	4,200
2,066	2,066
25,528	21,759
4	5
12,450	10,296
12,454	10,301
5,835	4,200
3,372	2,856
2,693	2,693
548	548
6	4
67,792	60,649

Note 3.1 :

- As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer atleast 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer.
- The Company has transferred an amount of ₹ 3,372 Lacs (Previous Year ₹ 2,856 Lacs) to Special Reserve in terms of Section 36(1)(viii) of the Income Tax Act, 1961.

Note 3.2 :

For the year ended 31st March 2016, the Board of Directors has proposed a dividend of ₹ 5 per equity share (previous year ₹ 5 per equity share) on approval in consequent Annual General Meeting, the total dividend appropriation would be ₹ 3,241 lacs inclusive of Corporate Dividend Distribution Tax. (Previous year ₹ 3,241 Lacs inclusive of Corporate Dividend Distribution Tax.)

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

Note 4

LONG-TERM BORROWINGS

₹ in Lacs

SECURED

(a) Non-Convertible Debentures (Refer Note - 4.1)

(b) Term Loan (Refer Note - 4.2)

From Banks

From Insurance Companies

National Housing Bank

Security :

- Term loans are secured by way of first charge book-debts equivalent to outstanding loan balance.
- Unless otherwise stated, loans are linked to base rate of the respective bank.

	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
(a) Non-Convertible Debentures (Refer Note - 4.1)	4,500	-	-	11,500
(b) Term Loan (Refer Note - 4.2)				
From Banks	4,01,694	65,075	3,59,757	52,646
From Insurance Companies	3,000	1,000	4,000	1,000
National Housing Bank	1,41,881	21,100	72,148	13,900
	5,51,075	87,175	4,35,905	79,046

Note 4.1

The NCD are redeemable at par. The NCD are secured by way of first charge on book-debts equivalent to loan outstanding and mortgage on immovable property. The NCD are redeemable on 23rd April, 2018.

The details of Non-Convertible Redeemable Debentures (NCD) are as under:

Description	₹ in Lacs			
	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at 31.03.2016
Non Current:-				
450 NCD's of ₹ 10,00,000 each	23- April -2018	8.65% p.a.	-	4,500

Note 4.2

Maturity Profile of Term Loans

Description	₹ in Lacs		
	As at 31.03.2016		
	Term Loans Banks (ROI 9.20% - 9.75%)	Kotak Mahindra old Mutual Life Insurance Ltd (ROI 9%)	National Housing Bank (ROI 6% to 9.90%)
Non-Current:			
Over 1 year to 3 years	1,73,746	2,000	49,513
Over 3 to 5 years	1,25,163	1,000	33,873
Over 5 to 7 years	88,790	-	27,309
Over 7 Years	13,995	-	31,186
TOTAL	4,01,694	3,000	1,41,881



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

NOTE 5**LONG-TERM PROVISIONS**

₹ in Lacs

Provision For Employee Benefits:

- Leave Encashment (Unfunded)

272

243

- Gratuity (Funded)

169

106

Other Provisions:

(a) Provision for Housing Loans

20,394

18,829

(Refer Point No. 13 of Note No. 25 (Notes forming part of Accounts))

(b) Provision for Investments

979

982

(Refer Point No. 13 of Note No. 25 (Notes forming part of Accounts))

TOTAL

21,814

20,160

NOTE 6**SHORT-TERM BORROWINGS**

₹ in Lacs

UNSECURED LOANS :

Short-Term Loans From Banks

5,100

20,000

Commercial Papers (CPs) Gross

57,500

45,000

Less : Discount not written off

744

525

56,756

44,475

TOTAL

61,856

64,475

NOTE 7**TRADE PAYABLES**

₹ in Lacs

Trade Payables (For Expenses)

a) Total Outstanding dues of micro and small enterprises

-

-

b) Total Outstanding dues of creditors other than micro and small enterprise

667

466

TOTAL

667

466

Note:

There is no outstanding amount payable/overdue to Micro and Small Enterprises.

During the year no interest has been paid to such parties. This information has been determined to the extent, such parties have been identified on the basis of information available with the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

NOTE 8

OTHER CURRENT LIABILITIES

₹ in Lacs

Other Liabilities: (Borrowings)

Current maturities of Secured Long Term Borrowings

	As at 31.03.2016	As at 31.03.2015
- From Banks (Refer Note 8.1)	65,075	52,646
- From National Housing Bank	21,100	13,900
- From Insurance Company	1,000	1,000
- From Non-Convertible Debentures	-	11,500
Sub-Total	87,175	79,046

Other Liabilities: (Others)

(a) Interest Accrued But Not Due	366	783
(b) Unpaid Dividend (Refer Note 8.2)	114	107
(c) Others		
- Trade Liabilities	2,017	1,411
- Staff Dues	2	-
- Statutory Dues (Refer Note 8.2)	56	21
Sub-Total	2,555	2,322
TOTAL	89,730	81,368

Note 8.1 :

Non-Current portion of Long-Term Borrowings Refer Note 4

Note 8.2 :

The Company has transferred ₹ 9.81 Lacs (Previous Year ₹ 6.91 Lacs) to Investor Education and Protection Fund during the year.

NOTE 9

SHORT-TERM PROVISIONS:

₹ in Lacs

Provision For Employee Benefits:

	As at 31.03.2016	As at 31.03.2015
- Leave Encashment (unfunded)	66	24
- Gratuity (funded)	127	86
Other Provisions:		
- Provision for Housing Loans (Refer Point No. 13 of Note No. 25 (Notes forming part of Accounts))	172	159
- Provision for Tax (Net of Tax Payments)	210	146
- Proposed Dividend	2,693	2,693
- Dividend Distribution Tax	548	548
TOTAL	3,816	3,656



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

NOTE 10

FIXED ASSETS :

I) TANGIBLE ASSETS :

₹ in Lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Additions	Deductions / Adjustments	As at 31.03.2016	As at 01.04.2015	For the year	Deductions / Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Buildings	263	-	-	263	171	4	-	175	88	92
Furniture and Fittings	219	11	1	229	188	14	1	201	28	31
Office Equipment	149	4	-	153	126	11	-	137	16	23
Air Conditioners	79	11	2	88	53	14	2	65	23	26
Computers	474	10	1	483	418	28	1	445	38	56
Vehicles	84	-	-	84	50	11	-	61	23	34
Current Year	1,268	36	4	1,300	1,006	82	4	1,084	216	262
Previous Year	1,189	95	16	1,268	763	256	13	1,006	262	-

II) INTANGIBLE ASSETS :

₹ in Lacs

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01.04.2015	Additions	Deductions / Adjustments	As at 31.03.2016	As at 01.04.2015	For the year	Deductions / Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Application Software	292	-	-	292	292	-	-	292	-	-
Current Year	292	-	-	292	292	-	-	292	-	-
Previous Year	292	-	-	292	197	95	-	292	-	-
TOTAL I + II C.Y.	1,560	36	4	1,592	1,298	82	4	1,376	216	262
TOTAL I + II P.Y.	1,481	95	16	1,560	960	351	13	1,298	262	-

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

NOTE 11

NON-CURRENT INVESTMENTS

	Face Value	No.	₹ in Lacs	
			As at 31.03.2016	As at 31.03.2015
(1) NON-TRADE INVESTMENTS (UNQUOTED) (Valued at cost unless stated otherwise)				
Equity Shares (Refer Note 11.1 below)			30	33
Redeemable Preference Shares (Refer Note 11.1 below)			950	950
TOTAL			980	983

NOTE:

In terms of the order of Honourable High Court, Bombay, the face value of equity shares of GIC Asset Management Company Ltd. has been reduced to ₹ 1.35 from ₹ 1.50. Consequently the Company has received a sum of ₹ 3.14 Lacs towards the reduction in face value of its investments.

NOTE 11.1 :

	Face Value	No.	₹ in Lacs	
			As at 31.03.2016	As at 31.03.2015
(a) Equity shares :				
GIC Asset Management Co. Ltd.	1.35	20,99,996	29	32
The Janakalyan Co-op. Bank Ltd.	10	5,000	0.50	0.50
The Kalyan Janata Co-op. Bank Ltd.	25	2,000	0.50	0.50
Total Equity Shares			30	33
(b) Redeemable Preference Shares :				
15.5% NEPC MICON Ltd.	10	5,00,000	50	50
14.5% Vitara Chemicals Ltd.	100	2,00,000	200	200
16% Modern Threads Ltd.	100	1,00,000	100	100
16% Premier Housing & Industrial Enterprises Ltd.	100	2,00,000	200	200
15% Electrex India Ltd.	100	2,00,000	200	200
16% Ace Laboratories Ltd.	100	2,00,000	200	200
Total Redeemable Preference Shares			950	950
(c) Aggregate amount of Quoted Investments			-	-
Market value of Quoted Investments			-	-
Aggregate amount of Unquoted Investments			980	983

(d) The Company is carrying aggregate provision for diminution in the value of investments of ₹ 979 Lacs (Previous year ₹ 982 Lacs) (Refer Point No. 13 of Note No. 25 (Notes forming part of Accounts)).



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

NOTE 12

DEFERRED TAX ASSETS (NET)

(Refer Point No. 11 of Note No. 25 (Notes forming part of Accounts))

Deferred Tax Assets

Deferred Tax Liabilities

Deferred Tax Assets (Net)

₹ in Lacs

As at 31.03.2016	As at 31.03.2015
7,430	6,814
6,286	3,054
1,144	3,760

NOTE 13

LONG TERM LOANS AND ADVANCES

(a) Security Deposits

(Unsecured and considered good)

(b) Advances Recoverable in cash or kind Loans to staff

(Secured considered good)

(c) Advance tax and tax deducted at source

(Net of Provision for Tax)

(d) Prepaid Expenses

TOTAL

₹ in Lacs

As at 31.03.2016	As at 31.03.2015
219	186
465	440
1,060	1,066
76	31
1,820	1,723

NOTE 14

OTHER NON-CURRENT ASSETS

Other Bank Balance

- Deposits with original Maturity for more than 12 months

TOTAL

₹ in Lacs

As at 31.03.2016	As at 31.03.2015
-	144
-	144

NOTE 15

LOANS :

(Secured, Refer Point No. 1 & 14 of Note No. 25 (Notes forming part of Accounts))

A. NON-CURRENT :

- Individuals - (Refer Note 15.1)

- Non-Individuals

TOTAL (A)

₹ in Lacs

As at 31.03.2016	As at 31.03.2015
7,56,564	6,29,301
453	453
7,57,017	6,29,754
-	-
34,208	30,040
-	-
34,208	30,040
7,91,225	6,59,794

B. CURRENT (Repayable within one year)

- Individuals - (Refer Note 15.1)

- Non-Individuals

TOTAL (B)
TOTAL (A)+(B)

Note 15.1

Loans due by Directors and their relatives aggregates to ₹ 73.90 Lacs (Previous Year ₹ 96.41 Lacs).

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

NOTE 16

TRADE RECEIVABLES

Accrued Interest on Housing Loans

(Secured, considered good)

Others

(Secured, considered good)

	₹ in Lacs	
	As at 31.03.2016	As at 31.03.2015
	1,149	877
	64	64
TOTAL	<u>1,213</u>	<u>941</u>

NOTE 17

CASH AND BANK BALANCES

Cash and cash equivalents :

- a) Balances with Banks
 - On Current Account
 - On Unpaid Dividend

b) Cash on Hand

c) Remittances in transit

Other Bank Balances

- Deposits with original Maturity for more than 3 months but less than 12 months

	₹ in Lacs	
	As at 31.03.2016	As at 31.03.2015
	4,677	3,785
	114	107
	4,791	3,892
	107	77
	139	150
	197	38
TOTAL	<u>5,234</u>	<u>4,157</u>

NOTE 18

SHORT-TERM LOANS AND ADVANCES

- (i) Staff Loans Receivable within Year (Secured)
 (ii) Advances recoverable in cash or in kind or for value to be received
 (iii) Advances to Employees
 (iv) Prepaid Expenses

	₹ in Lacs	
	As at 31.03.2016	As at 31.03.2015
	24	22
	156	207
	6	3
	120	71
TOTAL	<u>306</u>	<u>303</u>

NOTE 19

INTEREST INCOME:

- (a) Interest on Loans
 (b) Other Interest

	₹ in Lacs	
	Year ended 31.03.2016	Year ended 31.03.2015
	85,728	70,984
	-	614
TOTAL	<u>85,728</u>	<u>71,598</u>



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

NOTE 20

OTHER FINANCIAL SERVICES :

Fees and Other Charges

	₹ in Lacs	
	Year ended 31.03.2016	Year ended 31.03.2015
TOTAL	1,716	1,493
	1,716	1,493

NOTE 21

OTHER INCOME :

- (a) Dividend (Refer Note 21.1)
 (b) Net Gain on sale of Investment :
 - Current Investments
 (c) Other Non-Operating Income
 - Miscellaneous Income
 - Interest on Tax Refunds

	₹ in Lacs	
	Year ended 31.03.2016	Year ended 31.03.2015
TOTAL	193	183
	193	183

Note 21.1 :

During the year Company has received Dividend amounting to ₹ 0.10 Lacs (Previous Year ₹ 0.075 Lacs)

NOTE 22

FINANCE COST

INTEREST EXPENSES :

- On Term loans (Secured)
 On NCDs (Secured)
 On Term loans (Unsecured)
 On Commercial Papers (Unsecured)

	₹ in Lacs	
	Year ended 31.03.2016	Year ended 31.03.2015
TOTAL	60,065	50,893
	60,065	50,893

NOTE 23

EMPLOYEE BENEFITS EXPENSES :

- Salaries
 Company's Contribution to Provident and other Funds
 Staff Welfare Expenses

	₹ in Lacs	
	Year ended 31.03.2016	Year ended 31.03.2015
TOTAL	2,259	1,956
	2,259	1,956

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

NOTE 24

OTHER EXPENSES

	₹ in Lacs	
	Year ended 31.03.2016	Year ended 31.03.2015
Rent	571	540
Rates and Taxes	5	4
Repairs and Maintenance :		
Building	26	153
Others	352	297
	378	450
General Office Expenses	118	104
Insurance	156	161
Travelling and Conveyance	78	59
Printing and Stationery	71	64
Advertisement	227	222
Legal and Professional Fees	2,543	1,563
Directors Sitting Fees	12	5
Corporate Social Responsibility (CSR) Expenses	108	-
Miscellaneous Expenses	256	288
Auditor's Remuneration :		
Audit Fees	10	7
Tax Audit Fees	2	2
Fees for other services/quarterly limited review	9	7
	21	16
TOTAL	4,544	3,476



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

NOTE 25 NOTES FORMING PART OF THE ACCOUNTS:

1. Housing loans are secured by:

- Equitable mortgage of property and/or;
- Assignment of Life Insurance Policies and/or guarantee of solvent guarantors and/or any other acceptable collateral securities wherever applicable, and,
- Corporate Guarantees, wherever applicable.

2. Contingent Liabilities:

- The Company has pending Income Tax disputes of ₹ 276 Lacs (Previous Year – ₹ 326 Lacs). It has preferred appeal/s against the same and also has made payments under protest.
- Bank Guarantees:
 - ₹ 75 Lacs given in favour of Kotak Mahindra Old Mutual Life Insurance Ltd. in lieu of premium deposit for “Kotak Term Group Plan” Policy contract to avail Term Group Plan cover for borrowers. (Previous Year – ₹ 75 Lacs).
 - ₹ 50 Lacs given in favour of Future Generali India Life Insurance Company Ltd. in lieu of premium deposit for “Future Generali Loan Suraksha Plan” policy contract to avail Credit Life Group Plan Cover for borrowers (Previous Year - ₹ NIL).
- During the year the Company has incurred expenditure on foreign travel amounting to ₹ NIL (Previous Year ₹ NIL).
- Housing Loans include loans against which the company has commenced action under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 including possession of properties and part recovery of auction proceeds aggregating to ₹ 5,166 Lacs (Previous Year ₹ 3,781 Lacs).

5. Employee Benefits:

Defined Contribution Plan:

The Company makes contribution to Employees’ Pension Scheme, 1995 for all employees and Employee State Insurance Scheme for all eligible employees to defined contribution plans. The Company recognized ₹ 17 Lacs (Previous year ₹ 15 Lacs) for Employees’ Pension Scheme and ₹ 1 Lacs (Previous year ₹ 1 Lacs) for Employee State Insurance Scheme in the Statement of Profit and Loss. The contributions payable by the Company are at rates specified in the rules of the schemes.

Defined Benefit Plans:

Provident Fund

An amount of ₹ 140 Lacs (Previous year ₹ 102 Lacs) has been charged to Statement of Profit and Loss on account of this defined benefit scheme.

Leave Encashment

An amount of ₹ 72 Lacs (Previous year ₹ 105 Lacs) has been charged to Statement of Profit and Loss for this benefit scheme during the year.

Gratuity Plan

Gratuity is payable to all the members at the rate of 15 days salary for each completed year of Service.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

6. Disclosure in respect of Gratuity liability:

₹ in Lacs

Particulars	Gratuity (Funded)	
	Year ended 31/03/2016	Year ended 31/03/2015
The major categories of plan assets as a percentage of total plan		
Qualifying Insurance Policy	100%	100%
Changes in the present value of the obligation		
1 Present Value of obligation at the beginning of the year	421	253
2 Interest Cost	34	23
3 Current Service Cost	37	22
4 Past Service Cost	-	-
5 Benefits Paid	(24)	-
6 Actuarial (gain)/loss on Obligation	56	123
7 Present Value of obligation at the end of the year	524	421
Reconciliation of Net Asset/(Liability) recognized in the Balance sheet during the year ended 31st March, 2016		
1 Present Value of obligation at the end of the year	524	421
2 Fair value of plan Assets at the end of the year	228	229
3 Amount recognized as Liability	296	192
Changes in the Fair Value of Assets		
1 Fair value of plan Assets at beginning of the year	229	196
2 Expected Return on Plan assets	18	17
3 Contributions	4	15
4 Benefits Paid	(24)	-
5 Actuarial gain(loss) on Plan Assets	1	1
6 Fair value of plan Assets at the end of the year	228	229
Profit & Loss – Expenses		
1 Current Service Cost	37	22
2 Interest Cost	34	23
3 Expected Return on Plan assets	(18)	(17)
4 Net Actuarial (gain) loss recognized in the year	54	123
5 Past Service Cost	-	-
6 Expenses recognized in the Statement of Profit & Loss	107	151
Actuarial Assumptions		
1 Discount Rate	8.07%	7.96%
2 Expected Rate of Return on Plan Assets	8.07%	7.96%
3 Expected Rate of Salary Increase	7%	7%
4 Attrition Rate	2%	2%
5 Mortality Post –retirement		
	Indian Assured Lives Mortality (2006-08)	

The estimate of future salary increase considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

Expected contribution to Gratuity Fund in next year aggregates to ₹ 96 Lacs (Previous Year ₹ 4 Lacs).

Gratuity:

	₹ in Lacs				
	2015-16	2014-15	2013-14	2012-13	2011-12
Present Value of Obligation at the end of year	524	421	253	217	165
Fair value of Plan Assets at the end of year	228	229	196	155	114
Surplus/(Deficit)	(296)	(192)	(57)	(62)	(51)

Leave Encashment:

Particulars	₹ in Lacs	
	Year Ended 31/03/2016	Year Ended 31/03/2015
Leave Encashment (Unfunded)		
Changes in the present value of the obligation		
1 Present Value of obligation at the beginning of the year	267	162
2 Interest Cost	21	15
3 Current Service Cost	36	17
4 Past Service Cost	-	-
5 Benefits Paid	(90)	(58)
6 Actuarial (gain)/loss on Obligation	104	131
7 Present Value of obligation at the end of the year	338	267
Actuarial Assumptions		
1 Discount Rate	8.07%	7.96%
2 Expected Rate of Salary Increase	7%	7%
3 Attrition Rate	2%	2%

7. Segment Reporting:

The Company's main business is to provide loans for the purchase or construction of residential units. Hence, there are no separate reportable segments as per Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Amendment Rules, 2014.

8. Related Party Transactions:

Names of Related Parties and description of relationship

Key Management Personnel:

Managing Director & CEO – Shri Warendra Sinha (on deputation from GIC Re.)

Particulars	₹ in Lacs	
	Year ended 31/03/2016	Year ended 31/03/2015
Salary	17	15
Salary Arrears	14	-
Leave Encashment and other allowances	5	6
Performance Incentive	5	3
Contribution to Pension and other funds	1	1
Perquisites	3	2
TOTAL :	45	27
Housing Loan Closing Balance	NIL	NIL
Maximum Balance during the period	NIL	NIL

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

Sr. Vice President, Company Secretary & CFO – Shri S. Sridharan

₹ in Lacs

Particulars	Year ended	Year ended
	31/03/2016	31/03/2015
Salary	16	15
Salary Arrears	2	-
Leave Encashment and other allowances	5	4
Ex-Gratia	1	1
Contribution to Pension and other funds	2	1
Perquisites	3	3
TOTAL :	29	24
Housing Loan and Other Advances Closing Balance	14	NIL
Maximum Balance during the period	15	NIL

9. Leases:

Company has entered into agreements for taking on lease basis certain office premises. Lease payments recognized in the Statement of Profit and Loss for the year is ₹ 488 Lacs (Previous Year ₹ 475 Lacs)

Future lease rental obligation under these leases:

- Not later than one year: ₹ 94 Lacs (Previous Year ₹ 60 Lacs)
- Later than one year and not later than five years : ₹ 270 Lacs (Previous Year ₹ 243 Lacs)
- Later than five years : ₹ 28 Lacs (Previous Year ₹ 19 Lacs)

10. Earnings per Share:

Particulars	Year ended	Year ended
	31/03/2016	31/03/2015
Profit attributable to Equity Shareholders (₹ in Lacs)	12,450	10,296
No. of Weighted Average Equity Shares outstanding during the year(Basic & Diluted)	5,38,51,066	5,38,51,066
Nominal Value of Equity Shares (in ₹)	10	10
Basic Earnings per Share (in ₹) (Basic & Diluted)	23.12	19.12

11. Deferred tax Assets:

In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22) notified under the Companies (Accounting Standards) Amendment Rules, 2014, the Company has charged ₹ 551 Lacs (Previous year has taken credit of ₹ 214 Lacs) in the Statement of Profit and Loss during the current financial year.

Pursuant to National Housing Bank (NHB) Circular No. NHB/(ND)/DRS/Policy Circular 65/2014-15 dated 22nd August, 2014, the Company has opted to create Deferred Tax Liability (DTL) on the balance in Special Reserve under section 36(1)(viii) of Income-tax Act, 1961 as at 31st March, 2014, over the period of 3 years starting from the financial year 2014-15, in a phased manner in the ratio of 25:25:50. Accordingly, expenditure, due to the creation of DTL on Special Reserve, amounting to ₹ 2,066 Lacs, not previously charged to the Statement of Profit and Loss, has now been adjusted directly from the General Reserves (Previous year ₹ 2,066 Lacs). Had this amount been charged to the Statement of Profit and Loss in accordance with the generally accepted accounting principles in India, the amount of Profit for the year had been lower by such amount.

The estimated amount of expenditure to be adjusted directly from Reserve, due to non-creation of DTL on Special Reserve upto 31st March, 2014, for the financial year 2016-17 would be ₹ 4,131 Lacs.



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

Major components of deferred tax assets and liabilities are as follows:

₹ in Lacs

Particulars	Year ended	
	31/03/2016	31/03/2015
Deferred Tax Assets:		
Provision for Loans and Contingencies	7,118	6,571
Provision for Leave Encashment	117	92
Provision for Gratuity	102	67
Provision for Rent	48	40
Depreciation and Amortization	45	44
TOTAL	7,430	6,814
Deferred Tax Liability:		
Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961	6,286	3,054
TOTAL	6,286	3,054
Deferred Tax Asset (Net)	1,144	3,760

12. Details of Movement in Provisions:

₹ in Lacs

Particulars	Year ended			
	Opening as on 01.04.2015	Provision made during the year	Provision Reversed/ Adjusted during the year	Closing as on 31.03.2016
Non-Performing Assets*	11,839	2,603	68	14,374
Standard Assets*	4,263	1,887	-	6,150
Housing Loans under Differential Interest Rate	2,886	-	2,844	42
Investments	982	-	3	979
Taxation	27,675	6,110	5,129	28,656

*Including Floating Provision

Outflow in respect of above provisions; both timing & certainty would depend on developments/Outcome of these events.

13. Disclosure regarding provisions made for sub-standard, doubtful and loss assets and depreciation in investments as per the Prudential Norms (revised) contained in the National Housing Bank Guidelines.

a) HOUSING LOANS:

₹ in Lacs

Asset Classification	Year ended 31/03/2016		Year ended 31/03/2015	
	Outstanding Balance	Provisions	Outstanding Balance	Provisions
Standard Assets *	6,35,619	4,829	3,97,836	3,216
Differential Interest Rate Assets	1,701	42	1,37,002	2,886
Sub-standard Assets*	3,690	3,690	3,964	3,964
Doubtful Assets *	8,374	8,374	6,856	6,856
Loss Assets	723	723	728	728
TOTAL	6,50,107	17,658	5,46,386	17,650

*Including Floating Provision

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

b) NON-HOUSING LOANS:

₹ in Lacs

Asset Classification	Year ended 31/03/2016		Year ended 31/03/2015	
	Outstanding Balance	Provisions	Outstanding Balance	Provisions
Standard Assets	1,39,531	1,321	1,13,117	1,047
Sub-standard Assets*	1,395	1,395	255	255
Doubtful Assets *	192	192	36	36
TOTAL	1,41,118	2,908	1,13,408	1,338

*Including Floating Provision

c) INVESTMENTS:

₹ in Lacs

Asset Classification	Year ended 31/03/2016		Year ended 31/03/2015	
	Outstanding Balance	Provisions	Outstanding Balance	Provisions
Loss Assets:				
Equity Shares	30	29	33	32
Preference Shares	950	950	950	950
TOTAL	980	979	983	982

14. The Classification of Assets and Liabilities into Current and Non-Current is carried out based on their residual maturity profile as per the requirement of Schedule III to the Companies Act, 2013.
15. Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010. During the current financial year:
- No penalty has been imposed by National Housing Bank on the Company.
 - NHB during their annual inspection had observed that the Company had overstated NOF & CRAR by ₹ 251 Lacs & 0.05%, respectively for the financial year 2013-14 due to negative amortization cases amounting to ₹ 1,828 Lacs not considered as NPA. This has no impact for the current financial year.
16. Disclosure in the Balance Sheet as per NHB Guidelines on Asset Liability Management (ALM) System for HFCs – Guidelines (NHB/ND/DRS/PoI-No. 35/2010-11) dated 11th October, 2010.

a) Capital to Risk Assets Ratio (CRAR):

Items	Year ended 31/03/2016	Year ended 31/03/2015
i) CRAR (%)	17.40	15.36
ii) CRAR - Tier I capital (%)	17.40	15.36
iii) CRAR - Tier II Capital (%)	-	-



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

b) Exposure to Real Estate Sector:

Category	₹ in Lacs	
	Year ended 31/03/2016	Year ended 31/03/2015
a) Direct exposure		
(i) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹15 Lacs may be shown separately)		
Individual Housing Loans upto ₹15 Lacs	3,93,382	3,58,190
Individual Housing Loans above ₹15 Lacs	3,76,502	2,81,745
Housing Loans to Corporate Bodies	-	-
(ii) Commercial Real Estate –		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;		
Commercial Loans	775	871
Housing Loans to Others	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
a) Residential	-	-
b) Commercial Real Estate	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

The above figures are shown net off provisions.

c) Asset Liability Management:

Maturity pattern of certain items of assets and liabilities

	₹ in Lacs										
	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Borrowings from banks	5,100	2,937	7,083	23,795	53,358	2,25,259	1,60,036	1,16,098	45,184	-	6,38,850
Market Borrowings	-	32,154	24,602	-	-	4,500	-	-	-	-	61,256
Assets											
Advances	2,809	2,761	2,776	8,426	17,263	73,619	79,365	84,999	1,32,114	3,66,527	7,70,659
Investments	-	-	-	-	-	-	-	-	-	0.50	0.50

Note: Advances and Investments under the head 'Assets', are shown net off provisions as per the NHB Guidelines on Asset Liability Management (ALM) System for HFCs.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2016

17. Disclosure in the Balance Sheet as per NHB Guidelines on Reserve Fund under Section 29C of the NHB Act, 1987 – Guidelines (NHB(ND)/DRS/Pol.Circular.61/2013-14) dated April 7, 2014.

	₹ in Lacs	
	Year ended 31/03/2016	Year ended 31/03/2015
Reserves & Surplus		
Statutory Reserve		
(As per Section 29C of the National Housing Bank Act, 1987)		
Opening Balance	456	456
Addition during the year	-	-
Appropriation during the year	-	-
Closing Balance	456	456
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	456	456
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	26,731	23,875
TOTAL (a + b)	27,187	24,331
Addition/ Appropriation/ Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	3,372	2,856
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	456	456
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	30,103	26,731
TOTAL (a + b)	30,559	27,187

18. Figures for previous year have been regrouped / reclassified wherever necessary.

19. Figures have been rounded off to the nearest Rupees in Lacs wherever necessary.

As per our Report attached of even date

For and on behalf of the Board of Directors

CNK & Associates LLP

Chartered Accountants

ICAI Firm Reg. No. 101961W

(Suresh S. Agaskar)

Partner

Membership No. 110321

Alice G. Vaidyan

Chairperson

Y. Ramulu

Director

Warendra Sinha

Managing Director & CEO

Place: Mumbai

Date: 29th April, 2016

S. Sridharan

Chief Financial Officer

(Sr. Vice President & Company Secretary)

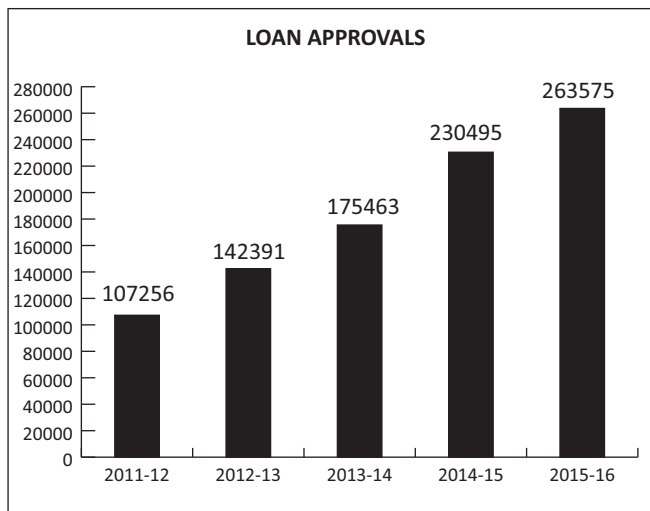
FINANCIAL ANALYSIS AND PERFORMANCE MEASURES

Achievements in 2015-16

Loan approvals during the year

During the year, the Company sanctioned ₹ 2,63,575 lacs under “Apna Ghar Yojana” (loan to individuals)

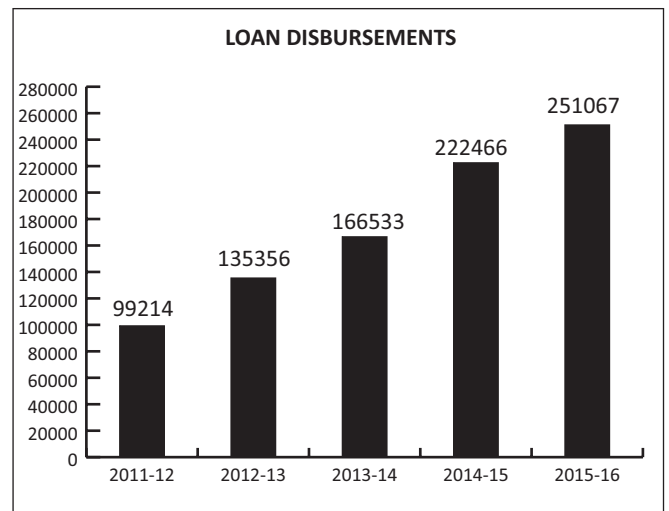
(₹ in Lacs)



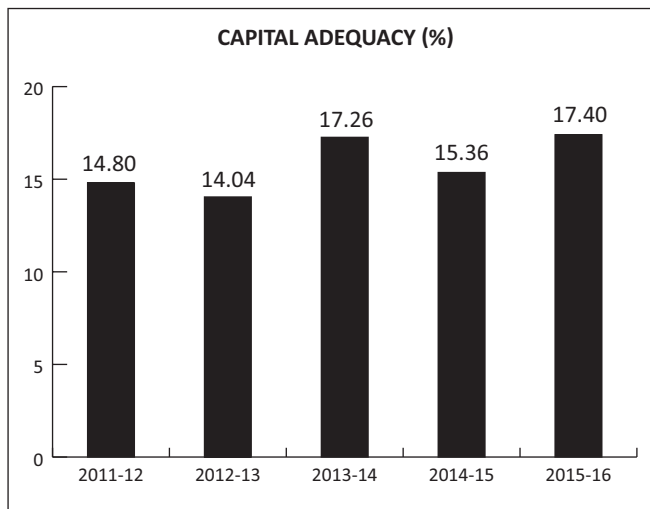
Loan disbursements during the year

During the year, the Company disbursed ₹ 2,51,067 lacs under “Apna Ghar Yojana” (loan to individuals)

(₹ in Lacs)



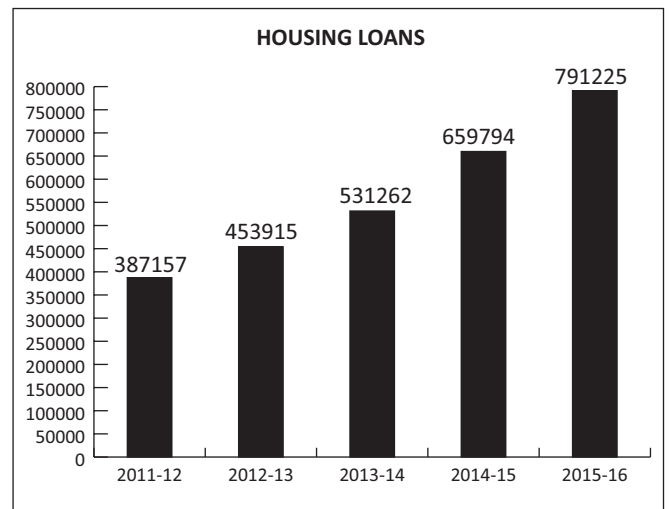
Capital Adequacy



Housing Loans

The Housing Loans Portfolio rose by 19.92% for the year 2015-16

(₹ in Lacs)

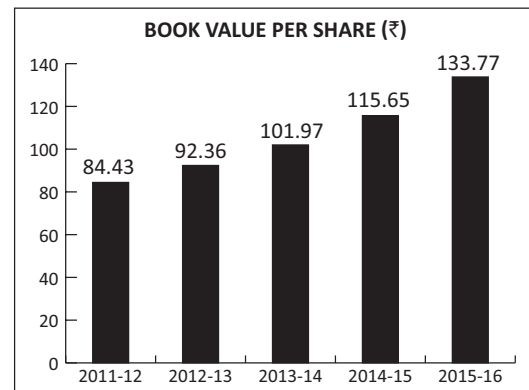
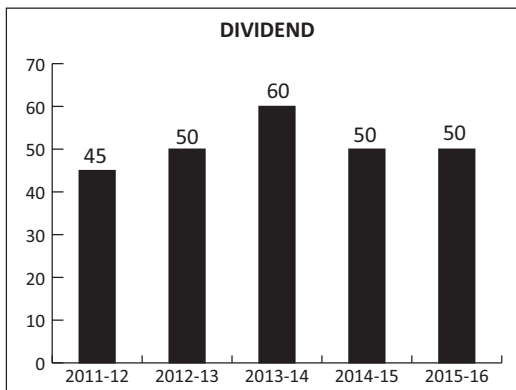
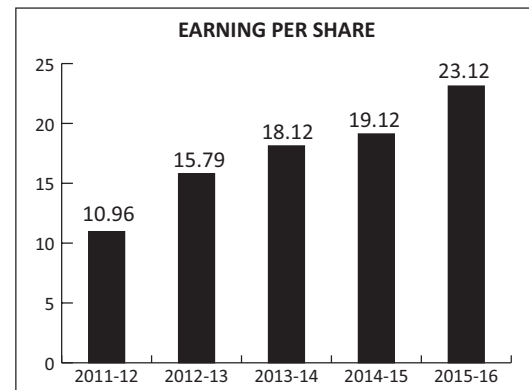
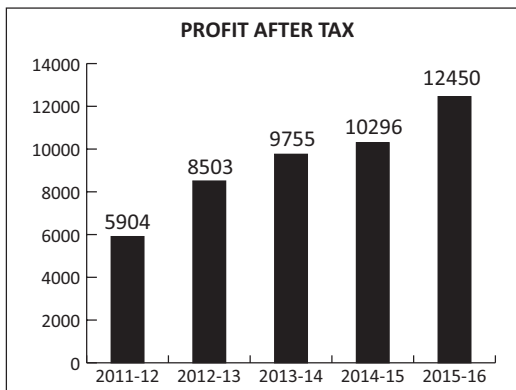
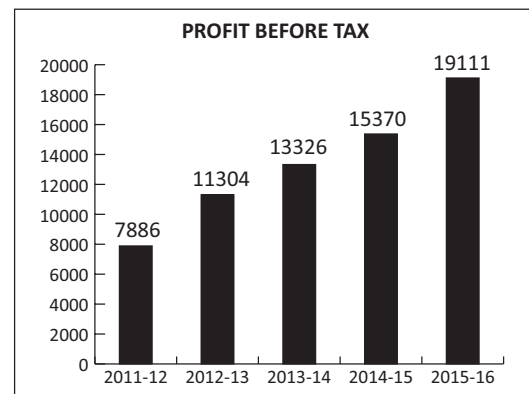
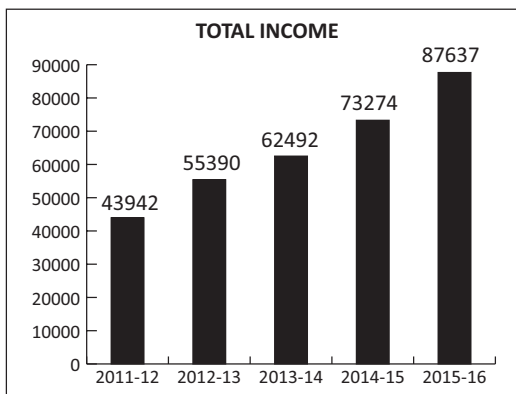


FIVE YEARS AT A GLANCE

Comparative Statement

(₹ in Lacs)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Total Income	87,637	73,274	62,492	55,390	43,942
Profit Before Tax	19,111	15,370	13,326	11,304	7,886
Profit After Tax	12,450	10,296	9,755	8,503	5,904
Earning per Share (₹)	23.12	19.12	18.12	15.79	10.96
Dividend (%)	50	50	60	50	45
Book Value per Share (₹)	133.77	115.65	101.97	92.36	84.43





Inauguration of Greater Noida Branch - 21st September, 2015



GIC Housing Finance Meet - 5th April, 2016

**Look at the
big picture; like
DOUBLING
OUR SIZE
in 3 years**



We must be doing something right.

Our turnover has now crossed Rs. 8,000 crores, but our commitment to our customers and stakeholders hasn't changed a bit. Our operating Offices have grown from 32 to 62. Profitability and dividends are consistent, year after year. After all, it's not how big you grow, it's how faithful you remain. Thank you for your support.



GIC HOUSING FINANCE LTD.

YOUR ROAD TO A DREAM HOME

PROMOTERS: General Insurance Corporation of India | The New India Assurance Company Ltd. | United India Insurance Company Ltd. | The Oriental Insurance Company Ltd. | National Insurance Company Ltd.