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Pitampura, Hinjewadi, Barasat, Mangalore and Guwahati - new Offices with upgraded systems that bring higher levels of efficiency to our service, taking us closer to you.



GIC HOUSING FINANCE LTD.

YOUR ROAD TO A DREAM HOME

ANNUAL REPORT 2016-17

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.



26th Annual General Meeting - 27th July, 2016



Training Programme - 23rd December, 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 S. Gopakumar	Managing Director & CEO

SENIOR VICE PRESIDENT & COMPANY SECRETARY (CFO)

Shri S. Sridharan

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, Corporation Bank, Deutsche Bank AG, HDFC Bank Limited, Indian Bank, Kotak Mahindra Bank Ltd., Kotak Mahindra Old Mutual Life Insurance Limited, Oriental Bank of Commerce, Punjab & Sind Bank, State Bank of India, Syndicate Bank, Union Bank of India, United Bank of India, Vijaya Bank, ICICI Bank Ltd, The Jammu & Kashmir Bank Ltd, SBI life Insurance Company Ltd.

REGISTERED OFFICE

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

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate,
Mumbai- 400001. Tel. No. 022-40807000

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

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27th ANNUAL GENERAL MEETING

Date	:	Monday, 24th July, 2017
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 S. Gopakumar

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- 1) Shri K. Sanath Kumar – Chairman
- 2) Smt. Mona Bhide
- 3) Shri S. Gopakumar

MANAGEMENT

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

BUSINESS HEAD

Sr. No.	Branch Offices	Manager
1	Ahmedabad	Mr. Amit Thakur
2	Barasat	Mr. Akshay Singh Thakur
3	Bengaluru	Mr. S Vijayaramesh
4	Bhubaneswar	Mr. Siddhartha Roy
5	Boisar	Mr. Santosh Janaba Khavare
6	Borivali	Mr. Nayan Ghag
7	Chandanagar	Mr. S Prashanth Kumar
8	Chandigarh	Mr. Pramender Singh
9	Chennai	Mr. Sanjay Koppikar
10	Chinchwad	Mr. Joseph Thomas
11	Coimbatore	Mrs. B Chitra
12	Dehradun	Mr. Akshay Kumar Singh
13	Delhi	Mr. Muneshwar N Basutkar
14	Durgapur	Mr. Dibyendu Mohan Das
15	Dwarka	Mr. Bidyut Pal
16	Diamond Harbour	Mr. N. Ragothaman
17	Electronic City	Mr. R Ramachandran
18	Garia	Mr. Santosh Singh
19	Ghaziabad	Mr. Shanish Sharma
20	Greater Noida	Mr. Lohit T. V.
21	Gurgaon	Mr. Vinayak Kumar
22	Guwahati	Mr. Subhjit Basu
23	Hadapsar	Mr. Vicky Adtani
24	Hinjewadi	Mr. Dhanraj Basavraj Patil
25	Hyderabad	Mr. Mainak Pal
26	Indore	Mrs. Kriti Kaul Ogra
27	Jaipur	Mr. Sukhendu Acharya
28	Jodhpur	Mr. Ganesh Singh Hada
29	Kalyan	Mr. Rohit Medhekar
30	Kochi	Mr. H S Gowrishankar
31	Kolhapur	Mrs. Meenu Mohan
32	Kolkata	Mr. N Ragothaman
33	Kozhikode	Mr. Tom Thomson
34	L B Nagar	Mr. Mahesh Mogaveera
35	Lucknow	Mr. Deepak Kumar
36	Ludhiana	Mr. Nitesh Kumar
37	Malout	Mr. Pramendar Singh
38	Madurai	Mr. V Bhaskar
39	Madgaon	Mr. Harish Kamath
40	Mangalore	Mr. Shashidhara A Mogaveera
41	Meerut	Mr. Sawrabh Kumar
42	Mumbai	Mrs. Supriya Joshi
43	Nagpur	Mr. Ramesh More
44	Nashik	Mr. Ankush Arjun Raut
45	Navi Mumbai	Mrs. Mahalakshmi Sharma
46	Nere Panvel	Mr. Ramesh Gaikwad
47	Noida	Mr. K Jagadish
48	Panaji	Mr. Christopher D Souza
49	Panvel	Mr. Amit Kumar Jha
50	Patiala	Mr. Varun Mehta
51	Patna	Mr. Mukul Kumar
52	Pitampura	Mr. Chakradhar Shah
53	Porur	Mr. Sreenivas Putta
54	Pune	Mr. Yogesh Deshpande
55	Raipur	Mr. Imran Ahamad Ansari
56	Tambaram	Mr. G Rajasekar
57	Thane	Mr. Sudhir Vishnu Kasbekar
58	Trichy	Mr. K G Krishnan
59	Trivandrum	Mr. K V Govindanath
60	Vadodara	Mr. Rushi Bhailalbhai Bharati
61	Vasai	Mrs. Sushma Rohit Shetty
62	Vijayawada	Mr. K Appa Rao
63	Virar	Mr. Chandra Mogaveera
64	Vizag	Mrs. Asha Somayajula
65	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 S. Gopakumar
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

27th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of **GIC HOUSING FINANCE LTD.** will be held on **Monday, 24th July, 2017** 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(es):

ORDINARY BUSINESS:

ITEM NO. 1: Adoption of Audited Annual Financial Statements for the year ended 31st March, 2017 together with the Reports of the Directors and Auditors thereon.

To receive, consider and adopt the audited Annual Financial Statements for the year ended 31st March, 2017 together with the Reports of the Directors and Auditors thereon.

ITEM NO. 2: Declaration of Dividend for the year ended 31st March, 2017.

To declare dividend on Equity Shares for the financial year ended on 31st March, 2017.

ITEM NO. 3: Reappointment of Director, Shri Y. Ramulu (DIN 07234450).

To appoint a Director in place of Shri Y. Ramulu (DIN 07234450) who retires by rotation and, being eligible, offers himself for reappointment.

ITEM NO. 4: Ratification of appointment of Statutory Auditors.

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 28th 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: Reappointment of Shri B. Chakrabarti (DIN No. 00017513), Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri B. Chakrabarti (DIN: 00017513), who is eligible for re-appointment for 2nd term and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company upto the conclusion of 29th AGM, not liable to retire by rotation.”

ITEM NO. 6: Reappointment of Shri M. K. Garg (DIN No. 00081454), Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri M. K. Garg (DIN: 00081454), who is eligible for re-appointment for 2nd term and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company upto the conclusion of 29th AGM, not liable to retire by rotation.”

ITEM NO. 7: Reappointment of Shri A. V. Muralidharan (DIN No. 00015725), Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri A. V. Muralidharan (DIN: 00015725), who is eligible for re-appointment for 2nd term and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company upto the conclusion of 29th AGM, not liable to retire by rotation.”



ITEM NO. 8: Appointment of Shri S. Gopakumar, Managing Director & CEO (DIN 07542356).

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

“**RESOLVED THAT Shri S. Gopakumar**, who was appointed as an Additional Director of the Company pursuant to the Article 111 of Articles of Association of the Company with effect from 8th November, 2016 and who holds office upto the forthcoming Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, is eligible for appointment as Managing Director & CEO of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and subject to approval of the shareholders at their meeting and any other approvals, as may be applicable Shri S. Gopakumar be and is hereby appointed as Managing Director & CEO, on and from 8th November, 2016 for initially two years or up to his extended period of deputation, if any, at the remuneration he is entitled to in accordance with the Service Regulations applicable in the pay scale VII for General Manger cadre of The Oriental Insurance Company Ltd. with any modifications, revisions, thereof, if any that might take place from time to time, and also eligible for perquisites and performance incentives as applicable for the post of Managing Director & CEO in our Company subject to ceiling limits prescribed by Schedule V of the Companies Act, 2013.”

ITEM NO. 9: Increase in the Borrowing Powers of the Company.

To consider and if thought fit, to pass with or without modification(s), as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the Resolution dated 17th December, 2015 passed by the Shareholders through Postal Ballot, consent be and is hereby accorded to the Board of Directors of the Company including any Committee thereof for the time being, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 & other applicable provisions of the Companies Act, 2013 including any statutory modifications or re-enactments thereof and Articles 66, 67 and 68 of the Articles of Association of the Company to borrow money either in rupees or in such other foreign currencies, as may be permitted by law from time to time, as and when required, from Commercial Banks, Co-operative Banks, Financial Institutions, Mutual Funds, Public Financial Institutions, National Housing Bank, Promoters, Foreign Financial Institutions, Provident Fund Trusts, Pension Funds or from any other person(s) or entities as Term Loans, through issue of Commercial Paper, Masala Bonds, External Commercial Borrowings, through issue of secured Redeemable Non-Convertible Debentures on Private Placement basis which together with monies already borrowed by the Company (apart from temporary loans obtained from the Bankers of the Company in the ordinary course of the business) shall not exceed in the aggregate at any one time beyond ₹ **12,500 Crores (Rupees Twelve Thousand Five Hundred Crores Only)** irrespective of the fact such aggregate amount of borrowing outstanding at any one time may exceed the aggregate for the time being of the paid up capital of the Company and its free reserve i.e. reserve not set apart for any specific purpose”.

ITEM NO. 10: Creation of Charge on Movable and Immovable Properties.

To consider and if thought fit, to pass with or without modification(s), as a **Special Resolution**:

“**RESOLVED THAT** the consent of the Company be and is hereby granted in terms of Section 180(1)(a) of Companies Act, 2013 and other applicable provisions of any statutory modifications or re-enactments thereof and Article 67 of the Articles of Association of the Company and subject to all other necessary approvals to the Board to secure, for creation of mortgage or charge on all or any of the Company’s immovable and/or movable assets, both present and future, in such manner and on such terms as may be deemed fit and appropriate by the Board for the purpose of the said Borrowings.”

ITEM NO. 11: Private Placement of Redeemable Non-Convertible Debentures (NCDs)/Bonds.

To consider and if thought fit, to pass with or without modification(s), as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 42 and Section 71 of the Companies Act, 2013 and other applicable provisions, if any, of Companies Act 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014, as may be amended from time to time, SEBI (Issue and Listing of Debt Securities) Regulations, 2008 including any amendment, modification, variation or re-enactment thereof, EQUITY Listing Regulation, the Housing Finance Companies Issuance of Non-Convertible Debentures on a Private Placement basis (NHB) Directions, 2014 and subject to other applicable regulations/guidelines, consent of the Members of the Company, be and is hereby accorded for making offer(s) or invitation(s) to subscribe to Redeemable Non-Convertible Debenture (NCDs)/Bonds

of ₹ 800 Crores (Rupees Eight Hundred Crores only) in one or more series/tranches on a private placement basis on such terms and conditions as the Board may deem fit and appropriate for each series as the case may be during a period of 1 (One) year from the date of passing this Resolution which is within the overall limits of the Company as approved by Members from time to time.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized or authorize any person to do all acts, deeds and things necessary and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

ITEM NO. 12 : Related Party Transactions upto an aggregate limit of ₹ 1,000 Crores (Rupees One Thousand Crores) only.

To consider and if thought fit, to pass with or without modification(s), as a **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 (namely General Insurance Corporation of India, The New India Assurance Company Ltd., Oriental Insurance Company Ltd., United India Insurance Company Ltd. and National Insurance Company Ltd.) 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 28th AGM from the date of this Resolution including the transaction(s) already entered into with such party / parties.”

“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 : 26th April, 2017

Registered Office:

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

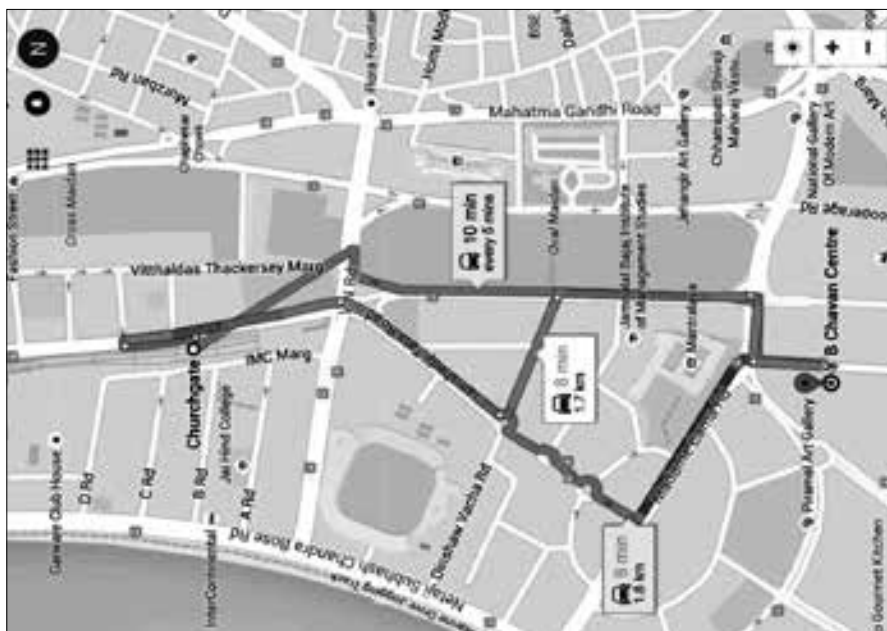
For and on behalf of the Board of Directors

Sd/-

S. Sridharan

Sr. Vice President & Company Secretary

ROAD MAP FOR 27TH 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 SENT ALONG WITH 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, 9, 10, 11 & 12 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 Tuesday, 18th July, 2017 to Monday, 24th July, 2017 (both days inclusive) in connection with the Annual General Meeting and for the purpose of payment of dividend for the year 2016-17.
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/ Registrar and Transfer agent on or before 17th July, 2017 (Monday), and
 - b) Whose names appear as Beneficial Owners in the list of Beneficial Owners on 17th July, 2017 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, Hyderabad-500032** (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 (2016-17).
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. Electric/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. **Karvy Computershare Pvt. Ltd.**, Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Hyderabad-500032. 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 2009-10, 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 124 of the Companies Act, 2013 in the month of September, 2017. Members, who have not yet encashed their dividend for the financial year 2009-10, are requested to lodge their claims with the Company or M/s. Karvy Computershare Pvt. Ltd. (RTA) without delay. During the year 2016-17, the Company has deposited a sum of ₹ **10,87,904/- (Rupees Ten Lacs Eighty-Seven Thousand Nine Hundred and Four only)** to Investor Education and Protection Fund of the Central Government, on account of unclaimed/unpaid dividend for the year 2008-09.
18. Those Members who have not encashed or received their dividend for the financial years 2009-10 to 2015-16 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, Hyderabad-500032.
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 and re-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. Company is sending physical copies of the Annual Report including Notice of the 27th Annual General Meeting of the Company inter alia **indicating the process and manner of e-voting** along with Attendance Slip and Proxy Form in the permitted mode to all the Members of the Company. Additionally, electronic copy of the Annual Report for the financial year 2016-17 is also being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes.



24. 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.

25. 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 27th 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 **National Securities Depository Limited (NSDL)**.
- 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 either by remote e-voting or 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 Wednesday, 19th July, 2017 (at 9.00 am) and ends on Sunday, 23rd July, 2017 (at 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 NSDL 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:

A) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participant(s)] :

- i) Open email and open PDF File viz; "remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF File contains your user ID and Password/PIN for e-voting. Please note that the Password is an initial password.
Note: Shareholders already registered with NSDL for e-voting will not receive the Pdf file "remote e-voting.pdf"
- ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii) Click on Member – Login
- iv) Put User ID and password as Initial password/PIN noted in step (i) above. Click Login.
- v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) Home Page of Remote e-voting opens. Click on e-voting: Active Voting cycles.
- vii) Select "EVEN" (Remote e-voting Event Number) of GIC Housing Finance Limited.
- viii) Now you are ready for e-voting as Cast Vote Page opens.
- ix) Cast your vote by selecting appropriate option and click on "Submit" and also "confirm" when prompted.
- x) Upon confirmation, the message "vote cast successfully" will be displayed.
- xi) Once you have voted on the resolution, you will not be allowed to modify your Vote.
- xii) Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy (in pdf or jpg format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail gichfl1234@gmail.com with a copy marked to evoting@nsdl.co.in



B) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- i) Initial Password is provided at the bottom of the attendance slip for the 27th AGM:
EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
- ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- g)** In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloads section of www.evoting.nsdl.com
- h)** If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

Note: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password?” or Physical User Reset Password?” option available www.evoting.nsdl.com.

In case shareholders are holding shares in demat mode, USER ID is the combination of (DP ID + Client ID).

In case shareholders are holding shares in physical mode, USER ID is the combination of (Even No. + Folio No.).

- i)** 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 Envelope Reply.
- j)** 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 expenses, such Ballot Form will also be accepted.
- k)** Unsigned, incomplete or incorrectly ticked forms shall be rejected.
- l)** The ballot must be received by the Scrutinizer on or before (Friday) 21st July 2017 (5.00 pm). 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 votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.
- m)** You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication(s).
- n)** The remote e-voting period commences on Wednesday, 19th July, 2017 (9.00 am) and ends on Sunday, 23rd July, 2017, (5.00 pm). 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 NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- o)** 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 17th July, 2017 (Monday). A person whose name is recorded in the register of Members or in the register of beneficial owners maintained by the Depositories as on cut-off date 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 of M/s Makarand M. Joshi & Co. has been appointed as Scrutinizer to scrutinize the voting by ballot paper and remote e-voting process in a fair and transparent manner.
- q)** 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 here in writing, who shall countersign the same and declare the result of the voting therewith.
- r)** The Results declared along with Scrutinizer’s Report shall be placed on the Website of the Company www.gichfindia.com and on the website of NSDL immediately after the declaration of result by the Chairperson authorized by him in writing and also the same will be communicated to the NSE and BSE Limited.



ANNEXURE TO THE NOTICE

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

ITEM NO. 5:

Shri B. Chakrabarti (DIN: 00017513), Chartered Accountant by Profession, is the ex-CMD of National Insurance Company Ltd. and The New India Assurance Company Ltd. He joined the General Insurance industry in 1974 as a direct recruit of the first batch of Specialist Officers. He began his career with United India Insurance Company Limited in Chennai. During his stay in the Indian General Insurance Industry, Shri B. Chakrabarti served on various committees.

Shri B. Chakrabarti was appointed as Additional Director (Independent Director) by the Board on 6th February, 2015 and his appointment as Independent Director was also approved by the Shareholders in the 25th AGM of the Company. The current term of Shri B. Chakrabarti will expire on 24th July, 2017.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of Five years.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of the rich experience, continued valuable guidance to the Management, it is proposed to re-appoint him for 2nd term as an Independent Director on the Board up to the conclusion of 29th AGM of the Company.

Your Director meets all the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Save and except Shri B. Chakrabarti, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the Resolution.

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

ITEM NO. 6:

Shri M. K. Garg (DIN: 00081454), Chartered Accountant by profession and a fellow of the Insurance Institute of India, is the ex-CMD of United India Insurance Company Limited. He joined the General Insurance Industry in 1976 and possesses a rich experience of more than three decades. He joined The New India Assurance Company Ltd. in the cadre of Assistant Administrative Officer. He was also Member of Vision 2,000 Core Group founded by the General Insurance Corporation of India and submitted recommendations for Insurance Sector reforms. He has also been a Director in Kenindia Assurance (Kenya) and Prestige Assurance (Nigeria).

Shri M. K. Garg was appointed as Additional Director (Independent Director) by the Board on 6th February, 2015 and his appointment as Independent Director was also approved by the Shareholders in the 25th AGM of the Company. The current term of Shri M. K. Garg will expire on 24th July, 2017.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of Five years.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of the rich experience, continued valuable guidance to the Management, it is proposed to re-appoint him for 2nd term as an Independent Director on the Board upto the conclusion of 29th AGM of the Company.

Your Director meets all the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Save and except Shri M. K. Garg, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the Resolution.

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

ITEM NO. 7:

Shri A. V. Muralidharan (DIN: 00015725) Chartered Accountant & Company Secretary by Profession, is the ex-CMD of Export Credit Guarantee Commission of India (ECGC) and retired in February 2011. He worked as DGM in the National Insurance Company Ltd. and was also Director & General Manager in The New India Assurance Company Ltd., before taking over as CMD of ECGC. He was also member



of National Insurance Academy, General Insurance Business Council of India, IRDA Insurance Investment Sub Committee and Board of Trade (India).

Shri A. V. Muralidharan was appointed as Additional Director (Independent Director) by the Board on 6th February, 2015 and his appointment as Independent Director was also approved by the Shareholders in the 25th AGM of the Company. The current term of Shri A. V. Muralidharan will expire on 24th July, 2017.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of five years.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of the rich experience, continued valuable guidance to the Management, it is proposed to re-appoint him for 2nd term as an Independent Director on the Board upto the conclusion of 29th AGM of the Company.

Your Director meets all the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Save and except Shri A. V. Muralidharan, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the Resolution.

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

ITEM NO. 8:

The Board of Directors of the Company appointed Shri S. Gopakumar as an Additional Director w.e.f. 8th November, 2016 and then as Managing Director & CEO as per Article 116 of the Articles of Association of the Company initially for a period of two years or up to his extended period of deputation if any at the remuneration he is entitled to in accordance with the Service Regulations applicable in the pay scale VII for General Manager cadre of The Oriental Insurance Company Ltd. with any modifications, revisions, thereof, if any that might take place from time to time, and also eligible for perquisites and performance incentives as applicable for the post of Managing Director & CEO in our Company subject to ceiling limits prescribed by Schedule V to the Companies Act, 2013. Your Directors believe that this appointment would be in the best interest of the Company and accordingly recommended the passing of the resolution proposed at item No. 8.

Shri S. Gopakumar is a General Manager (Scale VII) on Deputation from The Oriental Insurance Company Ltd.

Save and except Shri S. Gopakumar, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the Resolution.

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

ITEM NO. 9 & 10:

Vide Special resolution dated 17th December, 2015, passed by shareholders through postal ballot, the Members of the Company had accorded their consent to the Board of Directors to borrow any sum or sums of monies for the purposes of the Company not exceeding ₹ 10,000 crores (Rupees Ten Thousand Crores Only) (apart from temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business) in-terms of Section 180(1)(c) of the Companies Act, 2013. Taking into account the business plans of the Company, the Board of Directors may need to resort to further borrowings from time to time and hence it is proposed to revise the said limit upwards to ₹ 12,500 Crores (Rupees Twelve Thousand Five Hundred Crores Only). A fresh resolution is proposed authorising the Board of Directors to borrow any sum or sums of monies for the purposes of the company not exceeding ₹ 12,500 Crores (Rupees Twelve Thousand Five Hundred Crores Only) (apart from temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business) under Section 180(1)(c) of the Companies Act, 2013.

These borrowings may also have to be secured by creation of mortgages, charges, liens, hypothecation and/or other securities of the Company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company's undertaking or undertakings, in favour of banks/financial institutions/debenture trustees/ fixed deposits trustees/other lenders. Since the amount secured by such mortgages, charges, liens, hypothecation and/or other securities together with the existing mortgages, charges, liens, hypothecation and/or other securities may exceed the limit of ₹ 10,000 crores (Rupees Ten Thousand Crores Only), Members' approval is sought for increasing the limit upto ₹ 12,500 crore (Rupees Twelve Thousand Five



Hundred Crores Only) and for authorising the Board of Directors to create security by way of mortgages, charges, liens, hypothecation and/or other securities of the Company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company's undertaking or undertakings, on such terms and conditions as it may deem fit. For this purpose, the requisite Special Resolution is being proposed for consideration of the Members under Section 180(1)(a) of the Companies Act, 2013.

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. 9 & 10 for the approval of the Members.

ITEM NO. 11

As per Section 42 of the Companies Act, 2013 read with Rules framed there under, a Company offering or making an Invitation to subscribe to Redeemable Non-Convertible Debentures (NCDs) / bonds on a Private Placement basis, is required to take approval of Members by way of Special Resolution once in a year for all the offers or invitations for such Redeemable Non-Convertible Debentures/ Bonds during the year.

Accordingly, seeing the long term borrowing requirement of the Company and to augment resources at a cheaper rate of interest, approval is sought to mobilize some more funds by way of issue of Redeemable NCDs/Bonds on private placement basis. Hence we are seeking approval for issue of Redeemable Non-Convertible Debentures (NCDs) / bonds on a Private Placement basis, for amount of ₹ 800 crores which is within the overall limits of the Company as approved by Members from time to time."

Accordingly, the approval of Members is being sought by way of Special Resolution in compliance with the applicable provisions of the Act, read with Rules made there under, in the manner as set out in Item No. 11 of this Notice.

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. 11 for approval of the Members.

ITEM NO. 12

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. 12 for approval of the Members.

Place : Mumbai

Date : 26th April, 2017

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/-

S. Sridharan

Sr. Vice President & Company Secretary

Information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 in respect of Directors seeking re-appointment/appointment at the 27th Annual General Meeting:

1. 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.

2. Shri B. Chakrabarti, ex-CMD of National Insurance Company Ltd. and The New India Assurance Company Ltd.

Shri B. Chakrabarti is a Chartered Accountant by Profession. He joined the General Insurance industry in 1974 as a direct recruit of the first batch of Specialist Officers. He began his career with United India Insurance Company Limited in Chennai. During his stay in the Indian General Insurance Industry, Shri B. Chakrabarti served on various committees. He was also Chairman of GIPSA and Member of the Governing Board of National Insurance Academy, Pune.

The other Directorships / Committee Memberships of Shri B. Chakrabarti are as follows:

Name of the Company	Board Membership	Committee Membership
HEALTH INSURANCE TPA OF INDIA LIMITED	Director	Chairman of: ✓ Audit Committee Member of : ✓ Nomination and Remuneration Committee

Shri B. Chakrabarti does not hold any share in the Company.

3. Shri M. K. Garg, ex-CMD of United India Insurance Company Limited.

Shri M. K. Garg, is a Chartered Accountant by profession and a fellow of the Insurance Institute of India. He joined the General Insurance Industry in 1976 and possesses a rich experience of more than three decades. He joined The New India Assurance Company Ltd. in the cadre of Assistant Administrative Officer. He was also Member of Vision 2000 Core Group founded by the General Insurance Corporation of India and submitted recommendations for Insurance Sector reforms. He has also been a Director in Kenindia Assurance (Kenya) and Prestige Assurance (Nigeria).



The other Directorships/ Committee Memberships of Shri M. K. Garg are as follows:

Name of the Company	Board Membership	Committee Membership
Rolesoft Mercantile Company Private Limited	Director	---
Instant Creations Private Limited	Director	---
SBI General Insurance Company Limited	Director	Chairman of - ✓ Audit Committee Member of - ✓ Nomination and Remuneration Committee ✓ Policyholders Protection Committee

Shri M. K. Garg does not hold any share in the Company.

4. Shri A. V. Muralidharan ex-CMD of Export Credit Guarantee Commission of India (ECGC)

Shri A. V. Muralidharan is a Chartered Accountant & Company Secretary by Profession. He worked as DGM in the National Insurance Company Ltd. and was also Director & General Manager in The New India Assurance Company Ltd., before taking over as CMD of ECGC. He was also member of National Insurance Academy, General Insurance Business Council of India, IRDA Insurance Investment Sub Committee and Board of Trade (India).

The other Directorships / Committee Memberships of Shri A. V. Muralidharan are as follows:

Name of the Company	Board Membership	Committee Membership
M/s Chola Mandalam General Insurance Company Ltd.	Director	Chairman of : ✓ Audit Committee Member of : ✓ CSR Committee ✓ Nomination and Remuneration Committee

Shri A. V. Muralidharan does not hold any share in the Company.

5. Shri S. Gopakumar, General Manager, The Oriental Insurance Co. Ltd.

Shri S. Gopakumar, a Commerce Graduate is a Direct Recruit Officer of the 1980 specialist batch and had his first posting at National Insurance Company Ltd. He has worked in various Offices of National Insurance Company Ltd. in different positions like Divisional Accountant, Regional Accountant, HR Manager, Divisional Manager, Chief Manager at Head Office, Regional Manager (Marketing) and Regional-in-charge.

Prior to his present posting, he was Secretary General of Governing Body of Insurance Council from 1st June, 2016. Shri S. Gopakumar was promoted as General Manager in August, 2015 and posted at the Corporate Office, The Oriental Insurance Company Ltd. where he was in charge of Departments like Motor (Claims), Publicity, CSD, Motor TP Claims and Legal (Motor).

The other Directorships/ Committee Memberships of Shri S. Gopakumar are as follows:

Name of the Company	Board Membership	Committee Membership
LIC Mutual Fund Asset Management Ltd.	Director	NIL



DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 27th Annual Report of your Company and the Audited Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS

(₹ in Lacs)

PARTICULARS	March 31, 2017	March 31, 2016
Total Income	100174	87637
Less: Interest expenditure	66784	60065
Overheads	10610	8379
Depreciation & amortization	70	82
Profit Before Tax	22710	19111
Provision for Tax	7635	6110
Deferred Tax Assets	302	551
Profit After Tax	14773	12450
Profit brought forward	6	4
Profit available for appropriation	14779	12454
APPROPRIATIONS:		
General Reserve	7330	5835
Special Reserve under Section 36(1)(viii) of Income Tax Act, 1961	4205	3372
Proposed Equity Dividend	2693	2693
Tax on Proposed Dividend	548	548
Balance carried over to Balance Sheet	3244	6

IMPORTANT FINANCIAL RATIOS

PARTICULARS	March 31, 2017	March 31, 2016
Return on Net Worth (%)	17.62	17.28
Return on Total Assets (%)	1.57	1.55
Book Value per share (₹)	155.65	133.77
Earnings per share (₹)	27.43	23.12
Debt Equity Ratio (times)	9.83	9.72
Average cost of funds (%)	8.77	9.39
Average yield on advances (%)	11.63	12.06
Net Interest Margin	2.86	2.67

DIVIDEND

Your Directors recommend payment of dividend for the year ended 31st March, 2017 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 21.94% as against 26.02% of previous year. As per companies (Accounting Standards) Amendments Rules, 2016, Dividend & Tax thereon will be recognised as liability on approval of shareholders at the ensuing Annual General Meeting (AGM).

OPERATIONS – PERFORMANCE

Income, Profit, Loan Approvals and Disbursements: Total income for the year under review is ₹ 1001.74 crores as against ₹ 876.37 crores for the year 2015-16. Profit before tax for the year ended is ₹ 227.10 crores and Profit after tax for the year ended is ₹ 147.73 crores as against ₹ 191.11 crores and ₹ 124.50 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 ₹ 2869 crores and loans disbursed during the year are ₹ 2761 crores as against ₹ 2636 crores and ₹ 2511 crores for the year ended 31st March, 2016 respectively. The Retail Loan portfolio as at 31st March, 2017 stood at ₹ 9271 crores as compared to ₹ 7907 crores as on 31st March, 2016.

During the year under review, your Company has made provision to the extent of ₹ 33.40 crores as against ₹ 15.76 crores provided for in the year 2016-17.

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 ₹ 2835 crores from banks during the year as compared to ₹ 1343 crores during the previous year. The aggregate of term loans outstanding at the end of the financial year stood at ₹ 4611 crores as against ₹ 4708 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 ₹ 1400 crores during the year under review as against ₹ 1000 crores in the previous year. The refinance facility outstanding as on 31st March, 2017 is ₹ 2683 crores as against ₹ 1630 crores as at the end of the previous year.

C. Short term Loan and Commercial Paper:

During the year 2016-17, 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, 2017 is ₹ 897 crores.

D. Non-Convertible Debentures:

Your Company has outstanding balance of ₹ 45 Crores through issue of Non-Convertible Debentures (NCD) on private placement as on 31st March, 2017.

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 ₹ 1500 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 ₹ 8500 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 Pitampura (Delhi), Hinjewadi (Maharashtra), Barasat (West Bengal), Mangalore (Karnataka) and Guwahati (Assam). The total number of Offices as on 31st March, 2017 is 65 (including Corporate Office). 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 Ltd.’, “Future Generali India Life Insurance Company Ltd.” and “Birla Sun Life Insurance Company Ltd.” 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, 2017 is 16.60% as against 17.40% as at 31st March, 2016.

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.

DEMATERIALISATION 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, 5,32,95,991 equity shares are in dematerialised form, (5,32,85,785 shares as on 31st March, 2016) which is 98.97% (98.95% as on 31st March, 2016) of the total shares as on 31st March, 2017.

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, Nankramguda, Hyderabad, Telangana-500032. 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 Bombay Stock Exchange Ltd., and The National Stock Exchange of India Ltd., The Annual Listing fees for the year 2016-17 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, 2013, 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).

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.

Unclaimed dividend amounting to ₹10,87,904/- that has not been claimed by shareholders for the financial year 2008-09 has been transferred to Investor Education and Protection Fund (IEPF) during the month of October, 2016.

The dividend pertaining to the financial year 2009-10 remaining unclaimed and unpaid amounting to ₹12,69,603/- as on 31st March, 2017, would be transferred to IEPF during September, 2017 after settlement of claims received up to the date of completion of 7 years from the date of declaration of the dividend. Shareholders who have not claimed the said dividend may write to Registrars and Share Transfer agents.



In terms of the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, Company is required to transfer the shares in respect of which dividend remains unpaid and unclaimed for a period of seven consecutive years to the Investor Education and Protection Fund (IEPF) Suspense Account. We have already published a Notice on 10th December, 2016 for the same and a list of shareholders whose shares to be transferred to IEPF has been updated on the website.

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, 2017 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 28th 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 Secretarial Auditor of your Company for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed as **Annexure A** to this report. The Secretarial Audit Report does not contain any qualification, reservations or adverse remark.



DIRECTORS

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, the term of Shri B. Chakrabarti (Chartered Accountant), Shri M. K. Garg (Chartered Accountant) and Shri A. V. Muralidharan (Chartered Accountant & Company Secretary) is expiring in the 27th Annual General Meeting of the Company and they are proposed to be re-appointed upto the conclusion of 29th AGM of the Company.

Shri S. Gopakumar was appointed as an Additional Director of the Company pursuant to the Article 111 of Articles of Association of the Company and in terms of Section 161 of the Companies Act, 2013 with effect from 8th November, 2016 who holds office upto the conclusion of 27th AGM of the Company.

Pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and subject to approval of the shareholders at their meeting and any other approvals, as may be applicable Shri S. Gopakumar is to be appointed as Managing Director & CEO, on and from 8th November, 2016 for initially two years or up to his extended period of deputation if any at the remuneration he is entitled to in accordance with the Service Regulations applicable in the pay scale VII for General Manager cadre of The Oriental Insurance Company Ltd. with any modifications, revisions, thereof, if any that might take place from time to time, and also eligible for perquisites and performance incentives as applicable for the post of Managing Director & CEO in our Company subject to ceiling limits prescribed by Schedule V of the Companies Act, 2013.

Your Company has received a notice in writing from a shareholder(s) as per Section 160 of Companies Act, 2013, proposing the candidature of Shri B. Chakrabarti, Shri M. K. Garg, Shri A. V. Muralidharan and Shri S. Gopakumar for the office of Director(s) of the Company at the ensuing Annual General Meeting, for their appointment as Director(s) of the Company.

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164 of 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 5 (Five) times during the year. For further details, please refer report on Corporate Governance.

RELATED PARTY POLICY AND TRANSACTIONS

Your Company has framed Related Party Transaction Policy pursuant to Listing Regulations, 2015 which is available on the website of the Company www.gichfindia.com. The same is annexed as **Annexure B** to the Directors' Report.

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 and any other service, if any.



During the year, Company has also given the following Housing Loan to the KMP which has been duly approved by Audit Committee:

Name	Loan Amount (₹)	Outstanding due as on 31st March 2017 (₹)
Shri S. Sridharan, Sr. Vice President & Company Secretary	21,11,282/-	20,67,845/-

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY U/S 135 OF 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 ₹3.187 Crores for spending towards CSR Activity for F.Y. 2016-17.

Your Company has contributed ₹1.34 crores (i.e. 50% from the total fund of ₹ 2.67 crores available for F.Y. 2015-16) to Prime Minister's National Relief Fund, Swach Bharat Kosh and Clean Ganga Fund in the F.Y. 2016-17.

Your Company has also contributed ₹28 lacs (from the balance fund of ₹ 1.08 crores available for F.Y. 2014-15) towards its Sanitation Project near Arthur Road Naka, Chinchpokli (W), Mumbai in the F.Y. 2016-17. The subject project has been completed and inaugurated successfully and is in use by general public.

The total unspent CSR amount as on 31st March, 2017 is ₹ 5.327 crores (₹ 3.187 crores relating to F.Y. 2016-17, ₹ 1.33 crores relating to F.Y. 2015-16 and ₹ 0.81 crores relating to F.Y. 2014-15). Your Company could not spend the full amount of CSR due to no prior experience of CSR activities. Now, the Company has completed its first project successfully and will take up another projects which can be useful to the society.

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 D**.

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, 2017 is 256.

EXTRACT OF ANNUAL RETURN AS PER SECTION 92

Annual Return in Form MGT 9 is enclosed as per **Annexure E** 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 1 (One) 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 agents 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 : 26th April, 2017

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/-

S. Gopakumar
Managing Director & CEO



FORM NO. MR. 3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2017

[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, 2017 ('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, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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, 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 28 October, 2014 (**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; (**Not Applicable to the Company during the Audit Period**);
 - (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.
(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
(Herein after Listing Regulations)

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 following specific laws to the extent applicable

1. National Housing Bank Directions, 2010
2. The National Housing Bank Act, 1987
3. Master Circulars to Housing finance companies.

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.

Place: Mumbai
Date: 26th April, 2017

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

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



To,

The Members,

GIC HOUSING FINANCE LIMITED

National Insurance Building, 6th Floor,
14, Jamshedji Tata Road, Churchgate
Mumbai- 400020

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai
Date: 26th April, 2017

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

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



POLICY ON RELATED PARTY TRANSACTIONS

SCOPE AND PURPOSE:

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its Shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (previously Clause 49 of the Listing Agreement), GIC HOUSING FINANCE LIMITED ("GICHF" or "the Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also as per Regulation 23, Listed Company is required to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In light of the above, GICHF has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company.

OBJECTIVE OF THE POLICY:

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Listing Regulation 2015 and any other laws and regulations as may be applicable to the Company.

PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS:

The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions.

The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:

- The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
- The indicative base price / current contracted price and the formula for variation in the price, if any; and
- Such other conditions as the Audit Committee may deem fit.

The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company.

The Audit Committee may grant omnibus approval for related party transactions repetitive in nature which shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed there under and obtain approval of the Board and or its shareholders, as applicable, for such contract or arrangement.

All material related party transactions, other than those with Exempted Wholly Owned Subsidiaries will be placed for approval of the shareholders of the Company.

MATERIALITY THRESHOLD:

A transaction with a related party is considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of the Company.

DISCLOSURES

Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.



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 : 26th April, 2017

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/-
S. Gopakumar
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 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 Income Tax 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" mean 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:

- 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.

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

- 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.
- 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.
- The Company shall not appoint or continue the employment of any person as Whole-time 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 31-03-2017

[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 01-04-2016				No. of Shares held at the end of the year 31-03-2017				% 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.	22751128	0	22751128	42.25	22701128	0	22701128	42.16	-0.09
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 01-04-2016				No. of Shares held at the end of the year 31-03-2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (A) (1)	22751128	0	22751128	42.25	22701128	0	22701128	42.16	-0.09
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)	22751128	0	22751128	42.25	22701128	0	22701128	42.16	-0.09
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	4478958	3500	4482458	8.32	4602814	3600	4606414	8.55	0.23
b) Venture Capital Funds	0	0	0	0	0	0	0	0	0
c) Foreign Portfolio Investors	1026694	0	1026694	1.91	1575567	0	1575567	2.93	1.02
d) Banks / FI	233804	300	234104	0.43	33254	200	33454	0.06	-0.37
e) Insurance Companies	2550250	0	2550250	4.74	2550250	0	2550250	4.74	0
f) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
g) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	8289706	3800	8293506	15.4	8761885	3800	8765685	16.28	0.88
2. Non-Institutions									
a) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 2 lakh	11478617	555679	12034296	22.35	11156669	545473	11702142	21.73	-0.62
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	5940956	0	5940956	11.03	5120757	0	5120757	9.51	-1.52
b) Others (specify)									
NBFCs Registered with RBI	3150	0	3150	0.01	13847	0	13847	0.03	0.02
Trust	51270	0	51270	0.10	54448	0	54448	0.10	0
Bodies Corporate	4147226	5002	4152228	7.71	4661496	5002	4666498	8.67	0.96
Clearing Members	0	0	0	0	108401	0	108401	0.20	0.20
Non-Resident (Non-Rep)	211432	100	211532	0.39	134181	0	134181	0.25	-0.14
Non-Resident (Rep)	412300	700	413000	0.77	582679	800	583479	1.08	0.31
Foreign Nationals	0	0	0	0	500	0	500	0.00	0
Sub-total (B)(2):	22244951	561481	22806432	42.36	21832978	551275	22384253	41.57	-0.79
Total Public Shareholding (B)=(B)(1)+(B)(2)	30534657	565281	31099938	57.75	30594863	555075	31149938	57.84	0.09
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A + B + C)	53285785	565281	53851066	100.00	53295991	555075	53851066	100.00	0

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2016			Shareholding at the end of the year 31-03-2017			
		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	4594204	8.53	0	-0.19
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.	2907098	5.40	0	2957098	5.49	0	0.09

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

Sr. No.	Particulars	Shareholding at the beginning of the year 01-04-2016		Cumulative Shareholding during the year 31-03-2017	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	THE NEW INDIA ASSURANCE COMPANY LTD.	4694204	8.72	4594204	8.53
2	NATIONAL INSURANCE COMPANY LTD.	2907098	5.40	2957098	5.49

(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 01-04-2016		Cumulative Shareholding during the year 31-03-2017	
		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	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL	2017800	3.75%	2017800	3.75%
3	TATA INVESTMENT CORPORATION LIMITED	1900000	3.53%	1900000	3.53%
4	RELIANCE CAPITAL TRUSTEE CO. LTD. A/C RELIANCE BANKI	1186987	2.20%	1186987	2.20%
5	RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE T	720000	1.34%	747000	1.39%
6	COHESION INDIA BEST IDEAS (MASTER) FUND LIMITED	257103	0.48%	575784	1.07%
7	SONAL D SHAH	500010	0.93%	500010	0.93%
8	PREETI N SHAH	500000	0.93%	500000	0.93%



Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2016		Cumulative Shareholding during the year 31-03-2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	URMILA D SHAH	500000	0.93%	500000	0.93%
10	IIFL BEST OF CLASS FUND 1 - CLASS 2	342000	0.64%	342000	0.64%
11	SHELLY DESAI	321215	0.60%	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 01-04-2016		Cumulative Shareholding during the year 31-03-2017	
		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	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
Change in Indebtedness during the financial year				
• Addition	42,35,00,00,115	51,31,44,32,252	-	93,66,44,32,367
• Reduction	32,78,02,89,252	48,52,61,64,973	-	81,30,64,54,225
Net Change	9,56,97,10,863	2,78,82,67,279	-	12,35,79,78,142
Indebtedness at the end of the financial year				
i) Principal Amount	73,39,46,74,355	8,97,38,43,279	-	82,36,85,17,634
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,65,78,836	-	-	3,65,78,836
Total (i + ii + iii)	73,43,12,53,191	8,97,38,43,279	-	82,40,50,96,470

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) [upto 7th November, 2016]	Shri S. Gopakumar (Managing Director & CEO) [from 8th November, 2016 till 31st March, 2017]
		Amount (₹)	Total Amount (₹)
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	13,84,883	9,48,524
	(b) Salary Arrear	0	0
	(c) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,98,203	11,667
	(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 : • Performance Incentive • Leave Encashment and Other Allowances	2,70,000 5,44,032	0 5,59,054
6	Contribution to Pension and other funds	87,429	56,770
	Total	24,84,547	15,76,015
	Total A	40,60,562	
	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	2,60,000	1,40,000	1,80,000	1,20,000	1,20,000	1,20,000	9,40,000
	• Commission	0	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0	0
	Total (i)	2,60,000	1,40,000	1,80,000	1,20,000	1,20,000	1,20,000	9,40,000
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)	2,60,000	1,40,000	1,80,000	1,20,000	1,20,000	1,20,000	9,40,000
	Total Managerial remuneration (A + B)	50,00,562						
	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 (₹)
1	Gross salary	26,43,268
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,31,615
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0
2	Stock Option	0
3	Sweat Equity	0
4	Commission - as % of profit - others, specify...	0
5	Others, please Specify	0
6	Contribution to Pension & Other Funds	2,07,553
	Total	31,82,436

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

For and on behalf of the Board of Directors

Sd/-

S. Sridharan

Sr. Vice President & Company Secretary

For and on behalf of the Board of Directors

Sd/-

S. Gopakumar

Managing Director & CEO



MANAGEMENT DISCUSSION & ANALYSIS REPORT

GENERAL: OVERVIEW OF THE ECONOMY

➤ Global Economy:

The year 2016 ended up being a reasonably good year for markets. However, the year will be remembered for Brexit, Trump and Renzi, partly due to the unexpected nature of some of the results, but also the potentially profound shift in international relations in coming years. Overall, the divergence in monetary policy that was expected played out, and is likely to remain a theme for 2017. Political risk shifts to Europe in 2017 with the risk of an upset in France or Italy potentially threatening a breakup of the euro.

The Organization for Economic Co-operation and Development (OECD) stated that the United States, Japan, Germany and France are all showing signs of economic growth.

The U.S. economy grew faster than initially thought in the third quarter, notching its best performance in two years, buoyed by strong consumer spending. Gross domestic product increased at a 3.2 percent annual rate, the Commerce Department said in its second GDP estimate. Growth was the strongest since the third quarter of 2014 and followed the second quarter's anemic 1.4 percent pace. Japan's economic growth handily beat expectations in the July-September period, expanding for a third straight quarter as exports recovered, but weak domestic activity cast doubt on hopes for a sustainable economic recovery.

➤ Domestic Economy:

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The Government of India has forecasted that the Indian economy will grow by 7.1 per cent in FY 2016-17. As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices.

India's gross domestic product (GDP) grew by 7 per cent year-on-year in October-December 2016 quarter, which is the strongest among G-20 countries, as per Organisation for Economic Co-operation and Development (OECD) Economic Survey of India, 2017. Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalisation of profits, especially in sectors like automobiles and banks, while GDP is expected to grow by 7.5 per cent during the same period, according to Bloomberg consensus. India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

The inflow of Foreign Direct Investment (FDI) to India has jumped to \$60.08 billion in the last three years. According to a release by Ministry of Commerce and Industry, the FDI inflow to India in the financial year 2016-17 was \$60.08 billion, which was around \$5 billion more than the record \$55.6 billion recorded in 2015-16. In the financial year ending March 2015, India had received \$45.15 billion as FDI as against the \$36.05 billion received in 2013-14. The huge FDI in 2016-17 may surprise many as, incidentally, Government had demonetised old currency notes of ₹ 500 and ₹ 1000 towards the end of 2016.

Reform measures undertaken by present government since 2014 include liberalisation of conservative sectors like rail infrastructure and defense, medical devices, and construction development. In September 2014, the government had launched 'Make in India' initiative which led to an increase of FDI around \$9 billion in the first year itself.

➤ Economy Outlook for 2017-18.

With projected annual growth of 7.5% in 2017-18, India will remain the fastest growing G20 economy. Private consumption will be supported by the hike in public wages and pensions and by higher agricultural production, on the back of a return to good rain fall. Private investment will revive gradually as excess capacity in some sectors diminishes, infrastructure projects mature, corporates deleverage, banks clean their loan portfolios, and the Goods and Service Tax (GST) is implemented.

Despite commendable fiscal consolidation efforts at the central government level, the combined debt of states and central government remains high compared with other emerging economies. Inflation expectations are adjusting down only slowly. Overall there is little room for accommodative policies, although some monetary impulse is still to come, as recent cuts in policy rates are yet to be reflected fully in lower lending rates.

Repairing public banks' balance sheets and improving their governance would support the revival in investment.



Despite the declined public deficit compared with other emerging economies, there is room to make public finance more growth-friendly and inclusive. The ongoing landmark GST and subsidy reforms are promising. The government plan to cut the corporate income tax rate while broadening the base is also welcome. More revenue could be raised from the personal income tax, and its redistributive impact enhanced, to finance higher spending on health, education, housing, transport and water infrastructure and make growth more inclusive.

➤ **INDUSTRY STRUCTURE & DEVELOPMENTS**

For the real estate industry, 2016 saw the biggest changes in decades, especially on the policy front. Some of the biggest game-changing policies like GST and RERA cleared hurdles, and are on their way to full implementation. The demonetization move caused considerable turmoil; however, along with the Benami Transactions Act, it promises to bring greater transparency in the real estate sector.

Affordable housing will come into sharper focus now than in previous years, and REITs (Real Estate Investment Trusts) promise to open up the real estate market to smaller investors in the coming year. The country's real estate markets are definitely poised for growth in the medium-to-long term on the back of higher transparency and further consolidation. India's Tier-I cities moved up to the 36th rank in JLL's biannual Global Real Estate Transparency Index in 2016 due to improvements in structural reforms and liberalisation of the foreign direct investment (FDI) policy. India came 4th in developing Asia in terms of FDI inflows as per the World Investment Report 2016 by the United Nations Conference for Trade and Development. Thanks to a proactive government keen on improving India's ranking on different indices and strengthening public institutions, the country is poised to become a modern economy. After demonitisation, transactions in the real estate have virtually dried up, particularly in the land and capital raising business. Residential sales' enquiries have witnessed a drop, and prices in secondary markets are softening.

The GST is the single-largest taxation reform in modern India, and promises to eliminate geographical barriers for businesses by mitigating differences in indirect taxes applicable across various states. Clarity on tax credit for real estate transactions and allowing input credit could bring about a reduction in home prices. Clarity on the applicable GST rate for the real estate sector is expected in the next year.

➤ **OPPORTUNITIES & THREATS**

The real estate sector is one of the most globally recognised sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The Indian real estate market is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP). The private equity investments in real estate increased 26 per cent to a nine-year high of nearly ₹ 40,000 crore (US\$ 6.01 billion) in 2016. The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Prime Minister has approved the launch of Housing for All by 2022. Under the Sardar Patel Urban Housing Mission, 30 million houses will be built in India by 2022, mostly for the economically weaker sections and low-income groups, through public-private-partnership (PPP) and interest subsidy. Real Estate (Regulation and Development) Act, 2016 (RERA) for which almost all the states have notified the rules, is expected to bring in transparency in the real estate transactions.

Due to demonitisation, the tight liquidity in the current scenario can give new investors a great pricing advantage. Moreover, with a slight dip in sales velocity, there may be potential for discounted deals. This can be an opportunity for investors with access to a larger corpus of funds and a risk appetite. The cost of owning real estate in India has always been out of reach for the lower income group. This has resulted in a huge demand-supply gap in the affordable housing sector.

➤ **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.

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 65 Offices (including Corporate Office) spread across the country.

➤ **HUMAN RESOURCES/INDUSTRIAL RELATIONS**

The Company has a dedicated team of 256 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.24 point No.12 (XI)], 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 : 26th April, 2017

Sd/-
S. Gopakumar
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 11 members as on 31st March, 2017. Most of the members of the Board are Non-Executive Directors. Details of Directorship and Committee Membership in other Companies are given as under:

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	5	1
2	Shri G. Srinivasan	Non-Executive Director	4	Nil	1
3	Shri K. Sanath Kumar	Non-Executive Director	3	1	5
4	Shri Y. Ramulu	Non-Executive Director	Nil	Nil	Nil
5	Shri V. Ramasamy	Non-Executive/ Independent Director	Nil	Nil	Nil
6	Shri Kamlesh S. Vikamsey	Non Executive/ Independent Director	7	9	2
7	Smt. Mona Bhide	Non Executive/ Independent Director	Nil	Nil	Nil
8	Shri B. Chakrabarti	Non-Executive/ Independent Director	1	1	1
9	Shri M. K. Garg	Non-Executive/ Independent Director	3	2	1
10	Shri A. V. Muralidharan	Non-Executive/ Independent Director	1	2	1
11	Shri S. Gopakumar	Managing Director & CEO	1	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 (if any) in which Directors are interested as provided in Section 189(1) of the Companies Act, 2013. The Independent 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 Y. Ramulu, Director, who is retiring by rotation at the ensuing Annual General Meeting. Shri Y. Ramulu offer him-self for re-appointment.

As per Section 149(10) and any other provisions of the Companies Act, 2013, Shri B. Chakrabarti, Shri A. V. Muralidharan and Shri M. K. Garg whose term is upto 27th AGM of the Company, offers themselves for re-appointment as Independent Director upto the conclusion of 29th AGM of the Company. Shri S. Gopakumar was appointed as Director on 8th November, 2016. Your Company has received a notice in writing from shareholders as per section 160 of the Companies Act, 2013 for their appointment.

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 five times during the year on 29th April, 2016; 27th July, 2016; 28th October, 2016; 7th November, 2016 and 23rd January, 2017. The gap between two meetings did not exceed four months.

Attendance Record of Directors: Number of Board Meetings held: 5

Name of the Director	Number of Meetings attended	Whether attended last AGM held on 27 th July, 2016
Smt. Alice G. Vaidyan	3	Yes
Shri G. Srinivasan	1	No
Shri K. Sanath Kumar	3	Yes
Shri Milind A. Kharat (upto 1st June, 2016)	0	NA
Dr. A. K. Saxena (upto 30th June, 2016)	0	NA



Name of the Director	Number of Meetings attended	Whether attended last AGM held on 27 th July, 2016
Shri Y. Ramulu	5	Yes
Shri Kamlesh S. Vikamsey	4	Yes
Smt. Mona Bhide	4	Yes
Shri V. Ramasamy	5	Yes
Shri B. Chakrabarti	5	Yes
Shri M. K. Garg	5	Yes
Shri A. V. Muralidharan	5	Yes
Shri Warendra Sinha (upto 7th November, 2016)	4	Yes
Shri S. Gopakumar (Appointed as on 8th November, 2016)	1	NA

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 four times during the year under review on 29th April, 2016, 27th July, 2016, 28th October, 2016 and 23rd January, 2017. 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: 4

Sr. No.	Name of the Director	Number of Meetings Attended
1	Shri V. Ramasamy	4
2	Shri Y. Ramulu	4
3	Shri Kamlesh S. Vikamsey	3

REMUNERATION OF DIRECTORS

The Non Executive Independent 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	2,60,000
2	Shri Kamlesh S. Vikamsey	1,40,000
3	Smt. Mona Bhide	1,80,000
4	Shri B. Chakrabarti	1,20,000
5	Shri M. K. Garg	1,20,000
6	Shri A. V. Muralidharan	1,20,000

The details of the Remuneration paid to the Managing Director & CEO for the year 2016-17 are as follows:

Shri Warendra Sinha, Managing Director & CEO (upto 7th November, 2017)

Particulars	Amount (₹)
Salary	13,84,883
Salary Arrears	-
Leave Encashment and other allowances	5,44,032
Performance Incentive	2,70,000
Contribution to Pension and Other funds	87,429
Perquisites	1,98,203
Total	24,84,547

Shri S. Gopakumar, Managing Director & CEO (from 8th November, 2017)

Particulars	Amount (₹)
Salary	9,48,524
Salary Arrears	-
Leave Encashment and other allowances	5,59,054
Performance Incentive	-
Contribution to Pension and Other funds	56,770
Perquisites	11,667
Total	15,76,015

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	Shri K. Sanath Kumar	Nil
4	Shri Y. Ramulu	Nil
5	Shri V. Ramasamy	Nil
6	Shri Kamlesh S. Vikamsey	Nil
7	Smt. Mona Bhide	Nil
8	Shri B. Chakrabarti	Nil
9	Shri M. K. Garg	Nil
10	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 Regulations 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, 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, 4 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. The Committee met one time on 28th April, 2016 during the year.

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

Attendance Record of Directors: Number of Stakeholders Relationship Committee Meeting held: 1

Sr. No.	Name of the Director	Number of Meetings Attended
1	Shri V. Ramasamy	1
2	Smt. Mona Bhide	1
3	Shri Y. Ramulu	1

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.

The Committee met on 27th July, 2016 and 23rd January, 2017.

Attendance Record of Directors: Number of Committee Meetings held: 2

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

**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 S. Gopakumar, 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 K. Sanath Kumar, Non-Executive Director (Chairman), Smt. Mona Bhide, Independent Director and Shri S. Gopakumar, Managing Director & CEO. The Committee met one time on 28th April, 2016 during the year.

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
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 – 400021.
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 – 400021.
2015-16	27 th July, 2016	3.30 p.m.	Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4 th Floor, General Jagannath Bhosale Marg, Mumbai – 400021.

DETAILS OF SPECIAL RESOLUTIONS PASSED IN THE LAST THREE YEARS.

Date of AGM/ Postal Ballot/EGM	Number of Resolutions	Details
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
27 th July, 2016 (AGM)	NIL	NIL

DETAILS OF SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT IN THE LAST YEAR.

NIL

PERSON WHO CONDUCTED THE POSTAL BALLOT EXERCISE

NIL

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. 24 point No. 12(XI)]

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 behavior, 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 dematerialized form (held with NSDL and CDSL). The said audit report is placed before the Shareholders Relationship 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 2016-17 of the Company.

SHAREHOLDERS INFORMATION

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

Place: Mumbai
Date: 26th April, 2017

For and on behalf of the Board of Directors

Sd/-
S. Gopakumar
Managing Director & CEO



SHAREHOLDERS INFORMATION:

1. **Twenty-seventh Annual General Meeting:**
- Date : 24th July, 2017
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, 2016 to 31st March, 2017**

3. **Financial Calendar for the year 2017-18. (Provisional)**

Results for the first quarter ending 30 th June, 2017 (Subject to Limited Review).	Before the end of July, 2017
Results for the second quarter ending 30 th September, 2017 (Subject to Limited Review).	Before the end of October, 2017
Results for the third quarter ending 31 st December, 2017 (Subject to Limited Review).	Before the end of January, 2018
Audited Results for the financial year ending 31 st March, 2018.	Before the end of May, 2018
Annual General Meeting for the year ending March, 2018	Before the end of August, 2018

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 **18th July, 2017 (Tuesday) to 24th July, 2017 (Monday)** (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 2017-18.

Security Code for Equity shares

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

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

- **BSE Limited: 511676**

Address: 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. 98.97% of the paid-up Equity Capital has been dematerialised as on 31st March, 2017.

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 3rd August, 2017 (Thursday).

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, 2016	26064.12	24673.84	273.85	239.15
May, 2016	26725.6	25101.73	277.2	250.9
June, 2016	27020.66	26395.71	314.55	271.75
July, 2016	28208.62	27126.9	329.70	299.65
August, 2016	28452.17	27697.51	314.35	285.00
September, 2016	28978.02	27827.53	326.00	299.45
October, 2016	27984.37	27643.11	335.15	331.20
November, 2016	27876.61	26304.63	342.55	270.10
December, 2016	26694.28	26307.98	282.95	257.85
January, 2017	27882.46	26595.45	296.85	267.00
February, 2017	28892.97	28141.64	321.15	300.80
March, 2017	28999.56	8832.45	368.95	298.65

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

MONTH	INDEX (NIFTY) (₹)		QUOTE (₹)	
	High	Low	High	Low
April, 2016	7979.9	7546.45	274.25	235.60
May, 2016	8178.5	7706.55	277.7	251.60
June, 2016	8287.75	8088.6	313.7	271.40
July, 2016	8666.30	8323.20	330.3	299.35
August, 2016	8786.20	8544.85	315.1	284.55
September, 2016	8952.50	8591.25	327.50	299.95
October, 2016	8659.10	8573.00	335.15	331.00
November, 2016	8626.25	8108.45	341.15	271.10
December, 2016	8246.85	8082.40	282.65	258.55
January, 2017	8179.50	8641.250	299.45	266.80
February, 2017	8716.40	8939.50	320.95	301.35
March, 2017	9173.75	8897.55	370.85	298.75

**9. Distribution of Shareholding as on 31st March, 2017**

DESCRIPTION	HOLDER (S)		HOLDING (S)	
	FOLIOS	%	SHARES	%
upto 5000	37,244	89.324859	4,531,871	8.415564
5001 – 10000	2,220	5.324379	1,808,123	3.357636
10001 – 20000	1,066	2.556661	1,646,416	3.057351
20001 – 30000	392	0.940161	1,013,773	1.88255
30001 – 40000	173	0.414918	633,508	1.176408
40001 – 50000	141	0.33817	669,087	1.242477
50001 – 100000	235	0.563617	1,738,534	3.228411
More than 100000 & Above	224	0.537235	41,809,754	77.639603
TOTAL	41,695	100	53,851,066	100

10. Shareholding pattern as at 31st March, 2017.

Sr. No.	Description	Cases	Shares	% Equity
1	BANKS	5	33454	0.06
2	CLEARING MEMBERS	132	108401	0.20
3	FOREIGN INSTITUTIONAL INVESTOR	3	49106	0.09
4	FOREIGN NATIONALS	1	500	0.00
5	FOREIGN PORTFOLIO INVESTORS	28	1526461	2.83
6	H U F	1049	876648	1.63
7	INSURANCE COMPANIES	1	2550250	4.74
8	BODIES CORPORATES	656	4666498	8.67
9	MUTUAL FUNDS	15	4606414	8.55
10	NBFC	5	13847	0.03
11	NON RESIDENT INDIANS	652	583479	1.08
12	NRI NON-REPATRIATION	197	134181	0.25
13	PROMOTER COMPANIES	5	22701128	42.16
14	RESIDENT INDIVIDUALS	38936	15946251	29.61
15	TRUSTS	10	54448	0.10
Total:		41695	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**

M/S KARVY COMPUTERSHARE PVT. LTD.,

Corporate Office : Karvy Selenium, Tower B, Plot 31-32, Gachibowli,
Financial District,
Hyderabad-500032
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-400023.
Tel No. +91 226623 5454/412/427

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 124(5) of the Companies Act, 2013, 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 125(1) of the Companies Act, 2013. The dividend pertaining to F.Y. 2009-10 remaining unclaimed and unpaid amounting to ₹ 12,69,603/- as on 31st March, 2017 would be transferred to IEPF.

The due date for transfer of unclaimed dividend pertaining to year 2009-10 is September, 2017.

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	
31.03.2016	Audited Financial Results	The Financial Express and Loksatta dated 30th April, 2016.
30.06.2016	Unaudited Financial Results (Subject to Limited Review Report)	The Financial Express and Loksatta dated 28th July, 2016.
30.09.2016	Unaudited Financial Results (Subject to Limited Review Report)	The Financial Express and Loksatta dated 29th October, 2016.
31.12.2016	Unaudited Financial Results (Subject to Limited Review Report)	The Financial Express and Loksatta dated 24th January, 2017.
31.03.2017	Audited Financial Results	The Financial Express and Loksatta dated 27th April, 2017



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 2016-17.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 26th April, 2017

Sd/-

S. Gopakumar

Managing Director & CEO

CEO/CFO CERTIFICATION

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

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31/3/2017 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 31/3/2017, 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 31/3/2017
 - 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)

For and on behalf of the Board of Directors

Sd/-

S. Gopakumar

Managing Director & CEO

Place: Mumbai

Date: 26th April, 2017



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 March 31, 2017, as stipulated in Regulation 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 Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 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.

Place: Mumbai
Date: 26th April, 2017

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

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



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 March 31, 2017, 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 is 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 judgments 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 judgment, 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 March 31, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 24(9) 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 March 31, 2017, pursuant to NHB's Circular No. NHB (ND)/DRS/Policy Circular No. 65/2014-15 dated August 22, 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 March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 24(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 March 31, 2017.
 - 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 March 31, 2017.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBN's) during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the Management Representation we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the Management - Refer Note 24(13) to the financial statements.

For **CNK & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Place: Mumbai
Date: 26th April, 2017

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 31 March 2017, 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. The discrepancies noticed on such verification are not material and have been properly dealt with in the books of accounts. 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, during the year the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provision of Clause 3(iii)(a) of the said order is not applicable to the Company. One party to whom loan was given in the earlier financial year is ceased to be covered under Section 189 of the Companies Act, 2013.
 - (b) In case of the loan granted in the earlier financial year to a party listed in the register maintained under Section 189 of the Act, the borrower is regular in the payment of the principal and interest as stipulated.
 - (c) There is no overdue amount for more than ninety days in respect of the loan granted in the earlier financial year to a party 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 National Housing Bank 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 March 31, 2017 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, except for a fraud by an employee of the Company, which is under investigation; no fraud by the Company or on the Company by its other officers or employees has been noticed or reported during the course of our audit.



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- 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.
- 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/W-100036

Place: Mumbai
Date: 26th April, 2017

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 March 31, 2017 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



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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 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 judgment, 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 March 31, 2017, 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/W-100036

Place: Mumbai
Date: 26th April, 2017

Suresh S. Agaskar
Partner
Membership No. 110321



NHB COMPLIANCE REPORT

To
The Board of Directors,
GIC Housing Finance Limited,
National Insurance Bldg., 6th Floor,
14, Jamshedji Tata Road, Churchgate,
Mumbai - 400020

Dear Sirs,

Ref: - Report under Housing Finance Companies - Auditor's Report (National Housing Bank) Directions, 2016

Pursuant to Paragraph 2 & 3 of Housing Finance Companies – Auditor's Report (National Housing Bank) Directions, 2016 as specified in Notification No. NHB.HFC.AR-DIR.1/MD&CEO/2016 dated 3rd February, 2017 in respect of GIC Housing Finance Ltd. (the "Company") for the year ended March 31, 2017.

Management's Responsibility

The Management is responsible for the design and implementation of the internal procedures, systems, processes and controls to ensure compliance with the Directions on an ongoing basis. This responsibility also includes reporting non-compliances, if any, to the National Housing Bank, Board of the Company and its Audit Committee.

Auditors' Responsibility

Our responsibility is to report on the matters specified in Paragraph 3 of Housing Finance Companies - Auditors Report (National Housing Bank) Directions, 2016 based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether there are any identified non-compliances. An audit involves performing procedures to obtain audit evidence about the compliance with the Directions. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the information and records, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's compliance with the Directions in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our certificate.

We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates issued for Special Purpose by the Institute of Chartered Accountants of India.

Conclusion

Based on our examination of the books and records of the Company as produced for our examination and the information & explanations provided to us, we report that:

- i. The company had applied for registration as required under Section 29 A of the National Housing Bank Act, 1987 and has been granted the Certificate of Registration dated 7th May 2002.
- ii. The Company has complied with Net Owned Fund (NOF) requirement as prescribed under Section 29A of the National Housing Bank Act, 1987.
- iii. The Company has complied with Section 29 C of the National Housing Bank Act, 1987.
- iv. The Company has passed a resolution dated April 26, 2017 for non-acceptance of any public deposits.
- v. The Company has not accepted any public deposits during the year.
- vi. Total borrowings of the company i.e. amounts held by the Company which are referred in clauses (iii) to (vii) of sub-section 9(bb) of Section 45 I of the Reserve Bank of India Act, 1934 (2 of 1934) as also loans or other assistance from the National Housing Bank are within the limits prescribed in the NHB Directions.



- vii. The Company has complied with the provisions of NHB Directions.
- viii. The capital adequacy ratio as disclosed in the return submitted to the National Housing Bank has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) as prescribed by the National Housing Bank in the Directions.
- ix. *Delays to the extent of 16 & 8 days have been observed with respect to filing of Schedule- II return as specified in the National Housing Bank Directions for the half year ending 31st March, 2016 & 30th September, 2016 respectively.*
- x. The Company has furnished Schedule-III return on Statutory Liquid Assets to the National Housing Bank within the stipulated period of time.
- xi. The Company has generally complied with requirements with respect to opening of new branches/service offices as specified under the National Housing Bank Directions.
- xii. The Company has complied with Para 38 & Para 38A of Housing Finance Companies (NHB) Directions, 2010.

Restriction of use

This report is issued pursuant to the requirement as per Paragraph 2 and 3 of the Directions and should not be used by any other person or for any other purpose. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For **CNK & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Place: Mumbai
Date: 26th April, 2017

Suresh S. Agaskar
Partner
Membership No. 110321



BALANCE SHEET

as at 31st March, 2017

		₹ in Lacs	
	NOTE	As at 31. 03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	5,388	5,388
Reserves and Surplus	3	78,434	67,792
		83,822	73,180
NON-CURRENT LIABILITIES			
Long-Term Borrowings	4	6,48,161	5,51,075
Long-Term Provisions	5	25,157	21,814
Deferred Tax Liabilities (Net)	12	3,290	-
		6,76,608	5,72,889
CURRENT LIABILITIES			
Short-Term Borrowings	6	89,738	61,856
Trade Payables :	7		
- Dues to Micro and Small Enterprises		-	-
- Dues to Others		577	667
Other Current Liabilities :	8		
- Borrowings		85,785	87,175
- Others		2,976	2,555
Short-Term Provisions	9	943	3,816
		1,80,019	1,56,069
	TOTAL	9,40,449	8,02,138
II. ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	10a	230	216
Intangible Assets	10b	-	-
		230	216
Non-Current Investments	11	2,647	980
Deferred Tax Assets (Net)	12	-	1,144
Long-Term Loans and Advances	13	2,034	1,820
		4,681	3,944
LOANS			
Non-Current	14	8,88,533	7,57,017
Current		39,156	34,208
		9,27,689	7,91,225
CURRENT ASSETS			
Trade Receivables	15	1,327	1,213
Cash and Bank Balances	16	6,211	5,234
Short-Term Loans and Advances	17	311	306
		7,849	6,753
	TOTAL	9,40,449	8,02,138
Significant Accounting Policies	1		
Notes forming part of Accounts	24		

As per our Report attached of even date

CNK & Associates LLP

Chartered Accountants

ICAI Firm Reg. No. 101961W/W-100036

(Suresh S. Agaskar)

Partner

Membership No. 110321

Y. Ramulu

Director

DIN: 07234450

S. Gopakumar

Managing Director & CEO

DIN: 07542356

Place: Mumbai

Date: 26th April, 2017

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



STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2017

		₹ in Lacs	
	NOTE	For the year ended 31.03.2017	For the year ended 31.03.2016
REVENUE:			
Revenue from Operations			
(a) Interest Income	18	98,004	85,728
(b) Other Financial Services	19	2,017	1,716
Other Income	20	153	193
Total Revenue	(A)	1,00,174	87,637
EXPENDITURE:			
Finance Cost	21	66,784	60,065
Employee Benefits Expenses	22	2,595	2,259
Depreciation and Amortisation	10	70	82
Other Expenses	23	4,675	4,544
Provision for loans		3,340	1,576
Total Expenditure	(B)	77,464	68,526
PROFIT BEFORE TAX	(A-B)	22,710	19,111
Tax Expense			
- Current Tax		7,635	6,110
- Deferred Tax		302	551
PROFIT AFTER TAX		14,773	12,450
Earnings Per Share-(Basic & Diluted) face value of ₹ 10 each		27.43	23.12
Refer Point No. 8 of Note No. 24 (Notes forming part of Accounts)		27.43	23.12
Significant Accounting Policies	1		
Notes forming part of Accounts	24		

As per our Report attached of even date

CNK & Associates LLP
Chartered Accountants
ICAI Firm Reg. No. 101961W/W-100036

(Suresh S. Agaskar)
Partner
Membership No. 110321

Y. Ramulu
Director
DIN: 07234450

S. Gopakumar
Managing Director & CEO
DIN: 07542356

Place: Mumbai
Date: 26th April, 2017

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



CASH FLOW STATEMENT

for the year ended 31st March, 2017

₹ in Lacs

	For the year ended 31.03.2017	For the year ended 31.03.2016
A Cash Flow From Operating Activities:		
Net Profit Before Tax & Extraordinary Items	22,710	19,110
Adjustments For:		
Depreciation and Amortisation	70	82
Provision for Non-Performing Assets & Contingencies	3,340	1,576
(Profit)/Loss on Sale of Fixed Assets (Net)	(1)	-
(Profit)/Loss on Sale of Investments	(151)	(193)
Operating Profit before Working Capital Changes	25,968	20,575
Adjustments For:		
(Increase)/Decrease in Long-Term Loans And Advances	(15,050)	(167)
(Increase)/Decrease in Non-Current Assets	-	144
(Increase)/Decrease in Bank Deposits Having Maturity of More than 3 Months	(17)	(158)
(Increase)/Decrease in Trade Receivables	(114)	(271)
(Increase)/Decrease in Short-Term Loans And Advances	(5)	(3)
Increase/(Decrease) in Long-Term Provisions	2	79
Increase/(Decrease) in Short-Term Provisions	368	159
Increase/(Decrease) in Trade Payables	(91)	202
Increase/(Decrease) in Other Current Liabilities	421	233
Operating Profit after Working Capital Changes	11,482	20,793
Adjustments For:		
(Increase)/Decrease Housing Loans	(1,36,463)	(1,31,432)
Cash Generated from Operating Activity	(1,24,981)	(1,10,639)
Taxes Paid	7,202	(6,041)
Net Cash Generated from Operating Activity	(A) (1,17,779)	(1,16,680)
B Cash Flow From Investment Activities		
Acquisition of Fixed Assets	(89)	(36)
Sale of Fixed Assets	6	-
Purchase of Investments	(5,45,601)	(5,88,834)
Sale of Investments	5,44,084	5,89,027
Receipt on Refund of Face Value of Investment	-	3
Net Cash Generated from Investing Activity	(B) (1,600)	160



CASH FLOW STATEMENT

for the year ended 31st March, 2017

₹ in Lacs

C Cash Flow From Financing Activities

	For the year ended 31.03.2017	For the year ended 31.03.2016
Long Term Loans taken during the year	4,23,875	2,38,770
Long Term Loans paid during the year	(3,28,178)	(1,15,471)
Short Term Loans taken during the year	5,18,028	3,98,255
Short Term Loans paid during the year	(4,90,145)	(4,00,875)
Dividend Paid on Equity Shares	(2,693)	(2,693)
Dividend Distribution Tax paid	(548)	(548)
Net Cash Generated from Financing Activity	(C) 1,20,339	1,17,438
Net Increase/(Decrease) of Cash & Cash Equivalents	(A + B + C) 960	918
Cash & Cash Equivalents as at Beginning of the year	5,037	4,119
Cash & Cash Equivalents as at the End of the year	5,997	5,037
Components of Cash and Cash Equivalents		
Cash on Hand	42	107
Remittances in Transit	90	139
Balance with Bank		
- On Current Accounts	5,745	4,677
- On Unpaid Dividend Account (Refer Note below)	120	114
	5,997	5,037

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

As per our Report attached of even date

CNK & Associates LLP

Chartered Accountants

ICAI Firm Reg. No. 101961W/W-100036

(Suresh S. Agaskar)

Partner

Membership No. 110321

Y. Ramulu

Director

DIN: 07234450

S. Gopakumar

Managing Director & CEO

DIN: 07542356

S. Sridharan

Chief Financial Officer

(Sr. Vice President & Company Secretary)

Place: Mumbai

Date: 26th April, 2017

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, 2016, 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 income is recognized on accrual basis, except in case of Non-performing Asset (NPA) where in Interest Income is recognized on receipt basis, following the directives/guidelines laid down by National Housing Bank.
- iii. Fees income, Penal Interest and other charges are recognized on receipt basis.

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 following 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. **PROPERTY, PLANT AND EQUIPMENT**

Property, Plant and Equipment 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 Property, Plant and Equipment is capitalized only when it is probable the future economic benefit associated with these will flow to the Company and the cost of the item can be measured reliably.

The Company depreciates property, plant and equipment over the estimated useful life of the Assets using reducing balance method. The estimated useful life of the assets is as prescribed under Schedule II to the Companies Act, 2013. Assets costing upto ₹ 5000 are fully depreciated in the year of acquisition.



SIGNIFICANT ACCOUNTING POLICIES:

The Depreciation method, useful life, and residual value are reviewed periodically, including at each financial year end. The cost and related accumulated depreciation are eliminated from the financial statement upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of Profit and Loss.

5. **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.

6. **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.

7. **INVESTMENTS:**

Investments are classified into current and non-current 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.

8. **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 which is in compliance with the directives/guidelines laid down by the National Housing Bank.

9. **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, and performance incentive paid annual leave, bonus, leave travel assistance, medical allowance, contribution to provident fund and superannuation etc. recognized as actual amounts due in period in which the employee renders the related services.



SIGNIFICANT ACCOUNTING POLICIES:

- 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.

10. **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.

11. **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.

12. **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.

13. **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.

14. **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.

15. **DIVIDEND:**

Final dividend on equity shares are recorded as a liability on the date of the approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Company's Board of Directors.



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

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 31.03.2017	As at 31.03.2016
	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

	As at 31.03.2017		As at 31.03.2016	
	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

	As at 31.03.2017		As at 31.03.2016	
	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	45,94,204	8.53	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	29,57,098	5.49	29,07,098	5.40

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, 2017

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. 9 of Note No. 24 (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

- Tax on Proposed Dividend

Net Surplus

	As at 31.03.2017	As at 31.03.2016
		₹ in Lacs
		As at 31.03.2016
	11,699	11,699
	456	456
	-	-
	456	456
	30,103	26,731
	4205	3,372
	34,308	30,103
	25,528	21,759
	7,330	5,835
	4,131	2,066
	28,727	25,528
	6	4
	14,773	12,450
	14,779	12,454
	7,330	5,835
	4,205	3,372
	-	2,693
	-	548
	3,244	6
TOTAL	78,434	67,792

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 ₹ 4,205 Lacs (Previous Year ₹ 3,372 Lacs) to Special Reserve in terms of Section 36(1)(viii) of the Income Tax Act, 1961.



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

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

	As at 31.03.2017		As at 31.03.2016	
	Non-Current	Current	Non-Current	Current
(a) Non-Convertible Debentures (Refer Note - 4.1)	4,500	-	4,500	-
(b) Term Loan (Refer Note - 4.2)				
From Banks	3,96,898	54,236	4,01,694	65,075
From Insurance Companies	9,000	1,000	3,000	1,000
National Housing Bank	2,37,763	30,549	1,41,881	21,100
	6,48,161	85,785	5,51,075	87,175

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

Description	Date of Redemption	Rate of Interest	Earliest Put/Call Option Date	₹ in Lacs
				As at 31.03.2017
Non-Current:				
450 NCD's of ₹ 10,00,000 each	23-April -2018	8.65% p.a.	-	4,500

Note 4.2

Security for term loans

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

Maturity Profile of Term Loans

Description	₹ in Lacs			
	Banks	As at 31.03.2017		NATIONAL HOUSING BANK
		Insurance Companies		
	(ROI 8.10% - 9.15%)	(ROI 9%)	(ROI 7.85%)	(ROI 6% - 9.90%)
Non-Current:				
Over 1 year to 3 years	1,65,133	2,000	875	71,432
Over 3 to 5 years	1,37,940	-	1,750	56,315
Over 5 to 7 years	70,342	-	1,750	55,948
Over 7 Years	23,483	-	2,625	54,068
TOTAL	3,96,898	2,000	7,000	2,37,763



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

NOTE 5**LONG-TERM PROVISIONS**

₹ in Lacs

Provision For Employee Benefits:

- Leave Encashment (Unfunded)
- Gratuity (Funded)

Other Provisions:

- (a) Provision for Housing Loans
(Refer Point No. 12 (XVI) of Note No. 24 (Notes forming part of Accounts))
- (b) Provision for Investments
(Refer Point No. 12(III) of Note No. 24 (Notes forming part of Accounts))

	As at 31.03.2017	As at 31.03.2016
	305	272
	154	169
	23,719	20,394
	979	979
TOTAL	25,157	21,814

NOTE 6**SHORT-TERM BORROWINGS**

₹ in Lacs

UNSECURED LOANS:

Short-Term Loans From Banks

Commercial Papers (CPs) Gross
Less : Discount not written off

	As at 31.03.2017	As at 31.03.2016
	10,400	5,100
	80,000	57,500
	662	744
	79,338	56,756
TOTAL	89,738	61,856

NOTE 7**TRADE PAYABLES**

₹ in Lacs

Trade Payables (For Expenses)

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

	As at 31.03.2017	As at 31.03.2016
	-	-
	577	667
TOTAL	577	667

Notes:

There is no outstanding amount payable/overdue to Micro, Small and Medium 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, 2017

NOTE 8

OTHER CURRENT LIABILITIES

Other Liabilities: (Borrowings)

Current maturities of Secured Long-Term Borrowings

- From Banks
- From National Housing Bank
- From Insurance Companies

(Refer Note 8.1)

Other Liabilities: (Others)

- (a) Interest Accrued But Not Due
- (b) Unpaid Dividend (Refer Note 8.2)
- (c) Others
 - Trade Liabilities
 - Staff Dues
 - Statutory Dues

		₹ in Lacs	
		As at 31.03.2017	As at 31.03.2016
		54,236	65,075
		30,549	21,100
		1,000	1,000
	Sub-Total	85,785	87,175
		366	366
		120	114
		2,424	2,017
		-	2
		66	56
	Sub-Total	2,976	2,555
	TOTAL	88,761	89,730

Note 8.1 :

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

Note 8.2 :

The Company has transferred ₹ 10.88 Lacs (Previous Year ₹ 9.81 Lacs) to Investor Education and Protection Fund during the year.

NOTE 9

SHORT-TERM PROVISIONS:

Provision For Employee Benefits:

- Leave Encashment (unfunded)
- Gratuity (funded)

Other Provisions:

- Provision for Housing Loans
(Refer Point No. 12 (XVI) of Note No. 24 (Notes forming part of Accounts))
- Provision for Tax (Net of Tax Payments)
- Proposed Dividend (Refer Note 9.1)
- Dividend Distribution Tax (Refer Note 9.1)

		₹ in Lacs	
		As at 31.03.2017	As at 31.03.2016
		57	66
		133	127
		188	172
		565	210
		-	2,693
		-	548
	TOTAL	943	3,816

Note 9.1 :

According to the amended Companies (Accounting Standard) Rules, 2016, the proposed dividend of ₹ 2,693 Lacs and dividend distribution tax thereon of ₹ 548 Lacs are not recognised as liability as at March 31, 2017. However, the same will be recognised as liability on approval of shareholders at ensuing Annual General Meeting.

Due to such change, Current liability is lower by ₹ 3241 Lacs and Reserves & Surplus is higher to that extent.



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

NOTE 10a

I) PROPERTY, PLANT & EQUIPMENT

(PREVIOUS YEAR FIGURES ARE IN BRACKET)

₹ in Lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Additions	Deductions / Adjustments	As at 31.03.2017	As at 01.04.2016	For the year	Deductions / Adjustments	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Buildings	263	-	-	263	175	4	-	179	84	88
	(263)	-	-	(263)	(171)	(4)	-	(175)	(88)	(92)
Furniture and Fittings	229	7	26	210	201	13	25	189	21	28
	(219)	(11)	(1)	(229)	(188)	(14)	(1)	(201)	(28)	(31)
Office Equipment	153	4	14	143	137	7	14	130	13	16
	(149)	(4)	-	(153)	(126)	(11)	-	(137)	(16)	(23)
Air Conditioners	88	4	5	87	65	11	5	71	16	23
	(79)	(11)	(2)	(88)	(53)	(14)	(2)	(65)	(23)	(26)
Computers	483	33	13	503	445	23	13	455	48	38
	(474)	(10)	(1)	(483)	(418)	(28)	(1)	(445)	(38)	(56)
Vehicles	84	40	21	103	61	12	18	55	48	23
	(84)	-	-	(84)	(50)	(11)	-	(61)	(23)	(34)
Current Year	1,300	88	79	1,309	1,084	70	75	1,079	230	216
Previous Year	(1,268)	(36)	(4)	(1,300)	(1,006)	(82)	(4)	(1,084)	(216)	(262)

NOTE 10b

II) INTANGIBLE ASSETS

₹ in Lacs

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01.04.2016	Additions	Deductions / Adjustments	As at 31.03.2017	As at 01.04.2016	For the year	Deductions / Adjustments	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Application Software	292	-	-	292	292	-	-	292	-	-
	(292)	-	-	(292)	(292)	-	-	(292)		
Current Year	292	-	-	292	292	-	-	292	-	-
Previous Year	(292)	-	-	(292)	(292)	-	-	(292)	-	-
TOTAL I +II C.Y.	1,592	88	79	1,601	1,376	70	75	1,371	230	216
TOTAL I +II P.Y.	(1,560)	(36)	(4)	(1,592)	(1,298)	(82)	(4)	(1,376)	(216)	(262)

Note 10c

The Company has pledged one of its residential flat located at Mumbai, as collateral security against the Non convertible Debentures aggregating to ₹ 4,500 Lacs.



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

NOTE 11

NON-CURRENT INVESTMENTS

	Face Value (₹)	No.	₹ in Lacs	
			As at 31.03.2017	As at 31.03.2016
(1) NON-TRADE INVESTMENTS (UNQUOTED) (Valued at cost unless stated otherwise)				
Equity Shares (Refer Note 11.1 below)			1,697	30
Redeemable Preference Shares (Refer Note 11.1 below)			950	950
TOTAL			2,647	980

Note 11.1 :

	Face Value (₹)	No.	₹ in Lacs	
			As at 31.03.2017	As at 31.03.2016
(a) Equity shares :				
GIC Asset Management Co. Ltd.	1.35	20,99,996	29	29
LIC MF Asset Management Co. Ltd.	1,28,845	1,287	1,666	-
LIC MF Trustee Co. Pvt. Ltd.	78	1,570	1	-
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			1,697	30
(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			2,647	980

- (d)** The Company is carrying aggregate provision for diminution in the value of investments of ₹ 979 lacs (Previous year ₹ 979 Lacs) (Refer Point No. 12 (III) of Note No. 24 (Notes forming part of Accounts)).



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

NOTE 12

DEFERRED TAX ASSETS (NET)

(Refer Point No. 9 of Note No. 24 (Notes forming part of Accounts))

Deferred Tax Assets

Deferred Tax Liabilities

Deferred Tax Assets / (Liability) (Net)

₹ in Lacs

As at 31.03.2017	As at 31.03.2016
8,582	7,430
11,872	6,286
(3,290)	1,144

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 31.03.2017	As at 31.03.2016
235	219
789	465
982	1,060
28	76
2,034	1,820

NOTE 14

LOANS:

(Secured, Refer Point No. 1 & 11 of Note No. 24 (Notes forming part of Accounts))

A. NON-CURRENT :

- Individuals - (Refer Note 14.1)

- Non-Individuals

TOTAL (A)

B. CURRENT (Repayable within one year)

- Individuals - (Refer Note 14.1)

- Non-Individuals

TOTAL (B)

TOTAL (A)+(B)

₹ in Lacs

As at 31.03.2017	As at 31.03.2016
8,88,093	7,56,564
440	453
8,88,533	7,57,017
39,156	34,208
-	-
39,156	34,208
9,27,689	7,91,225

Note 14.1

Loans due from Directors and their relatives aggregates to ₹ NIL (P.Y. ₹ 73.90 Lacs).



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

NOTE 15

TRADE RECEIVABLES

Accrued Interest on Housing Loans
(Secured, considered good)
Others
(Secured, considered good)

	₹ in Lacs	
	As at 31.03.2017	As at 31.03.2016
	1,238	1,149
	89	64
TOTAL	1,327	1,213

NOTE 16

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 31.03.2017	As at 31.03.2016
	5,745	4,677
	120	114
	5,865	4,791
	42	107
	90	139
	214	197
TOTAL	6,211	5,234

NOTE 17

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 31.03.2017	As at 31.03.2016
	31	24
	144	156
	6	6
	130	120
TOTAL	311	306

NOTE 18

INTEREST INCOME

Interest on Loans

	₹ in Lacs	
	Year ended 31.03.2017	Year ended 31.03.2016
	98,004	85,728
TOTAL	98,004	85,728



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

NOTE 19

OTHER FINANCIAL SERVICES

- (a) Fees and Other Charges
(b) Other Operating Income

	Year ended 31.03.2017	Year ended 31.03.2016
	2,005	1,716
	12	-
TOTAL	2,017	1,716

₹ in Lacs

NOTE 20

OTHER INCOME :

- (a) Dividend (Refer Note 20.1)
(b) Net Gain on sale of Investment :
- Current Investments
(c) Other Non-Operating Income
- Miscellaneous Income

	Year ended 31.03.2017	Year ended 31.03.2016
	-	-
	151	193
	2	-
TOTAL	153	193

₹ in Lacs

Note 20.1 :

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

NOTE 21

FINANCE COST

INTEREST EXPENSES :

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

	Year ended 31.03.2017	Year ended 31.03.2016
	61,051	54,137
	389	669
	461	861
	4,883	4,398
TOTAL	66,784	60,065

₹ in Lacs

NOTE 22

EMPLOYEE BENEFITS EXPENSES

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

	Year ended 31.03.2017	Year ended 31.03.2016
	2,051	1,774
	282	273
	262	212
TOTAL	2,595	2,259

₹ in Lacs



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

NOTE 23

OTHER EXPENSES

₹ in Lacs

	Year ended 31.03.2017	Year ended 31.03.2016
Rent	655	571
Rates and Taxes	7	5
Repairs and Maintenance :		
- Building	16	26
- Others	325	352
	341	378
General Office Expenses	125	118
Insurance	175	156
Travelling and Conveyance	70	78
Printing and Stationery	71	71
Advertisement	164	227
Legal and Professional Fees	2,626	2,543
Directors Sitting Fees	9	12
Corporate Social Responsibility (CSR) Expenses	162	108
Miscellaneous Expenses	247	256
Auditor's Remuneration :		
Audit Fees	11	10
Tax Audit Fees	3	2
Fees for other services/quarterly limited review	9	9
	23	21
TOTAL	4,675	4,544



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

NOTE 24: 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 ₹ 277 Lacs (Previous Year – ₹ 276 Lacs). It has preferred appeal/s against the same and also has made payments under protest.
 - Bank Guarantees:
 - ₹ 75 Lacs given in favor 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 favor 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 - ₹ 50 Lacs).
 - ₹ 50 Lacs given in favor of Birla Sun Life Insurance Company Ltd. in lieu of premium deposit for “Birla Sun Life Insurance Group Asset Assure Plan” policy contract to avail Credit Life Group Plan Cover for borrowers (Previous Year - ₹ NIL).
3. Housing Loans include loans amounting to ₹ 8,553 Lacs (Previous Year ₹ 5,166 Lacs) against which the Company has taken possession of the property (including symbolic possession) under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and held such properties for disposal.

4. 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. The Company has recognized ₹ 21 Lacs (Previous year ₹ 17 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 ₹ 167 Lacs (Previous year ₹ 140 Lacs) has been charged to Statement of Profit and Loss on account of this defined benefit scheme.

Leave Encashment

An amount of ₹ 24 Lacs (Previous year ₹ 72 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, 2017

5. Disclosure in respect of Gratuity liability:

(₹ In Lacs)

Particulars

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
2. Interest Cost
3. Current Service Cost
4. Past Service Cost
5. Benefits Paid
6. Actuarial (gain)/loss on Obligation
7. Present Value of obligation at the end of the year

524

421

42

34

48

37

-

-

(1)

(24)

16

56

629

524

Reconciliation of Net Asset/(Liability) recognized in the Balance Sheet during the year ended March 31, 2017

1. Present Value of obligation at the end of the year
2. Fair value of plan Assets at the end of the year
3. Amount recognized as Liability

629

524

342

228

287

296

Changes in the Fair Value of Assets

1. Fair value of Plan Assets at beginning of the year
2. Expected Return on Plan Assets
3. Contributions
4. Benefits Paid
5. Actuarial gain (loss) on Plan Assets
6. Fair value of Plan Assets at the end of the year

228

229

18

18

94

4

(1)

(24)

3

1

342

228

Profit & Loss – Expenses

1. Current Service Cost
2. Interest Cost
3. Expected Return on Plan assets
4. Net Actuarial (gain) loss recognized in the year
5. Past Service Cost
6. Expenses recognized in the Statement of Profit & Loss

48

37

42

34

(18)

(18)

13

54

-

-

85

107

Actuarial Assumptions

1. Discount Rate
2. Expected Rate of Return on Plan Assets
3. Expected Rate of Salary Increase
4. Attrition Rate
5. Mortality Post-retirement

7.52%

8.07%

7.52%

8.07%

7%

7%

2%

2%

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.

Expected contribution to Gratuity Fund in next year aggregates to ₹ 87 Lacs. (Previous Year ₹ 96 Lacs)

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

Gratuity:

(₹ In Lacs)

	2016-17	2015-16	2014-15	2013-14	2012-13
Present Value of Obligation at the end of year	629	524	421	253	217
Fair value of Plan Assets at the end of year	342	228	229	196	155
Surplus/(Deficit)	(287)	(296)	(192)	(57)	(62)

6. 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, 2016.

7. 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 ₹ 662 Lacs (Previous Year ₹ 576 Lacs).

Future lease rental obligation under non-cancellable leases:

- Not later than one year: ₹ 136 Lacs (Previous Year ₹ 94 Lacs)
- Later than one year and not later than five years. : ₹ 440 Lacs (Previous Year ₹ 270 Lacs)
- Later than five years. : ₹ 141 Lacs (Previous Year ₹ 28 Lacs)

8. Earnings Per Share:

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Profit attributable to Equity Shareholders (₹ in Lacs)	14,773	12,450
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)	27.43	23.12

9. 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 ₹ 302 Lacs (Previous year ₹ 551 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 March 31, 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 ₹ 4,131 Lacs, being last tranche of 50%, 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.



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

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

(₹ In Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Deferred Tax Assets:		
Provision for Loans	8,274	7,118
Provision for Leave Encashment	125	117
Provision for Gratuity	99	102
Provision for Rent	39	48
Depreciation and Amortization	45	45
TOTAL	8,582	7,430
Deferred Tax Liability:		
Special Reserve created and maintained under Section 36(1) (viii) of the Income Tax Act, 1961	11,872	6,286
TOTAL	11,872	6,286
Deferred Tax Asset/ (Liability) (net)	(3,290)	1,144

10. Details of Movement in Provisions:

(₹ in Lacs)

Particulars	Opening as on 01.04.2016	Provision made during the year	Provision Reversed/ Adjusted during the year	Closing as on 31.03.2017
Non-Performing Assets	14,374	7,200	2,154	19,420
Standard Assets	6,150	577	2,282	4,445
Housing Loans under Differential Interest Rate	42	-	-	42
Investments	979	-	-	979
Taxation	28,656	7,635	-	36,291

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

11. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

12. Disclosure as required by National Housing Bank:

The following disclosures have been given in terms of NHB's Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016, dated 9th February, 2017 and in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010:

I. Capital to Risk Assets Ratio (CRAR):

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i) CRAR (%) **	16.60	17.40
ii) CRAR - Tier I Capital (%)	16.60	17.40
iii) CRAR - Tier II Capital (%)	-	-
iv) Amount of subordinated debt raised as Tier II Capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

** According to the amended Companies (Accounting Standard) Rules, 2016, the proposed dividend of ₹ 2,693 Lacs and dividend distribution tax thereon of ₹ 548 Lacs are not recognized as liability as at 31st March, 2017 in the Financial Statements. However, the Company has reduced proposed dividend and dividend distribution tax thereon for determining capital funds for computing capital adequacy ratio as on 31st March, 2017.

II. Reserve fund u/s 29C of NHB Act, 1987:

(₹ In Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
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	30,103	26,731
TOTAL (a + b)	30,559	27,187
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	4,205	3,372
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 Provision 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	34,308	30,103
TOTAL (a + b)	34,764	30,559



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

III. Investments:

(₹ in Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Value of Investments		
(i) Gross Value of Investments		
(a) In India	2,647	980
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	979	979
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	1,668	1
(b) Outside India	-	-

Movement of Provisions held towards depreciation on investments

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Value of Investments		
(i) Opening balance	979	979
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/Written-back of excess provisions during the year	-	-
(iv) Closing Balance	979	979

IV. During the year the Company has not entered into any;

- Derivative transaction,
- Securitization and assignment transaction,
- Financing of parent company product, and
- Finance of any unsecured advances against intangible securities such as rights, licenses, authority etc. as collateral security.

V. Asset Liability Management:

Assets & Liabilities are classified & disclosed as per the guidelines issued by the NHB. Maturity pattern of certain items of assets and liabilities as at March 31, 2017

Particulars	Liabilities				Assets		
	Deposits	Borrowings from banks	Market Borrowings	Foreign currency Liabilities	Advances	Investments	Foreign currency Assets
1 day to 30 days (one month)	-	10,400	11,838	-	3,188	-	-
Over one month to 2 months	-	-	52,500	-	3,066	-	-
Over 2 months to 3 months	-	2,054	15,000	-	3,081	-	-
Over 3 months to 6 months	-	34,548	-	-	9,335	-	-
Over 6 months to 1 year	-	49,184	-	-	19,076	-	-
Over 1 year to 3 years	-	2,39,440	4,500	-	81,189	-	-
Over 3 years to 5 years	-	1,96,005	-	-	91,742	-	-
Over 5 years to 7 years	-	1,28,041	-	-	99,435	-	-
Over 7 years to 10 years	-	80,175	-	-	1,53,756	-	-
Over 10 years	-	-	-	-	4,39,914	1,668	-
Total	-	7,39,847	83,838	-	9,03,782	1,668	-



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

VI. Exposure to Real Estate Sector:

(₹ in Lacs)

Category	Year ended 31.03.2017	Year ended 31.03.2016
i) Direct Exposure		
(a) 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	4,38,642	4,06,390
Individual Housing Loans above ₹15 lacs	4,87,977	3,83,600
Housing Loans to Corporate Bodies	335	335
(b) Commercial Real Estate –		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose 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	735	900
Housing Loans to Others	-	-
(c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
a. Residential	-	-
b. Commercial Real Estate	-	-
ii) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

VII. Exposure to Capital Market:

Sr. No.	Particulars	(₹ in Lacs)	
		Year ended 31.03.2017	Year ended 31.03.2016
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,666	-
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii)	Bridge loans to companies against expected equity flows / issues;	-	-
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	1,666	-

VIII. The Company has not exceeded limit prescribed by NHB for Single Borrower Limit (SGL) and Group Borrower Limit (GBL).

IX. The Company has not obtained registration from any other financial sector regulators.

X. NHB has not raised any stricture or direction in their inspection carried out during the year. Further, NHB has not imposed any penalty on the Company during the year.

XI. Related Party Transactions: (As per AS 18 - Related Party disclosures)

(i) Names of Related Parties and description of relationship

Key Management Personnel:

- (a) Shri. Warendra Sinha – Managing Director & CEO (up to 07.11.2016)
- (b) Shri. S. Gopakumar – Managing Director & CEO (from 08.11.2016)
- (c) Shri. S. Sridharan – Sr. Vice President, Company Secretary & CFO.



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

(ii) Details of transactions and balance at the year end with related parties:

(a) Shri Warendra Sinha – Managing Director & CEO (For the period 01/04/2016 to 07/11/2016 in current Financial Year)

(₹ in Lacs)

Sr. No.	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i)	Salary	12	14
ii)	Salary Arrears	-	14
iii)	Leave Encashment and other allowances	4	5
iv)	Performance Incentive	3	5
v)	Contribution to Pension and other funds	1	1
vi)	Perquisites	5	6
	TOTAL	25	45
	Housing Loan Closing Balance	24	-
	Maximum Balance of Housing Loan outstanding during the period	25	-

(b) Shri S. Gopakumar – Managing Director & CEO (For the period 08/11/2016 to 31/03/2017 in current Financial Year)

(₹ in Lacs)

Sr. No.	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i)	Salary	8	-
ii)	Salary Arrears	-	-
iii)	Leave Encashment and other allowances	3	-
iv)	Performance Incentive	-	-
v)	Contribution to Pension and other funds	1	-
vi)	Perquisites	4	-
	TOTAL	16	-
	Housing Loan Closing Balance	-	-
	Maximum Balance of Housing Loan outstanding during the period	-	-

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

(₹ in Lacs)

Sr. No.	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i)	Salary	17	16
ii)	Salary Arrears	-	2
iii)	Leave Encashment and other allowances	3	5
iv)	Performance Incentive	1	1
v)	Contribution to Pension and other funds	2	2
vi)	Perquisites	9	3
	TOTAL	32	29
	Housing Loan and Other Advances	21	14
	Maximum Balance of Housing Loan outstanding during the period	21	15



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

XII. Rating assigned by Credit Rating Agencies and migration of rating during the year:

Sr. No.	Particulars	Rating	
		ICRA	CRISIL
i)	Long Term Loans	[ICRA]AA+ (stable)	CRISIL AA+ stable
ii)	Non-Convertible Debentures	[ICRA]AA+ (stable)	CRISIL AA+ stable
iii)	Short Term Loans	[ICRA]A1+	CRISIL A1+
iv)	Commercial Paper	[ICRA]A1+	

XIII. Remuneration of Directors:

There are no transactions other than sitting fees paid to Non-Executive Directors. During the year, ₹ 9.40 Lacs (Previous Year ₹ 12.47 Lacs) was paid to Non-Executive Directors towards Sitting Fees. Details are as under:

(₹ in Lacs)

Name of the Directors	Year Ended 31/03/2017			Year Ended 31/03/2016		
	Sitting Fees	Commission	Others	Sitting Fees	Commission	Others
Shri V. Ramasamy	2.60	-	-	3.96	-	-
Shri Kamlesh S. Vikamsey	1.40	-	-	1.37	-	-
Smt. Mona Bhide	1.80	-	-	2.97	-	-
Shri B. Chakrabarti	1.20	-	-	1.39	-	-
Shri A. V. Muralidharan	1.20	-	-	1.39	-	-
Shri M. K. Garg	1.20	-	-	1.39	-	-
Total	9.40	-	-	12.47	-	-

XIV. During the year,

- no prior period items occurred which has impact on Statement of Profit & Loss,
- no change in any accounting policy,
- there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

XV. The Company has no subsidiary Company. Hence, requirement of consolidated financial statement is not applicable to the Company.

XVI. Provisions and Contingencies charged during the year:

(₹ in Lacs)

Sr. No.	Particulars	Year ended	Year ended
		31.03.2017	31.03.2016
i)	Provisions for Depreciation on Investments	-	(3)
ii)	Provision made towards Income tax	7,635	6,110
iii)	Provision towards NPA	2,763	874
iv)	Provision for Standard Assets	577	705
v)	Other Provision and Contingencies (with details)	-	-



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

Break up Loan & Advances and Provisions thereon

(₹ In Lacs)

Particulars	Housing		Non Housing	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
Standard Asset				
a) Total outstanding Amount	7,69,187	6,50,450	1,36,432	1,26,401
b) Provisions made	3,118	4,548	1,369	1,644
Sub – Standard Asset				
a) Total outstanding Amount	7,452	3,664	3,237	1,422
b) Provisions made	5,559	3,664	2,480	1,422
Doubtful Assets – Category – I				
a) Total outstanding Amount	2,063	1,772	700	155
b) Provisions made	2,063	1,772	700	155
Doubtful Asset – Category II				
a) Total outstanding Amount	1,564	809	137	36
b) Provisions made	1,564	809	137	36
Doubtful Asset – Category III				
a) Total outstanding Amount	5,626	5,340	440	453
b) Provisions made	5,626	5,340	440	453
Loss Assets				
a) Total outstanding Amount	810	723	41	-
b) Provisions made	810	723	41	-
TOTAL				
a) Total outstanding Amount	7,86,702	6,62,758	1,40,987	1,28,467
b) Provisions made	18,740	16,856	5,167	3,710

XVII. Draw Down from Reserves:

Pursuant to 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 March 31, 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, during the year the Company has created DTL on such Special Reserve amounting to ₹ 4,131 Lacs, being last tranche of 50% by directly adjusting from the General Reserves (Previous year ₹ 2,066 Lacs).

XVIII. Concentration of Public Deposits:

The Company has not accepted any public deposits.



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

XIX. Concentration of Loans & Advances:

(₹ in Lacs)

Sr. No.	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i)	Total Loans & Advances to twenty largest borrowers.	3,987	3,633
ii)	Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC.	0.43%	0.46%

XX. Concentration of all Exposure (including off-balance sheet exposure):

(₹ in Lacs)

Sr. No.	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i)	Total Exposure to twenty largest borrowers	4,031	3,677
ii)	Percentage of Exposure to twenty largest borrowers/customers to Total Exposure of the HFC on borrower/ customers	0.43%	0.46%

XXI. Concentration of NPAs:

(₹ in Lacs)

Sr. No.	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i)	Total Exposure to top ten NPA accounts	1,039	925

XXII. Sector-wise NPAs:

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		Year ended 31.03.2017	Year ended 31.03.2016
i)	Housing Loans		
a.	Individuals	2.23%	1.86%
b.	Builders/Project Loans	-	-
c.	Corporates	-	-
d.	Others (specify)	-	-
ii)	Non-Housing Loans		
a.	Individuals (Mortgage/Commercial)	2.92%	1.26%
b.	Builders/Project Loans	0.07%	0.09%
c.	Corporates	0.24%	0.26%
d.	Others (specify)	-	-



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

XXIII. Movement of NPAs:

(₹ in Lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i) Net NPAs to Net Advances (%)	0.29 %	-
ii) Movement of NPAs (Gross)		
a) Opening balance	14,374	11,839
b) Additions during the year	28,567	16,900
c) Reductions during the year	20,871	14,365
d) Closing balance	22,070	14,374
iii) Movement of Net NPAs		
a) Opening balance	-	-
b) Additions during the year	21,367	12,296
c) Reductions during the year	18,717	12,296
d) Closing balance	2,650	-
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	14,374	11,839
b) Provisions made during the year	4,017	2,080
c) Utilization of Floating provision*	3,183	2,524
d) Write-off/write-back of excess provisions	2,154	2,069
e) Closing balance	19,420	14,374

*Pursuant to the communication received from National Housing Bank (NHB), the additional Provision made by the Company in the previous financial years towards the Standard assets and Non-Performing Assets are reclassified to provisions for Non-Performing Assets.

XXIV. The Company does not have any overseas assets and any off balance sheet special purpose vehicle (SPV) which requires to be consolidated as per accounting norms.

XXV. Disclosure of Complaints:

Sr. No.	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i)	No. of complaints pending at the beginning of the year	-	-
ii)	No. of complaints received during the year	39	35
iii)	No. of complaints redressed during the year	33	35
iv)	No. of complaints pending at the end of the year	6	-

Disclosure made above is only for the complaints filed by customers directly on "Grievance Registration and Information Database System (GRIDS)" NHB online website having the following URL:<http://grids.nhbonline.org.in>



NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2017

13. Disclosure on Specified Bank Notes:

During the year, the Company had specified Bank Notes or other denomination notes as defined in the MCA notification G.S.R 308 (E) dated March 31, 2017 on the details of specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below.

(₹ in Lacs)

Particulars	SBNs *	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	1.19	3.91	5.10
(+) Permitted receipts	-	20.17	20.17
(-) Permitted Payments	0.35	19.47	19.82
(-) Amount deposited in Banks	0.84	-	0.84
Closing cash in Hand as on December 30, 2016	-	4.61	4.61

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number SO 3407 (E) dated the 8th November 2016.

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

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

As per our Report attached of even date

CNK & Associates LLP

Chartered Accountants

ICAI Firm Reg. No. 101961W/W-100036

(Suresh S. Agaskar)

Partner

Membership No. 110321

Y. Ramulu

Director

DIN: 07234450

S. Gopakumar

Managing Director & CEO

DIN: 07542356

Place: Mumbai

Date: 26th April, 2017

For and on behalf of the Board of Directors

S. Sridharan

Chief Financial Officer

(Sr. Vice President & Company Secretary)

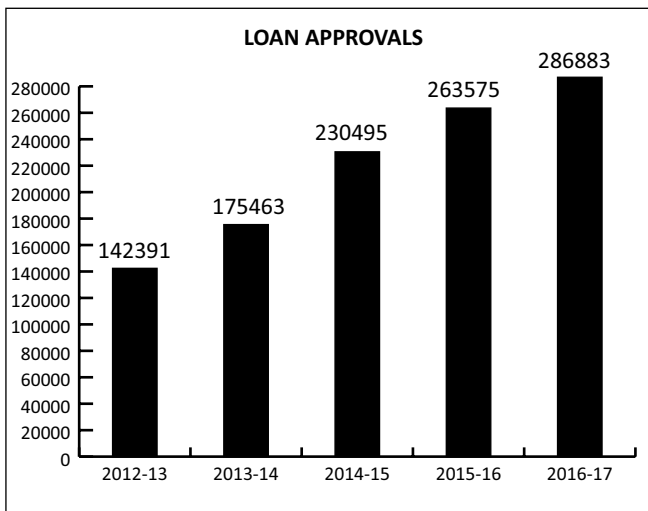
FINANCIAL ANALYSIS AND PERFORMANCE MEASURES

Achievements in 2016-17

Loan approvals during the year

During the year, the Company sanctioned ₹ 2,86,883 lacs under “Apna Ghar Yojana” (loan to individuals)

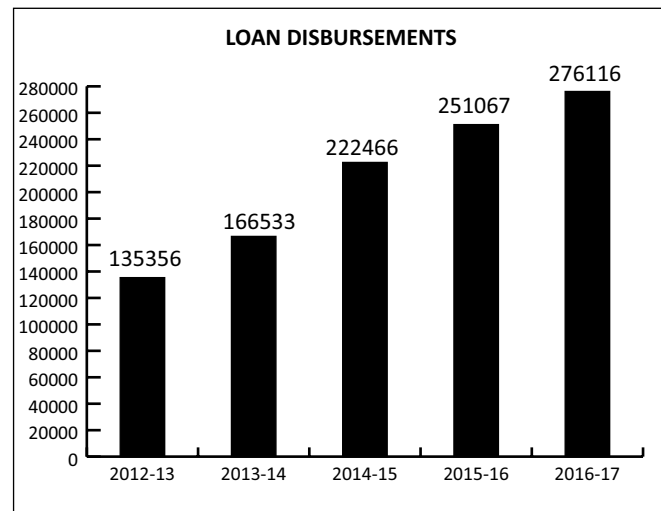
(₹ in Lacs)



Loan disbursements during the year

During the year, the Company disbursed ₹ 2,76,116 lacs under “Apna Ghar Yojana” (loan to individuals)

(₹ in Lacs)

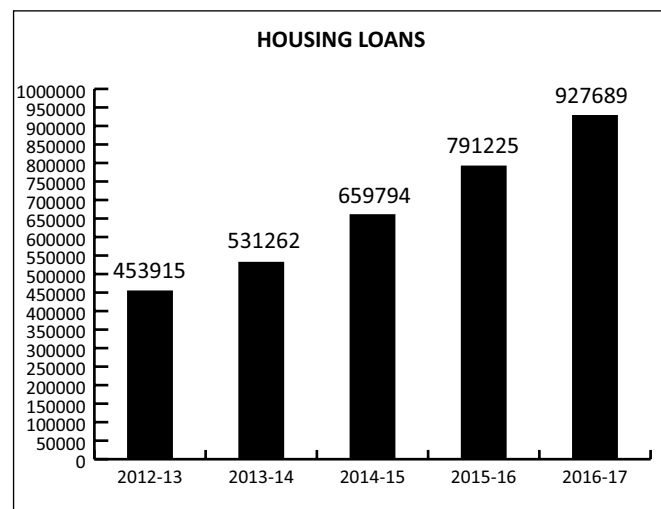
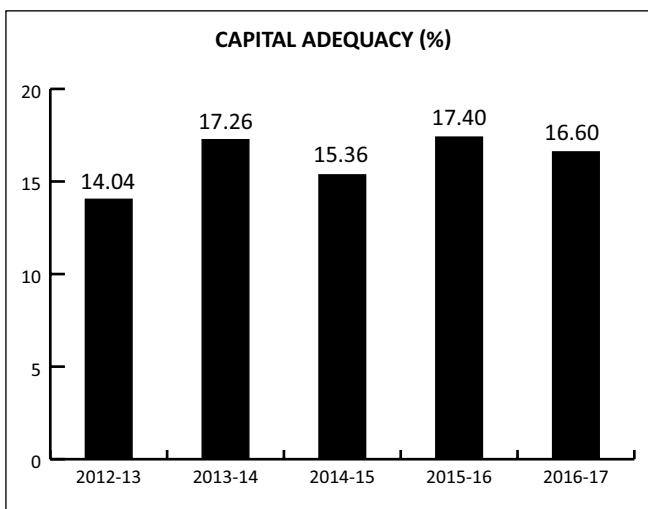


Capital Adequacy

Housing Loans

The Housing Loans Portfolio rose by 17.25% for the year 2016-17

(₹ in Lacs)

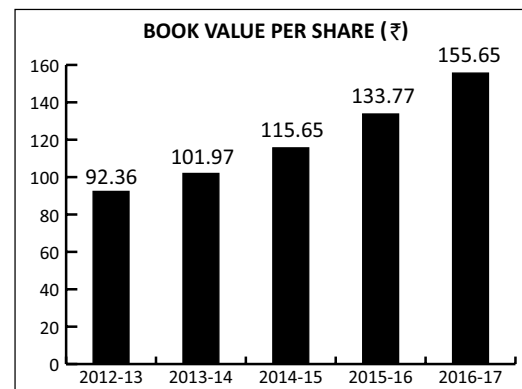
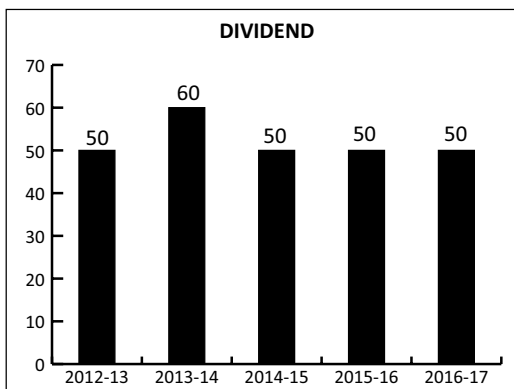
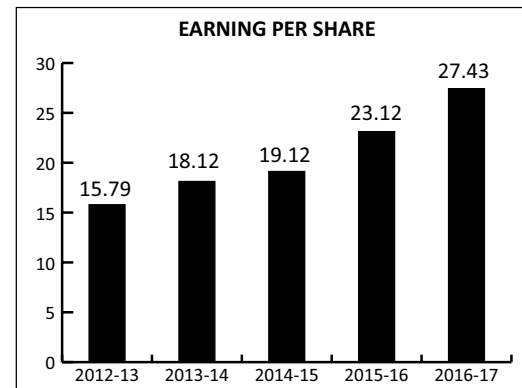
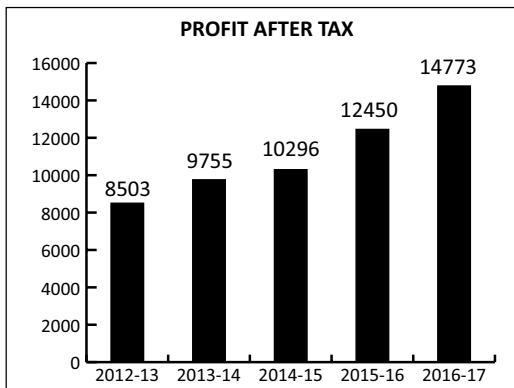
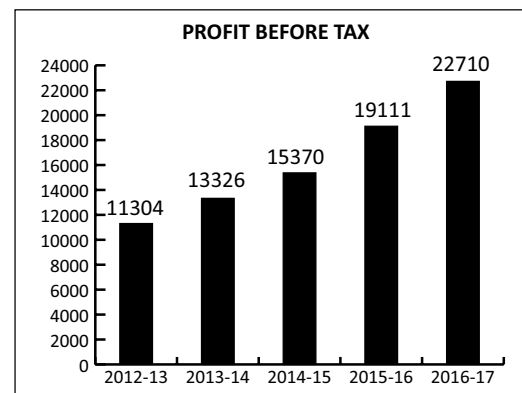
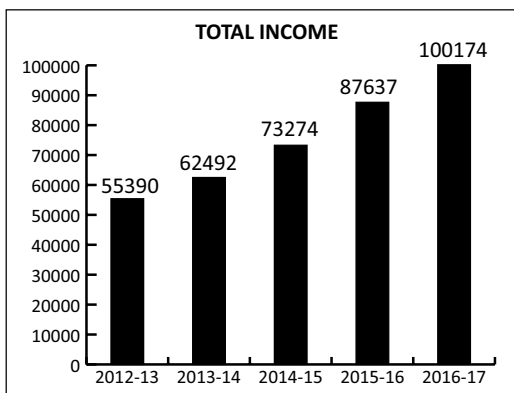


FIVE YEARS AT A GLANCE

Comparative Statement

(₹ in Lacs)

Particulars	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Total Income	100174	87,637	73,274	62,492	55,390
Profit Before Tax	22710	19,111	15,370	13,326	11,304
Profit After Tax	14773	12,450	10,296	9,755	8,503
Earning per Share (₹)	27.43	23.12	19.12	18.12	15.79
Dividend (%)	50	50	50	60	50
Book Value per Share (₹)	155.65	133.77	115.65	101.97	92.36





Inauguration of Mangalore Branch - 19th January, 2017



Inauguration of Guwahati Branch - 22nd March, 2017



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Hopefully a house as well.

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