



**GIC HOUSING FINANCE LTD.**  
YOUR ROAD TO A DREAM HOME



**BECAUSE EVERYBODY NEEDS A HOME**

Not everybody has a big budget – but they still manage.

One day, affordable homes should be available to all. For the moment, making the most of what you have is the important thing. We, at GICHF, are trying to support an India where affordable housing is a reality. And we would have played a part in creating a nation where every family has a place of their own.

Annual Report 2014-15

24<sup>th</sup> Annual General Meeting - 11<sup>th</sup> September, 2014



GIC Housing Finance Meet - 4<sup>th</sup> April, 2015





## CORPORATE INFORMATION

### BOARD OF DIRECTORS

1)	Shri Ashok K. Roy	Chairman
2)	Shri G. Srinivasan	Director
3)	Dr. A. K. Saxena	Director
4)	Shri Milind A. Kharat	Director
5)	Shri N. Mohan	Director
6)	Shri V. Ramasamy	Director
7)	Shri Kamlesh S. Vikamsey	Director
8)	Smt. Mona Bhide	Director
9)	Shri B. Chakrabarti	Director
10)	Shri M. K. Garg	Director
11)	Shri A. V. Muralidharan	Director
12)	Shri Warendra Sinha	Managing Director & CEO

### SENIOR VICE PRESIDENT & COMPANY SECRETARY

Shri S. Sridharan

### AUDITORS

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

### PRINCIPAL BANKERS

HDFC Bank Limited, United Bank of India, Axis Bank Limited, Bank of India, Union Bank of India, Bank of Maharashtra, Bank of Baroda, State Bank of Mysore, State Bank of Bikaner & Jaipur, Syndicate Bank, Oriental Bank of Commerce, Punjab & Sindh Bank, The Nova Scotia Bank Limited, Corporation Bank, Indian Bank, Kotak Mahindra Bank, Allahabad Bank, ING Vysya Bank Limited, Vijaya Bank, Deutsche Bank AG & State Bank of Travancore.

### REGISTERED OFFICE

Royal Insurance Building, 6<sup>th</sup> Floor, 14, Jamshedji Tata Road, Churchgate, Mumbai - 400 020, India.

### REGISTRAR AND SHARE TRANSFER AGENT

M/s. Sharepro Services (India) Pvt. Ltd.,  
13AB, Samhita Warehousing Complex,  
Second Floor, Sakinaka Telephone Exchange Lane,  
Off. Andheri Kurla Road,  
Sakinaka, Andheri (East),  
Mumbai – 400072  
Tel.: 022 – 67720300, 67720400 & 67720403;  
Fax – 022 - 67720416  
E-mail – sharepro@shareproservices.com

## CONTENTS

PAGE  
NO.

Corporate Information	1
Notice of AGM	4
Directors' Report	14
Management Discussion & Analysis Report	30
Corporate Governance Report	34
Shareholders Information	41
Auditors' Report	48
Balance Sheet	52
Statement of Profit and Loss	53
Cash Flow Statement	54
Notes to Accounts	56
Financial Analysis	78
Five Years' at a Glance	79

### 25<sup>th</sup> ANNUAL GENERAL MEETING

<b>Date</b>	: Friday, 17 <sup>th</sup> July, 2015
<b>Time</b>	: 3.30 p.m.
<b>Venue</b>	: Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4 <sup>th</sup> Floor, General Jagannath Bhosale Marg, Mumbai- 400 021



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

- 1) Shri V. Ramasamy – Chairman
- 2) Shri N. Mohan
- 3) Shri Kamlesh S. Vikamsey

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

- 1) Shri V. Ramasamy – Chairman
- 2) Shri N. Mohan
- 3) Smt. Mona Bhide

**NOMINATION AND REMUNERATION COMMITTEE**

- 1) Smt. Mona Bhide - Chairperson
- 2) Shri V. Ramasamy
- 3) Shri N. Mohan

**ASSET LIABILITY MANAGEMENT / RISK MANAGEMENT COMMITTEE**

- 1) Shri V. Ramasamy - Chairman
- 2) Shri N. Mohan
- 3) Shri Warendra Sinha

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

- 1) Shri Milind A. Kharat – Chairman
- 2) Smt. Mona Bhide
- 3) Shri Warendra Sinha

**MANAGEMENT**

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

**BUSINESS HEADS**

Sr. No.	Branch Offices	Manager
1	Ahmedabad	Mr. Amit Thakur
2	Bengaluru	Mr. S. Vijayaramesh
3	Bhubaneshwar	Mr. Siddhartha Roy
4	Boisar	Mr. Kiran Alhad Lad
5	Borivali	Mr. Shrinivas Mahishi
6	Chandanagar	Mr. S. Prashanth Kumar
7	Chandigarh	Mr. Pramender Singh
8	Chennai	Mr. N. Ragothaman
9	Chinchwad	Mr. Joseph Thomas
10	Coimbatore	Mr. V. Kumaraguru
11	Dehradun	Mr. Akshay Kumar Singh
12	Delhi	Mr. Muneshwar Basutkar
13	Diamond Harbour	Mr. Santosh Singh
14	Durgapur	Mr. Mainak Pal
15	Dwarka	Mr. Bidyut Pal
16	Electronic City-Bengaluru	Mr. R. Ramachandran
17	Garia	Ms. Sampurna Ghosh
18	Ghaziabad	Mr. Shanish Sharma
19	Gurgaon	Mr. Vinayak Kumar
20	Hadapsar	Mr. Vicky Adtani
21	Hyderabad	Mrs. B. Chitra
22	Indore	Ms. Kriti Kaul Ogra
23	Jaipur	Mr. Umesh Bhat
24	Jodhpur	Mr. Ganesh Singh Hada
25	Kalyan	Mr. Rohit Medhekar
26	Kochi	Mr. Tom Thomson
27	Kolhapur	Mr. Dnyaneshwar Sudam Doundkar
28	Kolkata	Mr. Santosh Singh
29	L. B. Nagar - Hyderabad	Mr. Mahesh Mogaveera
30	Lucknow	Mr. Deepak Kumar
31	Ludhiana	Mr. Nitesh Kumar
32	Margao	Mr. Harish Kamath
33	Madurai	Mr. M. S. Chandrasekhar
34	Malout	Mr. Pramender Singh
35	Meerut	Mr. Kumar Sawrabh
36	Mumbai	Mr. Ramesh More
37	Nagpur	Mr. Praful R. Dhoke
38	Nashik	Mr. Subhajit Basu
39	Nere Panvel	Mr. Ramesh Gaikwad
40	Navi Mumbai	Mrs. Mahalakshmi Sharma
41	Noida	Mr. Arpit Tambi
42	Panaji	Mr. Christopher D'souza
43	Panvel	Mr. Amit Kumar Jha
44	Patiala	Mr. Pramender Singh
45	Patna	Mr. Dinesh Srivastava
46	Porur	Mr. G Rajasekhar
47	Pune	Mr. Yogesh Deshpande
48	Tambaram	Mrs. C. Vijayavardhini
49	Thane	Mr. Sudhir Kasabekar
50	Trichy	Mr. K. G. Krishnan
51	Trivandrum	Mr. Mithun Mohan
52	Vadodara	Mr. R. Lalithkumar
53	Virar	Mr. Vinayak Joshi
54	Vishakhapatnam	Mr. Sukhendu Acharya
55	Yelahanka	Mr. Thangaraj

**BOARD OF DIRECTORS**



**Shri Ashok K. Roy**  
Chairman



**Shri G. Srinivasan**  
Director



**Dr. A. K. Saxena**  
Director



**Shri Milind A. Kharat**  
Director



**Shri N. Mohan**  
Director



**Shri V. Ramasamy**  
Director



**Shri Kamlesh S. Vikamsey**  
Director



**Smt. Mona Bhide**  
Director



**Shri B. Chakrabarti**  
Director



**Shri M. K. Garg**  
Director



**Shri A. V. Muralidharan**  
Director



**Shri Warendra Sinha**  
Managing Director & CEO



(CIN: L65922MH1989PLC054583)

Reg. Off.: Royal Insurance Building, 6<sup>th</sup> Floor, 14, Jamshedji Tata Road, Churchgate, Mumbai 400020, India  
Tel No. +91 22 2285 1765/1766/2285 3866 /Email: corporate@gichf.com /Website: www.gichfindia.com

## NOTICE

### 25<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of **GIC HOUSING FINANCE LTD.** will be held on Friday, 17<sup>th</sup> July, 2015 at 3.30 p.m. at Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4<sup>th</sup> Floor, General Jagannath Bhosale Marg, Mumbai- 400 021 to transact the following business:

#### **ORDINARY BUSINESS:**

##### **ITEM NO. 1:**

To receive, consider and adopt the audited Annual Financial Statements for the year ended on 31<sup>st</sup> March 2015 together with the Reports of the Directors and Auditors thereon.

##### **ITEM NO. 2:**

To declare dividend on Equity Shares for the financial year ended on 31<sup>st</sup> March, 2015.

##### **ITEM NO. 3:**

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

##### **ITEM NO. 4:**

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

##### **ITEM NO. 5:**

To ratify the appointment of M/s. CNK & ASSOCIATES LLP, Chartered Accountants, Mumbai, (Firm Registration No 101961W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of 26<sup>th</sup> Annual General Meeting of the Company and to authorize the Board of Directors of the Company to fix their remuneration.

#### **SPECIAL BUSINESS:**

##### **ITEM NO. 6:**

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

**“RESOLVED THAT Shri B. Chakrabarti (DIN 00017513),** who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 6<sup>th</sup> February, 2015 and who holds office up to the forthcoming Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the Office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, up to the conclusion of 27<sup>th</sup> Annual General Meeting of the Company.”

##### **ITEM NO.7:**

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

**“RESOLVED THAT Shri A. V. Muralidharan (DIN 00015725),** who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 6<sup>th</sup> February, 2015 and who holds office up to the forthcoming Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and is eligible



for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the Office of Director of the Company, be and is hereby appointed as an Independent Director of the Company up to the conclusion of 27<sup>th</sup> Annual General Meeting of the Company.”

**ITEM NO. 8:**

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

“**RESOLVED THAT Shri M. K. Garg (DIN 00081454)**, who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 6<sup>th</sup> February, 2015 and who holds office up to the forthcoming Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the Office of Director of the Company, be and is hereby appointed as an Independent Director of the Company up to the conclusion of 27<sup>th</sup> Annual General Meeting of the Company.”

Place: Mumbai

Date: 6<sup>th</sup> May, 2015

**Registered Office:**

Royal Insurance Building,  
6<sup>th</sup> Floor, 14, Jamshedji Tata Road,  
Churchgate, Mumbai-400020

**For and on behalf of the Board of Directors**

**Warendra Sinha**  
**Managing Director & CEO**

**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 ATTENDANCE SLIP AND PROXY FORM IS PLACED AT THE END OF THIS ANNUAL REPORT.**
2. **THE PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item No. 6, 7 & 8 is given below and forms part of the Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 11<sup>th</sup> July, 2015 to Friday, 17<sup>th</sup> July, 2015 (both days inclusive) in connection with the Annual General Meeting and for the purpose of payment of dividend for the year 2014-15.
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 Friday, 10<sup>th</sup> July, 2015 and
  - b) Whose names appear as Beneficial Owners in the list of Beneficial Owners to be 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 NECS 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. Sharepro Services (India) Pvt. Ltd., Mumbai (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 (2014-15).
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. M/s. Sharepro Services (India) Pvt. Ltd., 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400072. 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 27<sup>th</sup> April, 2007 made Permanent Account Number (PAN) mandatory for all securities market transaction. Thereafter, vide circular no. MRD/Dop/Cir-05/2009 dated 20<sup>th</sup> 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 2007-08, which remains unclaimed, will be due for transfer to the Investor Education and Protection Fund (IEPF) of the Central Government, pursuant to the provisions of Section 205C of the Companies Act, 1956 (which are still applicable) in the month of August 2015. Members, who have not yet encashed their dividend for the financial year 2007-08, are requested to lodge their claims with the Company or M/s. Sharepro Services (India) Pvt. Ltd. without delay. Members are advised that no claims shall lie against the said fund or against the Company for the amount of dividend so transferred to the fund. During the year 2014-15, the Company has deposited a sum of ₹ 6,91,170/- (Rupees Six Lacs Ninety One Thousand One Hundred Seventy only) to Investor Education and Protection Fund of the Central Government, on account of unclaimed/ unpaid dividend for the year 2006-07.
18. Those Members who have not encashed or received their dividend for the financial years 2007-08 to 2013-14 are requested to approach our Registrars and Share Transfer Agents viz. M/s. Sharepro Services (India) Pvt. Ltd., Mumbai.
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 Registrar and Share Transfer Agent of the Company. Consolidation of folios would facilitate one-stop tracking of all corporate benefits and would reduce time and effort required for monitoring multiple folios. Consolidation of share certificates also helps in saving costs in case of dematerialisation and also provides convenience in holding shares physically.
20. A brief profile of the Directors seeking appointment is furnished and forming part of the notice as per clause 49 (IV) (G) of the Listing Agreement.
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](http://www.gichfindia.com)
22. All Documents referred to the Notice are open for inspection at the Registered Office of the Company on all working days between 10.30 a.m. to 12.00 noon up to the date of the Annual General Meeting.
23. The Ministry of Corporate Affairs, Government of India has introduced a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies for service of documents to their Members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013.



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

24. Electronic copy of the Annual Report for the financial year 2014-15 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 25<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
25. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e voting, the said resolutions will not be decided on a show of hands at the AGM.

#### 26. Voting through Electronic Means :

- I) In compliance with the provisions of clause 35B of the Listing Agreement, 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 25<sup>th</sup> 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).
- II) The facility for voting through ballot paper shall be made available at the AGM venue also and the members attending the meeting who have not cast their vote by remote e-voting and ballot paper shall be able to exercise their right at the meeting through ballot paper.
- III) 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.

For this purpose, the Company has entered into an Agreement with National Securities Depository Ltd. (NSDL) for facilitating e-voting.

#### 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 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.
- 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](mailto:gichfl1234@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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 25<sup>th</sup> AGM:  
EVEN (Remote e-voting Event Number), USER ID, PASSWORD or PIN
  - ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- IV) 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](http://www.evoting.nSDL.com)
- V) 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.
- VI) 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.
- VII) 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.
- VIII) Unsigned, incomplete or incorrectly ticked forms shall be rejected.
- IX) The ballot must be received by the Scrutinizer on or before 16<sup>th</sup> July, 2015 (5.00 p.m.). The Scrutinizer's 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.
- X) 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).
- XI) The remote e-voting period commences on Tuesday, 14<sup>th</sup> July, 2015 (9.00 a.m.) and ends on Thursday, 16<sup>th</sup> July, 2015 (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. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- XII) 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 10<sup>th</sup> July, 2015 (Friday). 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 through Ballot Paper.
- XIII) Shri Makarand Joshi of M/s Makarand M. Joshi & Co, Practising Company Secretaries has been appointed as Scrutinizer to scrutinize the voting by ballot paper and remote e-voting process in a fair and transparent manner.
- XIV) 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 Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting therewith.
- XV) The Results declared along with Scrutinizer's Report shall be placed on the Website of the Company [www.gichfindia.com](http://www.gichfindia.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person 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. 6:

Shri B. Chakrabarti (DIN 00017513) was appointed as an Additional Director of the Company pursuant to the provision of Section 161 of the Companies Act, 2013 by the Board of Directors on 6<sup>th</sup> February, 2015 and holds office till the date of the 25<sup>th</sup> Annual General Meeting of the Company and is eligible for appointment. Shri B. Chakrabarti is a Chartered Accountant by Profession, is the ex-CMD of National Insurance Company Ltd. and The New India Assurance Company Ltd.

The Company has received a notice in writing from a Member as per Section 160 of the Companies Act, 2013 proposing the candidature of Shri B. Chakrabarti as an Independent Director, who shall hold office upto the conclusion of 27<sup>th</sup> Annual General Meeting. Your Independent Director meets all the criteria of Independence as provided in Section 149(6) 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.6 for the approval of the Members.

#### ITEM NO. 7:

Shri A. V. Muralidharan (DIN 00015725) was appointed as an Additional Director of the Company pursuant to the provision of Section 161 of the Companies Act, 2013 by the Board of Directors on 6<sup>th</sup> February, 2015 and holds office till the date of the 25<sup>th</sup> Annual General Meeting of the Company and is eligible for appointment.

Shri A. V. Muralidharan, 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).

The Company has received a notice in writing from a Member as per Section 160 of the Companies Act, 2013 proposing the candidature of Shri A. V. Muralidharan as an Independent Director, who shall hold office upto the conclusion of 27<sup>th</sup> Annual General Meeting. Your Independent Director meets all the criteria of Independence as provided in Section 149(6) 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.7 for the approval of the Members.

#### ITEM NO. 8:

Shri M. K. Garg (DIN 00081454) was appointed as an Additional Director of the Company pursuant to the provision of Section 161 of the Companies Act, 2013 by the Board of Directors on 6<sup>th</sup> February, 2015 and holds office till the date of the 25<sup>th</sup> Annual General Meeting of the Company and is eligible for appointment.

Shri M. K. Garg is a Chartered Accountant by profession and a Fellow of the Insurance Institute of India, is the ex-CMD of United India Insurance Company Ltd. 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 Company has received a notice in writing from a Member as per Section 160 of the Companies Act, 2013 proposing the candidature of Shri M. K. Garg as an Independent Director, who shall hold office upto the conclusion of 27<sup>th</sup> Annual General Meeting. Your Independent Director meets all the criteria of Independence as provided in Section 149(6) 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.8 for the approval of the Members.

Place : Mumbai

Date : 6<sup>th</sup> May, 2015

#### Registered Office:

Royal Insurance Building,  
6<sup>th</sup> Floor, 14, Jamshedji Tata Road,  
Churchgate, Mumbai-400020

For and on behalf of the Board of Directors

Warendra Sinha  
Managing Director & CEO





**Information as required under Clause 49(IV)(G) of the Listing Agreement in respect of Directors seeking re-appointment/ appointment at the 25<sup>th</sup> Annual General Meeting:**

**1. Dr. A. K. Saxena, Chairman cum Managing Director of The Oriental Insurance Company Ltd.**

Dr. A. K. Saxena assumed charge as Chairman-cum-Managing Director of The Oriental Insurance Company Ltd. Delhi, w.e.f. 12<sup>th</sup> June, 2012. Dr. A. K. Saxena was earlier posted as General Manager at the Oriental Insurance Company Ltd. itself.

Dr. A. K. Saxena holds masters degree in Veterinary Sciences and is a Bachelor of Law. He is also an Associate Member of the Insurance Institute of India.

Dr. A. K. Saxena commenced his career as an officer with The New India Assurance Company Ltd. in the year 1979, and has handled various line and staff responsibilities in various offices of The New India Assurance Company Ltd. in Uttar Pradesh and Mumbai in addition to posting at Manila in Philippines besides stint with Kenindia Assurance Company Ltd., Nairobi. He is also a Director of India International Insurance Pte. Ltd., Singapore.

The other Directorships/ Committee memberships of Dr. A. K. Saxena are as follows:

Name of the Company	Board Membership	Committee Membership
The Oriental Insurance Company Ltd.	Chairman cum Managing Director	(1) Chairman of – Investment Committee Policyholders Protection Committee Risk Management Committee Property Review Committee Ethics Committee IT Committee
India International Insurance Pte. Ltd., Singapore	Chairman	(1) Chairman of- Investment Committee  (2) Member of – Audit Committee
Health Insurance TPA of India Ltd.	Director	(1) Chairman of- Investment Committee IT Committee
National Insurance Academy	Governing Board Member	-

Dr. A. K. Saxena does not hold any share in the Company.

**2. Shri Milind A. Kharat, Chairman cum Managing Director of United India Insurance Company Ltd.**

Shri Milind A. Kharat has assumed charge as Chairman-cum-Managing Director of United India Insurance Company Ltd. on 18<sup>th</sup> October, 2012.

Shri Milind A. Kharat is a Post Graduate in Economics from University of Bombay and a LLB. He is also a Fellow of the Insurance Institute of India.

Shri Milind A. Kharat began his career as a Direct Recruit Officer of 1979 batch of General Insurance Corporation of India and has subsequently held different positions at various levels with diverse profiles including Divisional Manager, Sr. Divisional Manager, Regional In charge etc... in The New India Assurance Company Ltd.

Shri Milind A. Kharat has two stints of international postings in Fiji Islands and Tokyo, Japan. He has been recognized with Awards for his excellent performance during his tenure as Fiji as Chief Manager for Fiji from 1995 to 2001. He held positions as Director of Fiji Reinsurance Corporation and Chairman of Insurance Council of Fiji and he made significant contributions in revising Fiji's Insurance Act, 1998 and served as Executive Member on National Road Safety Council of Fiji, the body responsible for Road Safety in Fiji.

Shri Milind A. Kharat was posted as Chief Executive Officer for Japan Operations of The New India Assurance Company Ltd. from 2004 to 2007. He was Executive Committee Member of Foreign Non-Life Insurance Association of Japan and Member of the Finance Committee for Celebration of Indo-Japan Friendship Year 2007.

He brings experience from the fields of HR, Training, Marine Cargo, Marine Hull, Motor and Legal departments.



Prior to his posting as Chairman-cum-Managing Director of United India Insurance Company Ltd., he held position of CMD in Agriculture Insurance Company of India Ltd., New Delhi.

The other Directorships/ Committee memberships of Shri Milind A. Kharat are as follows:

Name of the Company	Board Membership	Committee Membership
United India Insurance Company Ltd.	Chairman cum Managing Director	(1) Chairman of - Investment Committee. Policyholders Protection Committee. Risk Management Committee. Property Review Committee CSR Committee
Central Insurance Repository Ltd.	Director	-
Kenindia Assurance Company Ltd., Kenya.	Director	(1) Member of - Audit Committee
Health Insurance TPA of India Ltd.	Director	-

Shri Milind A. Kharat does not hold any share in the Company.

### 3. 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 Ltd. 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.

Name of the Company	Board Membership	Committee Membership
Bharat Petroleum Corporation Ltd.	Director	(1) Chairman of - Stakeholders Relationship Committee CSR Committee Project Evaluation Committee Sustainable Development Committee Sale/Release of Property/Flat Committee (2) Member of - Audit Committee

Shri B. Chakrabarti 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).

Name of the Company	Board Membership	Committee Membership
M/s Chola Mandalam General Insurance Company Ltd.,	Director	(1) Chairman of - Audit Committee (2) Member of - CSR Committee Nomination and Remuneration Committee

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



#### 5. Shri M. K. Garg, ex-CMD of United India Insurance Company Ltd.

Shri M. K. Garg is a Chartered Accountant by profession and 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 Pvt. Ltd.	Director	-
Instant Creations Pvt. Ltd.	Director	-
SBI General Insurance Company Ltd.	Director	(1) Chairman of - Audit Committee (2) Member of - Nomination and Remuneration Committee

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



## DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 25<sup>th</sup> Annual Report of your Company and the Audited Accounts for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS

(₹ in Lacs)

PARTICULARS	March 31, 2015	March 31, 2014
Total Income	73274	62492
Less: Interest expenditure	50893	41925
Overheads	6660	7036
Depreciation & amortization	351	205
Profit Before Tax	15370	13326
Provision for Tax	4860	4450
Deferred Tax Assets	(774)	(879)
Deferred Tax on Special Reserve	988	-
Profit After Tax	10296	9755
Profit brought forward	5	5
<b>Profit available for appropriation</b>	<b>10301</b>	<b>9760</b>
<b>APPROPRIATIONS:</b>		
General Reserve	4200	3115
Special Reserve under Section 36(1)(viii) of Income Tax Act, 1961	2856	2860
Proposed Equity Dividend	2693	3231
Tax on Proposed Dividend	548	549
Balance carried over to Balance Sheet	4	5

### IMPORTANT FINANCIAL RATIOS

PARTICULARS	March 31, 2015	March 31, 2014
Return on Net Worth (%)	16.53	17.77
Return on Total Assets (%)	1.53	1.77
Book Value per share (₹)	115.65	101.97
Earning per share (₹)	19.12	18.12
Debt Equity Ratio (times)	9.30	8.47
Average cost of funds (%)	9.74	9.72
Average yield on advances (%)	12.22	12.50
Net Interest Margin	2.48	2.78

### DIVIDEND

Your Directors recommend payment of dividend for the year ended 31<sup>st</sup> March, 2015 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 against ₹ 37.80 crores including dividend distribution tax of ₹ 5.49 crores in the previous year.

The dividend payout ratio for the current year, inclusive of additional tax on dividend will be 31.46%.





## OPERATIONS – PERFORMANCE

**Income, Profit, Loan Approvals and Disbursements:** Total income for the year under review is ₹ 732.74 crores as against ₹ 624.92 crores for the year 2013-14. Profit before tax for the year ended is ₹ 153.70 crores and profit after tax for the year ended is ₹ 102.96 crores as against ₹ 133.26 crores and ₹ 97.55 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 ₹ 2305 crores and loans disbursed during the year are ₹ 2225 crores as against ₹ 1755 crores and ₹ 1665 crores for the year ended 31<sup>st</sup> March, 2014 respectively. The Retail Loan portfolio as at 31<sup>st</sup> March, 2015 stood at ₹ 6593 crores as compared to ₹ 5299 crores as on 31<sup>st</sup> March, 2014.

During the year under review, your Company has made provision to the extent of ₹ 12.28 crores as against ₹ 24.76 crores provided for in the year 2013-14. The Company is also carrying an additional provision of ₹ 58.62 crores in books, beyond what is prescribed under the guidelines, as a prudential measure. Gross Non Performing Assets on retails loans as on 31<sup>st</sup> March, 2015 is 1.73% as against 1.57% for the previous year. Net non performing loans as on 31<sup>st</sup> March, 2015 is "NIL" as that of the previous year.

### RESOURCE MOBILISATION:

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

#### A. Term Loans:

Your Company has borrowed fresh long term loans of ₹ 1404 Crores from banks during the year as compared to ₹ 1130 crores during the previous year. The aggregate of term loans outstanding at the end of the financial year stood at ₹ 4174 crores as against ₹ 3346 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 ₹ 350 crores during the year under review as against ₹ 100 crores in the previous year. The refinance facility outstanding as on 31<sup>st</sup> March, 2015 is ₹ 860 crores as against ₹ 723 crores as at the end of the previous year.

#### C. Short term Loan and Commercial Paper:

During the year 2014-15, 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 31<sup>st</sup> March, 2015 is ₹ 650 crores (Gross).

#### D. Non Convertible Debentures:

Your Company has outstanding balance of ₹ 115 Crores through issue of Non Convertible Debentures (NCD) on private placement as on 31<sup>st</sup> March, 2015.

## 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 ₹ 1000 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 ₹ 5500 crores as [ICRA] AA+ (Pronounced as ICRA double A plus). 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+" (Pronounced as ICRA double A Plus).

### BRANCH EXPANSION

During the year under review, Your Company has opened its Branch Offices at Meerut (Uttar Pradesh), Boisar (Maharashtra), Ghaziabad (Uttar Pradesh), Margao (Goa), Dwarka (Delhi), Electronic City (Bengaluru), Garia (Kolkata) and Hadapsar (Maharashtra). The total number of Offices as on 31<sup>st</sup> March, 2015 is 56. 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 and extent of the outstanding loan amount, covered free of cost against fire, earthquake and allied perils affecting the mortgaged property.

Your Company has also tied up with 'Kotak Mahindra Old Mutual Life Insurance Limited' 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 unexpected 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 31<sup>st</sup> March, 2015 is 15.36% as against 17.26% as at 31<sup>st</sup> March, 2014.

### 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) Ltd. and National Securities Depository Ltd. 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, 5,32,61,704 equity shares are in dematerialised form, (5,32,36,863 shares as on 31<sup>st</sup> March, 2014) which is 98.91% (98.86% as on 31<sup>st</sup> March, 2014) of the total shares as on 31<sup>st</sup> March, 2015.

Shareholders holding shares in physical form may utilise the nomination facility available by sending the prescribed Form No. SH-13 duly filled, to our Registrar and Share Transfer Agent viz. M/s. Sharepro Services (India) Pvt. Ltd., Mumbai. Shareholders holding shares in dematerialised form has to send their "Nomination" request to the respective Depository Participants.

The equity shares of the Company continue to be listed on BSE Ltd., and The National Stock Exchange of India Ltd., The Annual Listing fees for the year 2014-15 have been paid to these Stock Exchange.



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

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

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

Unclaimed dividend amounting to ₹ 6,91,170/- that has not been claimed by Shareholders for the financial year 2006-07 has been transferred to Investor Education and Protection Fund (IEPF) during the month of November, 2014 wherein no claim would lie against the Company or the said fund after the transfer.

The dividend pertaining to the financial year 2007-08 remaining unclaimed and unpaid amounting to ₹ 9,91,880/- as on 31<sup>st</sup> March, 2015, would be transferred to IEPF during August, 2015 after settlement of claims received up to the date of completion of 7 years from the date of declaration of the dividend. The Company has sent individual reminder letters to the respective shareholders during the month of June, 2015. Shareholders who have not claimed the said dividend may write to Registrars and Share Transfer agents.

Another unpaid amount of ₹ 55,673/- (₹ 6,000/- pertaining to Right Issue in the year 2006 and ₹ 49,673/- pertaining to Fixed Deposit in the year 2000 to 2003) lying in the unpaid account of the Company since last previous years is to be transferred to Investors Educations and Protection Fund against which no claim shall lie against the Company after such transfer.

## 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 the 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 the Companies Act, 2013 read with Companies (Particulars of Employees) Amendment Rules, 2011.

## DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors hereby confirms that:

- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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 31<sup>st</sup> March, 2015 and of the profit /Loss of the Company for the year ended on that date.
- 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.
- We have prepared the annual accounts on a going concern basis.
- 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.

#### AUDITORS

M/s. CNK & ASSOCIATES LLP, Chartered Accountants, Mumbai were re-appointed as Statutory Auditors in the 24<sup>th</sup> Annual General Meeting of the Company for the period of Five Years from the conclusion of 24<sup>th</sup> Annual General Meeting up to the conclusion of 29<sup>th</sup> 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 the 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 26<sup>th</sup> Annual General Meeting. Suitable resolution for re-appointment requiring approval of the shareholders forms part of the agenda of the Annual General Meeting.

#### DIRECTORS

Shri B. Chakrabarti (Chartered Accountant), Shri A. V. Muralidharan (Chartered Accountant and Company Secretary) and Shri M. K. Garg (Chartered Accountant) were appointed as Additional Director (s) of the Company w.e.f. 6<sup>th</sup> February, 2015 as per Section 161 of the Companies Act, 2013, if any and Article 111 of Articles of Association of the Company.

Your Company has received a notice in writing from a shareholder(s) as per Section 160 of the Companies Act, 2013, proposing the candidature of Shri B. Chakrabarti, Shri A. V. Muralidharan and Shri M. K. Garg for the Office of Director(s) of the Company at the ensuing Annual General Meeting, for their appointment as an Independent Director up to the conclusion of 27<sup>th</sup> Annual General Meeting of the Company.”

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164 of the Companies Act, 2013. The Board of Directors recommends their appointment. Your Independent Directors meet all the criteria of Independence as provided in Section 149(6) 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 Chairman and the Non Executive Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

#### RELATED PARTY TRANSACTION U/S 188 OF THE COMPANIES ACT, 2013

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

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





During the year, Company has also given the following Housing Loans to the Directors & their relatives which have been duly approved by Audit Committee:

Name	Loan Amount (₹)	Outstanding due as on 31 <sup>st</sup> March, 2015 (₹)
Shri Ashok K. Roy (Chairman)	22,49,659/-	21,60,421/-
Shri Aniket Milind Kharat (Son of Shri Milind A. Kharat, CMD of United India Insurance Company Ltd. and Non Executive Director of the Company)	75,00,000/-	74,80,742/-

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

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

Our Company is having its CSR Policy which is available at the website of the Company. Company is having total available funds of ₹ 2.17 crores for spending towards CSR Activity. The approved Action Plan for financial year 2014-15 towards CSR Programmes was:

1. Contribution to the Prime Minister's National Relief Fund;
2. Contribution to the "Swachh Bharat Kosh" set up by the Central Govt.;
3. Contribution to the "Clean Ganga Fund" set up by the Central Govt.;
4. Education;
5. Sanitation

Accordingly, it was proposed to contribute 50% of available fund i.e. ₹ 1.08 Crores to the 3 funds as stated herein above and balance available funds will be utilized towards Education and Sanitation relating CSR Activities. Since being the first year of activity for the Company and the process of selecting agency/NGO is being finalised, the balance funds will be carried forward and will be utilized for the approved activity in the coming financial year.

### **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.

### **CORPORATE GOVERNANCE**

The Auditors Certificate on Corporate Governance issued by the Statutory Auditors of the Company for the year under review, as required under the Companies Act, 2013 and in pursuance of Clause 49 of the Listing Agreement 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 Clause 49 of the Listing Agreement 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 31<sup>st</sup> March, 2015 is 218.

#### **EXTRACT OF ANNUAL RETURN AS PER SECTION 92 OF THE COMPANIES ACT, 2013**

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

#### **SECRETARIAL AUDIT REPORT**

Secretarial Audit Report is annexed as per **Annexure C** to the Directors' Report.

#### **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 Ltd.

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; Registrar and Share Transfer Agent and the Auditors of the Company for their continued support.

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

Place : Mumbai

Date : 6<sup>th</sup> May, 2015

#### **Registered Office:**

Royal Insurance Building,  
6<sup>th</sup> Floor, 14, Jamshedji Tata Road,  
Churchgate,  
Mumbai-400020

**For and on behalf of the Board of Directors**

**Warendra Sinha**  
**Managing Director & CEO**



## Annexure A

## 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**

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

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

**at arm's length basis**

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

Place: Mumbai

Date: 6<sup>th</sup> May, 2015

**Registered Office:**

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

**For and on behalf of the Board of Directors**

**Warendra Sinha  
Managing Director & CEO**



## Annexure B

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN AS ON 31-03-2015

[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 Ltd.
Category / Sub-Category of the Company	Company Ltd. By Shares/Non Government Company
Address of the Registered office and contact details	Royal Insurance Building, 6 <sup>th</sup> Floor, 14, J Tata Road, Churchgate, Mumbai-400020 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. Sharepro Services (India) Pvt. Ltd., 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400072 Tel. No. : 022-67720300 / 400

## 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	99.99%

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

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2014				No. of Shares held at the end of the year 31-03-2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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.	22246826	0	22246826	41.31	22549128	0	22549128	41.87	0.56
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>22246826</b>	<b>0</b>	<b>22246826</b>	<b>41.31</b>	<b>22549128</b>	<b>0</b>	<b>22549128</b>	<b>41.87</b>	<b>0.56</b>



Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2014				No. of Shares held at the end of the year 31-03-2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
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
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>22246826</b>	<b>0</b>	<b>22246826</b>	<b>41.31</b>	<b>22549128</b>	<b>0</b>	<b>22549128</b>	<b>41.87</b>	<b>0.56</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	18827	3500	22327	0.04	3029597	3500	3033097	5.63	5.59
b) Banks / FI	200834	300	201134	0.37	212015	300	212315	0.39	0.02
c) Central Govt./State Govt(s)	0	0	0	0	0	0	0	0	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
e) Insurance Companies	2550250	0	2550250	4.74	2550250	0	2550250	4.74	0
f) FIs	2035997	0	2035997	3.78	2014188	0	2014188	3.74	0.04
g) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
h) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>4805908</b>	<b>3800</b>	<b>4809708</b>	<b>8.93</b>	<b>7806050</b>	<b>3800</b>	<b>7809850</b>	<b>14.50</b>	<b>5.57</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.	5266973	5002	5271975	9.79	4575345	5002	4580347	8.57	1.28
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	11809244	604601	12413845	23.05	10608280	579760	11188040	20.78	2.27
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8195349	0	8195349	15.22	6985453	0	6985453	12.97	2.25
c) Others(specify)									
Trust	51500	0	51500	0.10	49950	0	49950	0.09	0.01
Non Resident Individuals	861063	800	861863	1.60	687498	800	688298	1.28	0.32
<b>Sub-total (B)(2):-</b>	<b>26184129</b>	<b>610403</b>	<b>26794532</b>	<b>49.76</b>	<b>22906526</b>	<b>585562</b>	<b>23492088</b>	<b>43.62</b>	<b>6.14</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>30990037</b>	<b>614203</b>	<b>31604240</b>	<b>58.69</b>	<b>31301938</b>	<b>589362</b>	<b>30712576</b>	<b>58.13</b>	<b>0.56</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>53236863</b>	<b>614203</b>	<b>53851066</b>	<b>100</b>	<b>53261704</b>	<b>589362</b>	<b>53851066</b>	<b>100</b>	<b>0</b>



**(ii) Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	General Insurance Corporation of India	8218802	15.26	0	8218802	15.26	0	0
2	The New India Assurance Company Ltd.	4473500	8.31	0	4694204	8.72	0	0.41
3	United India Insurance Company Ltd.	3956000	7.35	0	3956000	7.35	0	0
4	The Oriental Insurance Co. Ltd.	2975024	5.52	0	2975024	5.52	0	0
5	National Insurance Company Ltd	2623500	4.87	0	2705098	5.02	0	0.15

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	National Insurance Company Ltd.	2623500	4.87	2705098	5.02
2	The New India Assurance Company Ltd.	4473500	8.31	4694204	8.72

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India	2550250	4.74	2550250	4.74
2	Tata Investment Corporation Ltd.	1900000	3.53	1900000	3.53
3	Acacia Institutional Partners, LP	811600	1.51	0	0
4	Acacia Partners, LP	744200	1.38	0	0
5	Usha Kamal Kabra	700200	1.30	0	0
6	Chandravadan Desai	663828	1.23	45408	0.08
7	Sonal D Shah	500010	0.93	500010	0.93
8	Urmila D Shah	500000	0.93	500000	0.93
9	Preeti N Shah	500000	0.93	500000	0.93
10	Control Print Ltd.	319187	0.59	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		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	0	0	0	0
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0	0	0	0
3	At the End of the year	0	0	0	0

## V. INDEBTEDNESS:

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

Amount in (₹)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	41837454902	4680140077	0	46517594979
ii) Interest due but not paid	0	0	0	0
ii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>41837454902</b>	<b>4680140077</b>	<b>0</b>	<b>46517594979</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	17542006001	26500000000	0	44042006001
· Reduction	7884371868	24732609051	0	32616930919
Net Change	9657634133	1767390949	0	11425025082
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	51495089035	6447531026	0	57942620061
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	78305553	0	0	78305553
<b>Total (i+ii+iii)</b>	<b>51573394588</b>	<b>6447531026</b>	<b>0</b>	<b>58020925614</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director & CEO:**

Sr. No.	Particulars of Remuneration	Shri Warendra Sinha (Managing Director & CEO)	
		Amt. (₹)	Total Amt. (₹)
<b>1</b>	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,79,210	20,79,210
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,44,755	6,44,755
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0	0
5	Others : Performance Incentive	0	0
	Contribution to Pension and other funds	0	0
	<b>Total A</b>	<b>27,23,965</b>	<b>27,23,965</b>
	<b>Ceiling as per Act</b>	<b>Maximum 5 % of net profit</b>	<b>Maximum 5 % of net profit</b>

**B. Remuneration to other directors:**

Amount in (₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri V. Ramasamy	Shri Kamlesh S. Vikamsey	Smt. Mona Bhide	
<b>3.</b>	<b>Independent Directors</b>				
	· Fee for attending board & committee meetings	2,66,000	95,000	1,52,000	5,13,000
	· Commission	0	0	0	0
	· Others, please specify	0	0	0	0
	<b>Total (1)</b>	<b>2,66,000</b>	<b>95,000</b>	<b>1,52,000</b>	<b>5,13,000</b>
<b>4.</b>	<b>Other Non-Executive Directors</b>				
	· Fee for attending board / committee meetings	0	0	0	0
	· Commission	0	0	0	0
	· Others, please specify	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>2,66,000</b>	<b>95,000</b>	<b>1,52,000</b>	<b>5,13,000</b>
	<b>Total Managerial remuneration (A+B)</b>	<b>32,36,965</b>			
	<b>Overall Ceiling for sitting fee as per the Act</b>	<b>Maximum 11% of Net Profit</b>			


**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Shri S. Sridharan (Sr. Vice President & Company Secretary)	
		Amt. (₹)	Total Amt. (₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,93,097	16,93,097
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,98,115	6,98,115
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0	0
5	Others, please Specify	0	0
	<b>TOTAL</b>	<b>23,91,212</b>	<b>23,91,212</b>

**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



**FORM NO. MR-3**  
**SECRETARIAL AUDIT CERTIFICATE**  
**For The Financial Year Ended 31 March 2015**

*[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**  
Royal Insurance Building, 6<sup>th</sup> Floor,  
14, Jamsheedji Tata Road, Churchgate  
Mumbai- 400020

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 31<sup>st</sup> March, 2015 ('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 31<sup>st</sup> March, 2015 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 thereunder to the extent of Foreign Direct Investment. **(Overseas Direct Investment and External Commercial Borrowings are not Applicable to the Company during the Audit Period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (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;
  - (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 **(Not Notified during the Audit Period and hence not applicable to the Company during the audit period)**.
- (ii) The Listing Agreements entered into by the Company with stock exchanges.

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

*An amount of ₹ 0.56 lakhs which was required to be transferred to Investor Education and Protection Fund had not been transferred till the end of Audit Period.*

**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 the following law applicable specifically to the company:

- National Housing Bank Directions 2010

**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 unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**We further report that** during the audit period the Company has

1. Issued 450 Redeemable Non-Convertible Debentures /Bonds through Private Placement, but the same have been allotted after the completion of Audit Period. i.e 31<sup>st</sup> March, 2015
2. Passed Special Resolutions for:-
  - Creation of Charge on Movable and Immovable properties of the Company, both present and future under section 180(1)(a) of the companies act 2013.
  - Enhancement of Borrowing powers from ₹ 6000 Crores to ₹ 8000 Crores under section 180(1)(c) of the Companies Act 2013.

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

**Makarand Joshi**

**Partner**

FCS No. 5533

CP No. 3662

Place : Mumbai

Date : 4<sup>th</sup> May, 2015



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### GENERAL: OVERVIEW OF THE ECONOMY

#### ➤ Global Economy:

The global economy continued to expand during 2014 at a moderate and uneven pace, as the prolonged recovery process from the global financial crisis was still saddled with unfinished post-crisis adjustments. Global recovery was also hampered by some new challenges, including a number of unexpected shocks, such as the heightened geopolitical conflicts in various areas of the world.

Fiscal policy in the United States of America is expected to remain restrictive, but less severe than in 2014. Real federal government spending is forecast to decline by less than 1 per cent in 2015–2016. It is also assumed that the debt ceiling will be increased during the forecasting period.

In the baseline outlook, developing countries as a group are expected to grow at 4.8 and 5.1 per cent in 2015 and 2016, respectively, up from the 4.3 per cent estimated for 2014. Growth in the least developed countries (LDCs) is expected to continue exceeding the global average, at 5.7 per cent in 2015 and 5.9 per cent in 2016. Among the developed economies, the economy of the United States, after some erratic fluctuation in 2014, is expected to improve in 2015 and 2016, with GDP projected to expand by 2.8 and 3.1 per cent respectively, compared with an estimate of 2.3 per cent for 2014.

Economic growth in South Asia is set to gradually pick up from an estimated 4.9 per cent in 2014 to 5.4 per cent in 2015 and 5.7 per cent in 2016. While the recovery will be led by India, which accounts for about 70 per cent of regional output, other economies such as Bangladesh and the Islamic Republic of Iran are also projected to see stronger growth in the forecast period. Along with robust external demand, growth is expected to be underpinned by a moderate strengthening of domestic consumption and investment as countries benefit from improved macroeconomic conditions. With international oil prices declining, inflation has further eased across the region. If this trend continues, some central banks may have room to ease monetary policy. At the same time, several countries, notably India, are likely to make progress in implementing economic policy reforms, thus providing support to business and consumer confidence. There are, however, significant downside risks for the region due to the continuing fragility of the global economy and considerable country-specific weaknesses, including political instability and the agricultural dependency on the monsoon.

#### ➤ Domestic Economy:

The CSO's provisional estimates of GDP (base: 2004-05) tracked staff's projected path well up to Q2 of 2014-15. The new GDP data (rebased to 2011-12) released by the Central Statistics Office (CSO) at the end of January 2015 and on February 9, however, came as a major surprise as it produced significantly higher growth at constant prices.

The divergence between the new series and the old series in the pace of growth of the manufacturing sector has turned out to be stark; in particular, the robust expansion of manufacturing portrayed in the new series is not validated by subdued corporate sector performance in Q3 and still weak industrial production. In the financial and real estate sub-sector, the high growth of 13.7 per cent at constant prices is not corroborated by the observed sluggishness in key underlying variables such as credit and deposit growth, housing prices, rent and most importantly, the subdued performance of real estate companies in terms of sales growth and earnings. Data revisions and their after-effects are not unique to India, but the magnitude of the gap in real GDP growth rates between the old and the new series for 2013-14 and 2014-15 has complicated the setting of monetary policy.

Our Country's Gross Domestic Product (GDP) growth in the financial year 2014-15 was dismal, estimated at 5.5%. The major factors contributing to this low rate of growth were high interest rates and uncertain economic conditions. Private consumption expenditure, the mainstay of aggregate demand stayed low in the face of high inflation that has caused discretionary demand to fall. The pick-up in demand in the coming year depends critically on the successful resolution of bottlenecks facing infrastructure and energy intensive industrial projects.

#### ➤ Economy Outlook for 2015-16.

Indian economy is expected to resume growing at above 6%: After growing at below 6% since 2012, we think 2015 could be the year that India turns the corner, posting growth of around 7%. In the short-term, low oil prices are likely to increase GDP growth, ease the pressures of India's high current account deficit and help bring down inflation. Looking towards the longer-term, it is assumed that the February 2015 budget could see India take a step towards implementing new structural reforms which will boost the economy.



Despite moderation in December and some further softening expected in near term, inflation risks have to be watched carefully as we enter into the next year. This is due to upward revision in domestic energy prices, expected growth acceleration, structural bottlenecks affecting food inflation and adverse base effects.

## ➤ INDUSTRY STRUCTURE & DEVELOPMENTS

Residential real estate remains the focal point of Indian Real Estate, regardless of market conditions. Considering the massive demand for homes in the Country, this is hardly surprising. In today's situation, India's housing finance industry comprises of banks and specialised housing finance companies. Given India's rapid population growth, increasing urbanisation and raising affordability, the housing finance market will continue to grow. However, considering the fast penetration by banks in housing finance market, Housing Finance Companies, which are in a position to have access to low cost of funds, better credit control and customer focus will be in a position to sustain the growth. With the increase in urbanisation and improving affordability, the demand for housing loans will continue to grow at a healthy pace.

India's population is estimated to be 1.38 billion by 2020, with 500 million of urban population, which is estimated to generate unprecedented demand for quality real estate and infrastructure. The growing demand for new houses surpasses the supply several times and this stage of demand of supply ratio has led to a steep rise in residential rates in urban areas. Despite the enormous growth in the housing supply in the last decade, India will still suffer from a severe crisis due to shortage in housing supply.

According to an expert, India's ratio of housing loans to GDP is seven per cent, among the lowest in the world. Most purchases of homes are still made out of savings. The shortfall of dwelling units has been growing and is now estimated at over 25 million units. Bridging this gap, entails the creation of the quantum of housing that currently exists in Mumbai, Delhi, Kolkata and Chennai together.

Residential property market constitutes major portion of the real estate market in India in terms of volume. Housing is a significant engine for growth and development for the economy. A technical group on estimation of urban housing shortage was constituted by the Ministry of Housing & Urban Poverty Alleviation (MoHUPA) to estimate the urban housing shortage in the country at the beginning of 12<sup>th</sup> five year Plan (2012-17) and according to it, the total requirement of housing units during the 12<sup>th</sup> Plan Period is estimated at 18.78 million. Hence, immediate measures are required to promote larger flow of funds through development of Secondary Mortgage Market (securitization), promotion of Foreign Direct Investment in housing and real estate sectors, permitting Housing Finance Companies to raise resources through External Commercial Borrowings, creation of Housing Investment Trust or Real Estate Investment Trust, Real Estate Mutual Fund etc., to accelerate supply of housing to cross-section of households.

## ➤ OPPORTUNITIES & THREATS

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

Reserve Bank of India in their Monetary Policy statement 2013-14, considering the residential housing sector poses lower risk than the other components of Commercial Real Estate Sector, proposed carved out a sub sector "CRE Residential Housing" within the CRE sector with appropriate prudential norms on risk weights and provisioning. This will enable developers to get cheaper loan from Banks which would help in bringing down the cost of construction.

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

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

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



of “Base Rate” system in the Banking resulted in gradual increase in cost of funds for housing finance industry. Housing Finance Companies have to necessarily scout for alternate cheap source of funding.

#### ➤ **SEGMENT REPORTING**

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

#### ➤ **RISKS AND CONCERNS**

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

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

#### ➤ **RISK MANAGEMENT**

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

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

#### ➤ **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

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

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

#### ➤ **MARKETING**

The marketing of your Company’s home loan products are done through direct sales, through Direct Selling Agents and tie up with builders. Marketing of home loan products with a focused attention on existing as well as the prospective customers is a constant endeavour at the Company with 56 Offices spread across the country. Your Company is also giving its thrust to improve the average yield on advances by selling more number of “mortgage loans” (i.e. Loans against the property” - LAP); for which the margin is high compared to the loans for purchase of homes.

#### ➤ **HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

The Company has a dedicated team of 218 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.26 point No. 9], 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 : 6<sup>th</sup> May, 2015

**Warendra Sinha**  
**Managing Director & CEO**





## CORPORATE GOVERNANCE REPORT

### REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

#### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

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

The Company's Board follows ethical standards of Corporate Governance and adheres to the norms and disclosures mentioned in the Clause 49 of the Listing Agreement 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 presently comprises 12 Members. Most of the Members of the Board are Non-Executive Directors.

Sr. No.	Name of the Director	Executive/ Non Executive/ Independent	No. of Directorships	No. of Committees	
				Member	Chairman/ Chairperson
1	Shri Ashok K. Roy (Non-Executive Chairman) (Nominee GIC Re)	Nominee Director	10	4	Nil
2	Shri G. Srinivasan	Non-Executive Director	4	Nil	Nil
3	Dr. A. K. Saxena	Non-Executive Director	3	2	9
4	Shri Milind A. Kharat	Non-Executive Director	4	1	5
5	Shri N. Mohan	Non-Executive Director	3	3	Nil
6	Shri V. Ramasamy	Non-Executive/ Independent Director	Nil	Nil	Nil
7	Shri Kamlesh S. Vikamsey	Non Executive Independent Director	10	8	1
8	Smt. Mona Bhide	Non Executive/ Independent Director	Nil	Nil	Nil
9	Shri B. Chakrabarti (from 6 <sup>th</sup> February, 2015)	Non-Executive/ Independent Director	1	1	5
10	Shri M. K. Garg (from 6 <sup>th</sup> February, 2015)	Non-Executive/ Independent Director	3	1	1
11	Shri A. V. Muralidharan (from 6 <sup>th</sup> February, 2015)	Non-Executive/ Independent Director	1	2	1
12	Shri Warendra Sinha	Managing Director & CEO	Nil	Nil	Nil

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



189(1) of the Companies Act, 2013. The Independent and Non Executive Directors of the Company do not have any pecuniary relationship or transactions with the Company except for the sitting fees received by them.

#### **TERM OF OFFICE OF DIRECTORS**

In terms of applicable provisions of Section 152 of the 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, Dr. A. K. Saxena and Shri Milind A. Kharat Directors, who were retire by rotation at the ensuing Annual General Meeting. Dr. A. K. Saxena and Shri Milind A. Kharat offer them-selves for re-appointment.

Shri B. Chakrabarti, Shri M. K. Garg and Shri A. V. Muralidharan were appointed as an Additional Director on 6<sup>th</sup> February, 2015 and they offer themselves for appointment as Independent Director.

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](http://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 listing agreements.

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 Clause 49 (1) (A) of the Listing Agreement. 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 clause 49), 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 7<sup>th</sup> May, 2014; 23<sup>rd</sup> July, 2014; 11<sup>th</sup> September, 2014; 13<sup>th</sup> November, 2014 and 2<sup>nd</sup> February, 2015. 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 11 <sup>th</sup> September, 2014
Shri Ashok K. Roy	4	No
Shri G. Srinivasan	2	No
Dr. A. K. Saxena	2	No
Shri Milind A. Kharat	3	No
Shri N. Mohan	4	Yes
Shri V. Ramasamy	5	Yes
Shri Kamlesh S. Vikamsey	3	Yes
Smt. Mona Bhide	4	Yes
Shri B. Chakrabarti (appointed on 6 <sup>th</sup> February, 2015)	NA	NA
Shri M. K. Garg (appointed on 6 <sup>th</sup> February, 2015)	NA	NA
Shri A. V. Muralidharan (appointed on 6 <sup>th</sup> February, 2015)	NA	NA
Shri Warendra Sinha	5	Yes

#### COMMITTEES OF THE BOARD

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

#### AUDIT COMMITTEE

The Audit Committee of the Company was constituted in the year April 1996. The present Audit Committee consists of Shri V. Ramasamy, Director, as the Chairman of the Committee, Shri N. Mohan 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 and other members of the Committee are Independent Directors. The composition, quorum, powers, role, review of information, scope etc... of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the provisions of Clause 49 (II)(A), (B), (C), (D) and (E) of the Listing Agreement.

The powers, role and scope of the Audit Committee are as per Clause 49 of listing agreement(s), 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 7<sup>th</sup> May, 2014; 23<sup>rd</sup> July, 2014; 10<sup>th</sup> November, 2014 & 2<sup>nd</sup> February, 2015. 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 N. Mohan	3
3	Shri Kamlesh S. Vikamsey	2

#### REMUNERATION OF DIRECTORS

The Non Executive Directors (Independent Directors) of our Company were paid only the eligible sitting fees for attending meetings and no other remuneration has been paid.

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	2,66,000/-
2	Shri Kamlesh S. Vikamsey	95,000/-
3	Smt. Mona Bhide	1,52,000/-
4	Shri B. Chakrabarti	Nil
5	Shri M. K. Garg	Nil
6	Shri A. V. Muralidharan	Nil

The details of the Remuneration paid to the Managing Director & CEO for the year 2014-15 are as follows:

#### Shri Warendra Sinha, Managing Director & CEO

Particulars	Amount (₹)
Salary	16,60,114/-
Performance Incentive	3,50,000/-
Contribution to Pension and Other funds	69,096/-
Perquisites	6,44,755/-
Total	27,23,965/-

#### SHAREHOLDING OF NON-EXECUTIVE DIRECTORS:

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



## 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 N. Mohan and Smt. Mona Bhide.

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

## NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee (previously known as Remuneration Committee) was constituted by the Board in its meeting held on 6<sup>th</sup> May, 2009. The terms of reference of the Remuneration Committee includes formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. 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 N. Mohan.

## ASSET LIABILITY MANAGEMENT COMMITTEE

Asset Liability Management Committee of the Board consists of Shri V. Ramasamy, Chairman of the Committee, Shri N. Mohan, Member and Shri Warendra Sinha, Member.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

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

E-mail ID for the purpose of registering queries/ complaints by investors – [investors@gichf.com](mailto:investors@gichf.com)

## COMMUNICATION TO THE SHAREHOLDERS

The main source of information to the Shareholders is the Annual Report, which includes interalia, 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](http://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
2011-12	17 <sup>th</sup> July, 2012	4.00 p.m.	Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4 <sup>th</sup> Floor, General Jagannath Bhosale Marg, Mumbai – 400021.
2012-13	26 <sup>th</sup> July, 2013	3.30 p.m.	Indian Merchant Chambers, 'Walchand Hirachand Hall', 4 <sup>th</sup> Floor, Indian Merchants' Chamber Marg, Churchgate, Mumbai – 400020.
2013-14	11 <sup>th</sup> September, 2014	3.30 p.m.	Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4 <sup>th</sup> 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
27 <sup>th</sup> July, 2011 (AGM)	2	Appointment of Statutory Auditors. Amendments in the Article of Association of the Company.
17 <sup>th</sup> July, 2012 (AGM)	1	Appointment of Statutory Auditors.
26 <sup>th</sup> July, 2013 (AGM)	1	Appointment of Statutory Auditors.
11 <sup>th</sup> September, 2014 (AGM)	4	Increase in the borrowing power of the Company. Creation of Charges on moveable and immovable property of the Company. Alteration of Articles of Association of the Company. Private Placement of Redeemable Non-convertible Debentures (NCDs/Bonds).

## DISCLOSURES

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

None of the transactions with any of the related parties were in conflict with the interests of the Company. Transactions with related parties entered into by the company in the normal course of business were placed before the Audit Committee. Details of related party transactions as per Accounting Standards – 18 are included in Notes to the Accounts [Note No.25 point No. (9)].

- 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) The Company has complied with the applicable Accounting Standards issued by the Institute of the Chartered Accountants of India from time to time.
- d) The Company has laid down procedures to appraise the Board of Directors regarding key risk assessment and risk mitigation mechanisms.

**e) REMUNERATION OF INDEPENDENT DIRECTORS**

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

**f) 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 Grievance Committee for review and before the Board for noting.

**g) SUBSIDIARIES**

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

**h) 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.

**i) AUDIT QUALIFICATION**

There is no qualification on any of the financial statements for the financial year 2014-15 of the Company.

**SHAREHOLDERS INFORMATION**

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

**For and on behalf of the Board of Directors**

Place : Mumbai  
Date : 6<sup>th</sup> May, 2015

**Warendra Sinha**  
**Managing Director & CEO**



## SHAREHOLDERS INFORMATION:

- 1. Twenty-Fifth Annual General Meeting:**
- |       |                                                                                                                                                        |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date  | : 17 <sup>th</sup> July, 2015, Friday                                                                                                                  |
| Time  | : 3.30 P.M.                                                                                                                                            |
| Venue | : Yashwantrao Chavan Pratishthan Mumbai,<br>Chavan Centre, Cultural Hall, 4 <sup>th</sup> Floor,<br>General Jagannath Bhosale Marg,<br>Mumbai- 400 021 |

**2. Financial Calendar for the year 2015-16. (Provisional)**

Results for the first quarter ending 30 <sup>th</sup> June, 2015 (Subject to Limited Review).	Before the end of July, 2015.
Results for the second quarter ending 30 <sup>th</sup> September, 2015 (Subject to Limited Review).	Before the end of October, 2015.
Results for the third quarter ending 31 <sup>st</sup> December, 2015 (Subject to Limited Review).	Before the end of January, 2015.
Audited Results for the financial year ending 31 <sup>st</sup> March, 2016.	Before the end of May, 2016.
Annual General Meeting for the year ending March, 2016.	Before the end of August, 2016.

**3. 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 Saturday, 11<sup>th</sup> July, 2015 to Friday, 17<sup>th</sup> July, 2015 (both days inclusive) and was notified accordingly.

**4. Listing of Shares & Non Convertible Debentures**

**Equity Shares** - The equity shares issued by the Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Annual Listing fees as prescribed have been paid to both the stock exchanges for the year 2015-16.

**Scrip Code for Equity shares**

- National Stock Exchange: GICHSGFIN
- Bombay Stock Exchange: 511676

**Non Convertible Debentures (NCD)** - The Non Convertible Debentures issued by the Company are listed with the Bombay Stock Exchange of India. Annual Listing fees as prescribed have been paid to the Bombay Stock Exchange Ltd.

**Scrip Code for Non Convertible Debentures**

- Bombay Stock Exchange: 948077

**5. Dematerialisation of shares**

With effect from 20<sup>th</sup> August, 2000, the Equity Shares of the Company are to be traded compulsorily in Dematerialised form. 98.91% of the paid-up Equity Capital has been dematerialised as on 31<sup>st</sup> March, 2015.

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 - INE289B07016**



## 6. 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.

## 7. 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, 2014	22876.54	22277.23	120.50	108.45
May, 2014	24716.88	22323.90	155.85	115.55
June, 2014	25583.69	24684.85	176.05	153.90
July, 2014	26271.85	25006.98	176.15	162.85
August, 2014	26638.11	25329.14	171.40	153.20
September, 2014	27319.85	26468.36	177.20	152.10
October, 2014	27865.83	25999.34	168.10	153.55
November, 2014	28693.99	27860.38	195.40	171.35
December, 2014	28562.82	66710.13	214.45	178.95
January, 2015	29681.77	26908.82	282.70	220.20
February, 2015	29462.27	28227.39	261.70	223.90
March, 2015	29593.73	27457.58	249.60	210.75

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

MONTH	INDEX (NIFTY) (₹)		QUOTE (₹)	
	High	Low	High	Low
April, 2014	6840.80	6675.30	120.30	108.30
May, 2014	7367.10	6652.55	155.70	115.40
June, 2014	7656.40	7362.50	175.90	154.25
July, 2014	7830.60	7454.15	176.75	159.35
August, 2014	7954.35	7602.60	171.70	153.35
September, 2014	8173.90	7911.85	177.25	152.45
October, 2014	8322.20	7748.20	167.95	153.55
November, 2014	8588.25	8324.15	195.60	171.20
December, 2014	8564.40	8029.80	214.20	179.05
January, 2015	8952.35	8102.10	282.50	219.45
February, 2015	8901.85	8526.35	260.80	223.35
March, 2015	8996.25	8341.40	249.70	210.60



#### 8. Distribution of Shareholding as on 31<sup>st</sup> March, 2015

DESCRIPTION	HOLDER (S)		HOLDING (S)	
	FOLIOS	%	SHARES	%
Less than 500	35347	88.224	4633316	8.604
501 – 1000	2350	5.865	1922974	3.571
1001 – 2000	1140	2.845	1770115	3.287
2001 – 3000	401	1.001	1032952	1.918
3001 – 4000	179	0.447	657937	1.222
4001 – 5000	165	0.412	783750	1.455
5001 – 10000	241	0.602	1814231	3.369
More than 10000	242	0.604	41235791	76.574
<b>TOTAL</b>	<b>40065</b>	<b>100.00</b>	<b>53851066</b>	<b>100.00</b>

#### 9. Shareholding pattern as at 31<sup>st</sup> March, 2015.

CATEGORY	NO. OF SHARES	%
Promoters	22549128	41.87
Mutual Funds	3033097	5.63
Banks, Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non Government Institutions)	2762565	5.13
Private Corporate Bodies	4580347	8.51
NRIs	688298	1.28
Foreign Institutional Investors	2014188	3.74
Trusts	49950	0.09
Indian Public	18173493	33.75
<b>TOTAL</b>	<b>53851066</b>	<b>100.00</b>

#### 10. Compliance Officer: Shri S. Sridharan

Senior Vice President & Company Secretary

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

Not Applicable.

#### 12. Plant Location: Not Applicable

#### 13. Registrars, Share Transfer Agents & Shareholders Correspondence

M/s. Sharepro Services (India) Pvt. Ltd.,  
 13AB, Samhita Warehousing Complex,  
 Second Floor, Sakinaka Telephone Exchange Lane,  
 Off. Andheri Kurla Road,  
 Sakinaka, Andheri (East),  
 Mumbai - 400072  
 Tel.: 022 – 67720300/ 67720400 Fax – 022 – 28591568/ 28508927.  
 E-mail – sharepro@shareproservices.com



## 14. Share Transfer System

All the transfers are processed by the Registrars and Share Transfer Agents namely, M/s. Sharepro Services (India) Private Limited and approved by the Committee constituted for the said purpose which meets on a weekly basis.

### UNCLAIMED DIVIDEND

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

The due date for transfer of unclaimed dividend pertaining to year 2007-08 is August, 2015.

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.

## 15. Non-Mandatory Requirements

### 1. Chairman of the Board

Chairman (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	
31.03.2014	Audited Financial Results	The Financial Express and Loksatta dated 8 <sup>th</sup> May, 2014.
30.06.2014	Unaudited Financial Results (Subject to Limited Review Report)	The Financial Express and Loksatta dated 24 <sup>th</sup> July, 2014.
30.09.2014	Unaudited Financial Results (Subject to Limited Review Report)	The Financial Express and Loksatta dated 14 <sup>th</sup> November, 2014.
31.12.2014	Unaudited Financial Results (Subject to Limited Review Report)	The Financial Express and Loksatta dated 3 <sup>rd</sup> February, 2015.
31.03.2015	Audited Financial Results	The Financial Express and Loksatta dated 7 <sup>th</sup> May, 2015.



## 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 Limited and as required under clause 49(l)(D)(ii) of the Listing Agreement 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 2014-15.

Place : Mumbai

Date : 6<sup>th</sup> May, 2015

**Warendra Sinha**  
**Managing Director & CEO**

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## CEO/CFO CERTIFICATION

As required by sub clause IX of clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended 31<sup>st</sup> March 2015, the Company has complied with the requirement of the said sub clause.

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

**Warendra Sinha**  
**Managing Director & CEO**

Place : Mumbai

Date : 6<sup>th</sup> May 2015



## AUDITORS' CERTIFICATE

### To, The Members of 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 March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance condition of Corporate Governance is the 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 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 explanation given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India; we state that no investor grievances are pending for a period of one month against the Company as per the records maintained by the Shareholders/Investor Grievance Committee.

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

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

**(Suresh S. Agaskar)**  
Partner  
Membership No.110321

Place : Mumbai  
Date : 6<sup>th</sup> May, 2015



## 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, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, 2015, and its profit and its cash flows for the year ended on that date.



### Emphasis of Matter

We draw attention to Note No. 26(12) 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, 2015, pursuant to NHB's Circular No. NHB(ND)/DRS/Policy Circular No. 65/2014-15 dated 22nd August 2014. Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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, 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
  - f) 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 does not have any pending litigations as at March 31, 2015 which would impact its financial position.
    - ii. The company did not have any long term contracts including derivative contracts as at March 31, 2015.
    - 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, 2015 except for a sum of ₹ 0.56 Lac which has not been deposited as on the balance sheet date.

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

**(Suresh S. Agaskar)**  
Partner  
Membership No.110321

Place : Mumbai  
Date : 6<sup>th</sup> May, 2015



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report of even date to the members of GIC Housing Finance Limited)

- i. In respect of fixed assets
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- ii. The company does not have any inventory. Accordingly, the provisions of clause 3 (ii) are not applicable to the Company.
- iii. According to the information and explanations provided to us, the Company has granted secured housing loans to parties covered in the register maintained under section 189 of the Companies Act, 2013.
  - a. The parties have been regular in payment of Equated Monthly Installment (EMI), recovering the amount of principal and interest due to the Company.
  - b. There is no overdue amount in excess of ₹ 1 Lac in respect of loans granted to parties listed in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for sale of services. The nature of the Company's business is such that it does not involve purchase and sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system
- v. According to the information and explanations provided to us, the Company has not accepted any deposits to which directives of the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under apply. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. The Company is not engaged in production, manufacturing or mining activities and hence, the provisions of clause 3 (vi) of the Order are not applicable.
- vii. According to the information and explanations provided to us and the records of the Company examined by us, in our opinion.
  - a. The Company is generally regular in depositing undisputed statutory dues, as applicable, including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues with the appropriate authorities. There were no undisputed amounts payable with respect to provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues in arrears as at March 31, 2015 for a period of six months from the date they became payable.
  - b. According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, and duty of excise or value added tax or cess which have not been deposited on account of any dispute.
  - c. The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made there under except for a sum of ₹ 0.56 lac which has not been transferred by the Company as on the balance sheet date.
- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. According to the information and explanations provided to us and records examined by us the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders as at the balance sheet date.





- x. According to the information and explanations provided to us the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of the clause 3 (x) of the Order are not applicable to the Company.
- xi. According to the information and explanations provided to us the Company has applied term loans for the purpose for which the loans were obtained.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management, except for the following cases of fraud on the Company;
- by four borrowers aggregating to ₹ 86.01 lacs where the borrowers have fraudulently represented the facts and borrowed the money for housing loans, for which Management has taken appropriate steps and made appropriate provision on account of these frauds; and
  - by two employees estimating to ₹ 26.09 lacs, wherein the employees have misappropriated the funds of the Company, for which the Management has taken appropriate steps.

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

**(Suresh S. Agaskar)**  
Partner  
Membership No.110321

Place : Mumbai  
Date : 6<sup>th</sup> May, 2015



## BALANCE SHEET AS AT 31ST MARCH, 2015

	NOTE	₹ in Lacs	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
<b>I. EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	2	5,388		5,388
Reserves and Surplus	3	60,649	66,037	55,660
				61,048
<b>NON-CURRENT LIABILITIES</b>				
Long-Term Borrowings	4	4,35,905		3,63,007
Long-Term Provisions	5	20,319	4,56,224	18,891
				3,81,898
<b>CURRENT LIABILITIES</b>				
Short-Term Borrowings	6	64,475		46,802
Trade Payables	7	466		515
Other Current Liabilities :	8			
- Borrowings		79,046		55,367
- Others		2,322		2,333
Short-Term Provisions	9	3,351		3,849
			1,49,660	1,08,866
			<b>6,71,921</b>	<b>5,51,812</b>
<b>II. ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
<b>FIXED ASSETS</b>				
Tangible Assets	10	262		426
Intangible Assets		-	262	95
				521
Non-Current Investments	11	983		993
Deferred Tax Assets (Net)	12	3,760		6,040
Long-Term Loans and Advances	13	1,577		1,495
Other Non-Current Assets	14	144	6,464	1,000
				9,528
<b>LOANS</b>				
Non Current	15	6,29,754		5,05,804
Current		30,040	6,59,794	25,458
				5,31,262
<b>CURRENT ASSETS</b>				
Trade Receivables	16	941		967
Cash and Bank Balances	17	4,157		8,990
Short-Term Loans and Advances	18	303		477
Other Current Assets	19	-		67
			5,401	10,501
			<b>6,71,921</b>	<b>5,51,812</b>
<b>Significant Accounting Policies</b>				
<b>Notes forming part of Accounts</b>				
	1			
	26			

As per our Report attached of even date

For and on behalf of the Board of Directors

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

(Suresh S. Agaskar)  
Partner  
Membership No.110321

Ashok K. Roy  
Chairman

N. Mohan  
Director

Warendra Sinha  
Managing Director & CEO

Place : Mumbai  
Date : 6<sup>th</sup> May, 2015

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



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	NOTE	For the year ended 31.03.2015 ₹ in Lacs	For the year ended 31.03.2014 ₹ in Lacs
<b>REVENUE:</b>			
<b>Revenue from Operations</b>			
(a) Interest Income	20	71,598	60,897
(b) Other Financial Services	21	1,493	1,459
Other Income	22	183	136
<b>Total Revenue</b>		<b>(A) 73,274</b>	<b>62,492</b>
<b>EXPENDITURE:</b>			
Finance Cost	23	50,893	41,925
Employee Benefits Expenses	24	1,956	1,386
Depreciation and Amortisation	10	351	205
Other Expenses	25	3,476	3,174
Provision for Non-performing assets and Contingencies (net)		1,228	2,476
<b>Total Expenditure</b>		<b>(B) 57,904</b>	<b>49,166</b>
<b>PROFIT BEFORE TAX</b>		<b>(A-B) 15,370</b>	<b>13,326</b>
<b>Tax Expense</b>			
- Current Tax		4,860	4,450
- Deferred Tax		(774)	(879)
- Deferred Tax on Special reserve		988	-
<b>PROFIT AFTER TAX FOR THE YEAR</b>		<b>10,296</b>	<b>9,755</b>
Earnings Per Share-(Basic & Diluted) face value of ₹ 10 each		19.12	18.12
Refer Point no.11 of Note no.26 (Notes forming part of Accounts)		19.12	18.12
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of Accounts</b>	26		

As per our Report attached of even date

For and on behalf of the Board of Directors

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

(Suresh S. Agaskar)  
Partner  
Membership No.110321

Ashok K. Roy  
Chairman

N. Mohan  
Director

Warendra Sinha  
Managing Director & CEO

Place : Mumbai  
Date : 6<sup>th</sup> May, 2015

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



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the Year ended 31.03.2015 ₹ In Lacs	For the Year ended 31.03.2014 ₹ In Lacs
<b>A: Cash Flow From Operating Activities :</b>		
Net Profit Before Tax & Extraordinary Items	15,370	13,326
<b><u>Adjustments For :</u></b>		
Depreciation and Amortisation	351	205
Provision for Non Performing Assets & Contingencies	1,228	2,476
Prior Period Tax Adjustments (Net)	-	-
(Profit)/Loss on Sale of Fixed Assets	-	2
(Profit)/Loss on Sale of Investments	(152)	(132)
Operating Profit Before Working Capital Changes	16,797	15,877
<b><u>Adjustments For :</u></b>		
(Increase)/Decrease in Long Term Loans and Advances	(77)	(54)
(Increase)/Decrease in Non-Current Assets	856	(1,000)
(Increase)/Decrease in Bank Deposits Having Maturity of more than 3 Months	5,111	988
(Increase)/Decrease in Trade Receivables	25	(42)
(Increase)/Decrease in Short Term Loans and Advances	175	(354)
(Increase)/Decrease in Other Current Assets	67	542
Increase/(Decrease) in Long Term Provisions	200	17
Increase/(Decrease) in Short Term Provisions	41	2
Increase/(Decrease) in Trade Payables	(49)	148
Increase/(Decrease) in Other Current Liabilities	(12)	(465)
Operating Profit after Working Capital Changes	23,134	15,659
<b><u>Adjustments For :</u></b>		
(Increase)/Decrease Housing Loans	(1,28,532)	(77,347)
Cash Generated from Operating Activity	(1,05,398)	(61,688)
Taxes Paid	(4,864)	(4,481)
Net Cash Generated from Operating Activity	<b>(A) (1,10,262)</b>	<b>(66,169)</b>
<b>B: Cash Flow From Investment Activities</b>		
Acquisition of Fixed Assets	(95)	(92)
Sale of Fixed Assets	3	5
Purchase of Investments	(4,26,025)	(3,68,944)
Sale of Investments	4,26,177	3,69,076
Receipt on Refund of Face Value of Investment	10	1
Net Cash Generated from Investing Activity	<b>(B) 70</b>	<b>46</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the Year ended 31.03.2015 ₹ In Lacs	For the Year ended 31.03.2014 ₹ In Lacs
<b>C: Cash Flow From Financing Activities</b>		
Long Term Loans taken during the year	1,75,420	1,23,000
Long Term Loans paid during the year	(78,844)	(62,468)
Short Term Loans taken during the year	2,78,333	2,01,459
Short Term Loans paid during the year	(2,60,659)	(1,94,095)
Dividend paid on Equity Shares	(3,231)	(2,692)
Dividend Distribution Tax paid	(549)	(458)
Net Cash Generated from Financing Activity	<b>(C) 1,10,470</b>	<b>64,746</b>
<b>Net Increase/(Decrease) of Cash &amp; Cash Equivalents</b>	<b>(A+B+C) 278</b>	<b>(1,377)</b>
Cash & Cash Equivalents as at beginning of the year	3,841	5,218
Cash & Cash Equivalents as at the end of the period	<b>4,119</b>	<b>3,841</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	77	67
Remittances in Transit	150	130
Balance with Bank		
- On Current Accounts	3,785	3,550
- On Unpaid Dividend Account (Refer Note Below)	107	94
- On Deposits having Maturity for Less than Three Months	-	-
	<b>4,119</b>	<b>3,841</b>

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

As per our Report attached of even date

For and on behalf of the Board of Directors

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

(Suresh S. Agaskar)  
Partner  
Membership No.110321

Ashok K. Roy  
Chairman

N. Mohan  
Director

Warendra Sinha  
Managing Director & CEO

Place : Mumbai  
Date : 6<sup>th</sup> May, 2015

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

**NOTE 1****SIGNIFICANT ACCOUNTING POLICIES:****i. Basis of preparation of financial statements:**

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with accounting principles generally accepted in India. Pursuant to Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rule, 2014, till the standard of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified u/s 211 (3C) [Accounting Standard Rules, 2006 as amended] 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 Installment (EMI) comprising principal and interest. Interest is calculated on the outstanding loan balance at the beginning of every month. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month.
- ii. Interest on Loans which are classified as Non- performing assets is recognized on realization as per the directives/ guidelines laid down by National Housing Bank.
- iii. Fees are recognized as and when accrued.
- iv. Penal Interest and other charges are recognized when received.

**b) INVESTMENT INCOME :**

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

**2. CASH AND CASH EQUIVALENT:**

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

**3. CASH FLOW STATEMENT:**

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

**4. FIXED ASSETS:**

Fixed Assets are stated at cost of acquisition, or construction inclusive of expenses incidental thereto less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to an item of Fixed Assets are added





to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

**5. DEPRECIATION:**

Depreciation on Fixed Assets is provided on the reducing balance method over the estimated useful life of the assets as prescribed under Schedule II to the Companies Act, 2013. Assets costing upto ₹ 5000 are fully depreciated in the year of purchase.

**6. INTANGIBLE ASSETS AND AMORTIZATION:**

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

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

**7. IMPAIRMENT OF ASSETS:**

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

**8. INVESTMENTS:**

Investments are classified into current and 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. Investments in liquid mutual funds are classified as cash and cash equivalents.

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

**9. PROVISIONING FOR LOANS AND INVESTMENTS:**

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

**10. EMPLOYEE BENEFITS:**

**Defined contribution plan:**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Employees' Pension Scheme and 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 is 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.

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. In case of Provident fund scheme, contributions are also made by the employees.

ii. The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods. For this purpose the Company has obtained qualifying group gratuity insurance policy from Life Insurance Corporation of India.

iii. The Company provides benefits to its employees under the Leave Encashment pay plan which is a non-contributory defined benefit plan. The employees of the Company are entitled to receive certain benefits in lieu of the annual leave not availed of during service, at the time of retirement. The benefits payable takes into account the Salary and the leave balance to the credit of the employees on the date of retirement.

#### **11. SEGMENT REPORTING:**

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

#### **12. LEASES:**

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

#### **13. EARNINGS PER SHARE:**

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

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

#### **14. TAXATION:**

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

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

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

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

#### **15. CONTINGENT LIABILITY:**

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.

**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)

**TOTAL**

	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
	15,000	15,000
	<b>15,000</b>	<b>15,000</b>
	5,385	5,385
	3	3
	<b>5,388</b>	<b>5,388</b>

**Note 2.1 :****Reconciliation of the number of shares outstanding**

Particulars	As at 31.03.2015		As at 31.03.2014	
	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 31.03.2015		As at 31.03.2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
General Insurance Corporation of India	82,18,802	15.26	82,18,802	15.26
The New India Assurance Company Limited	46,94,204	8.72	44,73,500	8.31
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	27,05,098	5.02	-	-

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



**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.12 of Note no.26 (Notes forming part of Accounts))

**SURPLUS IN STATEMENT OF PROFIT AND LOSS**

Balance at the beginning of the year

Add : Net Profit for the period

Amount available for Appropriation

Appropriations :

- Amount Transferred to General Reserve

- Amount Transferred to Special Reserve

- Proposed Dividend (Refer Note 3.2)

- Tax on Proposed Dividend

Net Surplus

**TOTAL**

₹ in Lacs	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
	11,699	11,699
456	456	456
-	-	-
	456	456
23,875	23,875	21,015
2,856	2,856	2,860
	26,731	23,875
19,625	19,625	16,510
4,200	4,200	3,115
2,066	2,066	-
	21,759	19,625
	5	5
	10,296	9,755
	10,301	9,760
	4,200	3,115
	2,856	2,860
	2,693	3,231
	548	549
	4	5
	<b>60,649</b>	<b>55,660</b>

**Note 3.1 :**

a) 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.

b) The Company has transferred an amount of ₹ 2856 Lacs (Previous Year ₹ 2860 Lacs) to Special Reserve in terms of Section 36(1)(viii) of the Income Tax Act,1961.

**Note 3.2 :**

For the year ended 31<sup>st</sup> March 2015, the Board of Directors has proposed a dividend of ₹ 5 per equity share (previous year ₹ 6 per equity share including one time Silver Jubilee dividend of ₹ 1 per equity share). On approval in consequent Annual General Meeting, the total dividend appropriation would be ₹ 3241 lacs (previous year ₹ 3780 lacs), inclusive of Corporate Dividend Distribution Tax of ₹ 548 lacs (Previous year ₹ 549 lacs)

**NOTE 4**

(₹ in Lacs)

LONG TERM BORROWINGS	As at March 31,2015		As at March 31,2014	
	Non Current	Current	Non Current	Current
<b>Secured :</b>				
(a) Non Convertible Debentures (Refer Note - 4.1)	-	11,500	11,500	-
(b) Term Loan (Refer Note- 4.2)				
From Banks	3,59,757	52,646	2,90,818	43,755
From Insurance Companies	4,000	1,000	-	-
(c) Other Loans and advances (Refer Note- 4.2)				
National Housing Bank	72,148	13,900	60,689	11,612
<b>Security :</b>				
i) Term loans are secured by way of first charge book-debts equivalent to outstanding loan balance.				
ii) Unless otherwise stated, loans are linked to base rate of the respective bank.				
<b>Total</b>	<b>4,35,905</b>	<b>79,046</b>	<b>3,63,007</b>	<b>55,367</b>

**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's) are as under:

(₹ in Lacs)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at 31- Mar-2015
<b>Current:</b>				
1150 NCD's of ₹ 10,00,000 each	12, July, 2015	9.45% p.a.	-	11,500

**Note -4.2****Maturity Profile of Term Loans**

(₹ in Lacs)

Description	As at March 31,2015		
	Term Loans Banks (ROI 9.35% to 10.40%)	Kotak Mahindra old Mutual Life Insurance Ltd. (ROI 9%)	National Housing Bank (ROI 6% to 10.30%)
<b>Non - Current:</b>			
Over 1 year to 3 years	1,43,621	2,000	34,277
Over 3 to 5 years	1,15,976	2,000	22,064
Over 5 to 7 years	76,132	-	6,947
Over 7 Years	24,028	-	8,860
<b>Total</b>	<b>3,59,757</b>	<b>4,000</b>	<b>72,148</b>

**NOTE 5****LONG-TERM PROVISIONS**

	<b>As at 31.03.2015 ₹ in Lacs</b>	<b>As at 31.03.2014 ₹ in Lacs</b>
<b>Provision For Employee Benefits:</b>		
- Leave Encashment (Unfunded)	243	150
- Gratuity (Funded)	106	-
<b>Other Provisions:</b>		
(a) Provision for Housing Loans (Refer Point no.14 of Note no. 26 (Notes forming part of Accounts))	18,988	17,749
(b) Provision for Investments (Refer Point no.14 of Note no.26 (Notes forming part of Accounts))	982	992
<b>TOTAL</b>	<b>20,319</b>	<b>18,891</b>

**NOTE 6****SHORT-TERM BORROWINGS**

	<b>₹ in Lacs</b>	<b>As at 31.03.2015 ₹ in Lacs</b>	<b>As at 31.03.2014 ₹ in Lacs</b>
<b>UNSECURED LOANS :</b>			
Short Term Loans From Banks		20,000	10,000
Commercial Papers (CPs) Gross	45,000		37,500
Less : Discount not written off	525		698
		44,475	36,802
<b>TOTAL</b>		<b>64,475</b>	<b>46,802</b>

**NOTE 7****TRADE PAYABLES**

	<b>As at 31.03.2015 ₹ in Lacs</b>	<b>As at 31.03.2014 ₹ in Lacs</b>
<b>Trade Payables (For Expenses)</b>		
a) Micro, Small & Medium Enterprises	-	-
b) Others	466	515
<b>TOTAL</b>	<b>466</b>	<b>515</b>

**Note:**

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.



**NOTE 8****OTHER CURRENT LIABILITIES****Other Liabilities: (Borrowings)****Current maturities of Secured Long Term Borrowings**

	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
- From Banks (Refer Note 8.1)	52,646	43,755
- From National Housing Bank	13,900	11,612
- From Insurance Company	1,000	-
- From Non Convertible Debentures	11,500	-
Sub Total	<u>79,046</u>	<u>55,367</u>

**Other Liabilities: (Others)**

(a) Interest Accrued But Not Due	783	783
(b) Unpaid Dividend (Refer Note 8.2)	107	94
(c) Application money received for allotment of securities and due for refund and interest accrued thereon ( Refer Note 8.2)	-	-
(d) Others		
- Trade Liabilities	1,411	1,359
- Staff Dues	-	2
- Statutory Dues	21	37
- Interest Subsidy Payable (Refer Note 8.2)	-	58
Sub Total	<u>2,322</u>	<u>2,333</u>

**TOTAL****81,368****57,700****Note 8.1 :**

Non Current portion of Long Term Borrowings Refer Note 4

**Note 8.2 :**

- The Company has transferred ₹ 6.91 Lacs (Previous Year ₹ 4.19 Lacs) to Investor Education and Protection Fund during the year.
- The Interest Subsidy is payable to eligible borrowers on receipt from Government of India under 1% Interest Subvention scheme.
- Application money received for allotment of securities and due for refund and interest accrued thereon ₹ Nil (Previous year ₹ 0.06 Lacs)

**NOTE 9****SHORT TERM PROVISIONS:****Provision For Employee Benefits:**

	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
- Leave Encashment (unfunded)	24	12
- Gratuity (funded)	86	57

**Other Provisions:**

- Proposed Dividend	2,693	3,231
- Dividend Distribution Tax	548	549

**TOTAL****3,351****3,849**

**NOTE 10**

**FIXED ASSETS :**

**I. TANGIBLE ASSETS :**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2014 ₹ in Lacs	Additions ₹ in Lacs	Deductions / Adjustments ₹ in Lacs	As at 31.03.2015 ₹ in Lacs	As at 01.04.2014 ₹ in Lacs	For the year ₹ in Lacs	Deductions / Adjustments ₹ in Lacs	As at 31.03.2015 ₹ in Lacs	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
Buildings	263	-	-	263	166	5	-	171	92	97
Furniture and Fittings	199	32	12	219	180	18	10	188	31	19
Office Equipment	143	7	1	149	79	48	1	126	23	64
Air Conditioners	46	34	1	79	27	27	1	53	26	19
Computers	454	22	2	474	278	141	1	418	56	176
Vehicles	84	-	-	84	33	17	-	50	34	51
Current Year	1,189	95	16	1,268	763	256	13	1,006	262	426
Previous Year	1,169	92	72	1,189	702	126	65	763	426	-

**II. INTANGIBLE ASSETS :**

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01.04.2014 ₹ in Lacs	Additions ₹ in Lacs	Deductions / Adjustments ₹ in Lacs	As at 31.03.2015 ₹ in Lacs	As at 01.04.2014 ₹ in Lacs	For the year ₹ in Lacs	Deductions / Adjustments ₹ in Lacs	As at 31.03.2015 ₹ in Lacs	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
Application Software	292	-	-	292	197	95	-	292	-	95
Current Year	292	-	-	292	197	95	-	292	-	95
Previous Year	292	-	-	292	118	79	-	197	95	-
TOTAL I+II C.Y.	1,481	95	16	1,560	960	351	13	1,298	262	521
TOTAL I +II P.Y.	1,461	92	72	1,481	820	205	65	960	521	-



## NOTE 11

NON-CURRENT INVESTMENTS	Face Value ₹	No.	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
<b>(1) NON-TRADE INVESTMENTS (UNQUOTED)</b> (Valued at cost unless stated otherwise)				
<b>Equity Shares</b> (Refer Note 11.1 below)			33	43
<b>Redeemable Preference Shares</b> (Refer Note 11.1 below)			950	950
<b>TOTAL</b>			<b>983</b>	<b>993</b>

## NOTE:

In terms of the order of Honorable High Court, Bombay, the face value of equity shares of GIC Asset Management Company Ltd. has been reduced to ₹ 1.50 from ₹ 2. Consequently the Company has received a sum of ₹ 10.50 Lacs towards the reduction in face value of its investments.

## NOTE 11.1 :

	Face Value ₹	No.	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
<b>(a) Equity shares :</b>				
GIC Asset Management Co.Ltd.	1.50	20,99,996	32	42
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
<b>Total Equity Shares</b>			<b>33</b>	<b>43</b>
<b>(b) Redeemable Preference Shares :</b>				
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
<b>Total Redeemable Preference Shares</b>			<b>950</b>	<b>950</b>
<b>(c) Aggregate amount of Quoted Investments</b>			-	-
Market value of Quoted Investments			-	-
Aggregate amount of Unquoted Investments			983	993
<b>(d) The Company is carrying aggregate provision for diminution in the value of investments of ₹ 982 lacs (Previous year ₹ 992 Lacs) (Refer Point no.14 of Note no. 26 (Notes forming part of Accounts))</b>				

**NOTE 12****DEFERRED TAX ASSETS (NET)**

(Refer Point no.12 of Note no. 26 (Notes forming part of Accounts))

	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
Deferred Tax Assets	6,814	6,073
Deferred Tax Liabilities	3,054	33
<b>Deferred Tax Assets (Net)</b>	<b>3,760</b>	<b>6,040</b>

**NOTE 13****LONG TERM LOANS AND ADVANCES**

	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
(a) Security Deposits (Unsecured and considered good)	176	172
(b) Advances Recoverable in cash or kind Loans to staff (Secured considered good)	440	321
(c) Advance tax and tax deducted at source (Net of Provision for Tax)	920	974
(d) Prepaid Expenses	31	28
<b>TOTAL</b>	<b>1,577</b>	<b>1,495</b>

**NOTE 14****OTHER NON-CURRENT ASSETS****Other Bank Balance**

- Deposits with original Maturity for more than 12 months

	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
<b>TOTAL</b>	<b>144</b>	<b>1,000</b>

**NOTE 15****LOANS :**

(Secured, Refer Point no.1 &amp; 14 of Note no.26 (Notes forming part of Accounts))

**A NON CURRENT :**

- Individuals - (Refer Note 15.1)	6,29,301	5,04,606
- Non Individuals	453	1,198
<b>TOTAL (A)</b>	<b>6,29,754</b>	<b>5,05,804</b>

**B CURRENT (Repayable within one year)**

- Individuals - (Refer Note 15.1)	30,040	25,344
- Non Individuals	-	114
<b>TOTAL (B)</b>	<b>30,040</b>	<b>25,458</b>

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

	<b>6,59,794</b>	<b>5,31,262</b>
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**Note 15.1 :**

Loans due by Directors and their relatives aggregates to ₹ 96.41 Lacs (P.Y. ₹ Nil)

**NOTE 16****TRADE RECEIVABLES**

	<b>As at 31.03.2015 ₹ in Lacs</b>	<b>As at 31.03.2014 ₹ in Lacs</b>
Accrued Interest on Housing Loans (Secured, considered good)	941	967
<b>TOTAL</b>	<b>941</b>	<b>967</b>

**NOTE 17****CASH AND BANK BALANCES**

	<b>₹ in Lacs</b>	<b>As at 31.03.2015 ₹ in Lacs</b>	<b>As at 31.03.2014 ₹ in Lacs</b>
<b>Cash and cash equivalents :</b>			
a) Balances with Banks			
- On Current Account	3,785		3,550
- On Unpaid Dividend	107		94
		3,892	3,644
b) Cash on Hand		77	67
c) Remittances in transit		150	130
<b>Other Bank Balances :</b>		38	5,149
- Deposits with original Maturity for more than 3 months but less than 12 months			
<b>TOTAL</b>		<b>4,157</b>	<b>8,990</b>

**NOTE 18****SHORT-TERM LOANS AND ADVANCES**

	<b>As at 31.03.2015 ₹ in Lacs</b>	<b>As at 31.03.2014 ₹ in Lacs</b>
(i) Staff Loans Receivable within year (Secured)	22	18
(ii) Advances recoverable in cash or in kind or for value to be received	207	316
(iii) Advances to Employees	3	4
(iv) Prepaid Expenses	71	139
<b>TOTAL</b>	<b>303</b>	<b>477</b>

**NOTE 19****OTHER CURRENT ASSETS**

	<b>As at 31.03.2015 ₹ in Lacs</b>	<b>As at 31.03.2014 ₹ in Lacs</b>
a) Accrued Interest on Bank Term Deposits	-	9
b) Interest subsidy receivable (Refer Note 19.1)	-	58
<b>TOTAL</b>	<b>-</b>	<b>67</b>

**Note 19.1:**

Interest Subsidy Receivable from Government of India under 1% Interest Subvention scheme.

**NOTE 20****INTEREST INCOME:**

	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
(a) Interest on Loans	70,984	60,274
(b) Other Interest	614	623
<b>TOTAL</b>	<b>71,598</b>	<b>60,897</b>

**NOTE 21****OTHER FINANCIAL SERVICES :**

	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
Fees and Other Charges	1,493	1,459
<b>TOTAL</b>	<b>1,493</b>	<b>1,459</b>

**NOTE 22****OTHER INCOME :**

	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
(a) Dividend (Refer Note 22.1)	-	-
(b) Net Gain on sale of Investment :		
- Current Investments	152	132
(c) Other Non Operating Income		
- Miscellaneous Income	1	4
- Interest on Tax Refunds	30	-
<b>TOTAL</b>	<b>183</b>	<b>136</b>

**Note 22.1 :**

During the year Company has received Dividend amounting to ₹ 0.075 Lacs (Previous Year ₹ 0.125 Lacs)

**NOTE 23****FINANCE COST**

	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
<b>INTEREST EXPENSES :</b>		
On Term loans (Secured)	45,471	36,159
On NCDs (Secured)	1,087	1,087
On Term loans (Unsecured)	1,002	720
On Commercial Papers (Unsecured)	3,333	3,959
<b>TOTAL</b>	<b>50,893</b>	<b>41,925</b>

**NOTE 24****EMPLOYEE BENEFITS EXPENSES :**

	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
Salaries	1,407	1,093
Company's Contribution to Provident and other Funds	267	148
Staff Welfare Expenses	282	145
<b>TOTAL</b>	<b>1,956</b>	<b>1,386</b>

**NOTE 25****OTHER EXPENSES**

	₹ in Lacs	As at 31.03.2015 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs
Rent		540	433
Rates and Taxes		4	7
Repairs and Maintenance :			
Building	153		44
Others	297		287
		450	331
General Office Expenses		104	97
Insurance		161	143
Travelling and Conveyance		59	78
Printing and Stationery		64	65
Advertisement		222	254
Legal and Professional Fees		1,563	1,365
Directors Sitting Fees		5	5
Miscellaneous Expenses		288	380
Auditor's Remuneration :			
Audit Fees	7		7
Tax Audit Fees	2		2
Fees for other services/quarterly limited review	7		7
		16	16
<b>TOTAL</b>		<b>3,476</b>	<b>3,174</b>



**NOTE 26: 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 ₹ 326 Lacs (Previous Year – ₹ 472 Lacs). It has preferred appeal/s against the same and also has made payments under protest.
- Bank Guarantee of ₹ 75 Lacs given in favour of Kotak Mahindra Old Mutual Life Insurance Ltd. in lieu of premium deposit for “Kotak Term Group Plan” Policy contract to avail Term Group Plan cover for borrowers. (Previous Year – ₹ 75 Lacs)

**3. Debts due from:**

Company Secretary: ₹ NIL on account of Housing Loan. (Previous Year – ₹ 0.30 Lacs)  
(Maximum balance due during the year ₹ 0.30 Lacs & Previous Year – ₹ 5 Lacs)

- During the year the Company has incurred expenditure on foreign travel amounting to ₹ NIL (Previous Year ₹ 0.55 Lacs)
- Housing Loans include loans against which the company has commenced action under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 including possession of properties and part recovery of auction proceeds aggregating to ₹ 3,198 Lacs (Previous Year ₹ 2,394 Lacs)

**6. Employee Benefits:****Defined Contribution Plan:**

The Company makes contribution to Employees' Pension Scheme, 1995 for all employees and Employee State Insurance Scheme for all eligible employees to defined contribution plans. The Company recognized ₹ 15 Lacs (Previous year ₹ 13 Lacs) for Employees' Pension Scheme and ₹ 1 Lacs (Previous year ₹ 2 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 ₹ 102 Lacs (Previous year ₹ 95 Lacs) has been charged to Statement of Profit and Loss on account of this defined benefit scheme.

**Leave Encashment**

An amount of ₹ 105 Lacs (Previous year ₹ 24 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.



## 7. Disclosure in respect of Gratuity Liability:

(₹ In Lacs)

	Particulars	Gratuity (Funded)	
		Year Ended 31/03/2015	Year Ended 31/03/2014
	<b>The major categories of plan assets as a percentage of total plan</b>		
	Qualifying Insurance Policy	100%	100%
	<b>Changes in the present value of the obligation</b>		
1	Present Value of obligation at the beginning of the year	253	217
2	Interest Cost	23	18
3	Current Service Cost	22	20
4	Past Service Cost	-	-
5	Benefits Paid	-	(9)
6	Actuarial (gain)/loss on Obligation	123	7
7	Present Value of obligation at the end of the year	421	253
	<b>Reconciliation of Net Asset/(Liability) recognised in the Balance sheet during the year ended March 31, 2015</b>		
1	Present Value of obligation at the end of the year	421	253
2	Fair value of plan Assets at the end of the year	229	196
3	Amount recognized as Liability	192	57
	<b>Changes in the Fair value of Assets</b>		
1	Fair value of plan Assets at beginning of the year	196	155
2	Expected Return on Plan assets	17	14
3	Contributions	15	34
4	Benefits Paid	-	(9)
5	Actuarial gain(loss) on Plan Assets	1	2
6	Fair value of plan Assets at the end of the year	229	196
	<b>Profit &amp; Loss – Expenses</b>		
1	Current Service Cost	22	20
2	Interest Cost	23	18
3	Expected Return on Plan assets	(17)	(14)
4	Net Actuarial (gain) loss recognised in the year	123	4
5	Past Service Cost	-	-
6	Expenses Recognised in the Statement of Profit & Loss	151	28
	<b>Actuarial Assumptions</b>		
1	Discount Rate	7.96%	9.31%
2	Expected Rate of Return on Plan Assets	7.96%	8.70%
3	Expected Rate of Salary Increase	7%	5%
4	Attrition Rate	2%	2%
5	Mortality Post –retirement	Indian Assured Lives Mortality (2006-08)	

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

Expected contribution to Gratuity Fund in next year aggregates to ₹ 4 Lacs. (Previous Year ₹ 15 Lacs)

**Gratuity:**

(₹ In Lacs)

	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of Obligation at the end of year	421	253	217	165	146
Fair value of Plan Assets at the end of year	229	196	155	114	93
Surplus / Deficit	192	57	62	51	53

**Leave Encashment:**

(₹ In Lacs)

	Particulars	Leave Encashment (Unfunded)	
		Year Ended 31/03/2015	Year Ended 31/03/2014
	<b>Changes in the present value of the obligation</b>		
1	Present Value of obligation at the beginning of the year	162	138
2	Interest Cost	15	11
3	Current Service Cost	17	15
4	Past Service Cost	-	-
5	Benefits Paid	(58)	(48)
6	Actuarial (gain)/loss on Obligation	131	46
7	Present Value of obligation at the end of the year	267	162
	<b>Actuarial Assumptions</b>		
1	Discount Rate	7.96%	9.31%
2	Expected Rate of Salary Increase	7%	5%
3	Attrition Rate	2%	2%

**8. 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, 2011.

**9. Related Party Transactions:**

Names of Related Parties and description of relationship

Key Management Personnel:

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

(₹ In Lacs)

Particulars	Year Ended 31/03/2015	Year Ended 31/03/2014
Salary	20	16
Contribution to Pension and other funds	1	1
Perquisites	6	7

**10. 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 ₹ 475 Lacs (Previous Year ₹382 Lacs)

Future lease rental obligation under these leases:

- Not later than one year: ₹ 410 Lacs (P.Y. ₹ 274 Lacs)
- Later than one year and not later than five years. : ₹ 1353 Lacs (P.Y. ₹ 800 Lacs)
- Later than five years. : ₹ 146 Lacs (P.Y. ₹ 247 Lacs)

**11. Earnings per Share:**

Particulars	Year Ended 31/03/2015	Year Ended 31/03/2014
Profit attributable to Equity Shareholders (₹ in Lacs)	10,296	9,755
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)	19.12	18.12

**12. 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, 2011, the Company has charged ₹ 214 Lacs (Previous year has taken credit of ₹ 879 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 22<sup>nd</sup> August 2014, the Company has opted to create 25% of 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 ₹ 2,066 Lacs, not previously charged to the Statement of Profit and Loss, has now been adjusted directly from the Reserves. 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 year had been lower by such amount.

The estimated amount of expenditure to be adjusted directly from Reserve, due to non creation of DTL on Special Reserve upto March 31, 2014, for the financial year 2015-16 and 2016-17 would be ₹ 2,066 Lacs and ₹ 4,131 Lacs, respectively.

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

(₹ In Lacs)

Particulars	Year Ended 31/03/2015	Year Ended 31/03/2014
<b>Deferred Tax Assets:</b>		
Provision for Loans and Contingencies	6,571	5,996
Provision for Leave Encashment	92	28
Provision for Gratuity	67	19
Provision for Rent	40	30
Depreciation and Amortization	44	-
<b>Total</b>	<b>6,814</b>	<b>6,073</b>
<b>Deferred Tax Liability:</b>		
Depreciation and Amortization	-	33
Special Reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961	3,054	-
<b>Total</b>	<b>3,054</b>	<b>33</b>
<b>Deferred Tax Asset (Net)</b>	<b>3,760</b>	<b>6,040</b>

**13. Details of Movement in Provisions:**

(₹ In Lacs)

Particulars	Opening as on 01.04.2014	Provision made during the year	Provision Reversed/ Adjusted during the year	Closing as on 31.03.2015
Non-Performing Assets*	8,795	3,044	-	11,839
Standard Assets*	6,069	-	1,806	4,263
Housing Loans under Differential Interest Rate	2,886	-	-	2,886
Investments	992	-	10	982
Taxation	22,815	4,860	-	27,675

\*Including Floating Provision

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

**14. Disclosure regarding provisions made for substandard, doubtful and loss assets and depreciation in investments as per the Prudential Norms (revised) contained in the National Housing Bank Guidelines.**

**a) HOUSING LOANS:**

(₹ In Lacs)

Asset Classification	Year Ended 31/03/2015		Year Ended 31/03/2014	
	Outstanding Balance	Provisions	Outstanding Balance	Provisions
Standard Assets *	3,97,836	3,216	3,13,248	5,485
Differential Interest Rate Assets	1,37,002	2,886	1,44,277	2,886
Sub-standard Assets*	3,964	3,964	1,016	1,016
Doubtful Assets *	6,856	6,856	6,985	6,985
Loss Assets	728	728	687	687
<b>Total</b>	<b>5,46,386</b>	<b>17,650</b>	<b>4,66,213</b>	<b>17,059</b>

\*Including Floating Provision

**b) NON HOUSING LOANS:**

(₹ In Lacs)

Asset Classification	Year Ended 31/03/2015		Year Ended 31/03/2014	
	Outstanding Balance	Provisions	Outstanding Balance	Provisions
Standard Assets	1,13,117	1,047	64,942	583
Sub-standard Assets*	255	255	107	107
Doubtful Assets *	36	36	-	-
<b>Total</b>	<b>1,13,408</b>	<b>1,338</b>	<b>65,049</b>	<b>690</b>

\*Including Floating Provision



## c) INVESTMENTS:

(₹ In Lacs)

Asset Classification	Year Ended 31/03/2015		Year Ended 31/03/2014	
	Outstanding Balance	Provisions	Outstanding Balance	Provisions
<b>Loss Assets:</b>				
Equity Shares	33	32	43	42
Preference Shares	950	950	950	950
<b>Total</b>	<b>983</b>	<b>982</b>	<b>993</b>	<b>992</b>

15. 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.
16. Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010. During the current financial year:
- No penalty has been imposed by National Housing Bank on the Company.
  - The Company has not received any adverse comments on regulatory compliances required to be disclosed.
17. Disclosure in the Balance Sheet as per NHB Guidelines on Asset Liability Management (ALM) System for HFCs – Guidelines (NHB/ND/DRS/Pol-No. 35/2010-11) dated October 11, 2010.

## a) Capital to Risk Assets Ratio (CRAR):

Items		Year Ended 31/03/2015	Year Ended 31/03/2014
i)	CRAR (%)	15.36	17.26
ii)	CRAR - Tier I Capital (%)	15.36	17.26
iii)	CRAR - Tier II Capital (%)	-	-

## b) Exposure to Real Estate Sector:

(₹ In Lacs)

Category		Year Ended 31/03/2015	Year Ended 31/03/2014
a)	<b>Direct exposure</b>		
(i)	Residential Mortgages –		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹15 lacs may be shown separately)		
	Individual Housing Loans upto ₹15 lacs	3,58,190	3,30,271
	Individual Housing Loans above ₹15 lacs	2,81,745	1,81,722
	Housing Loans to Corporate Bodies	-	856
(ii)	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	871	664
	Housing Loans to Others	-	-

(₹ in Lacs)

Category		Year Ended 31/03/2015	Year Ended 31/03/2014
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
<b>b)</b>	<b>Indirect Exposure</b>		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

The above figures are shown net off provisions.

**c) Asset Liability Management:**

**Maturity pattern of certain items of assets and liabilities**

(₹ in Lacs)

	1day to 30-31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
<b>Liabilities</b>											
Borrowings from banks	5,000	313	18,750	21,355	42,128	1,79,898	1,40,040	83,079	32,888	-	5,23,451
Market Borrowings	4,966	39,509	-	11,500	-	-	-	-	-	-	55,975
<b>Assets</b>											
Advances	2,419	2,424	2,436	7,384	15,153	64,189	67,574	73,459	1,14,939	2,90,829	6,40,806
Investments	-	-	-	-	-	-	-	-	-	0.50	0.50

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

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

(₹ In Lacs)

Particulars	Year Ended 31/03/2015	Year Ended 31/03/2014
<b>Reserves &amp; Surplus</b>		
<b>Statutory Reserve (As per Section 29C of the National Housing Bank Act, 1987)</b>		
Opening Balance	456	456
Addition during the year	-	-
Appropriation during the year	-	-
Closing Balance	<b>456</b>	<b>456</b>

(₹ in Lacs)

Particulars	Year Ended 31/03/2015	Year Ended 31/03/2014
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	23,875	21,015
<b>Total (a + b)</b>	<b>24,331</b>	<b>21,471</b>





(₹ In Lacs)

Particulars	Year Ended 31/03/2015	Year Ended 31/03/2014
<b>Addition /Appropriation / Withdrawal during the year</b>		
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	2,856	2,860
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	456	456
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	26,731	23,875
<b>Total (a + b)</b>	<b>27,187</b>	<b>24,331</b>

19. For the year ended March 31, 2015, the company has reworked the useful life on various fixed assets as prescribed in Part C of Schedule II of the Companies Act 2013. In respect of those assets whose remaining useful life as on April 01, 2014 is NIL, the same has been charged to the Statement of Profit & Loss. Due to above, depreciation charge for the year ended March 31, 2015 is higher by ₹ 196 Lacs.
20. Figures for previous year have been regrouped / reclassified wherever necessary.
21. Figures have been rounded off to the nearest Rupees in Lacs wherever necessary.

As per our Report attached of even date

For and on behalf of the Board of Directors

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

(Suresh S. Agaskar)  
Partner  
Membership No.110321

Ashok K. Roy  
Chairman

N. Mohan  
Director

Warendra Sinha  
Managing Director & CEO

Place : Mumbai  
Date : 6<sup>th</sup> May, 2015

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

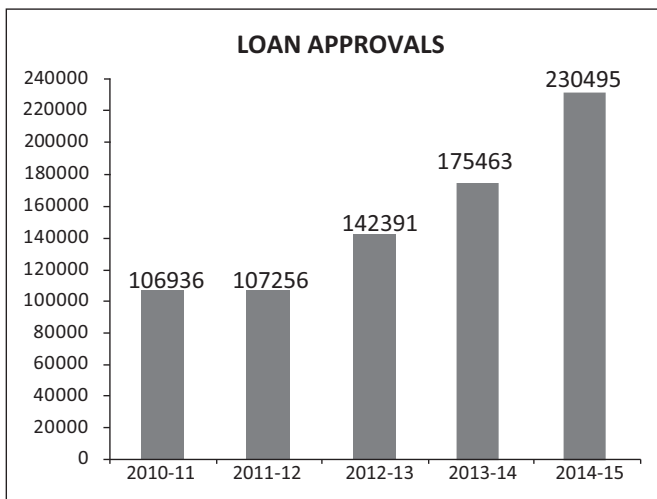


### FINANCIAL ANALYSIS AND PERFORMANCE MEASURES Achievements in 2014-15

#### Loan approvals during the year

During the year, the Company sanctioned ₹ 230495 lacs under “Apna Ghar Yojana” (loan to individuals)

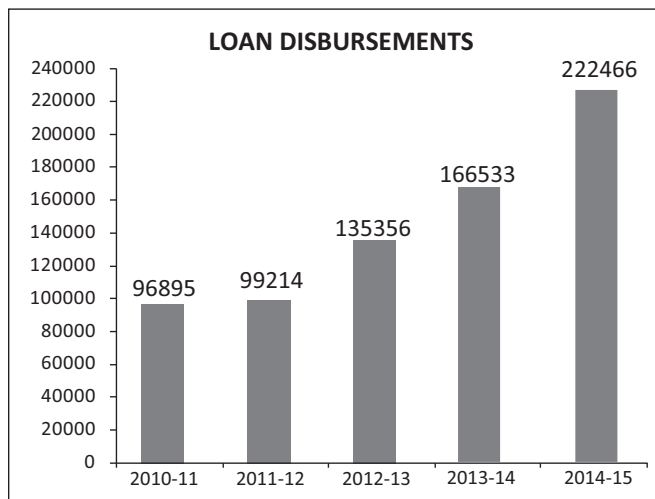
(₹ in Lacs)



#### Loan disbursements during the year

During the year, the Company disbursed ₹ 222466 lacs under “Apna Ghar Yojana” (loan to individuals)

(₹ in Lacs)

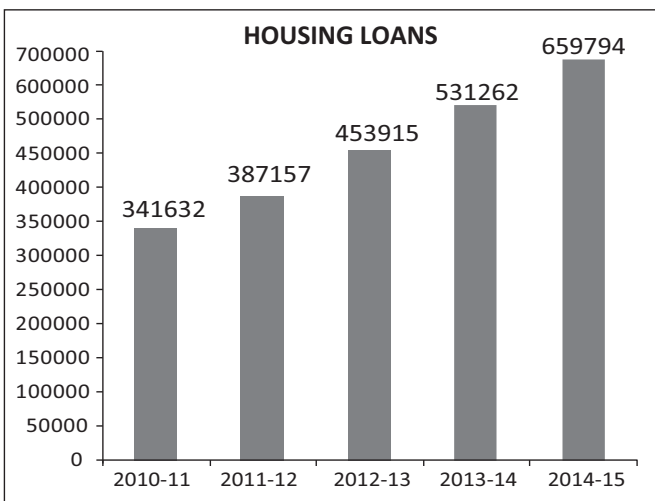
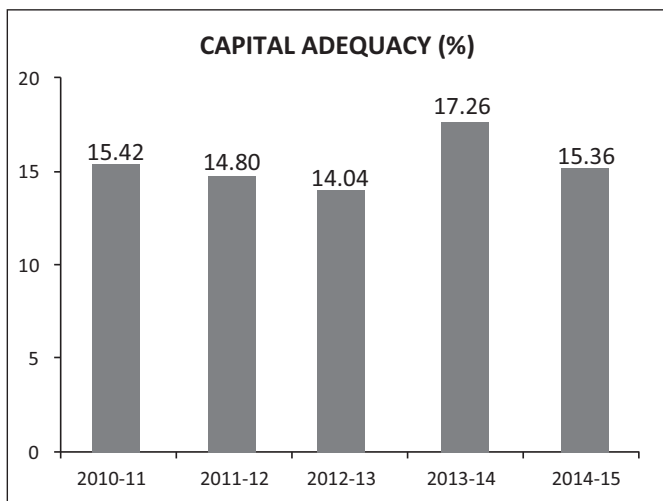


#### Capital Adequacy

#### Housing Loans

The Housing Loans Portfolio rose by 24.19% for the year 2014-15

(₹ in Lacs)



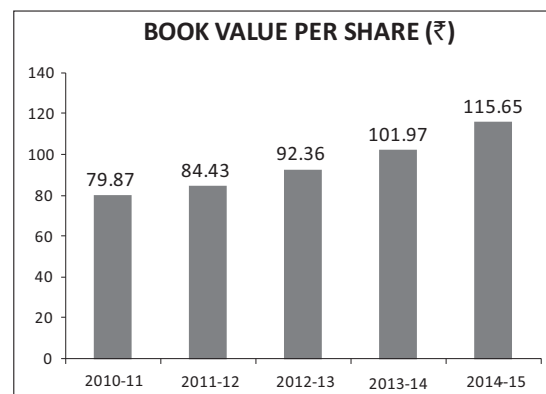
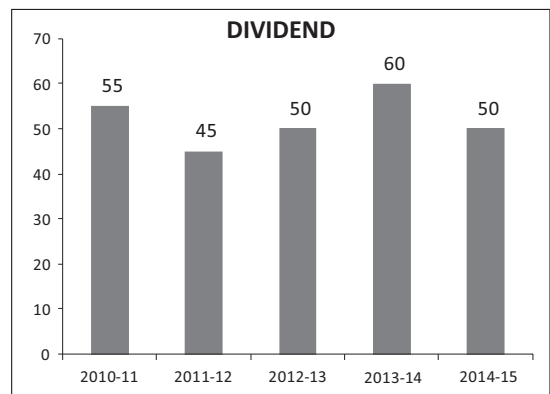
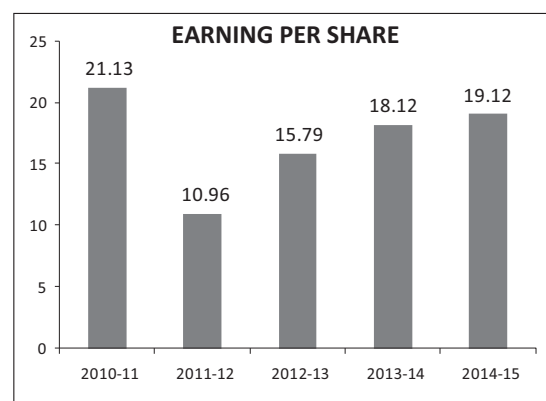
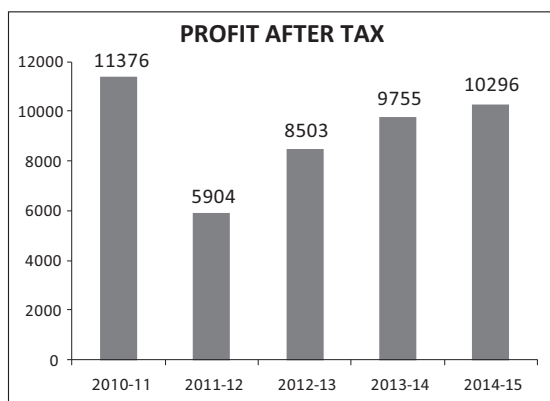
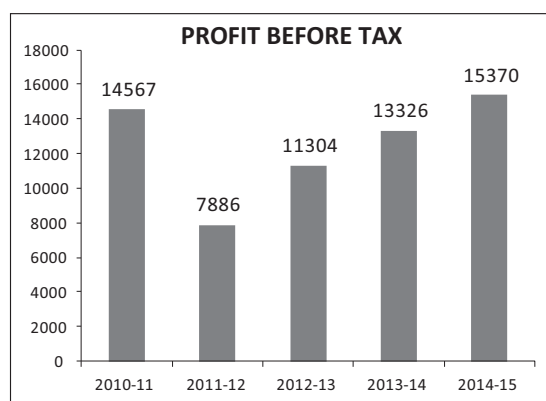
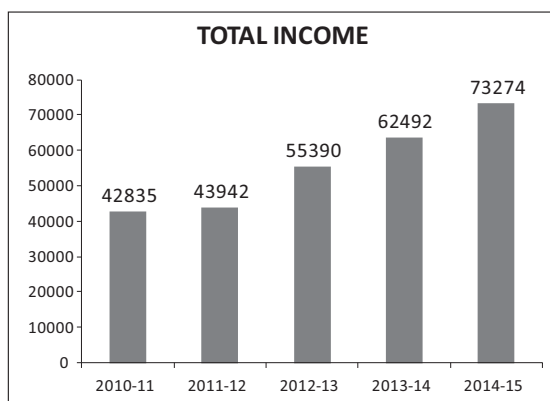


## FIVE YEARS AT A GLANCE

## Comparative Statement

(₹ in lacs)

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Total Income	73274	62492	55390	43942	42835
Profit Before Tax	15370	13326	11304	7886	14567
Profit After Tax	10296	9755	8503	5904	11376
Earning per Share (₹)	19.12	18.12	15.79	10.96	21.13
Dividend (%)	50	60	50	45	55
Book Value per Share (₹)	115.65	101.97	92.36	84.43	79.87





Silver Jubilee Function of GICHF - 12<sup>th</sup> December, 2014



Induction Programme for new Officers - 1<sup>st</sup> June, 2015





**GIC HOUSING FINANCE LTD.**  
YOUR ROAD TO A DREAM HOME



**We've all come a long way  
In 25 years.**



1989



2014

**But the voice answering your call is just as warm.**

We have always thought of ourselves as a customer-oriented Company, one with empathy for the home buyer in his time of stress. Technology may have changed, but our manner has not. It's as warm and friendly as ever. In 25 years we have helped thousands of people acquire their own homes. This year, you should be one.

**Registered & Corporate Office**

Royal Insurance Building, 6<sup>th</sup> Floor, 14, Jamshedji Tata Road, Churchgate, Mumbai - 400020, INDIA

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