



GIC HOUSING FINANCE LTD.

YOUR ROAD TO A DREAM HOME



EK NAYI SHURUAAT

Usher in the dawn from your new home

There's a mood of optimism gripping the country and hope is in the air.
Now is the time to invest in a home-you will surely reap the benefits later.

OPENING OF NEW GICHF CORPORATE OFFICE - 2ND APRIL, 2014
Inaugurated by Shri Ashok K. Roy, CMD - GIC Re



GIC HOUSING FINANCE MEET - APRIL, 2014



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) Mrs. Mona Bhide	Director
9) 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 Ltd., United Bank of India, Axis Bank Ltd., 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 Ltd., Corporation Bank, Indian Bank, Kotak Mahindra Bank, Allahabad Bank, ING Vysya Bank Ltd. & Vijaya Bank.

REGISTERED OFFICE

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

REGISTRARS 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

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24th ANNUAL GENERAL MEETING

Date	: Thursday, 11 th September, 2014
Time	: 3.30 p.m.
Venue	: Yashwantrao Chavan Pratishthan, Mumbai Chavan Centre, Cultural Hall, 4 th Floor, General Jagannath Bhosale Marg, Mumbai - 400021.


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) Mrs. Mona Bhide

NOMINATION AND REMUNERATION COMMITTEE

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

ASSET LIABILITY MANAGEMENT COMMITTEE

- 1) Shri V. Ramasamy - Chairman
- 2) Shri N. Mohan
- 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 |
| 5) Shri Srinivas Mahishi | Vice President |
| 6) Shri S. Vijayaramesh | Assistant Vice President |
| 7) Mrs. Mahalakshmi Sharma | Assistant Vice President |
| 8) Mrs. Corina Rebello | Assistant Vice President |

BUSINESS HEADS

Sr. No	Branch	Manager
1)	Ahmedabad	Shri Amit Thakur
2)	Bangalore	Shri S. Vijayaramesh
3)	Bhubaneshwar	Shri Siddhartha Roy
4)	Borivali	Shri Shrinivas Mahishi
5)	Chandanagar	Shri S. Prashanth Kumar
6)	Chandigarh	Shri Pramender Singh
7)	Chennai	Shri N. Ragothaman
8)	Chinchwad	Shri Sanjay Koppikar
9)	Coimbatore	Shri V. Kumaraguru
10)	Dehradun	Ms. Rupsi Sharma
11)	Delhi	Shri Vicky Kapoor
12)	Diamond Harbour	Shri Santosh Kumar Singh
13)	Durgapur	Shri Mainak Pal
14)	ECIL	Shri V. Prajaranjan Reddy
15)	Gurgaon	Shri Vinayak Kumar
16)	Hyderabad	Shri Kaushik Basu
17)	Indore	Ms. Kriti Kaul Ogra
18)	Jaipur	Shri Arpit Tambi
19)	Jodhpur	Shri Bidyut Pal
20)	Kalyan	Shri Rohit Medhekar
21)	Kochi	Shri V. Jayaram
22)	Kolhapur	Shri Dnyaneshwar Doundkar
23)	Kolkata	Shri Santosh Kumar Singh
24)	Lucknow	Shri Shanish Sharma
25)	Ludhiana	Shri Harish Arora
26)	Madurai	Shri G. Rajasekar
27)	Malout	Shri Pramender Singh
28)	Mumbai	Shri Ramesh More
29)	Nagpur	Shri Nilesh Giri
30)	Nashik	Shri Subhajit Basu
31)	Nere Panvel	Shri Amit Kumar Jha & Shri Ramesh Gaikwad
32)	Navi Mumbai	Mrs. Mahalakshmi Sharma
33)	Noida	Shri Deepak Kumar
34)	Panaji	Shri Christopher D'Souza
35)	Panvel	Shri Joseph Thomas
36)	Patiala	Shri Amit Kandwal
37)	Patna	Shri Santosh Kumar
38)	Porur	Shri S. Balakrishnan
39)	Pune	Shri Sudhir Kasabekar
40)	Tambaram	Mrs. C. V. Vijayavardhini
41)	Thane	Shri V. R. Joshi
42)	Trichy	Shri K. G. Krishnan
43)	Trivendrum	Shri Mithun Mohan
44)	Vadodara	Shri R. Lalithkumar
45)	Virar	Shri Vinayak Joshi
46)	Vishakhapatnam	Shri Sukhendu Acharya
47)	Yelahanka	Shri Thangaraj

BOARD OF DIRECTORS



Shri Ashok K. Roy
Chairman



Shri G. Srinivasan
Director



Dr. A. K. Saxena
Director



Shri Milind A. Kharat
Director



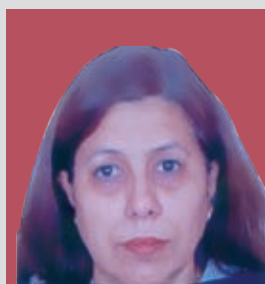
Shri N. Mohan
Director



Shri V. Ramasamy
Director



Shri Kamlesh S. Vikamsey
Director



Mrs. Mona Bhide
Director



Shri Warendra Sinha
Managing Director & CEO



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NOTICE**24TH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of **GIC HOUSING FINANCE LTD.** will be held on Thursday, 11th September, 2014 at 3.30 p.m. at Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4th Floor, General Jagannath Bhosale Marg, Mumbai- 400 021 to transact the following business:

ORDINARY BUSINESS:**ITEM NO. 1:**

To receive, consider and adopt the audited Annual Financial Statements for the year ended on 31st March 2014 together with the Reports of the Directors and Auditors thereon.

ITEM NO. 2:

To declare dividend on Equity Shares for the financial year ended on 31st March, 2014.

ITEM NO. 3:

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

ITEM NO. 4:

To appoint a Director in place of Shri N. Mohan (DIN 03447546), who retires by rotation and, being eligible, offers himself for reappointment.

ITEM NO. 5:

To re-appoint M/s. CNK & Associates LLP, Chartered Accountants, Mumbai (Firm Reg. No.101961W), as Statutory Auditors of the Company to hold office for 5 (Five) years, from the conclusion of this Annual General Meeting up to the conclusion of 29th Annual General Meeting of the Company and to authorise 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 Mrs. Mona Mukund Bhide (DIN 05203026), who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 17th September, 2013 and who holds office up to the forthcoming Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, up to the conclusion of 28th 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 V. Ramasamy (DIN 00490988), who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 17th September, 2013 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 28th 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 Kamlesh Shivji Vikamsey (DIN 00059620), who was appointed as an Additional Director of the Company pursuant to Article 111 of Articles of Association of the Company with effect from 17th September, 2013 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 28th Annual General Meeting of the Company.”

ITEM NO. 9:

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

Increase in the Borrowing Powers of the Company:

“**RESOLVED THAT** in supersession of the resolution passed at 21st Annual General Meeting of the Members of the Company held on 27th July, 2011, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act 2013, to the Board of Directors to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, (apart from Cash Credit arrangement, discounting of bills and other temporary loans obtained from Company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any point of time shall not exceed the sum of **₹8000 Crores (Rupees Eight Thousand Crores Only)**”

ITEM NO. 10:

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

Creation of Charge on Movable and Immovable properties of the Company, both present and future:

“**RESOLVED THAT** pursuant to the provisions of Section 180 (1) (a) and any other applicable provision, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof the members of the Company hereby accord their consent to the Board of Directors, including any Committee thereof for the time being exercising the powers conferred on them by this resolution, to create mortgage and/or charge on all or any of the movable and/or immovable assets of the Company, both present and future and/or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more tranches, up to an aggregate limit of **₹8000 Crores (Rupees Eight Thousand Crores Only)** together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered / to be entered into between the Company and the lenders/agents/investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any Committees thereof and the lenders, agents or trustees.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to finalise the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.”

ITEM NO. 11:

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

Alteration of Articles of Association of the Company

“**RESOLVED that** pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company be and is hereby amended by deleting the existing Article 109 and substituting with following new Article 109 :

Number of Directors

109. Until otherwise determined by the General Meeting and subject to the applicable provisions of the Companies Act, 2013, the number of Directors of the Company shall not be less than 3 or more than 15.

ITEM NO. 12:

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

Private Placement of Redeemable Non Convertible Debentures (NCDs)/Bonds:

“**RESOLVED THAT** pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as may be amended from time to time of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 including any amendment, modification, variation, or re-enactment Hereof,

the Housing Finance Companies issuance of Non-Convertible Debentures on a Private Placement basis (NHB) Directions, 2014 and subject to other applicable regulations/guidelines, consent of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company for making offer(s) or invitation(s) to subscribe to Non Convertible Debentures(NCDs) of ₹ 200 Crores (Rupees Two Hundred Crores) in one or more series/tranches on a Private Placement basis on such terms and conditions as the Board Management deem fit and appropriate for each series as the case may be during a period of 1 (One) year from the date of passing this Resolution within the overall limits of the Company as approved by Members from time to time.”

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

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) and/or officer(s) of the Company, to give effect to the resolution.”

Place: Mumbai

Date: 23rd July, 2014

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



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-CUM -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, 9, 10, 11 & 12 is given below and forms part of the Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 4th September 2014 to 11th September 2014 (both days inclusive) in connection with the Annual General Meeting and for the purpose of payment of dividend for the year 2013-14.
5. The dividend as recommended by the Board, if declared at the meeting, will be paid to those Members:
 - a) Whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/ Registrars and Transfer Agent (RTA) on or before 3rd September, 2014 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 ECS mandate form, which forms part of this Annual Report, along with a photocopy of the cheque issued by the bank for verifying the accuracy of the MICR Code number to the Registrars and Share Transfer Agents viz. M/s 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 (2013-14).
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 correspondences 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 shareholder. Shareholders holding shares in physical form may utilise the nomination facility available by sending the prescribed Form No.SH-13 duly filled, to our Registrars and Share Transfer Agents viz. M/s Sharepro Services (India) Pvt. Ltd., 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400072. Shareholders 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 shareholders, who have not dematerialised the shares, are advised to dematerialise their shareholding, to avoid inconvenience in future.
15. SEBI vide circular ref. no. MRD/Dop/Cir-05/2007 dated 27th April, 2007 made Permanent Account Number (PAN) mandatory for all securities market transaction. Thereafter, vide circular no. MRD/Dop/Cir-05/2009 dated 20th May, 2009 it was clarified that for securities market transactions and off market/ private transaction involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company/ RTA 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 shareholder(s), where the shares are held in the name of two or more shareholder(s).
 - b) Transmission of shares to the legal heir(s), where deceased shareholder 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 shareholders.
16. Investors/ Shareholders 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/ shareholders that they should ensure that their DPs do not delay in sending the DRF and share certificates to the Registrar after generating the DRN.
 17. Dividend for the financial year 2006-07, 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 in the month of October 2014. Members, who have not yet encashed their dividend for the financial year 2006-07, 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 financial year 2013-14, the Company has deposited a sum of ₹4,19,163/- (Rupees Four Lacs Nineteen Thousand One Hundred and Sixty Three only) to Investor Education and Protection Fund of the Central Government, on account of unclaimed/ unpaid dividend for the financial year 2005-06.
 18. Those Members who have not encashed or received their dividend for the financial years 2006-07 to 2012-13 are requested to approach our Registrars and Share Transfer Agents viz. M/s Sharepro Services (India) Pvt. Ltd., Mumbai.
 19. The shareholders holding shares in more than one folio are requested to consolidate their folios by sending a request letter to the Company or to the Registrars and Transfer 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.
 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 Report 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 2013-14 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 24th 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, 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 by electronic means.

For this purpose, the Company has entered into an Agreement with National Securities Depository Limited (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)] :
- Open email and open PDF File viz; GICHFL 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**.
 - Launch internet browser by typing the following URL: **<https://www.evoting.nsdl.com/>**
 - Click on Shareholder – Login
 - Put User ID and password as Initial Password/PIN noted in step (i) above. Click Login.
 - 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.
 - Home Page of e-voting opens. Click on e-voting: Active Voting cycles
 - Select “EVEN” of GIC Housing Finance Limited
 - Now you are ready for e-voting as Cast Vote Page opens.
 - Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - Upon confirmation, the message “Vote Cast Successfully” will be displayed
 - Once you have voted on the resolution, you will not be allowed to modify your vote.
 - Institutional Shareholders (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 authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail **gichf.scrutinizer@gmail.com** with a copy marked to **evoting@nsdl.co.in**
- B) In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- Initial Password will be provided separately:
EVEN (e-voting Event Number) USER ID PASSWORD/PIN
 - Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
 - In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for shareholders available at the Downloads section of **www.evoting.nsdl.com**
 - 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.
 - 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 enclose it in a sealed envelope and send it to the Scrutinizer. Unsigned, incomplete or incorrectly ticked forms shall be rejected. The Ballot, must be received by the Scrutinizer on or before 5th September, 2014 (6.00 pm). 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.

- vi) 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).
- vii) The e-voting period commences on 3rd September, 2014 (9.00 am) and ends on 5th September, 2014 (6.00 pm). During this period shareholders 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 shareholder, the shareholder shall not be allowed to change it subsequently.
- viii) The Voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut - off date of 1st August, 2014.
- ix) Shri Makrand Joshi of M/s Makrand M. Joshi & Co., Company Secretaries has been appointed as Scrutinizer to scrutinize the e-voting process (including physical ballots received from members who do not have access to the e-voting process) in a fair and transparent manner.
- x) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of e-voting period unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- xi) The Result shall be declared at the Annual General Meeting of the Company. The Results declared along with Scrutinizer's Report shall be placed on the Website of the Company www.gichfindia.com and on the website of NSDL within 2 (two) days of passing of the resolutions at the Annual General Meeting of the Company and 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:

Mrs. Mona Mukund Bhide was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 by the Board of Directors on 17th September, 2013 and holds office till the date of the twenty-fourth Annual General Meeting of the Company and is eligible for appointment. Mrs. Mona Mukund Bhide is a Legal Practitioner and working as a Managing Partner of M/s Dave & Girish & Co.

The Company has received a notice in writing from a Member as per Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Mona Mukund Bhide, as an Independent Director, who shall hold office upto the conclusion of 28th Annual General Meeting of the Company. 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 V. Ramasamy was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013, by the Board of Directors on 17th September, 2013 and holds office till the date of the Twenty-fourth Annual General Meeting of the Company and is eligible for appointment. Shri V. Ramasamy is Ex-Chairman cum Managing Director of National Insurance 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 V. Ramasamy as an Independent Director, who shall hold office upto the conclusion of 28th Annual General Meeting of the Company. 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 Kamlesh Shivji Vikamsey was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013, by the Board of Directors on 17th September, 2013 and holds office till the date of the Twenty-fourth Annual General Meeting of the Company and is eligible for appointment. Shri Kamlesh Shivji Vikamsey is a Chartered Accountant and at



present Member of audit advisory committee of United Nations Development Programme (UNDP), New York and also Member of Appellate Authority of The Institute of Chartered Accountants of 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 Kamlesh Shivji Vikamsey, as an Independent Director, who shall hold office upto the conclusion of 28th Annual General Meeting of the Company. 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.

ITEM NO. 9:

Vide Ordinary resolution dated 27th July, 2011, passed by shareholders in the Annual General Meeting, the Members of the company had accorded their consent to the Board of Directors to borrow any sum or sums of monies for the purposes of the Company not exceeding ₹6,000 crores (Rupees Six Thousand Crores Only) (including the temporary loans obtained/ to be obtained from the company's bankers in the ordinary course of business) in terms of erstwhile Section 293(1)(d) of the Companies Act, 1956. Taking into account the business plans of the Company, the Board of Directors may need to resort to further borrowings from time to time and hence it is proposed to revise the said limit upwards to ₹8,000 Crores (Rupees Eight Thousand Crores Only). A fresh resolution is proposed authorising the Board of Directors to borrow any sum or sums of monies for the purposes of the Company not exceeding ₹8,000 Crores (Rupees Eight Thousand Crores Only) (including the temporary loans obtained/ to be obtained from the company's bankers in the ordinary course of business) under Section 180(1)(c) of the Companies Act, 2013 as notified by Central Government.

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

The Board recommends the resolution set forth in Item No. 9 for the approval of the Members.

ITEM NO. 10 :

Vide Ordinary resolution dated 27th July 2011, passed by shareholders in the Annual General Meeting, the Members of the Company had accorded their consent to the Board of Directors for creation of mortgages, charges, liens, hypothecation and/or other securities of the Company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company's undertaking or undertakings, for securing the borrowings up to a limit of ₹6000 crore (Rupees Six Thousand Crores only) in terms of erstwhile Section 293(1)(a) of the Companies Act, 1956. Considering the business plans of the Company, the board of directors may need to resort to further borrowings from time to time, by way of loans / financial assistance from various banks / financial institutions and other lenders, issue of debentures / bonds or other debt instruments and through acceptance of fixed deposits. These borrowings may also have to be secured by creation of mortgages, charges, liens, hypothecation and/or other securities of the Company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company's undertaking or undertakings, in favour of banks / financial institutions / debenture trustees / fixed deposits trustees / other lenders. Since the amount secured by such mortgages, charges, liens, hypothecation and/or other securities together with the existing mortgages, charges, liens, hypothecation and/or other securities may exceed the limit of ₹6,000 Crores, Members' approval is sought for increasing the limit upto ₹8,000 crore (Rupees Eight Thousand Crores Only) and for authorising the Board of Directors to create security by way of mortgages, charges, liens, hypothecation and/or other securities of the Company's assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company's undertaking or undertakings, on such terms and conditions as it may deem fit. For this purpose, the requisite **Special Resolution** is being proposed for consideration of the members under Section 180(1)(a) of the Companies Act, 2013 as notified by Central Government in place of erstwhile Section 293(1)(a) of the Companies Act, 1956.

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.10 for the approval of the Members.

ITEM NO. 11:

As per Article 109 of the Articles of Association of the Company, the number of Directors of the Company shall not be less than 3 or more than the limit as prescribed in the Companies Act, 2013 from time to time.

Currently, the Company has 9 Directors. To comply with the provision of the Companies Act 2013 and applicable clause of Listing Agreement, it is proposed to increase the upper limit to 15.

Therefore, the Board of Directors recommends amendment to the Articles of Association of the Company by deleting the existing Article 109 and substituting with new Article 109, to increase the maximum number of Directors of the Company as provided under the Companies Act, 2013.

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

The Board recommends the resolution set forth in Item No. 11 for the approval of the Members.

ITEM NO. 12:

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

For meeting funds requirement through issue of Redeemable NCDs/Bonds on Private Placement basis, the approval of Members is being sought by way of Special Resolution in compliance with the applicable provisions of the Act, read with Rules made there under, in the manner as set out in Item No. 12 of this Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No.12.

The Board recommends the resolution set forth in Item No. 12 for the approval of the Members.

Place: Mumbai

Date: 23rd July, 2014

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

**Information as required under Clause 49(IV)(G) of the Listing Agreement in respect of Directors seeking re-appointment/ appointment at the 24th Annual General Meeting:****1. Shri G. Srinivasan, Chairman cum Managing Director, The New India Assurance Company Limited**

Shri G. Srinivasan was appointed as a Director of the Company w.e.f. 26th November 2007. Prior to his appointment as CMD of The New India Assurance Company Ltd., he was the CMD of United India Insurance Company Ltd. He served as Managing Director of The New India Assurance Company (TNT) Ltd., Trinidad and Tobago and General Manager for The New India Assurance Company Ltd. He has over 34 years of experience in the Insurance Industry. He has been a Director of General Insurance Corporation of India since 28th July, 2010. He is a Director of The New India Assurance Company (Trinidad and Tobago) Ltd., Prestige Assurance Plc, Nigeria and India International Insurance Plc, Singapore.

2. Shri N. Mohan, General Manager of GIC Re

Shri N. Mohan is a commerce graduate from University of Madras. He joined the United India Insurance Company Ltd. in 1979 and worked over there the next 28 years in various capacities till September, 2007 then on promotion was posted as Deputy General Manager to National Insurance Company Ltd. Shri N. Mohan is a Chartered Accountant with over 30 years experience in General Insurance handling Internal Audit, Investments, Accounts, Implementation of I.T. Systems, Marketing, Re-insurance, Claims handling and Underwriting. He possesses excellent leadership skills, exceptional interpersonal communication and organizational skills with abilities in Team Management & Customer Relationship Management. He has extensive experience in handling large clients.

Shri N. Mohan besides being a Fellow of the Insurance Institute of India is also a professionally qualified Company Secretary and Cost and Works Accountant.

Shri N. Mohan joined GIC Re as a General Manager in November, 2011. He currently looks after the Investment & Finance portfolio in GIC Re.

3. Mrs. Mona Mukund Bhide (Legal Practitioner), Managing Partner of M/s Dave & Girish & Co., (Law Firm).

Mrs. Mona Mukund Bhide holds Masters Degree in Law from Northwestern University, School of Law, Chicago and is a Managing Partner of Dave & Girish & Co., a Law Firm focusing on International Finance and Corporate Laws. She is also Advisor to various Banks and Financial Institutions.

She is the Member of Bar Council of Maharashtra and Goa, Bombay Bar Association, International Swaps and Derivatives Association, International Bar Association, New York State Bar Association, Inter Pacific Bar Association and Asia Pacific Loan Market Association.

She had worked with American Bar Foundation in the field of Investment Banking, conflicts and globalization of the legal profession and also worked with International Law Firm, Sedwick, Deetert Moran and Arnold.

She is one of the highly recommended lawyers for Project Finance & Corporate, Mergers & Acquisitions Transactions, Restructuring and Insolvency Practitioner and Corporate Transactions Practitioner in India in Global Counsel 3000.

She has been ranked as a Leading Individual in Banking & Finance, Corporate, Mergers & Acquisitions and Dispute Resolution by Legal 500 and as Leading Lawyer by Asia law Profiles.

Details of Directorship in other Companies – Nil

Mrs. Mona Mukund Bhide does not hold any share in the Company.

4. Shri V. Ramasamy, Ex Chairman cum Managing Director of National Insurance Company Limited.

Shri V. Ramasamy, Chartered Accountant by Profession, joined United India Insurance Co. Ltd as a Direct Recruit Officer in the year 1975. During his tenure, he had worked in various capacities and in 2005, he was promoted to the cadre of Chairman cum Managing Director.

He joined National Insurance Co. Ltd as Chairman cum Managing Director from October 2005 to May 2009. After his retirement, he was appointed as Insurance Ombudsman Tamilnadu for Three Years from August 2009.

Details of Directorship in other Companies – Nil

Shri V. Ramasamy does not hold any share in the Company.

5. Shri Kamlesh Shivji Vikamsey, Ex-President of Institute of Chartered Accountants of India

Shri Kamlesh Shivji Vikamsey is a Chartered Accountant, has 30 years of experience in Accounting & Finance, Taxation and Corporate Advisory Services. He is Member of Audit Advisory Committee of United Nations Development Programme (UNDP), New York and also the Member of Appellate Authority of the Institute of Chartered Accountants of India (ICAI). He was elected

as the President of ICAI during 2005-06 and also as Vice President of ICAI during 2004-05. He has been an elected Member of the Central Council of the ICAI from 1998 to 2007. Thereafter, he has been the President of Confederation of Asian & Pacific Accountants (CAPA) during 2007-09 and was Deputy President of CAPA during 2005-07. He was a Board Member of the International Federation of Accountants from 2005-08. He has been associated with M/s Khimji Kunverji & Co. as a Senior Partner since 1982. He has served as a Member of various advisory and expert Committees at National and International Levels, including as a Member of the Steering Committee for comprehensive review of Governance and Oversight within the United Nations.

The other Directorships/ Committee Memberships of Shri Kamlesh Shivji Vikamsey are as follows:

Name of the Company	Board Membership	Committee Membership
Navneet Education Limited	Director	Remuneration Committee (Member)
Aditya Birla Retail Limited	Director	Audit Committee (Member)
		Remuneration Committee (Member)
Fabmall (India) Pvt. Ltd	Director	--
H.A.S. Two Holdings Pvt. Ltd.	Director	--
Terrafirma Agroprocessing (India) Pvt. Ltd.	Director	--
Neptune Developers Ltd.	Director	Remuneration Committee (Chairman)
		Audit Committee (Chairman)
		Shareholders Grievances Committee (Member)
Man Infraconstruction Ltd.	Director	Audit Committee (Member)
Tribhovandas Bhimji Zaveri Ltd.	Director	Audit Committee (Chairman)
		Remuneration Committee (Member)
Neptune Ventures and Developers Pvt. Ltd.	Director	--
Electrotherm Renewables Pvt. Ltd.	Director	--
Palace Solar Energy Pvt. Ltd.	Director	--
Apcotex Industries Ltd.	Director	Audit Committee (Member)
HLB Offices & Services Pvt. Ltd.	Director	--
Chekam Properties Pvt. Ltd.	Director	--
Trinethra Superretail Private Ltd.	Director	Audit Committee (Member)
		Remuneration Committee (Member)
VarAsh Properties Pvt. Ltd.	Director	--

Shri Kamlesh S. Vikamsey does not hold any share in the Company.



DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 24th Annual Report of your Company and the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

(₹ in Lacs)

PARTICULARS	March 31, 2014	March 31, 2013
Total Income	62492	55390
Less: Interest expenditure	41925	37323
Overheads	7036	6554
Depreciation & amortisation	205	209
Profit Before Tax	13326	11304
Provision for Tax	4450	3710
Deferred Tax Assets	(879)	(909)
Profit After Tax	9755	8503
Profit Brought Forward	5	2
Profit Available for Appropriation	9760	8505
APPROPRIATIONS:		
General Reserve	3115	2805
Special Reserve under Section 36(1)(viii) of Income Tax Act, 1961	2860	2545
Proposed Equity Dividend	3231	2692
Tax on Proposed Dividend	549	458
Balance carried over to Balance Sheet	5	5

IMPORTANT FINANCIAL RATIOS

PARTICULARS	March 31, 2014	March 31, 2013
Return on Net Worth (%)	17.77	17.09
Return on Total Assets (%)	1.77	1.79
Book Value Per Share (₹)	101.97	92.36
Earning Per Share (₹)	18.12	15.79
Debt Equity Ratio (times)	8.47	7.99
Average Cost of Funds (%)	9.72	9.86
Average Yield on Advances (%)	12.50	12.62
Net Interest Margin	2.78	2.76

DIVIDEND

Your Directors recommend payment of dividend for the year ended 31st March, 2014 of ₹ 6/- per equity share of ₹10/- each, including one time Silver Jubilee dividend of ₹1/- per equity share. The total dividend outgo for the current year would amount to ₹ 37.80 crores including dividend distribution tax of ₹5.49 crores, as against ₹31.50 crores including dividend distribution tax of ₹4.58 crores in the previous year.

The dividend payout ratio for the current year, inclusive of additional tax on dividend will be 38.75%.

OPERATIONS - PERFORMANCE

Income, Profit, Loan Approvals and Disbursements: Total Income for the year under review is ₹624.92 crores as against ₹553.90 crores for the year 2012-13. Profit before tax for the year ended is ₹133.26 crores and Profit after tax for the year ended is ₹97.55 crores as against ₹113.04 crores and ₹85.03 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 ₹ 1755 crores and loans disbursed during the year are ₹ 1665 crores as against ₹ 1424 crores and ₹ 1353 crores for the year ended 31st March, 2013 respectively. The Retail Loan portfolio as at 31st March, 2014 stood at ₹ 5299 crores, as compared to ₹ 4524 crores as on 31st March, 2013.

During the year under review, your Company has made provision to the extent of ₹ 24.76 crores as against ₹ 26.93 crores provided for in the year 2012-13. 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 retail loans as on 31st March, 2014 is 1.57% as against 1.86% for the previous year. Net non performing loans as on 31st March, 2014 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 ₹ 1130 crores from banks during the year as compared to ₹ 254 crores during the previous year. The aggregate of term loans outstanding at the end of the financial year stood at ₹ 3346 crores as against ₹ 2640 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 ₹ 100 crores during the year under review as against ₹ 425 crores in the previous year. The refinance facility outstanding as on 31st March, 2014 is ₹ 723 crores as against ₹ 823 crores as at the end of the previous year.

C. Short term Loan and Commercial Paper:

During the year 2013-14, your Company has raised resources by issuing Commercial Paper and also resorted to short term borrowings from the banks and the outstanding amount as on 31st March, 2014 is ₹ 475 crores (Gross).

D. Non Convertible Debentures:

Your Company has outstanding balance of ₹ 115 crores through issue of Redeemable Non Convertible Debentures (NCDs) on Private Placement as on 31st March 2014.

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 ₹ 800 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 ₹ 4500 crores as [ICRA] AA+ (Stable) (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+" (Stable) (Pronounced as ICRA double A Plus).

BRANCH EXPANSION

During the year under review your Company has opened its branches at Patna (Bihar), Ahmedabad (Gujarat), Yelahanka (Bangalore, Karnataka), Chandanagar (Hyderabad, Andhra Pradesh), Kalyan & Borivali (Maharashtra) and Dehradun (Uttarakhand). The total number of Offices as on 31st March, 2014 is 47. 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 un-expected eventualities like untimely death of borrower due to accident or natural death.

CAPITAL ADEQUACY RATIO (CAR)

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

The Capital Adequacy Ratio of the Company as at 31st March, 2014 is 17.26% as against 14.04% as at 31st March, 2013.

DEPOSITS

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

DEMATERIALISATION OF SHARES AND NOMINATION FACILITY AND LISTING AT STOCK EXCHANGES

As per the Securities & Exchange Board of India directives, the transactions of the Company's shares must be compulsorily in dematerialised form. Your Company has signed an agreement with the Central Depository Services (India) Limited and National Securities Depository Limited for transaction of shares in dematerialised form. Shareholders holding shares in physical form are requested to convert their holdings into dematerialised form. Out of 5,38,51,066 equity shares, 5,32,36,863 equity shares are in dematerialised form, (5,32,21,194 shares as on 31st March, 2013) which is 98.86% (98.83% as on 31st March, 2013) of the total shares as on 31st March, 2014.

Shareholders holding shares in physical form may utilise the nomination facility available by sending the prescribed Form No. SH-13 duly filled, to our Registrars and Share Transfer Agents viz. M/s 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 Bombay Stock Exchange 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 Section 205C of the Companies Act, 1956, 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 Report every year.

Unclaimed dividend amounting to ₹ 4,19,163/- that has not been claimed by shareholders for the financial year 2005-06 has been transferred to Investor Education and Protection Fund (IEPF) during the month of November, 2013, as per the provisions of the Companies Act, 1956. As per section 205(B) of the Companies Act, 1956, no claim would lie against the Company or the said fund after the transfer.

The dividend pertaining to the financial year 2006-07 remaining unclaimed and unpaid amounting to ₹ 7,19,136/- as on 31st March, 2014, would be transferred to IEPF during November, 2014 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, 2014.

Shareholders who have not claimed the said dividend may write to Registrars and Share Transfer Agent.

STATUTORY INFORMATION:

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

Since the Company does not own any manufacturing facility, the particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, required to be furnished under section 217(1)(e) of the Companies Act, 1956 (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. The Company has incurred an amount of ₹ 55,501/- towards 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 217(2A) of the Companies Act, 1956 (Section 134 of Companies Act, 2013) read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

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 31st March, 2014 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 Companies Act, 1956, 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.

AUDITORS

M/s CNK & Associates, LLP, Chartered Accountants, Mumbai were re-appointed as Statutory Auditors in the twenty-third Annual General Meeting of the Company and their term is scheduled to end at the conclusion of the forthcoming Annual General Meeting and is eligible for re-appointment.

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 re-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 29th 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 A. R. Sekar, Director resigned from Directorship on 31st March, 2014, consequent to his superannuation from the services of The New India Assurance Company Ltd.

The Directors of your Company wish to place on record their appreciation for the services rendered and contribution made by Shri A. R. Sekar during his tenure as Director of the Company.

Mrs. Mona Mukund Bhide (Legal Practitioner), Shri V. Ramasamy (Ex-CMD of National Insurance Company Limited) and Shri Kamlesh Shivji Vikamsey (Chartered Accountant) were appointed as Additional Directors of the Company w.e.f. 17th September, 2013, pursuant to the provisions of 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 Mrs. Mona Mukund Bhide, Shri V. Ramasamy and Shri Kamlesh Shivji Vikamsey, 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 28th 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 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.

CORPORATE GOVERNANCE

The Certificate on Corporate Governance issued by the Statutory Auditors of the Company for the year under review, as required under the Companies Act, 1956 & 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 support 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 had been sponsoring the employees for training programmes conducted by National Housing Bank for upgrading the skill and knowledge of the employees in different operational areas. The work force strength of Your Company as on 31st March, 2014 is 220.

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

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

Place: Mumbai

Date: 7th May, 2014

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

GENERAL: OVERVIEW OF THE ECONOMY

➤ Global Economy:

Global growth, after decelerating for the last three years is poised to improve in 2014, but risks to outlook remain with uncertainties arising from moves to unwind unconventional monetary policies and possibility of a renewed deflation in the euro area. Economic expansion in the US is gaining firmer footing and will aid recovery in global activity and trade. Recovery in large emerging market and developing economies (EMDEs) could stay moderate as supply side constraints, tight monetary policies and tightening of financial conditions with tapering by the US could act as a drag on growth acceleration.

Inflation has continued to be low in Advanced Economies aided by high unemployment and large spare capacities. After a year of deflation, inflation picked up in Japan. Among the emerging economies, monetary policy was tightened further by Indonesia, India and Brazil, as they confronted high inflation and pressures on their exchange rates. Going forward, inflation risks for EMDEs are likely to stay in the near term conditioned by structural factors and demand pressures emanating from narrowing output gap.

➤ Domestic Economy:

Our Country's Gross Domestic Product (GDP) growth in the financial year 2013-14 was dismal, estimated at 5%. The major factors contributing to this low rate of growth were high interest rates and uncertain economic conditions. Aggregate Demand in the economy exhibited some improvements during second quarter of 2013-14 mainly on account of surge in net exports. However, 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.

According to Reserve Bank of India, the Business confidence in India remains weak with Companies scaling down their investment plans. In addition, the past year witnessed volatility in commodity prices and exchange rate. This in turn affected India's current account deficit and consequently led to further liquidity tightening measures by the Reserve Bank of India.

➤ Economy Outlook for 2014-15.

Various surveys, including the Reserve Bank's Industrial Outlook Survey, show that business confidence has started to rebuild. On current reckoning, growth in 2013-14 is likely to fall somewhat short of the Reserve Bank's earlier projection of 5%. However, a moderate paced recovery is likely to shape in the next year with support from rural demand, a pick up in exports and some turnaround in investment demand. The growth in 2014-15 is likely to be in the range of 5% to 6%, with likelihood of it being in higher reaches of this forecast range as project clearances translate into investment, global growth outlook improves and inflation softens. 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.

Year-on-year, the industry saw home loans grow 20% as of 30th June, 2013, over June last year. Banks recorded 17% growth, while housing finance companies and non-banking finance companies saw 26% growth, according to ICRA Research. According to an expert, India's ratio of housing loans to GDP is 7%, 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.

Further, on 14th August, 2013, the Government of India and the World Bank signed a \$100-million credit agreement aimed at helping low-income households secure loans to purchase, build or upgrade their dwellings. The project will be implemented by the National Housing Board to reach a higher proportion of lower-income households, while maintaining portfolio quality standards.



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 12th five year Plan (2012-17) and according to it, the total requirement of housing units during the 12th 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 11th Plan Period is around 26.53 million units; indicating a huge growth potential for the housing sector and in turn present a growth opportunity for the Housing Finance Industry.

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% in 25 years adding 300 to 400 million people to the existing population of about 350 million in urban areas (Source: Mid-Term appraisal of the 11th Five Year Plan). The potential rise in urban households will also be potential customer base for Housing Finance Companies.

Housing being one of the low risk asset classes for financiers and hence scheduled Commercial Banks have 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 47 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 220 employees, who have been contributing to the progress and growth of the Company. The manpower requirement at Offices of the Company is assessed continuously and recruitment is conducted accordingly.

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

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

RELATED PARTY TRANSACTIONS

The Related Party Transactions with details are furnished in the Notes on Accounts [Note No.25 point No. (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: 7th May 2014

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 to 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 9 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	Chairperson
1	Shri Ashok K. Roy (Non Executive Chairman) (Nominee GIC)	Nominee Director	9	4	Nil
2	Shri G. Srinivasan	Non Executive Director	4	Nil	Nil
3	Dr. A. K. Saxena	Non Executive Director	4	-	-
4	Shri Milind A. Kharat	Non Executive Director	4	6	5
5	Shri N. Mohan	Non Executive Director	3	3	Nil
6	Shri V. Ramasamy (from 17 th September, 2013)	Non Executive/ Independent Director	Nil	Nil	Nil
7	Shri Kamlesh S Vikamsey (from 17 th September, 2013)	Non Executive/ Independent Director	18	8	5
8	Mrs. Mona Bhide (from 17 th September, 2013)	Non Executive/ Independent Director	Nil	Nil	Nil
9	Shri Warendra Sinha	Managing Director & CEO/ Executive Director	Nil	Nil	Nil

The Directors furnish a notice of disclosure of interest as specified in Section 184 of the Companies Act, 2013. The Company maintains Register of Contracts and details of Companies and Firms in which Directors are interested as provided in Section 189(1) of the Companies Act, 2013. The Independent and Non Executive Directors of the Company do not have any pecuniary relationship or transactions with the Company except for the sitting fees received by them.

TERM OF OFFICE OF DIRECTORS

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

In accordance with the requirements of the Companies Act 2013, and Article 125 of the Articles of Association of the Company, Shri G. Srinivasan and Shri N. Mohan Directors, who were liable to retire by rotation at the ensuing Annual General Meeting, offer them-selves for re-appointment.

Shri V. Ramasamy, Shri Kamlesh S. Vikamsey and Mrs. Mona Bhide were appointed as an Additional Director on 17th September, 2013 and they offer themselves for appointment as Independent Directors.

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

CODE OF CONDUCT:

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

RESPONSIBILITIES OF THE BOARD:

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

The Board discharges the duties and responsibilities as required under the various statute(s) as are applicable to the Company, like the Companies Act, 2013, Directions/ Guidelines/ Regulations issued by the Securities Exchange Board of India (SEBI), National Housing Bank (NHB) and other Regulatory Authorities, issued from time to time, including reporting to the shareholders. The Board inter alia, 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 four times during the year on 10th May, 2013; 26th July, 2013; 30th October, 2013 and 28th January, 2014. The gap between two meetings did not exceed four months.

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

Name of the Director	Number of Meetings attended	Whether attended last AGM held on 26 th July, 2013
Shri Ashok K. Roy	3	Yes
Shri G. Srinivasan	2	No
Shri N.S.R. Chandraprasad Ex-Member of the Board	1	No
Dr. A. K. Saxena	2	No
Shri Milind A. Kharat	3	No
Shri N. R. Ranganathan (Nominee GIC) Ex-Member of the Board	2	No
Shri M. K. Tandon Ex-Member of the Board	2	Yes
Shri A. R. Sekar Ex-Member of the Board	1	No
Shri N. Mohan	4	Yes
Shri Manu Chadha Ex-Member of the Board	2	No
Shri V. Ramasamy	1	NA
Shri Kamlesh S. Vikamsey	2	NA
Mrs. Mona Bhide	2	NA
Shri Warendra Sinha	4	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, issued as per the directions of SEBI. 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 9th May, 2013; 25th July, 2013; 30th October, 2013 & 28th January, 2014. 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	1
2	Shri N. Mohan	4
3	Shri Kamlesh S. Vikamsey	2
4	Shri M. K. Tandon Ex-Chairman & Member of the Committee	2
5	Shri Manu Chadha Ex-Member of the Committee	2

REMUNERATION OF DIRECTORS

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

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

Sr. No.	Name of the Non Executive Director	Sitting Fees Paid (₹)
1	Shri V. Ramasamy	76,000/-
2	Shri Kamlesh S. Vikamsey	76,000/-
3	Mrs. Mona Bhide	76,000/-
4	Shri N. R. Ranganathan Ex-Member of the Board	38,000/-
5	Shri M. K. Tandon Ex-Member of the Board	95,000/-
6	Shri Manu Chadha Ex-Member of the Board	95,000/-

The details of the Remuneration paid to the Managing Director for the year 2013-14 are as follows:

Shri Warendra Sinha, Managing Director & CEO

Particulars	Amount (₹)
Salary (includes arrears of salary)	15,94,217/-
Contribution to Pension and Other funds	67,212/-
Perquisites	7,29,888/-
Total	23,91,317/-

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 Kharat	Nil
5	Shri N. Mohan	Nil
6	Shri V. Ramasamy	Nil
7	Shri Kamlesh S. Vikamsey	Nil
8	Mrs. Mona Bhide	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 Mrs. 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, dematerialisation 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 and the Companies Act, 2013" and various other statutes as applicable and the effective steps taken for redressal. To expedite the process of share transfers, the Board delegated the power of share transfer to the Committee consisting of the Managing Director & CEO and the Company Secretary. The Committee meets on weekly basis and approves the periodical transfers/ transmissions, issue of duplicate shares, Rematerialisation, Name deletion etc... The Board Committee reviews the queries and complaints received from the shareholders and the steps taken for their redressal, reconciliation of share capital, shareholding pattern. During the year under review, 25 queries were received, which were replied/ resolved to the satisfaction of the shareholders. There are no pending share transfers. The minutes of the Shareholders'/ Investors Grievances Committee are circulated to the Board and noted by the Board of Directors at the Board Meetings.

NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee (previously known as Remuneration Committee) was constituted by the Board in its meeting held on 6th May, 2009. The terms of reference of the Remuneration Committee includes to decide and recommend to the Board the relevant parameters for payment of "Performance Incentive to the Managing Director & CEO" and the quantum of incentive.

The Remuneration Committee presently consists of 3 Directors. Mrs. 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.

Compliance Officer: Shri S. Sridharan, Senior Vice President & Company Secretary
E-mail ID for the purpose of registering queries/ complaints by investors - investors@gichf.com

**COMMUNICATION TO THE SHAREHOLDERS**

The main source of information to the shareholders is the Annual Report, which includes 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.

ANNUAL GENERAL MEETINGS (AGMs)

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

Year	Date	Time	Location
2010-11	27 th July, 2011	4.00 p.m.	Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4 th Floor, General Jagannath Bhosale Marg, Mumbai - 400021.
2011-12	17 th July, 2012	4.00 p.m.	Yashwantrao Chavan Pratishthan Mumbai, Chavan Centre, Cultural Hall, 4 th Floor, General Jagannath Bhosale Marg, Mumbai - 400021.
2012-13	26 th July, 2013	3.30 p.m.	Indian Merchant Chambers, 'Walchand Hirachand Hall', 4 th Floor, Indian Merchants' Chamber Marg, Churchgate, Mumbai - 400020.

DETAILS OF SPECIAL RESOLUTIONS PASSED IN THE LAST THREE YEARS.

Date of AGM/Postal Ballot/EGM	Number of Resolutions	Details
27 th July, 2011 (AGM)	2	1. Appointment of Statutory Auditors. 2. Amendments in the Articles of Association of the Company.
17 th July, 2012 (AGM)	1	1. Appointment of Statutory Auditors.
26 th July, 2013 (AGM)	1	1. Appointment of Statutory Auditors.

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 NON-EXECUTIVE DIRECTORS

The Non-Executive Directors of the Company are paid only sitting fees 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 Stakeholders Relationship 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 2013-14 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: 7th May, 2014

Warendra Sinha
Managing Director & CEO

**SHAREHOLDERS INFORMATION:**

- 1. Twenty-Fourth Annual General Meeting:**
- Date : 11th September, 2014
- Time : 3.30 P.M.
- Venue : Yashwantrao Chavan Pratishthan,
Mumbai Chavan Centre,
Cultural Hall, 4th Floor,
General Jagannath Bhosale Marg,
Mumbai - 400021

2. Financial Calendar for the year 2014-15. (Provisional)

Results for the first quarter ending 30 th June, 2014 (Subject to Limited Review).	Before the end of July, 2014.
Results for the second quarter ending 30 th September, 2014 (Subject to Limited Review).	Before the end of October, 2014.
Results for the third quarter ending 31 st December, 2014 (Subject to Limited Review).	Before the end of January, 2015.
Audited Results for the financial year ending 31 st March, 2015.	Before the end of May, 2015.
Annual General Meeting for the year ending March, 2015.	Before the end of August, 2015.

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 4th September, 2014 to 11th September, 2014 (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 2014-15.

Scrip Code for Equity shares

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

Non Convertible Debentures (NCDs) - The Non Convertible Debentures issued by the Company are listed with the Bombay Stock Exchange of India. Annual Listing fees as prescribed has 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 20th August, 2000, the Equity Shares of the Company are to be traded compulsorily in dematerialised form. 98.86% of the paid-up Equity Capital has been dematerialised as on 31st March, 2014.

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 (₹)		VOLUME OF SHARES (Nos.)	
	High	Low	High	Low	High	Low
April, 2013	19504.18	18226.48	119.55	104.90	133407	12681
May, 2013	20286.12	19575.64	125.65	111.15	452275	12179
June, 2013	19610.48	18540.89	113.55	104.70	98316	4282
July, 2013	20159.12	19177.76	114.75	91.90	49233	4475
August, 2013	19367.69	17905.91	89.15	81.80	29253	5627
September, 2013	20646.64	18234.66	99.85	82.05	142458	4812
October, 2013	21164.52	19517.15	105.45	93.55	185141	4274
November, 2013	21239.36	20194.40	105.85	95.75	40566	3508
December, 2013	21326.42	20612.14	105.25	96.55	225985	9772
January, 2014	21373.66	20498.25	113.10	98.20	514727	20407
February, 2014	21120.12	20193.35	97.85	94.35	24052	4935
March, 2014	22386.27	20946.65	108.85	96.85	143618	4321

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

MONTH	INDEX (NIFTY) (₹)		QUOTE (₹)		VOLUME OF SHARES (Nos.)	
	High	Low	High	Low	High	Low
April, 2013	5930.20	5495.10	119.80	104.70	650992	30101
May, 2013	6187.30	5944.00	125.80	111.35	1318419	33828
June, 2013	5939.30	5588.70	113.50	105.10	84031	18843
July, 2013	6077.80	5742.00	114.85	92.10	179332	21218
August, 2013	5742.30	5285.00	88.85	80.50	91830	20207
September, 2013	6115.55	5341.45	99.85	81.65	333783	21231
October, 2013	6299.15	5780.05	105.55	93.70	611923	26522
November, 2013	6317.35	5989.60	105.90	95.55	256256	27922
December, 2013	6363.90	6139.05	105.10	96.95	955922	44915
January, 2014	6345.65	6073.70	113.10	98.35	1835425	63468
February, 2014	6276.95	6000.90	98.15	97.85	137055	23850
March, 2014	6704.20	6221.45	109.10	96.60	669963	11792

8. Distribution of Shareholding as on 31st March, 2014

DESCRIPTION	HOLDER(S)		HOLDING(S)	
	FOLIOS	%	SHARES	%
Less than 500	36650	87.374	5099224	9.469
501 – 1000	2636	6.284	2170607	4.031
1001 – 2000	1234	2.942	1918847	3.563
2001 – 3000	456	1.087	1182021	2.195
3001 – 4000	226	0.539	822364	1.527
4001 – 5000	215	0.513	1024972	1.903
5001 – 10000	257	0.613	1923621	3.572
More than 10000	272	0.648	39709410	73.739
Total	41946	100.000	53851066	100.000

**9. Shareholding pattern as at 31st March, 2014**

CATEGORY	NO. OF SHARES	%
Promoters	22246826	41.31
Mutual Funds	22327	0.04
Banks, Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non Government Institutions)	2751384	5.11
Private Corporate Bodies	5271975	9.79
NRIs	861863	1.60
Foreign Institutional Investors	2035997	3.78
Trusts	51500	0.10
Indian Public	20609194	38.27
Total	53851066	100.00

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 Agent & 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 Agent namely, M/s Sharepro Services (India) Pvt. Ltd. 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 shareholders 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 2006-07 is October, 2014.

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 Agent 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 Agent. 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. Nomination and Remuneration Committee

The Managing Director of the Company is on deputation from General Insurance Corporation of India (GIC Re) and his salaries and allowances are paid on the terms and conditions as applicable to the grade (Scale VII) of General Manager of General Insurance Corporation of India (GIC Re). The Nomination and Remuneration Committee was constituted by the Board in its meeting held on 6th May, 2009. The terms of reference of the Nomination and Remuneration Committee includes to decide and recommend to the Board the relevant parameters for payment of "performance incentive to the Managing Director & CEO" and the quantum of incentive.

3. Shareholders Rights

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

Quarter Ended	Details of Publication	
31.03.2013	Audited Financial Results	The Economic Times, Maharashtra Times and Business Line dated 11 th May, 2013.
30.06.2013	Unaudited Financial Results (Subject to Limited Review Report)	The Economic Times, Maharashtra Times and Business Line dated 27 th July, 2013.
30.09.2013	Unaudited Financial Results (Subject to Limited Review Report)	The Economic Times and Maharashtra Times dated 31 st October, 2013.
31.12.2013	Unaudited Financial Results (Subject to Limited Review Report)	The Financial Express and Prahar dated 29 th January, 2014.
31.03.2014	Audited Financial Results	The Financial Express and Loksatta dated 8 th May, 2014.



DECLARATION ON CODE OF CONDUCT

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

As Managing Director & CEO of GIC Housing Finance Ltd., and as required under Clause 49(I)(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 2013-14.

Warendra Sinha
Managing Director & CEO

Place: Mumbai
Date: 7th May 2014

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, 2014, 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 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 were 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 Reg. No. 101961W

(Suresh S. Agaskar)
Partner
Membership No. 110321

Place: Mumbai
Date: 7th May 2014



INDEPENDENT AUDITORS' REPORT

**To the Members,
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, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

(Suresh S. Agaskar)
Partner
Membership No. 110321

Place: Mumbai
Date: 7th May, 2014



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

As required by the Companies' (Auditors' Report) Order, 2003 and according to the information and explanations given to us during the course of the audit and on the basis of such checks as were considered appropriate, we report that:

- 1 (a) The company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets;
- (b) As per the information and explanations given to us, the management carries out the physical verification of the fixed assets at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) No significant fixed assets have been disposed of by the company during the year and the question of effect on the going concern of the Company does not arise.
2. Since the company is engaged in providing housing finance, the clauses relating to stock-in-trade are not applicable.
3. (a) The Company has not granted nor taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and therefore the provisions of Clauses (3)(b), (3)(c), (3)(d), (3)(e), (3)(f) of the Order are not applicable
4. 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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted deposits from the public and therefore the question of compliance with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules made there under for the deposits accepted from the public does not arise.
7. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.
8. Since the company is in the services sector, the question of maintaining cost records u/s 209(1)(d) of the Companies Act, 1956 does not arise.
9. (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March 2014, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
10. The company does not have accumulated losses as on 31st March 2014 nor has incurred cash losses in the immediately preceding financial year. The Company has not incurred any cash loss during the financial year.
11. The company has not defaulted in repayment of dues to financial institutions or banks.
12. Based on our examination of the records and the information and explanations given to us, the Company has maintained adequate documents and records for housing loans granted by it on the basis of security offered by the borrower.
13. The Company is not a chit fund, nidhi, mutual benefit fund or a society.
14. The Company has maintained proper records and timely entries are being made in respect of its dealing in units of mutual funds. All investments in mutual funds and shares have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

16. According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanation given to us and on overall examination of the Balance Sheet of the company, we report that funds of Rs. 468.02 Crores raised on short-term basis by the Company have been utilized for disbursement of housing loans.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year, to parties and companies covered in the register maintained under section 301 of the Companies Act 1956, Therefore the question of pricing of shares does not arise.
19. During the year, the Company has not issued any secured debentures, and therefore the question of creation of security does not arise.
20. The Company has not raised any money by public issues during the year covered by our report and therefore the question of end use thereof does not arise.
21. According to information & explanation provided to us, no fraud by the company has been noticed or reported during the year. As regards fraud on the company during the year, we have observed one case of fraud committed by the borrower by providing deceptive documentation and dishonest representation amounting to Rs.15.69 lacs. The company has initiated investigation in this case, and has made the necessary provision on account of such fraud.

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

(Suresh S. Agaskar)
Partner
Membership No. 110321

Place: Mumbai
Date: 7th May, 2014


BALANCE SHEET AS AT 31ST MARCH, 2014

	NOTE	₹ in Lacs	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
I. EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	2	5,388		5,388
Reserves and Surplus	3	55,660	61,048	49,685
				55,073
NON-CURRENT LIABILITIES				
Long-Term Borrowings	4	3,63,007		3,00,202
Long-Term Provisions	5	18,891	3,81,898	16,398
				3,16,600
CURRENT LIABILITIES				
Short-Term Borrowings	6	46,802		39,437
Trade Payables	7	514		367
Other Current Liabilities :	8			
- Borrowings		55,367		57,641
- Others		2,333		2,798
Short-Term Provisions	9	3,850		3,217
			1,08,866	1,03,460
TOTAL			5,51,812	4,75,133
II. ASSETS				
NON-CURRENT ASSETS				
FIXED ASSETS	10			
Tangible Assets		426		467
Intangible Assets		95	521	174
				641
Non-Current Investments	11	993		993
Deferred Tax Assets (Net)		6,040		5,161
Long-Term Loans and Advances	12	1,495		1,410
Other Non-Current Assets	13	1,000	9,528	-
				7,564
HOUSING LOANS	14			
Non Current		5,05,804		4,32,428
Current		25,458	5,31,262	21,487
				4,53,915
CURRENT ASSETS				
Trade Receivables	15	967		925
Cash and Bank Balances	16	8,990		11,355
Short-Term Loans and Advances	17	477		124
Other Current Assets	18	67		609
			10,501	13,013
TOTAL			5,51,812	4,75,133
Significant Accounting Policies	1			
Notes forming part of Accounts	25			

As per our Report attached of even date

For and on behalf of The Board of Directors

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

(Suresh S. Agaskar)
Partner
Membership No.110321

Ashok K. Roy
Chairman

N. Mohan
Director

Warendra Sinha
Managing Director & CEO

Place : Mumbai
Date : 7th May, 2014

S. Sridharan
Sr. Vice President & Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	NOTE	For the year ended 31.03.2014 ₹ in Lacs	For the year ended 31.03.2013 ₹ in Lacs
REVENUE:			
Revenue from Operations			
(a) Interest Income	19	60,897	53,746
(b) Other Financial Services	20	1,459	1,474
Other Income	21	136	170
Total Revenue		(A) 62,492	55,390
EXPENDITURE:			
Finance Cost	22	41,925	37,323
Employee Benefits Expenses	23	1,386	1,283
Depreciation and Amortisation	10	205	209
Other Expenses	24	3,174	2,578
Provision for Non-performing assets and Contingencies (net)		2,476	2,693
Total Expenditure		(B) 49,166	44,086
PROFIT BEFORE TAX		(A-B) 13,326	11,304
Tax Expense			
- Current Tax		4,450	3,710
- Deferred Tax		(879)	(909)
PROFIT AFTER TAX FOR THE YEAR		9,755	8,503
Earnings Per Share-(Basic & Diluted) face value of Rs.10 each		18.12	15.79
Refer Point no.11 of Note no.25 (Notes forming part of Accounts)		18.12	15.79
Significant Accounting Policies	1		
Notes forming part of Accounts	25		

As per our Report attached of even date

For and on behalf of The Board of Directors

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

(Suresh S. Agaskar)
Partner
Membership No.110321

Ashok K. Roy
Chairman

N. Mohan
Director

Warendra Sinha
Managing Director & CEO

Place : Mumbai
Date : 7th May, 2014

S. Sridharan
Sr. Vice President & Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the year ended 31.03.2014 ₹ in Lacs	For the year ended 31.03.2013 ₹ in Lacs
A. Cash Flow From Operating Activities :		
Net Profit Before Tax & Extraordinary Items	13,326	11,304
<u>Adjustments For :</u>		
Depreciation And Amortisation	205	209
Provision For Non Performing Assets & Contingencies	2,476	2,693
Prior Period Tax Adjustments (Net)	-	-
(Profit)/Loss On Sale of Investments	(132)	(167)
Operating Profit Before Working Capital Changes	15,875	14,039
<u>Adjustments For :</u>		
(Increase)/Decrease in Long Term Loans And Advances	(603)	(473)
(Increase)/Decrease in Non-Current Assets	(1,000)	-
(Increase)/Decrease in Bank Deposits Having Maturity of More than 3 Months	988	14,988
(Increase)/Decrease in Trade Receivables	(42)	(336)
(Increase)/Decrease in Short Term Loans And Advances	(354)	75
(Increase)/Decrease in Other Current Assets	542	518
Increase/(Decrease) in Long Term Provisions	17	27
Increase/(Decrease) in Short Term Provisions	95	61
Increase/(Decrease) in Trade Payables	146	210
Increase/(Decrease) in Other Current Liabilities	(2,738)	15,232
Operating Profit After Working Capital Changes	12,926	44,341
<u>Adjustments For :</u>		
(Increase)/Decrease Housing Loans	(77,347)	(66,758)
Cash Generated From Operating Activity	(64,421)	(22,417)
Taxes Paid	(4,481)	(3,778)
Net Cash Generated From Operating Activity	(A) (68,902)	(26,195)
B: Cash Flow From Investment Activities :		
Acquisition of Fixed Assets (Net)	(85)	(180)
Acquisition of Intangible Assets (Net)	-	(26)
Purchase/Sale of Investments (Net)	132	167
Receipt on Refund of Face Value of Investment	1	42
Net Cash Generated From Investing Activity	(B) 48	3

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the year ended 31.03.2014 ₹ in Lacs	For the year ended 31.03.2013 ₹ in Lacs
C: Cash Flow From Financing Activities :		
Long Term Loans Borrowed (Net of Repayments)	62,805	5,607
Long Term Non Convertible Debentures (Net of Repayments)	-	11,500
Short Term Loans Borrowed (Net of Repayments)	7,364	5,848
Dividend Paid on Equity Shares	(2,692)	(2,423)
Net Cash Generated From Financing Activity	(C) 67,477	20,532
Net Increase/(Decrease) of Cash & Cash Equivalents	(A+B+C) (1,377)	(5,660)
Cash & Cash Equivalents as at Beginning of The Year	5,218	10,878
Cash & Cash Equivalents as at The End of The Period	3,841	5,218
Components of Cash and Cash Equivalents		
Cash on Hand	67	51
Remittances In Transit	130	109
Balance With Bank		
- On Current Accounts	3,550	4,977
- On Unpaid Dividend Account (Refer Note Below)	94	81
- On Deposits Having Maturity For Less Than Three Months	-	-
	3,841	5,218

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 : 7th May, 2014

S. Sridharan
Sr. Vice President & Company Secretary



NOTES TO ACCOUNTS

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES :

1. SYSTEM OF ACCOUNTING :

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. The Financial Statements comply in all material aspects with the Accounting Standards notified under the Companies (Accounting Standards) Amendment Rules, 2011, the relevant provisions of the Companies Act, 1956, read with General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs, in respect of Sec.133 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.

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 Revised Schedule VI to the Companies Act, 1956. The company had ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

ii. 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.

2. REVENUE RECOGNITION:

a) INCOME ON HOUSING LOANS :

- i. Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest is calculated on the outstanding loan balance at the beginning of every month. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month.
- ii. Interest on Housing Loans which are classified as Non- performing assets is recognised on realisation 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 recognised when received.

b) INVESTMENT INCOME :

i. Dividend and interest income :

Dividend income is recognised 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 recognised on realisation as per the directives/ guidelines laid down by National Housing Bank.

3. INVESTMENTS :

In accordance with the Guidelines issued by National Housing Bank (NHB), current investments are carried at lower of cost and fair value and long term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long term investments. Unquoted investments in the units of mutual funds in the nature of current investments are valued at the net asset value declared by mutual funds in respect of each particular scheme as per the guidelines issued by the NHB.

4. FIXED ASSETS :

Fixed Assets are stated at cost of acquisition, or construction inclusive of expenses incidental thereto less accumulated depreciation and impairment loss, if any.

5. DEPRECIATION: Depreciation on Fixed Assets is provided on the reducing balance method at the rates specified by Schedule XIV of the Companies Act, 1956.

6. INTANGIBLE ASSETS AND AMORTISATION

Intangible assets comprising of Computer Software are capitalized at cost and amortised over a period of their useful life on straight line basis.

7. PROVISIONING FOR HOUSING LOANS AND INVESTMENTS :

- i. Housing loans are classified into "Performing" and "Non-Performing" assets in terms of guidelines laid down by the National Housing Bank. Housing loans are 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.

8. 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. 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.

9. IMPAIRMENT LOSS

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. 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.

**10. 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 recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised 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 recognised only if there is a virtual certainty of realisation 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. Deferred tax assets 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 realised.

11. 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.

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. Lease rentals are charged to the Statement of Profit & Loss on accrual basis.

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.

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)

As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
----------------------------------	----------------------------------

15,000 15,000

15,000 15,000

ISSUED, SUBSCRIBED & PAID UP:

5,38,51,066 Equity shares of ₹10 each

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

5,385 5,385

Forfeited Shares

(Refer Note 2.4)

3 3

TOTAL

5,388 5,388

Note 2.1:

Reconciliation of the number of shares outstanding

Particulars	As at 31.03.2014		As at 31.03.2013	
	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 31.03.2014		As at 31.03.2013	
	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	44,73,500	8.31	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
Life Insurance Corporation of India	-	-	27,12,250	5.04

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


NOTE 3

	₹ in Lacs	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
RESERVES AND SURPLUS :			
SECURITIES PREMIUM :			
Balance as per last financial year		11,699	11,699
SPECIAL RESERVE :			
1. In terms of Section 29C(1) of the National Housing Bank Act, 1987			
Balance as per last financial year	456		456
Add : Transferred from General Reserve	-		-
		456	456
2. In terms of Section 36(1)(viii) of the Income tax Act, 1961			
Balance as per last financial year	21,015		18,470
Add : Transferred during the year	2,860		2,545
		23,875	21,015
GENERAL RESERVE :			
Balance as per last financial year	16,510		13,705
Add : Transferred during the year	3,115		2,805
		19,625	16,510
SURPLUS IN STATEMENT OF PROFIT AND LOSS			
Balance as per last financial statements		5	2
Add : Net Profit for the period		9,755	8,503
Amount available for Appropriation		9,760	8,505
Appropriations :			
- Amount Transferred to General Reserve		3,115	2,805
- Amount Transferred to Special Reserve		2,860	2,545
- Proposed Dividend (Refer Note 3.2)		3,231	2,692
- Tax On Proposed Dividend		549	458
Net Surplus		5	5
TOTAL		55,660	49,685

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 ₹ 2860 Lacs (Previous Year ₹ 2545 Lacs) to Special Reserve in terms of Section 36(1)(viii) of the Income Tax Act, 1961.

Note 3.2 :

For the year ended 31st March 2014, the Board of Directors has proposed a dividend of ₹ 6 per equity share including one time Silver Jubilee dividend of ₹ 1 Per equity share (previous year ₹ 5 per equity share). On approval in consequent Annual General Meeting, the total dividend appropriation would be ₹ 3780 lacs (previous year ₹ 3150 lacs), inclusive of Corporate Dividend Distribution Tax of ₹ 549 lacs (Previous year ₹ 458 lacs)

NOTE 4

LONG TERM BORROWING

SECURED LOANS

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
(a) Non Convertible Debentures (Refer Note 4.1)	11,500	11,500
1150, 9.45% NCD's of ₹10,00,000/- each		
(b) Term Loan from banks (Refer Note 4.2)		
1 Allahabad Bank	7,777	8,889
(Repayable in 7 annual installments of ₹1111 Lacs each)		
2 Bank of Baroda	23,333	24,967
(Repayable in 7 annual installments of ₹3333 Lacs each)		
3 Bank of Maharashtra II	2,000	3,000
(Repayable in 2 annual installments of ₹1000 Lacs each)		
4 Bank of Maharashtra III	5,000	6,666
(Repayable in 3 annual installments of ₹1666 Lacs each)		
5 Bank of Maharashtra IV	9,000	11,500
(Repayable in 4 annual installments of ₹2500 Lacs each commencing from Dec'13)		
6 Bank of Maharashtra V	17,500	20,000
(Repayable in 7 annual installments of ₹2500 Lacs each commencing from Dec'14)		
7 Bank of Maharashtra VI	13,100	11,100
(Repayable in 8 annual installments of ₹1938 Lacs each commencing from Oct'15)		
8 Indian Bank	-	2,500
(Repayable in 1 annual installments of ₹2500 Lacs each commencing from May'14)		
9 National Housing Bank-(Fixed)	-	390
(ROI 9.60% p.a. Repayable in 1 quarterly installments of ₹1057 lacs each)		
10 National Housing Bank-(Fixed)	1,491	1,951
(ROI 7.50%p.a. Repayable in 13 quarterly installments of ₹115 lacs each)		
11 National Housing Bank-(Fixed)	914	1,196
(ROI 7.00% p.a. Repayable in 13 quarterly installments of ₹ 70 lacs each)		
12 National Housing Bank-(Fixed)	1,296	1,666
(ROI 10.25% p.a. Repayable in 14 quarterly installments of ₹93 lacs each)		
13 National Housing Bank-(Fixed)	1,296	1,666
(ROI 10.25% p.a. Repayable in 14 quarterly installments of ₹93 lacs each)		
14 National Housing Bank-(Fixed)	1,265	1,645
(ROI 10.25% p.a. Repayable in 14 quarterly installments of ₹95 lacs each)		
15 National Housing Bank-(Fixed)	7,240	9,320
(ROI 10.30% p.a. Repayable in 14 quarterly installments of ₹520 lacs each)		
16 National Housing Bank-(Fixed)	722	1,466
(ROI 7.50% p.a. Repayable in 4 quarterly installments of ₹186 lacs each)		
17 National Housing Bank-(Fixed)	1,652	2,396
(ROI 6.50% p.a. Repayable in 9 quarterly installments of ₹186 lacs each)		
18 National Housing Bank-(Fixed)	1,280	1,792
(ROI 6.50% p.a. Repayable in 10 quarterly installments of ₹128 lacs each)		


NOTE 4
LONG TERM BORROWING

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
SECURED LOANS		
19 National Housing Bank-(Fixed) (ROI 6.50% p.a. Repayable in 9 quarterly installments of ₹93 lacs each)	826	1,198
20 National Housing Bank-(Fixed) (ROI 7.00% p.a. Repayable in 11 quarterly installments of ₹186 lacs each)	2,024	2,768
21 National Housing Bank-(Fixed) (ROI 6.00% p.a. Repayable in 11 quarterly installments of ₹3 lacs each)	31	43
22 National Housing Bank-(Fixed) (ROI 7.50% p.a. Repayable in 12 quarterly installments of ₹186 lacs each)	2,210	2,954
23 National Housing Bank-(Fixed) (ROI 9.75% p.a. Repayable in 18 quarterly installments of ₹555 lacs each)	10,000	12,222
24 National Housing Bank-(Fixed) (ROI 9.40% p.a. Repayable in 20 quarterly installments of ₹370 lacs each)	7,407	8,889
25 National Housing Bank-(Fixed) (ROI 9.40% p.a. Repayable in 20 quarterly installments of ₹185 lacs each)	3,704	4,444
26 National Housing Bank-(Fixed) (ROI 9.40% p.a. Repayable in 20 quarterly installments of ₹ 463 lacs each)	9,259	11,111
27 National Housing Bank-(Fixed) (ROI 9.40% p.a. Repayable in 24 quarterly installments of ₹185 lacs each)	3,889	-
28 National Housing Bank-(Fixed) (ROI 9.50% p.a. Repayable in 24 quarterly installments of ₹93 lacs each)	1,942	-
29 National Housing Bank-(Fixed) (ROI 10% p.a. Repayable in 35 quarterly installments of ₹65 lacs each)	2,240	-
30 Oriental Bank of Commerce - III (Repayable in 3 annual installments of ₹2222 Lacs each)	6,660	8,888
31 Oriental Bank of Commerce - IV (Repayable in 2 annual installments of ₹2222 Lacs each)	2,305	4,531
32 Oriental Bank of Commerce - V (Repayable in 8 annual installments of ₹3750 Lacs each)	8,500	-
33 Punjab & Sind Bank (Repayable in 5 annual installments of ₹2222 Lacs each)	11,110	13,332
34 Punjab & Sind Bank II (Repayable in 5 annual installments of ₹2500 Lacs each commencing from Oct'12)	12,500	15,000
35 State Bank of Mysore (Repayable in 3 annual installments of ₹2500 Lacs each)	7,499	10,000
36 Syndicate Bank - II (Repayable in 1 annual installments of ₹1000 Lacs each)	-	1,000
37 Syndicate Bank - III (Repayable in 1 annual installments of ₹1000 Lacs each)	-	630
38 Union Bank of India - III (Repayable in 5 annual installments of ₹2222 Lacs each)	11,111	13,333

NOTE 4

LONG TERM BORROWING

SECURED LOANS

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
39 Union Bank of India - IV (Repayable in 6 annual installments of ₹3750 Lacs each commencing from June'13)	22,500	26,250
40 Union Bank of India - V (Repayable in 8 annual installments of ₹3750 Lacs each commencing from March'16)	30,000	3,000
41 Union Bank of India - VI (Repayable in 8 annual installments of ₹3750 Lacs each commencing from March'16)	6,500	-
42 United Bank of India I (Repayable in 2 annual installments of ₹3750 Lacs each)	7,499	11,249
43 United Bank of India II (Repayable in 2 annual installments of ₹1750 Lacs each)	5,250	7,000
44 United Bank of India III (Repayable in 5 annual installments of ₹2500 Lacs each)	12,500	15,000
45 United Bank of India IV (Repayable in 5 annual installments of ₹625 Lacs each commencing from Mar' 13)	3,125	3,750
46 VIJAYA BANK (Repayable in 4 annual installments of ₹2500 Lacs each commencing from August' 15)	10,000	-
47 VIJAYA BANK (Repayable in 4 annual installments of ₹5000 Lacs each commencing from January'16)	17,300	-
48 STATE BANK OF BIKANER AND JAIPUR (Repayable in 8 annual installments of ₹1250 Lacs each commencing from September'16)	10,000	-
49 STATE BANK OF BIKANER AND JAIPUR (Repayable in 8 annual installments of ₹2500 Lacs each commencing from November' 16)	20,000	-
50 KOTAK MAHINDRA BANK (Repayable in 8 annual installments of ₹1250 Lacs each commencing from March'15)	8,750	-
TOTAL	3,63,007	3,00,202

Note 4.1 :

- (a) The Non convertible Debentures (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.
- (b) The NCD are redeemable on July 12, 2015.

Note 4.2 :

- (a) Term loans are secured by way of first charge on book-debts equivalent to outstanding loan balance.
- (b) Unless otherwise stated, loans are linked to base rate of the respective bank.
- (c) Current Maturities of Long Term Loans refer Note 8


NOTE 5
LONG-TERM PROVISIONS :
Provision For Employee Benefits:

Leave Encashment (Unfunded)

Other Provisions:

- (a) Provision for Housing Loans
(Refer Point no.14 of Note no.25 (Notes forming part of Accounts))
- (b) Provision for Investments
(Refer Point no.14 of Note no.25 (Notes forming part of Accounts))

TOTAL

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
Leave Encashment (Unfunded)	150	133
(a) Provision for Housing Loans (Refer Point no.14 of Note no.25 (Notes forming part of Accounts))	17,749	15,273
(b) Provision for Investments (Refer Point no.14 of Note no.25 (Notes forming part of Accounts))	992	992
TOTAL	18,891	16,398

NOTE 6
SHORT-TERM BORROWINGS :
UNSECURED LOANS :

Short Term Loans From Banks

Commercial Papers (CPs) Gross

Less : Discount not written off

TOTAL

₹ in Lacs	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
Short Term Loans From Banks	10,000	-
Commercial Papers (CPs) Gross	37,500	40,000
Less : Discount not written off	698	563
	36,802	39,437
TOTAL	46,802	39,437

NOTE 7
TRADE PAYABLES :
Trade Payables (For Expenses)

- a) Micro, Small & Medium Enterprises
- b) Others

TOTAL

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
a) Micro, Small & Medium Enterprises	-	-
b) Others	514	367
TOTAL	514	367

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

- From Banks (Refer Note 8.1)

- From National Housing Bank

Sub Total**Other Liabilities: (Others)**

(a) Interest Accrued But Not Due

(b) Unpaid Dividend (Refer Note 8.2)

(c) Application money received for allotment of securities and due for refund and interest accrued thereon

(d) Others

- Trade Liabilities

- Staff Dues

- Statutory Dues

- Interest Subsidy Payable

(Refer Note 8.2)

Sub Total**TOTAL**

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
	43,755	42,445
	11,612	15,196
	55,367	57,641
	783	783
	94	81
	-	-
	1,359	1,308
	2	2
	37	23
	58	601
	2,333	2,798
	57,700	60,439

Note 8.1 :

Non Current portion of Long Term Borrowings Refer Note 4

Note 8.2 :

- a) The Company has transferred ₹ 4.19 Lacs (Previous Year ₹ 5.72 Lacs) to Investor Education and Protection Fund during the year. There was no amount due for transfer to Investor Education and Protection Fund as at March 31, 2014.
- b) The Interest Subsidy is payable to eligible borrowers on receipt from Government of India under 1% Interest Subvention scheme.

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

- Leave Encashment(unfunded)

- Gratuity (funded)

Other Provisions:

- Proposed Dividend

- Dividend Distribution Tax

TOTAL

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
	12	5
	58	62
	3,231	2,692
	549	458
	3,850	3,217

NOTE 10

FIXED ASSETS :

I. TANGIBLE ASSETS :

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013 ₹ in Lacs	Additions ₹ in Lacs	Deductions/ Adjustments ₹ in Lacs	As at 31.03.2014 ₹ in Lacs	As at 01.04.2013 ₹ in Lacs	For the year ₹ in Lacs	Deductions/ Adjustments ₹ in Lacs	As at 31.03.2014 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
Buildings	263	-	-	263	161	5	-	166	97	102
Furniture and Fittings	197	3	1	199	175	6	1	180	19	22
Office Equipment	143	6	6	143	72	10	3	79	64	71
Air Conditioners	45	3	2	46	26	3	2	27	19	19
Computers	450	60	56	454	245	87	54	278	176	205
Vehicles	71	20	7	84	23	15	5	33	51	48
Current Year	1,169	92	72	1,189	702	126	65	763	426	467
Previous Year	1,004	187	22	1,169	574	142	14	702	467	-

II. INTANGIBLE ASSETS :

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 01.04.2013 ₹ in Lacs	Additions ₹ in Lacs	Deductions/ Adjustments ₹ in Lacs	As at 31.03.2014 ₹ in Lacs	As at 01.04.2013 ₹ in Lacs	For the year ₹ in Lacs	Deductions/ Adjustments ₹ in Lacs	As at 31.03.2014 ₹ in Lacs	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
Application Software	292	-	-	292	118	79	-	197	95	174
Current Year	292	-	-	292	118	79	-	197	95	174
Previous Year	54	238	-	292	51	67	-	118	174	-
Current Year Total (I +II)	1,461	92	72	1,481	820	205	65	960	521	641
Previous Year Total (I +II)	1,058	425	22	1,461	625	209	14	820	641	-

NOTE 11

NON-CURRENT INVESTMENTS :

(1) NON-TRADE INVESTMENTS (UNQUOTED)

(Valued at cost unless stated otherwise)

Equity Shares

(Refer Note 11.1 below)

Redeemable Preference Shares

(Refer Note 11.1 below)

TOTAL

Face Value ₹	No.	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
		43	43
		950	950
		993	993

NOTE 11.1 :

(a) Equity shares :

GIC Asset Management Co.Ltd.	2	20,99,996	42	42
The New India Co-Op. Bank Ltd.	10	5,000	-	0.50
The Janakalyan Co-op Bank Ltd.	10	5,000	0.50	0.50
The Kalyan Janata Co-op Bank Ltd.	25	2,000	0.50	0.50
Total Equity Shares			43	43

(b) Redeemable Preference Shares :

15.5% NEPC MICON Ltd.	10	5,00,000	50	50
14.5% Vitara Chemicals Ltd.	100	2,00,000	200	200
16% Modern Threads Ltd.	100	1,00,000	100	100
16% Premier Housing & Industrial Enterprises Ltd.	100	2,00,000	200	200
15% Electrex India Ltd.	100	2,00,000	200	200
16% Ace Laboratories Ltd.	100	2,00,000	200	200
Total Redeemable Preference Shares			950	950

(c) The Company is carrying the provision for diminution in the value of investments of ₹ 992 lacs.

(Refer Point no.14 of Note no. 25 (Notes forming part of Accounts))

NOTE 12

LONG TERM LOANS AND ADVANCES:

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
(a) Security Deposits (Unsecured and considered good)	172	160
(b) Advances Recoverable in cash or kind Loans to staff (Secured considered good)	321	311
(c) Advance tax and tax deducted at source (Net of Provision for Tax)	974	939
(d) Prepaid Expenses	28	-
TOTAL	1,495	1,410



NOTE 13

OTHER NON-CURRENT ASSETS

Other Bank Balance
- Deposits with original Maturity
for more than 12 months
TOTAL

As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
1,000	-
1,000	-

NOTE 14

HOUSING LOANS :

HOUSING LOANS :

(Secured, Refer Point no.14 of Note no.25 (Notes forming part of Accounts))

A NON CURRENT :

- Individuals
- Non Individuals

TOTAL (A)

B CURRENT (Repayable within one year)

- Individuals
- Non Individuals

TOTAL (B)

TOTAL (A)+(B)

As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
5,04,606	4,31,116
1,198	1,312
5,05,804	4,32,428
25,344	21,294
114	193
25,458	21,487
5,31,262	4,53,915

NOTE 15

TRADE RECEIVABLES

Accrued Interest on Housing Loans
(Secured, considered good)

TOTAL

As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
967	925
967	925

NOTE 16**CASH AND BANK BALANCES :****Cash and cash equivalents :**

	₹ in Lacs	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
a) Balances with Banks			
-On Current Account	3,550		4,977
-On Unpaid Dividend	94		81
-On Deposits original Maturity less than 3 months	-		-
		3,644	5,058
b) Cash on Hand		67	51
c) Remittances in transit		130	109
Other Bank Balances :		5,149	6,137
- Deposits with original Maturity for more than 3 months but less than 12 months			
TOTAL		8,990	11,355

NOTE 17**SHORT-TERM LOANS AND ADVANCES :**

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
(i) Staff Loans Receivable within Year (Secured)	18	17
(ii) Advances recoverable in cash or in kind or for value to be received	316	37
(iii) Advances to Employees	4	3
(iv) Prepaid Expenses	139	67
TOTAL	477	124

NOTE 18**OTHER CURRENT ASSETS :**

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
a) Accrued Interest on Bank Term Deposits	9	8
b) Interest Subsidy Receivable (Refer Note 18.1)	58	601
TOTAL	67	609

Note 18.1:

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

NOTE 19**INTEREST INCOME:**

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
(a) Interest on Housing Loans	60,274	51,572
(b) Other Interest	623	2,174
TOTAL	60,897	53,746


NOTE 20
OTHER FINANCIAL SERVICES :
FEES AND OTHER CHARGES
TOTAL

As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
1,459	1,474
1,459	1,474

NOTE 21
OTHER INCOME :

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

TOTAL

As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
-	-
132	167
4	3
136	170

Note 21.1 :

During the year Company has received Dividend amounting to ₹ 0.125 Lacs (Previous Year ₹ 0.14 Lacs)

NOTE 22
FINANCE COST:
INTEREST EXPENSES :

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

Total

As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
36,159	32,355
1,087	783
720	332
3,959	3,853
41,925	37,323

NOTE 23
EMPLOYEE BENEFITS EXPENSES :

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

TOTAL

As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
1,093	978
148	135
145	170
1,386	1,283

NOTE 24

OTHER EXPENSES

	₹ in Lacs	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
Rent		433	350
Rates and Taxes		7	3
Repairs and Maintenance :			
Building	44		8
Others	287		266
		331	274
General Office Expenses		97	101
Insurance		143	119
Travelling and Conveyance		78	112
Printing and Stationery		65	72
Advertisement		254	98
Legal and Professional Fees		1,365	1,136
Directors Sitting Fees		5	6
Miscellaneous Expenses		380	295
Auditor's Remuneration :			
Audit Fees	7		7
Tax Audit Fees	2		1
Fees for other services/quarterly limited review	7		4
		16	12
TOTAL		3,174	2,578



25 NOTES FORMING PART OF THE ACCOUNTS:

1. Housing loans are secured by:-
 - a) Equitable mortgage of property and / or;
 - b) Assignment of Life Insurance Policies and/or guarantee of solvent guarantors and/or any other acceptable collateral securities wherever applicable, and,
 - c) Corporate Guarantees, wherever applicable.
2. Contingent Liabilities :-
 - a) The Company has pending Income Tax disputes of ₹ 472 Lacs (Previous Year - ₹ 322 Lacs). It has preferred appeal/s against the same and also has made payments under protest.
 - b) 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)
 - c) In accordance with "Share transfer agreement" with 'Nomura Asset Management Strategic Investments Pte Ltd.' for sale of shares of LIC Mutual Fund Asset Management Company Ltd and LIC Mutual Fund Trustee Company Pvt. Ltd, the maximum contingent liability is ₹ NIL (Previous Year ₹ 1344 Lacs).
3. Debts due from:

Company Secretary : ₹ 0.30 Lacs on account of Housing Loan.
(Maximum balance due during the year ₹ 5 Lacs)
4. During the year the Company has incurred expenditure on foreign travel amounting to ₹ 0.55 Lacs (Previous Year ₹ 2 Lacs)
5. Housing Loans include loans against which the company has commenced action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 including possession of properties and part recovery of auction proceeds aggregating to ₹ 2394 Lacs. (Previous Year ₹ 2236 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 recognised ₹ 13 Lacs (Previous year ₹ 13 Lacs) for Employees' Pension Scheme and ₹ 2 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 ₹ 95 Lacs (Previous year ₹ 75 Lacs) has been charged to Statement of Profit and Loss on account of this defined benefit scheme.

Leave Encashment

An amount of ₹ 24 Lacs (Previous year ₹ 12 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)	
		31.03.2014	31.03.2013
The major categories of plan assets as a percentage of total plan			
	Qualifying Insurance Policy	100%	100%
Changes in the present value of the obligation			
1	Present Value of obligation at the beginning of the year	217	165
2	Interest Cost	18	15
3	Current Service Cost	20	17
4	Past Service Cost	-	-
5	Benefits Paid	(9)	(1)
6	Actuarial (gain)/loss on Obligation	7	21
7	Present Value of obligation at the end of the year	253	217
Reconciliation of Net Asset/(Liability) recognised in the Balance sheet during the year ended March 31, 2014			
1	Opening Net Liability at beginning of the year	217	165
2	Employer Expense	29	40
3	Employer Contributions	34	29
4	Closing Net Liability at the end of the year	253	217
5	Actual Return on Plan Assets	16	13
Changes in the Fair Value of Assets			
1	Fair value of plan Assets at beginning of the year	155	114
2	Expected Return on Plan assets	14	10
3	Contributions	34	29
4	Benefits Paid	(9)	(1)
5	Actuarial gain(loss) on Plan Assets	2	3
6	Fair value of plan Assets at the end of the year	196	155
Profit & Loss – Expenses			
1	Current Service Cost	20	17
2	Interest Cost	18	15
3	Expected Return on Plan assets	(14)	(10)
4	Net Actuarial (gain) loss recognised in the year	4	18
5	Past Service Cost	-	-
6	Expenses Recognised in the Statement of Profit & Loss	28	40
Actuarial Assumptions			
1	Discount Rate	9.31%	8.25%
2	Expected Rate of Return on Plan Assets	8.70%	8.70%
3	Expected Rate of Salary Increase	5%	5%
4	Attrition Rate	2%	2%
5	Mortality Post –retirement	1994-96 LIC Mortality Tables(Std.)	

**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 - Shri Warendra Sinha, (on deputation from GIC Re)

₹ In Lacs

Particulars	Amount 2013-14	Amount 2012-13 (for the period 01.01.2013 to 31.03.2013)
Finance (Housing Loan)	-	-
Salary	16	4
Contribution to Pension and other funds	1	1
Perquisites	7	6

During the year the Company has paid retirement benefits to erstwhile Managing Director Shri M. Sivaraman, who was on deputation from United India Insurance Company amounting to ₹ 4 Lacs and previous year salary/ perquisites and retirement benefits were paid to him, amounting to ₹ 19 Lacs

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 ₹ 382 Lacs (Previous Year ₹ 316 Lacs)

Future lease rental obligation under these leases:

- i) Not later than one year: ₹ 274 Lacs
- ii) Later than one year and not later than five years. : ₹ 800 Lacs
- iii) Later than five years. : ₹ 247 Lacs

11. Earnings per Share:

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Profit attributable to Equity Shareholders (₹ in Lacs)	9755	8503
No of Weighted Average Equity Shares outstanding during the year (Basic & Diluted)	539	539
Nominal Value of Equity Shares (in ₹)	10	10
Basic Earnings per Share (in ₹) (Basic & Diluted)	18.12	15.79

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 taken credit of ₹ 879 Lacs (Previous year ₹ 909 Lacs) in the Statement of Profit and Loss during the current financial year.

The tax effects of significant timing differences that resulted in deferred tax assets and liabilities and description of Financial Statement items that creates these differences are as follows:

₹ In Lacs

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Deferred Tax Assets:		
Provision for Housing Loans and Contingencies	841	930
Provision for Leave Encashment	8	4
Provision for Gratuity	(1)	3
Provision for Rent	19	12
Deferred Tax Liability:		
Depreciation and Amortisation	12	(40)
Net Deferred Tax Asset	879	909

13. Details of movement in provisions

₹ In Lacs

Particulars	Opening as on 01.04.2013	Provision made during the year	Provision Reversed/ Adjusted during the year	Closing as on 31.03.2014
Non Performing Assets*	8,885	-	90	8,795
Standard Assets*	4,938	1,131	-	6,069
Housing Loans under Differential Interest Rate	1,450	1,436	-	2,886
Investments	992	-	-	992
Taxation	18,365	4,450	-	22,815

*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.**HOUSING LOANS:**

₹ In Lacs

Asset Classification	Year Ended 31.03.2014		Year Ended 31.03.2013	
	Outstanding Balance	Provisions	Outstanding Balance	Provisions
Standard Assets *	3,13,248	5,485	3,40,223	4,664
Differential Interest Rate Assets	1,44,277	2,886	72,388	1,450
Sub-standard Assets*	1,016	1,016	1,589	1,589
Doubtful Assets *	6,985	6,985	6,655	6,655
Loss Assets	687	687	575	575
Total	4,66,213	17,059	4,21,430	14,933

*Including Floating Provision


NON HOUSING LOANS:

₹ In Lacs

Asset Classification	Year Ended 31.03.2014		Year Ended 31.03.2013	
	Outstanding Balance	Provisions	Outstanding Balance	Provisions
Standard Assets	64,942	583	32,419	274
Sub-standard Assets*	107	107	66	66
Total	65,049	690	32,485	340

*Including Floating Provision

INVESTMENTS:

₹ In Lacs

Asset Classification	Year Ended 31.03.2014		Year Ended 31.03.2013	
	Outstanding Balance	Provisions	Outstanding Balance	Provisions
Loss Assets:				
Equity Shares	43	42	43	42
Preference Shares	950	950	950	950
Total	993	992	993	992

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 Revised Schedule VI to Companies Act, 1956.
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/PoI-No. 35/2010-11) dated October 11, 2010.

i) Capital to Risk Assets Ratio (CRAR)

Items		Year Ended 31.03.2014	Year Ended 31.03.2013
i)	CRAR (%)	17.26	14.04
ii)	CRAR - Tier I capital (%)	17.26	14.04
iii)	CRAR - Tier II Capital (%)	-	-

ii) Exposure to Real Estate Sector

₹ In Lacs

Category		Year Ended 31.03.2014	Year Ended 31.03.2013
a)	Direct exposure		
(i)	Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lacs may be shown separately) Individual Housing Loans upto ₹ 15 lacs Individual Housing Loans above ₹ 15 lacs Housing Loans to Corporate Bodies	3,30,271 1,81,722 856	3,08,568 1,28,547 1,048
(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 Housing Loans to Others	664 -	479 -
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a.	Residential	-	-
b.	Commercial Real Estate	-	-
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

The above figures are shown net off provisions.

iii) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(₹ in Crore)

	1 day 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
Liabilities											
Borrowings from banks	-	25.00	154.17	178.98	295.52	1449.34	1175.57	599.17	291.00	-	4168.75
Market Borrowings	74.83	-	196.10	97.08	-	115.00	-	-	-	-	483.01
Assets											
Advances	21.01	20.62	20.70	62.76	128.10	548.76	563.42	597.84	923.90	2248.02	5135.13
Investments	-	-	-	-	-	-	-	-	-	0.005	0.005

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

	Year Ended 31.03.2014	Year Ended 31.03.2013
Reserves & Surplus		
Statutory Reserve		
(As per Section 29C of the National Housing Bank Act, 1987)		
Opening Balance	456	456
Addition during the year	-	-
Appropriation during the year	-	-
Closing Balance	456	456

₹ In Lacs

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
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	21,015	18,470
c) Total	21,471	18,926
Addition /Appropriation / Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	2,860	2,545
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	456	456
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	23,875	21,015
Total	24,331	21,471

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

20. 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 : 7th May, 2014

S. Sridharan
Sr. Vice President & Company Secretary

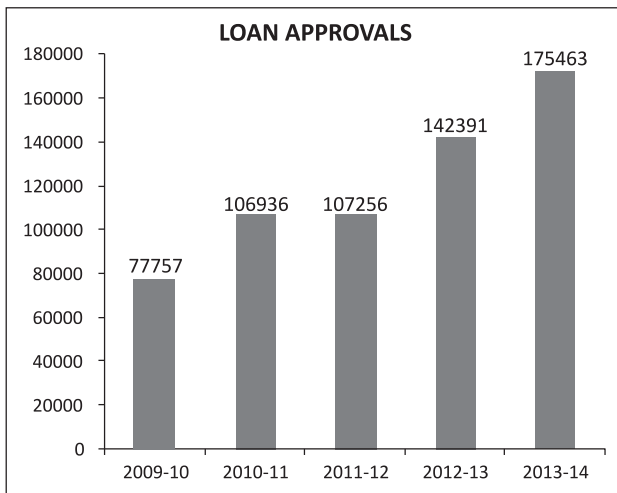
FINANCIAL ANALYSIS AND PERFORMANCE MEASURES

Achievements in 2013-14

Loan approvals during the year

During the year, the Company sanctioned ₹ 175463 lacs under "Apna Ghar Yojana" (loan to individuals)

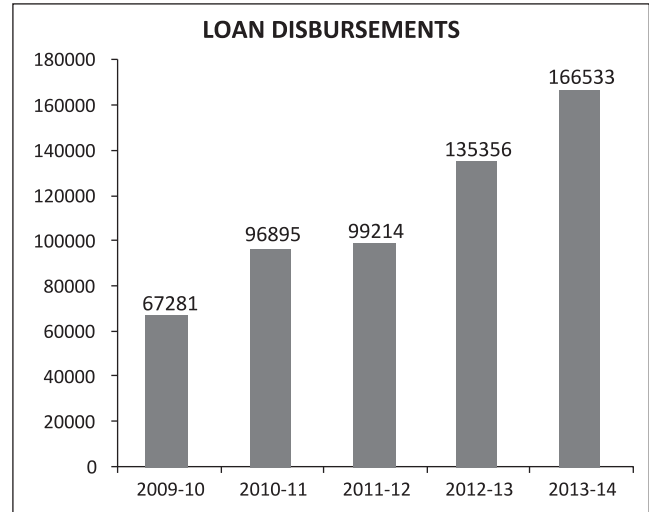
(₹ in Lacs)



Loan disbursements during the year

During the year, the Company disbursed ₹ 166533 lacs under "Apna Ghar Yojana" (loan to individuals)

(₹ in Lacs)

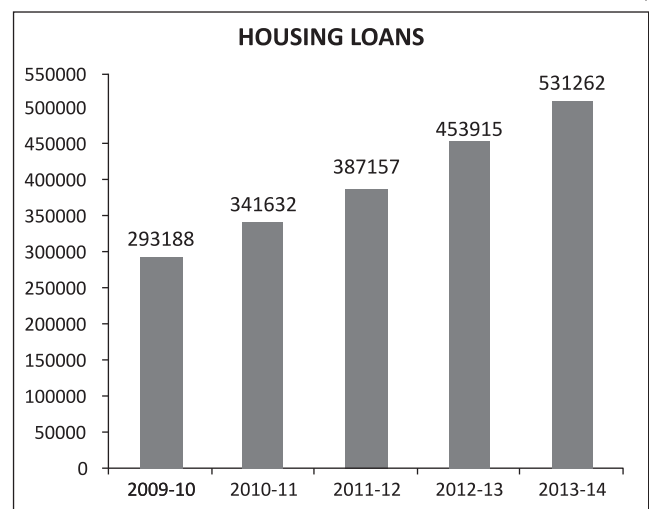
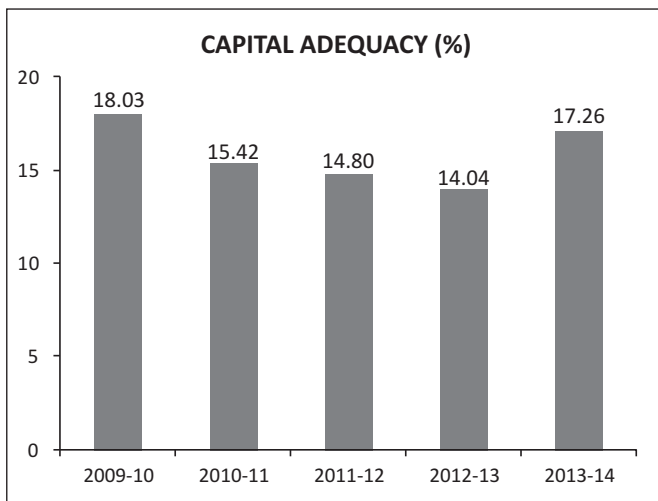


Capital Adequacy

Housing Loans

The Housing Loan Portfolio rose by 17.04% for the year 2013-14

(₹ in Lacs)



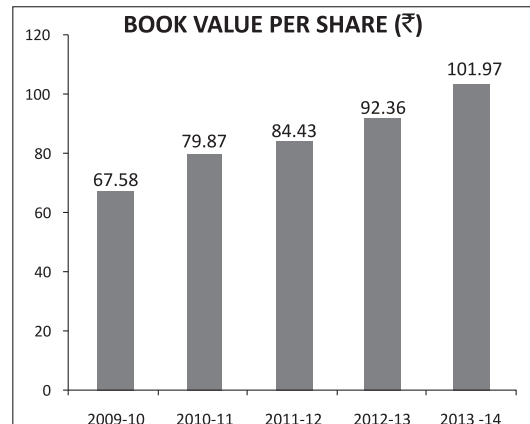
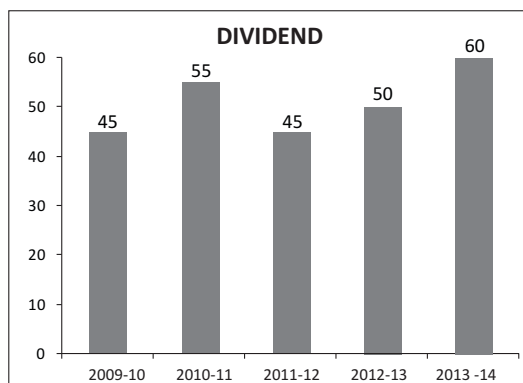
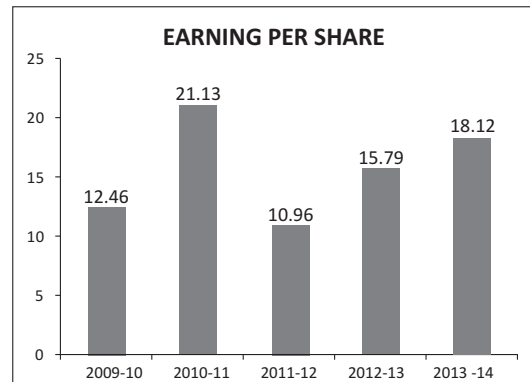
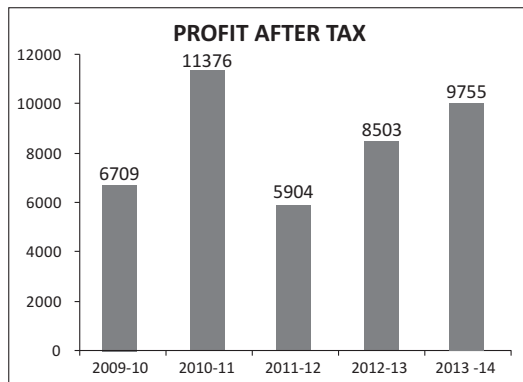
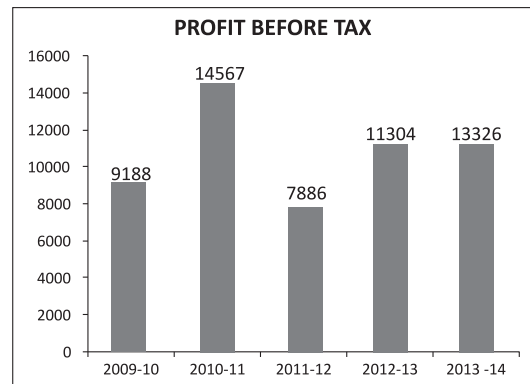
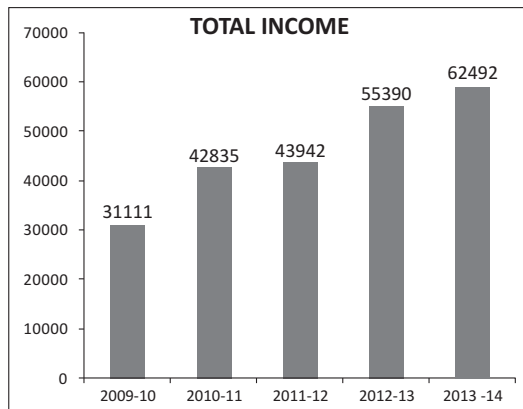


FIVE YEARS AT A GLANCE

Comparative Statement

(₹ in Lacs)

Particulars	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Total Income	62492	55390	43942	42835	31111
Profit Before Tax	13326	11304	7886	14567	9188
Profit After Tax	9755	8503	5904	11376	6709
Earning per Share (₹)	18.12	15.79	10.96	21.13	12.46
Dividend (%)	60	50	45	55	45
Book Value per Share (₹)	101.97	92.36	84.43	79.87	67.58



Proxy Form



GIC HOUSING FINANCE LTD.

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

CIN No. : L65922MH1989PLC054583 & Tel.: -91 22 2285 1765 / 1766 / 2285 3866

Toll Free No. 1800 1030 000 • Fax : +91 22 2288 4985 / 2288 0173

Email : corporate@gichf.com • Website : www.gichfindia.com

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration Rules), 2014]

24th Annual General Meeting on Thursday, 11th September, 2014 at 3.30 pm

Name of the member(s)	
Registered address	
E-mail ID	
Folio No / Client ID	
DP ID	

I / We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name : _____

Address : _____

E-mail ID : _____

Signature : _____, or failing him
2. Name : _____

Address : _____

E-mail ID : _____

Signature : _____, or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **24th Annual General Meeting** of the Company, to be held on the Thursday, 11th September, 2014, at 3.30 p.m. at Yashwantrao Chavan Pratishthan, Mumbai Chavan Centre, Cultural Hall, 4th Floor, General Jagannath Bhosale Marg, Mumbai - 400021 and at any adjournment thereof in respect of such resolutions as are indicated below :

Sr. No.	Particular of Resolution	No. of Shares held by me	I assent to the Resolution (For)	I dissent to the Resolution (Against)
Ordinary Business				
ITEM NO. 1	To receive, consider and adopt the audited Annual Financial Statements for the year ended on 31 st March 2014 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 st March, 2014.			
ITEM NO. 3	To appoint a Director in place of Shri G. Srinivasan (DIN 01876234), who retires by rotation and, being eligible, offers himself for reappointment.			
ITEM NO. 4	To appoint a Director in place of Shri N. Mohan (DIN 03447546), who retires by rotation and, being eligible, offers himself for reappointment.			
ITEM NO. 5	To re-appoint M/s CNK & Associates, LLP, Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office for 5 (Five) years, from the conclusion of this Annual General Meeting up to the conclusion of 29 th Annual General Meeting of the Company and to authorise Board of Directors of the Company to fix their remuneration.			
Special Business				
ITEM NO. 6	To appoint Mrs. Mona Mukund Bhide (DIN 05203026) as Independent Director up to the conclusion of 28 th Annual General Meeting of the Company.			
ITEM NO. 7	To appoint Shri V. Ramasamy (DIN 00490988) as Independent Director up to the conclusion of 28 th Annual General Meeting of the Company.			
ITEM NO. 8	To appoint Shri Kamlesh Shivji Vikamsey (DIN 00059620), as Independent Director up to the conclusion of 28 th Annual General Meeting of the Company."			
ITEM NO. 9	Increase in the Borrowing powers of the Company from ₹ 6000 Cr. to ₹ 8000 Cr.			
ITEM NO. 10	Creation of Charge on Movable and Immovable properties of the Company, both present and future.			
ITEM NO. 11	Alteration of Articles of Association of the Company			
ITEM NO. 12	Private Placement of Redeemable Non Convertible Debentures (NCDs)/Bonds			

Signed this _____ day of _____ 2014

Signature of shareholder

Note :

1. This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 24th Annual General Meeting.



Shri Warendra Sinha, Managing Director & CEO
Inaugurating Kalyan Branch Office



Inauguration of Ahmedabad Branch Office



Inauguration of Borivali Branch Office



Inauguration of Dehradun Branch Office



GIC HOUSING FINANCE LTD.

YOUR ROAD TO A DREAM HOME



Registered & Corporate Office

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FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1	Name of the Company	GIC Housing Finance Ltd.
2	Annual financial statements for the year ended.	31 st March, 2014
3	Type of Audit observation	Un-qualified Audit Report
4	Frequency of observation	Not Applicable
<div style="text-align: center;">  Warendra Sinha Managing Director & CEO </div> <div style="text-align: center;"> CNK & Associates LLP Chartered Accountants ICAI Firm Reg.No.101961W </div> <div style="text-align: center;">  Suresh Agaskar Partner Membership No.110321 </div> <div style="text-align: right;">  V. Ramasamy Director (Audit Committee Chairman) </div>		