

ANNUAL REPORT

1996-97

MD	✓			BKC	✓
CS	✓			DPY	N/A
RO	✓			DIV	✓
TRA	✓			AC	✓
AGM	✓	✓		SHI	✓
YE	✓	✓	✓		



स्वर्गहरा अर्थसहाय

LIC Housing Finance Limited



LIC HOUSING FINANCE LIMITED SALIENT FEATURES OF INDIVIDUAL HOUSING LOAN SCHEMES

NAME OF SCHEME	GRIHA PRAKASH	GRIHATARA	GRIHA JYOTI	GRIHA SHOBHA (for NRIs)	GRIHA LAKSHMI
1. PURPOSE	Loans are available under all the schemes for : (1) Construction of new house/flat (2) Purchase of an already built (even old) house/flat (3) Extension to a house/flat.				
2. AMOUNT OF LOAN	Rs. 25,000 (Rs. 10,000 in rural and semi-urban areas) to Rs. 25,00,000 Not exceeding 80% of value of the property	Rs. 25,000 (Rs. 10,000 in rural and semi-urban areas) to Rs. 25,00,000 Not exceeding 80% of value of the property	Rs. 25,000 to Rs. 1,00,000 Not exceeding 85% of value of the property	Rs. 25,000 to 25,00,000 Not exceeding 75% of the value of the property	Rs. 1,00,000 to 25,00,000 Not exceeding 75% of the property value.
3. MAXIMUM TERM OF LOAN	20 Yrs or Retirement age OR age 65 yrs whichever comes earliest	20 Yrs or Retirement age OR age 65 yrs whichever comes earliest	20 Yrs or Retirement age OR age 65 yrs whichever comes earliest	Since NRIs have contractual appointments, the repayment term is normally restricted to 7 years.	15 Yrs OR till age of 70 OR Retirement age whichever is earliest
4. MODE OF REPAYMENT	1. Equated Monthly Instalments OR 2. Through Policy Proceeds OR 3. Combination of both	1. Equated Monthly Instalments	1. Equated Monthly Instalments	1. Equated Monthly Instalments	1. Equated Monthly / Quarterly / Half Yearly Instalments
5. SECURITY	1. Equitable Mortgage of House/Flat 2. 2 Guarantors for loan for flat 1 Guarantor for house loan 3. LIC policy as collateral security	1. Equitable Mortgage of House/Flat 2. 2 Guarantors for loan for flat 1 Guarantor for house loan 3. LIC policy as collateral security	1. Equitable Mortgage of House/Flat 2. 2 Guarantors for loan for flat 1 Guarantor for house loan	1. Equitable Mortgage of House/Flat 2. 2 Guarantors for loan for flat 1 Guarantor for house loan 3. LIC policy as collateral security	1. Equitable Mortgage of House/Flat 2. 2 Guarantors for loan for flat 1 Guarantor for house loan
6. LIFE INSURANCE COVER	Any existing or new policy issued under any acceptable plan of insurance	Only Bima Sandesh Policy accepted	Automatic Group insurance cover available, individual policy not required	Any existing or new policy issued under any acceptable plan of insurance	Insurance strongly advised but not compulsory.
7. SPECIAL FEATURES	This is a common, general scheme	Only Bima Sandesh plan accepted as life insurance cover	Automatic group insurance cover available. No need for individual policy.	Scheme meant only for NRIs maximum loan - Rs. 25 Lakhs Reserve Bank guidelines applicable for remittance of premium, repayment, applicant's share of cost etc. **Contd.	Only Scheme without insurance cover.
8. INCIDENTAL EXPENSES (COMMON TO ALL SCHEMES)	1. Non-refundable Processing Fee 2. Non-refundable Administrative Fee	: Payable at the time of submitting application : Payable after sanction of loan. For Loan sanctioned upto Rs. 50,000/- Above Rs. 50,000/- upto Rs. 1,00,000/- Above Rs. 1,00,000/-		: 0.5% of loan applied : 1.5% : 1.25% : 1.00%	Minimum - Rs. 250/- Maximum - Rs. 5000/- Minimum - Rs. 600/- Minimum - Rs. 750/- Minimum - Rs. 1,250/-

PREVAILING RATES OF INTEREST TABLES (with effect from : 20.6.97)

SLAB	GRIHA LAKSHMI	ROI(%)
Rs. 1,00,001 -	2,00,000	16.50
Rs. 2,00,001 -	5,00,000	17.00
Rs. 5,00,001 -	10,00,000	17.50
Rs. 10,00,001 -	25,00,000	18.00

SLAB	ALL OTHER SCHEMES	ROI(%)
upto Rs. 25,000		12.00
Rs. 25,001 -	2,00,000	15.50
Rs. 2,00,001 -	5,00,000	16.00
Rs. 5,00,001 -	10,00,000	16.50
Rs. 10,00,001 -	25,00,000	17.00

NOTE : Interest is calculated on annual rest. Principal repayments are credited at the end of LICHL's financial year.

.. CONTD. GRIHA SHOBHA : LIC (Int.) E. C. at Bahrain has been authorised to sanction on the spot loans in principle based on repaying capacity even if the intending borrower has not made up his mind about the property to be acquired.

LIC Housing Finance Limited**BOARD OF DIRECTORS**

G. Krishnamurthy	Chairman
K. D. Agrawal	Director
F. M. Pardiwalla	Director
B. G. Daga	Director
K. Thomas Poulse	Director
Y. P. Gupta	Director & Chief Executive
N. M. Govardhan	(Chairman upto 31.5.97)
A. R. Prabhu	(Director upto 29.8.96)

COMPANY SECRETARY

Nitin K. Jage

SENIOR EXECUTIVES

R. M. Pande	General Manager (Human Resources)
A. K. Gangooly	General Manager (Marketing & Legal)
Jyoti Swarup	General Manager (Audit & Project Finance)
S. Rajagopalan	General Manager (Finance & Accounts)
B. K. Gupta	General Manager (Investment & Resources)
R. Gopalaswamy	General Manager (Marketing & Legal)
J. S. Moorthy	General Manager (Marketing & Legal)

REGIONAL MANAGERS

K. S. Verma	Mumbai
S. C. Sharma	New Delhi
D. Krishnan	Chennai
M. D. Chandanani	Kanpur
S. Meenakshi Sundaram	Bangalore
B. Das	Calcutta

AUDITORS

M/s. B. K. Khare & Company
Chartered Accountants

SOLICITORS

M/s. Little & Company

BANKERS

Andhra Bank
Central Bank
Syndicate Bank

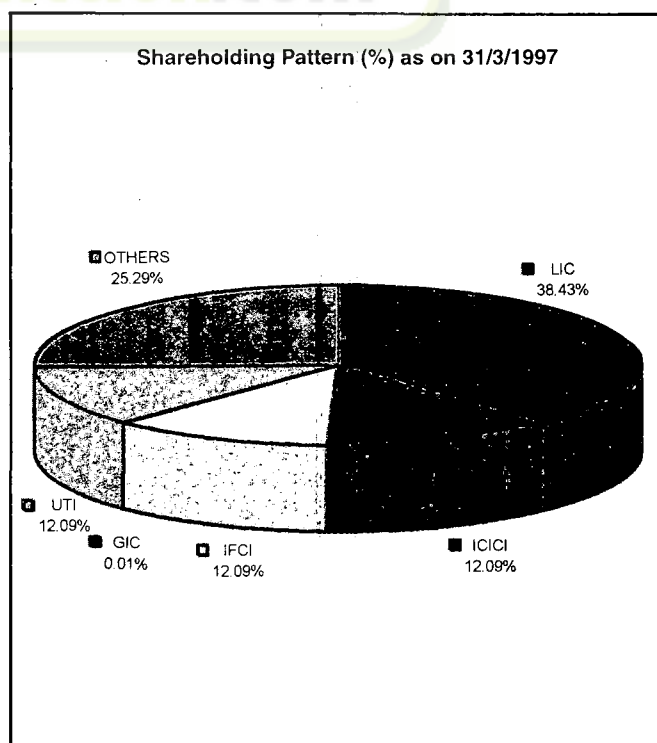
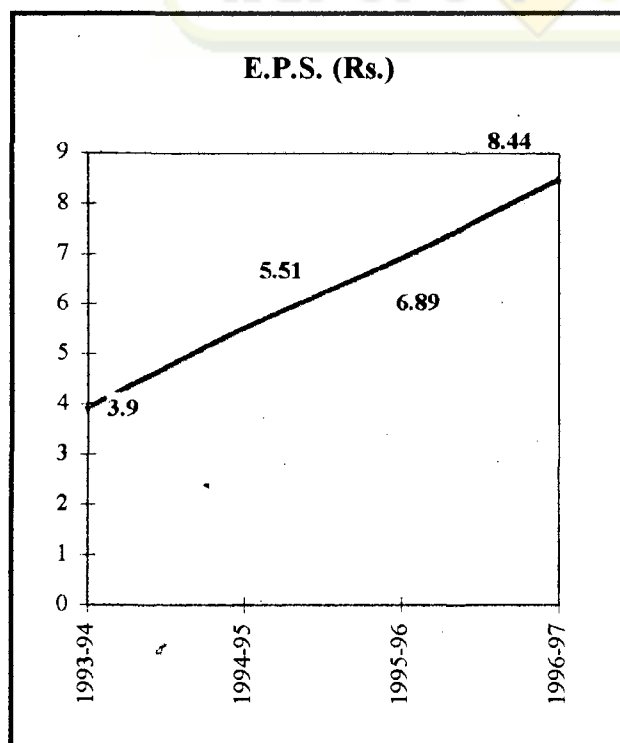
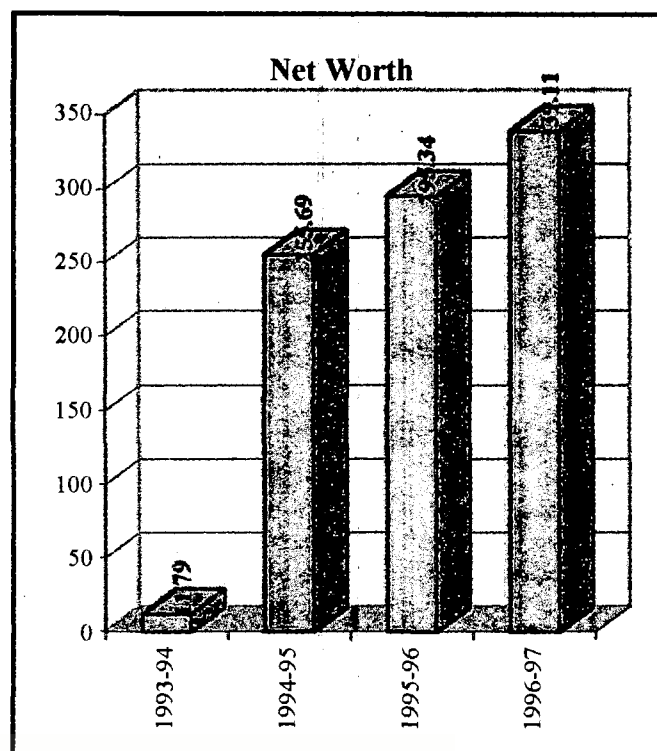
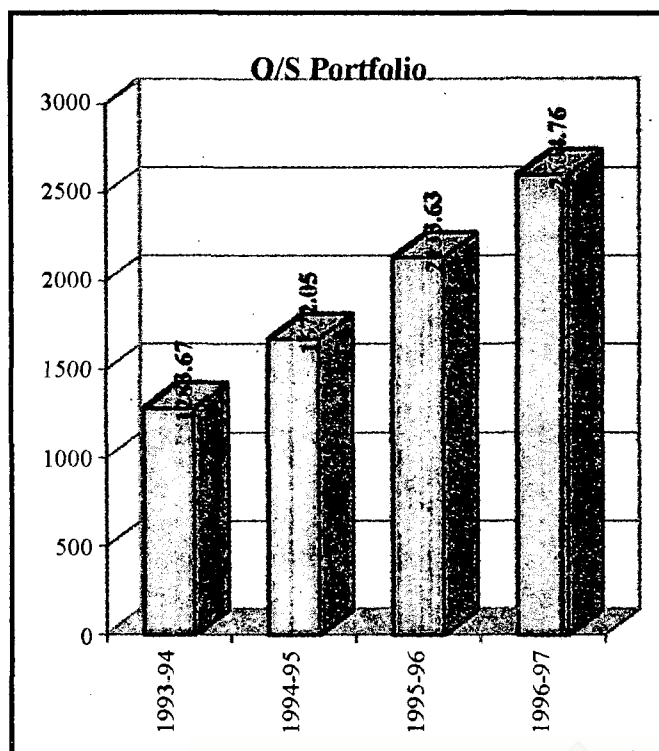
REGISTERED & CORPORATE OFFICE

Bombay Life Building, 2nd Floor,
45/47, Veer Nariman Road,
Mumbai - 400 001.

REGISTRAR & SHARE TRANSFER AGENT

Dynamic Superways & Exports Ltd.
(formerly known as Dynamic Share Services Ltd.)
Rainbow Palace, I. C. Colony,
Cross Road No. 5, Borivali (West),
Mumbai - 400 103.
Phones : 891 8257, 895 2148 & 893 7793

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LIC Housing Finance Limited**NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Eighth Annual General Meeting of the members of the LIC Housing Finance Limited will be held at 'Indian Merchants Chamber', IMC Building, IMC Marg, Opp. Churchgate Station, Mumbai 400 020 on Tuesday, the 19 th August, 1997 at 3.00 p.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1997, the Profit and Loss Account for the year ended 31st March, 1997 and Reports of the Directors and the Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri K. D. Agrawal who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT M/s. B.K. Khare & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold the office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on a remuneration to be determined by the Board in consultation with them plus reimbursement of out-of-pocket expenses incurred by them for the purpose of audit of the Company's accounts at the Registered and Corporate Office as well as Area Offices at Mumbai and Pune."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to appoint in consultation with the Company's Auditors any person or persons qualified for appointment as Auditor or Auditors of the Company u/s. 226 of the Companies Act, 1956, to conduct audit of other Area Offices in India on such terms and conditions as may be mutually agreed."

SPECIAL BUSINESS :

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

"RESOLVED THAT Shri B.G. Daga who was appointed as an Additional Director of the Company by the Board of Directors and holds office upto the date of this meeting under section 260 of the Companies Act, 1956 and in respect of whom the company has received a Notice in writing from the members pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 289, 301, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such sanctions as may be necessary, approval be and is hereby given to the appointment of Shri Y.P. Gupta as Director in whole time employment of the Company for the period from 17th June, 1997 to 31st October, 1998 on the terms as set out in the Explanatory Statement attached to this notice."

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

"RESOLVED THAT pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and is hereby altered as follows :

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- (A) After the interpretation of words 'singular number' following should be inserted:-

the word 'beneficial owner' shall mean the beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996,

the word 'Depositories Act, 1996' shall include any statutory modification or re-enactment thereof and

the word 'Depository' shall mean a Depository as defined under clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996.

- (B) In Article 12 after the words ' _ _ _ _ no shares shall be sub-divided' to add the words 'provided however that the provision relating to progressive numbering shall not apply to the shares of the Company which have been dematerialised'.

- (C) Article 22 be replaced with the following :

'Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.'

- (D) To insert the following Article after the existing Article 23 and be numbered as 23A:

23A. 'Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its Shares, Debentures and other securities pursuant to the Depositories Act, 1996 and to offer its Shares, Debentures and other securities for subscription in a dematerialised form. The Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in material and dematerialised form in any media as permitted by law including any form of electronic media.'

- (E) Article 53 be renumbered as Article 53(a) and the following sub-clause (b) be inserted:

53(b) 'In the case of transfer of shares or other marketable securities where the Company has not issued any Certificates and where such Shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.'

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

"RESOLVED THAT pursuant to section 17 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactment thereof), the Other Object Clause of the Memorandum of Association be and is hereby altered by inserting the following sub-clauses 71 & 72 as new sub-clauses immediately after the existing sub-clause 70 of clause III of the Memorandum of Association of the Company :-

71. 'To advance long term finance to any person or persons, Company or Corporation, Society or Association for the purpose of enabling such borrower to purchase any freehold and /or leasehold lands, estates or interest and /or take a demise for any term/s of years of any land or property in india upon such security and on such terms and conditions as the Company may deem fit'.

72. 'To advance long term finance to any person or persons, Company or Corporation, Society or Association for the purpose of enabling such borrower to purchase or construct building or buildings to be used for commercial purpose on freehold and /or leasehold lands upon such security and on such terms and conditions as the Company may deem fit'.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Director (s) to give effect to the aforesaid Resolution."

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

"RESOLVED THAT on the Special Resolution at Item No. 8 for alteration of the Other Objects in the Objects Clause of the Memorandum of Association being duly passed and becoming effective, the approval of the members of the Company be and is hereby accorded pursuant to section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, for commencing and carrying on all or any of the business and activities specified in the newly incorporated sub-clauses 71 and 72 in the Other Objects of the Objects Clause of the Memorandum of Association of the Company at such time as may be deemed fit by the Board of Directors."

By Order of the Board

sd/-

NITIN K. JAGE

COMPANY SECRETARY

Place : Mumbai.

Date : 16th June, 1997.

Registered Office :

Bombay Life Building, 2nd Floor,

45/47, Veer Nariman Road,

Mumbai - 400 021.

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, AND SUCH A PROXY NEED NOT BE A MEMBER.** The proxies in order to be effective, must be received by the Company at its Registered Office not less than 48 hours before the meeting.
- (2) The Explanatory Statement as required under section 173 (2) of the Companies Act, 1956, in respect of items 4 to 9 of the Notice convening the Meeting is annexed hereto.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 1st August, 1997 to Tuesday the 19th August, 1997 (both days inclusive).
- (4) The dividend, if declared, will be payable to those members, whose names will appear on the Register of Members of the Company on 19th August, 1997.
- (5) The Members desiring any information as regards to accounts are requested to write to the Company at an early date, so as to enable the Company to keep information ready.
- (6) As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the meeting.

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 4

As the Public Financial Institutions are holding more than 25% shares of the Company the appointment of Auditors is required to be made by a Special Resolution under section 224A of the Companies Act, 1956.

M/s. B. K. Khare and Co. have been proposed for appointment of Auditors of the Company, who have been approved by National Housing Bank. The Board of Directors recommend their re-appointment as Auditors.

None of the Directors of the Company is concerned or interested in this Resolution.

Item No. 5

Shri B.G. Daga was appointed as Additional Director of the Company by the Board of Directors with effect from 18th November, 1996, under section 260 of the Companies Act, 1956, and holds office upto the date of the 8th Annual General meeting of the Company. As required under section 257 of the Companies Act, 1956, a Notice has been received from a member proposing Shri B.G. Daga as a candidate for the office of Director. The Board of Directors recommend passing of the Resolution at Item No. 5 of the Notice.

None of the Directors, except Shri B. G. Daga is concerned or interested in this Resolution.

Item No. 6

Shri Y. P. Gupta, Chief Executive of the Company was appointed as Director in wholetime employment of the Company by the Board of Directors w.e.f. 17th June, 1997. The terms and conditions of his appointment as required by section 302(7) of the Companies Act, 1956, has been already circulated among the members. The main terms of his appointment are :-

1. His appointment is for the period from 17th June, 1997 till his retirement from the services of Life Insurance Corporation of India.

2. Salary & Remuneration :

Shri Y.P. Gupta is getting salary as Chief Executive of the LIC Housing Finance Limited from the Company and he will not be entitled/paid any other additional sum as Director in wholetime employment of the Company. His present salary scale is 12650-300-13250-350-13600-400-14000. He is also entitled to Dearness Allowance which is linked to the Consumer Price Index. His present salary i.e. for the month of June, 1997 is as follow:-

	(Rs.)
Basic	13600.00
Dearness Allowance	4452.48
Conveyance Allowance	758.73
City Compensatory Allowance	335.00
Total Gross Salary	19146.21

In addition to above salary he is entitled to other benefits like medical reimbursement, residential telephone, newspaper reimbursement, leave travelling concession, mileage reimbursement, major repairs of the car, entertainment expenses, leave encashment etc. as per rules applicable to the officers in the Cadre of Executive Director of LIC of India.

The Board of Directors recommend passing of the Resolution at Item No.6 of the Notice.

None of the Directors except Shri Y.P.Gupta is concerned or interested in the Resolution.

Item No. 7

Consequent to the passing of the Depositories Act, 1996 and to introduce of the Depository system, some of the provisions of the Companies Act, 1956, pertaining to issue, holding, transfer and dealing in shares and other securities as also certificates thereof have been amended so as to

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facilitate the Depository system. A few Articles in the Articles of Association of the Company, pertaining to issue, holding and dealing in shares and securities which were in line with the erstwhile provisions of the Companies Act, 1956, are conflicting with the provisions of the Depositories Act, 1996 and therefore the relevant Articles need to be amended.

The Board of Directors accordingly recommend the Resolutions for approval of the Members.

None of the Directors of the Company, is in any way, concerned or interested in the said Resolution.

Item Nos. 8 & 9

The Board of Directors propose to diversify the activities of the Company in the field connected with the Main Object of the Company like financing for plot of land, granting loan for construction of commercial premises and the like, as specified in the Resolution No.8 of the Notice.

Lately few Housing Finance Companies have also entered and others are on the way to enter in this field. This will also give further boost to the Company's existing activities. At present Memorandum of Association of the Company does not permit to carry on any such activities. The Board of Directors, therefore, recommend amendments to Other Objects of Clause III of the Memorandum of Association of the Company to enable the Company to undertake such activities.

Pursuant to the provision of section 149 (2-A) of the Companies Act, 1956, the approval of the members in the General Meeting is required before commencement of any new business set out in the Other Objects of the Objects Clause of the Memorandum of Association of the Company.

The Board seeks the approval of the members for commencement and carrying out of all or any of the business as set out in the proposed Other Objects specified in the Resolution at Item No. 8 of this Notice. This business would be commenced at such time or times as the Board may deem fit in the interest of the Company.

None of the Directors of the Company, is in any way concerned or interested in the said Resolution.

By Order of the Board

sd/-
NITIN K. JAGE
COMPANY SECRETARY

Place : Mumbai.

Date : 16th June, 1997.

Registered Office :
Bombay Life Building, 2nd Floor,
45 /47, Veer Nariman Road,
Mumbai - 400 021.