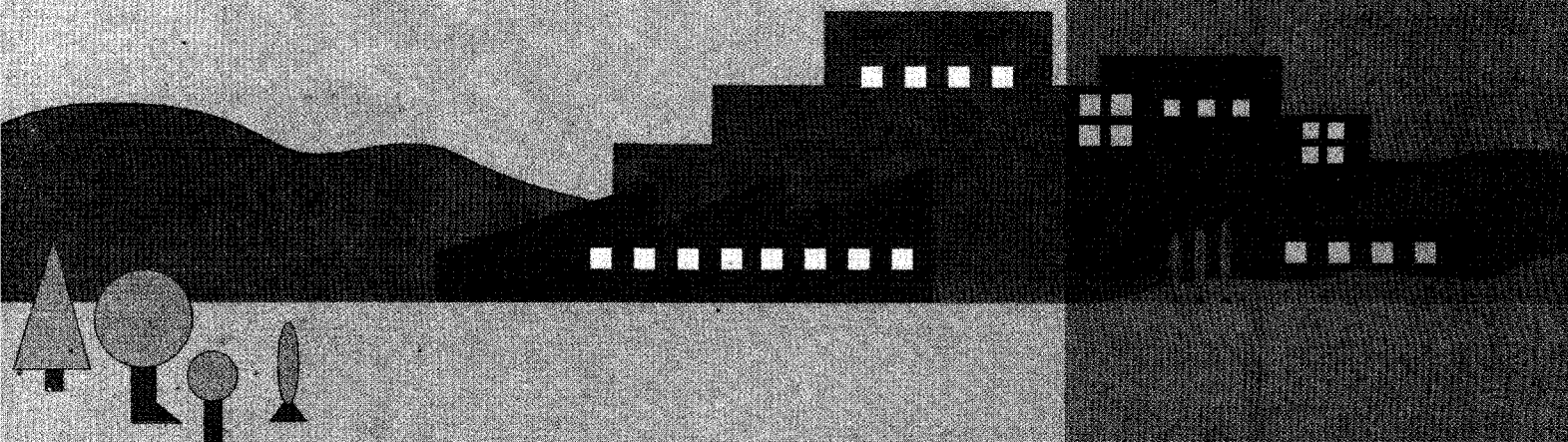


Report  junction.com

# Peace of mind



**LIC HOUSING FINANCE LIMITED**

Annual Report for shareholders, 2002-2003



## Corporate information

### ▲ BOARD OF DIRECTORS

S. B. Mathur, *Chairman (from 22nd October, 2002)*  
 R. K. Vashishtha, *Managing Director (from 21st January, 2003)*  
 F.M. Pardiwalla, *Director*  
 G. M. Ramamurthy, *Director*  
 Y. B. Desai, *Director*  
 M. M. Chitale, *Director (from 22nd October, 2002)*  
 V. P. Singh, *Director (from 22nd October, 2002)*  
 R. K. Ahooja, *Director (from 21st January, 2003)*  
 S. C. Jain, *Director & Chief Executive (from 21st January, 2003)*  
 A. Ramamurthy, *Chairman (upto 31st July, 2002)*  
 N. C. Sharma, *Managing Director (upto 30th November, 2002)*  
 Kranti Sinha, *Director & Chief Executive (upto 31st December, 2002)*  
 K. Thomas Poulse, *Director (upto 23rd July, 2002)*  
 Kamal Kishore, *Director (upto 22nd October, 2002)*  
 K. Madhava Kumar, *Director (upto 21st January, 2003)*

### ▲ GENERAL MANAGER (TAXATION) & COMPANY SECRETARY

Nitin K. Jage

### ▲ SENIOR EXECUTIVES

D. Krishnan, *Additional Chief Executive*  
 S. Rajagopalan, *General Manager (Finance & Accounts)*  
 H. S. Shashikumar, *General Manager (HR)*  
 Pratibha Mehta, *General Manager (Marketing)*  
 K. S. Kutty, *Deputy General Manager (Law)*  
 R. Parameswaran, *Deputy General Manager (Internal Audit)*

### ▲ REGIONAL MANAGERS

T. T. Kabui, *Kolkata*  
 S. N. Bhattacharya, *Mumbai*

C. R. Aithal, *Bangalore*  
 Usha Sangwan, *Delhi*  
 S. Srivastava, *Lucknow*  
 S. Nallakuttalam, *Chennai*

### ▲ AUDITORS

Price Waterhouse, Chartered Accountants, Mumbai.

### ▲ SOLICITORS

M/s. Little & Company

### ▲ BANKERS

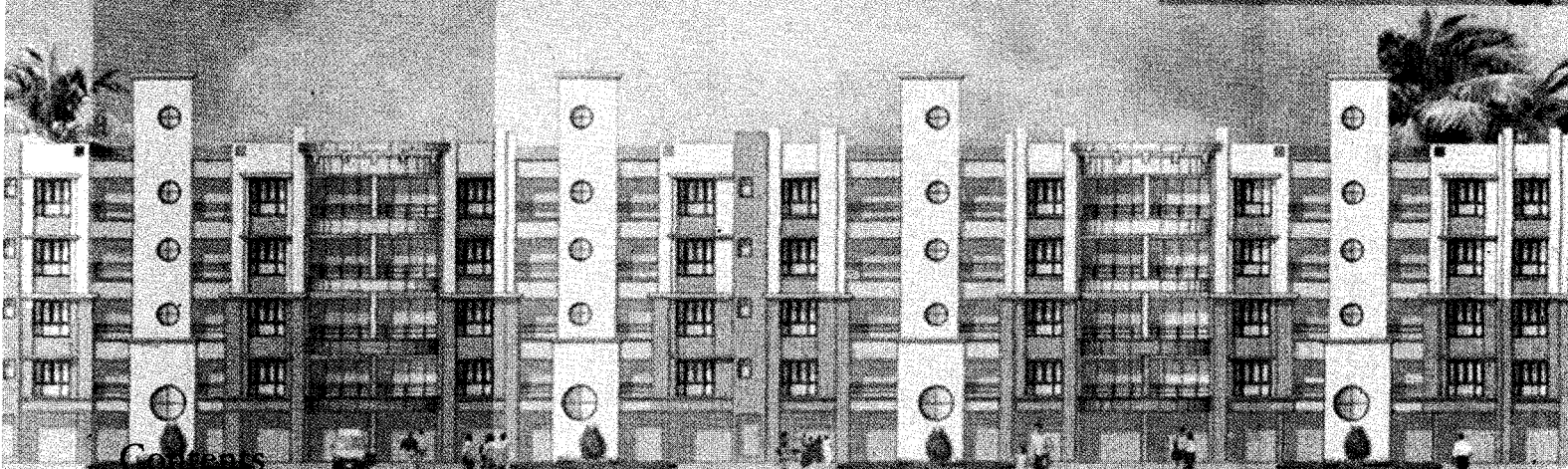
Andhra Bank  
 Central Bank  
 Syndicate Bank

### ▲ REGISTERED & CORPORATE OFFICE

Bombay Life Building, 2nd Floor  
 45/47, Veer Nariman Road, Mumbai - 400 001  
 Phones : 2204 0006, 2204 9799 & 2204 9919  
 Fax : 2204 9839  
 e.mail : lichfl@bom2.vsnl.net.in  
 website : www.lichousing.com

### ▲ REGISTRAR & SHARE TRANSFER AGENT

Dynamic Superways & Exports Ltd.  
 Rainbow Palace, I.C. Colony  
 Cross Road No. 5, Borivali (West)  
 Mumbai - 400 103  
 Phones : 2891 8257, 2895 2148 & 2893 7793  
 Fax : 2893 7845  
 e.mail : dynaexp@tatanova.com





# It would be fair to say that we help our customers sleep better.

Through the simple act of writing out loans, which they buy or build homes with.

Efficiently. Effectively.

In 2002-03, we earned an income of Rs 1013.64 cr from this business. A profit after tax of Rs 180.12 cr. And an earning of Rs 23.87 per share.

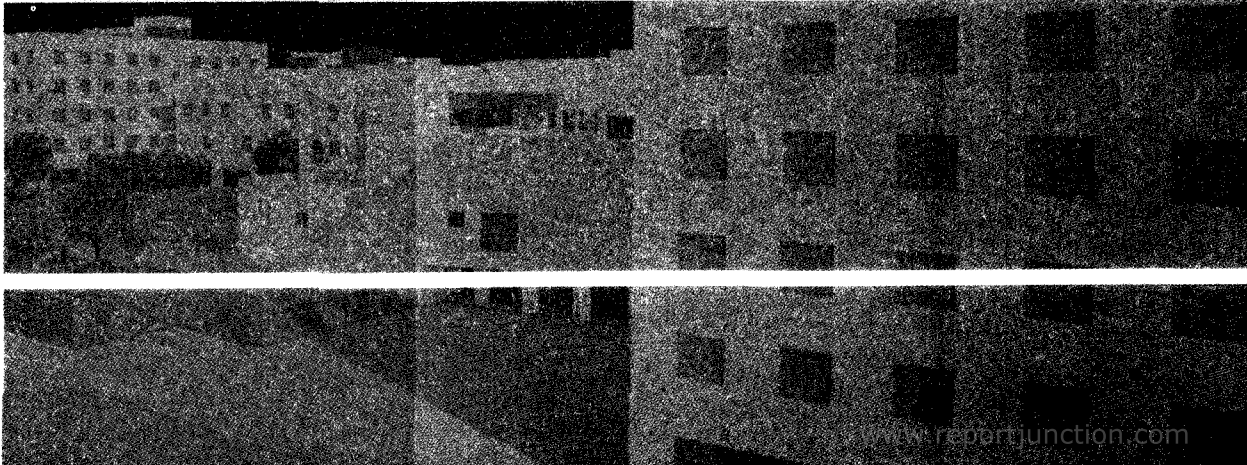
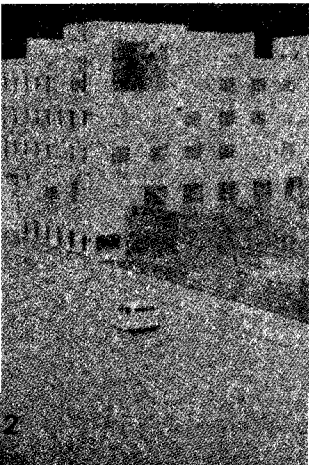
Bringing a quiet contentment to nearly 80,000 shareholders who own our Company.

*Helping peace of mind beget a peace of mind.*



Pillar of support

# BRAND





Whatever the business, success or failure to a large extent is influenced by the brand or public image. And so was it with our success.

At LIC Housing Finance, we substituted our conventional product-centric positioning strategy by an image-centric communication strategy. This timely change helped the Company replace its excessive dependence on relatively limited life cycle products by a more stable, enduring corporate image.

To create the right image in the minds of our prospects, we formulated a prudent image management strategy in association with one of the leading advertising agencies in India. In a significant departure from our traditional approach, we communicated our size (the second largest housing finance Company in India), our reach (more than 200 outlets) our

growth (62.56 percent in disbursements during 2002-03) and our fair and transparent practices, which reinforced the recall process.

Besides, the central message attracted customers into a mutually beneficial partnership, facilitated by an easy loan approval protocol, the lowest interest rates and the comforting security of an insurance cover to protect the interest of the loanee's family in the event of an unforeseen and unfortunate death.

This communication approach, coupled with a number of other strategic initiatives, resulted in an all-time record business growth in 2002-03 - almost twice the industry growth rate during the period.

*Bringing a cheer to all the Company's stakeholders.*









**A**t LIC Housing Finance, we recognise that an intelligent communication programme needs to be dovetailed to an effective marketing intervention for success in the marketplace.

In view of this, the Company took some well-planned initiatives to deepen its penetration and extend its reach:

▲ It created a multiple distribution network to encash the growing opportunities in the marketplace.

▲ It selected some of the high performing LIC agents after a careful evaluation and appointed them as Home Loan Agents (HLAs), linking performance to recovery and protecting the quality of loans in the process.

▲ It created the concept of Direct Sales Agencies (DSAs) to market housing loans

exclusively on its behalf.

▲ It launched a 'Corporate Employee Housing Loan Scheme' which facilitated loans to employees of select corporates and multi-national companies. The prominent companies (165) covered under the scheme included Infosys, Wipro, i-flex Solutions, Tata Consultancy Services, Birla 3M, BHEL, Ashok Leyland and Britannia Industries etc.

▲ It entered into tie-ups with builders and developers of renown in various metro cities.

Result: the 1400 Home Loan Agents appointed by the company accounted for more than 30 percent of the incremental disbursements in 2002-03, while 350 Direct Sales Agents accounted for more than 10 percent of the incremental disbursements during the year under review.



Pillar of support

# MARKETING





Pillar of support

# SERVICE



**A**t LIC Housing Finance, we recognised that we drew walk-in customers on the basis of our brand, but we retained them on the strength of our products, pricing and service.

At LIC Housing Finance, we introduced innovative products with attractive features distinct from those of our competitors:

- ▲ Our products yielded themselves to customisation;
- ▲ We tailored the repayment schedule to customer convenience;
- ▲ We extended to customers the facility of floating rates so that they could encash the benefit of every successive interest rate reduction in the economy;
- ▲ We protected our customers with an insurance cover, a unique service combination within the housing finance industry.

At LIC Housing Finance, we strengthened this proposition

with a cost advantage: we priced our loans at competitive interest rates, we serviced these loans at a low one-time transaction cost and enriched the transaction with a complete transparency and the absence of any hidden cost.

▲ At LIC Housing Finance, we reinforced the relationship with an ongoing service commitment: we provided related legal and financial advice keeping the customer's interest in mind and we leveraged the progressive use of information technology to provide a range of value-added services and customer conveniences – anytime and anywhere.

▲ At LIC Housing Finance, we upgraded our Information Technology infrastructure and switched over to a fully-integrated Oracle-based Client Server Architecture to deliver a better and faster customer service.

▲ Following the commissioning of the Company's eight new extension counters and a number of outreach programmes in 2002-03, the distance between LIC Housing Finance and the customer simply got shorter.







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