



Building Homes,
Nurturing Relationships

ANNUAL REPORT 2015—16





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Date of Annual General Meeting: 19th August, 2016

Forward Looking Statements

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 the Company assumes no responsibility in case the actual results differ materially due to change in internal or external factors.

Building Homes, Nurturing Relationships

There are many reasons why we dream to own a home. Firstly, a home gives us a deep sense of security. We also take great pride in home ownership and being the “masters of our own castle”. Buying a home is also usually the first step towards responsible financial planning. It also represents the ideas of freedom, privacy and independence. Once we build some equity, our homes eventually become an invaluable investment over time, giving us further financial freedom. Most of the time, our home is just a warm and safe shelter to live in.

The story of LIC Housing Finance Limited began with a simple vision – that of enabling people fulfil their dream of owning a safe haven for themselves and their loved ones. Our Mission is to “provide secured housing finance at affordable cost, maximizing shareholders value with higher customer sensitivity”. Over the last 27 years, we have reached out to millions of people and helped fulfil their aspirations.

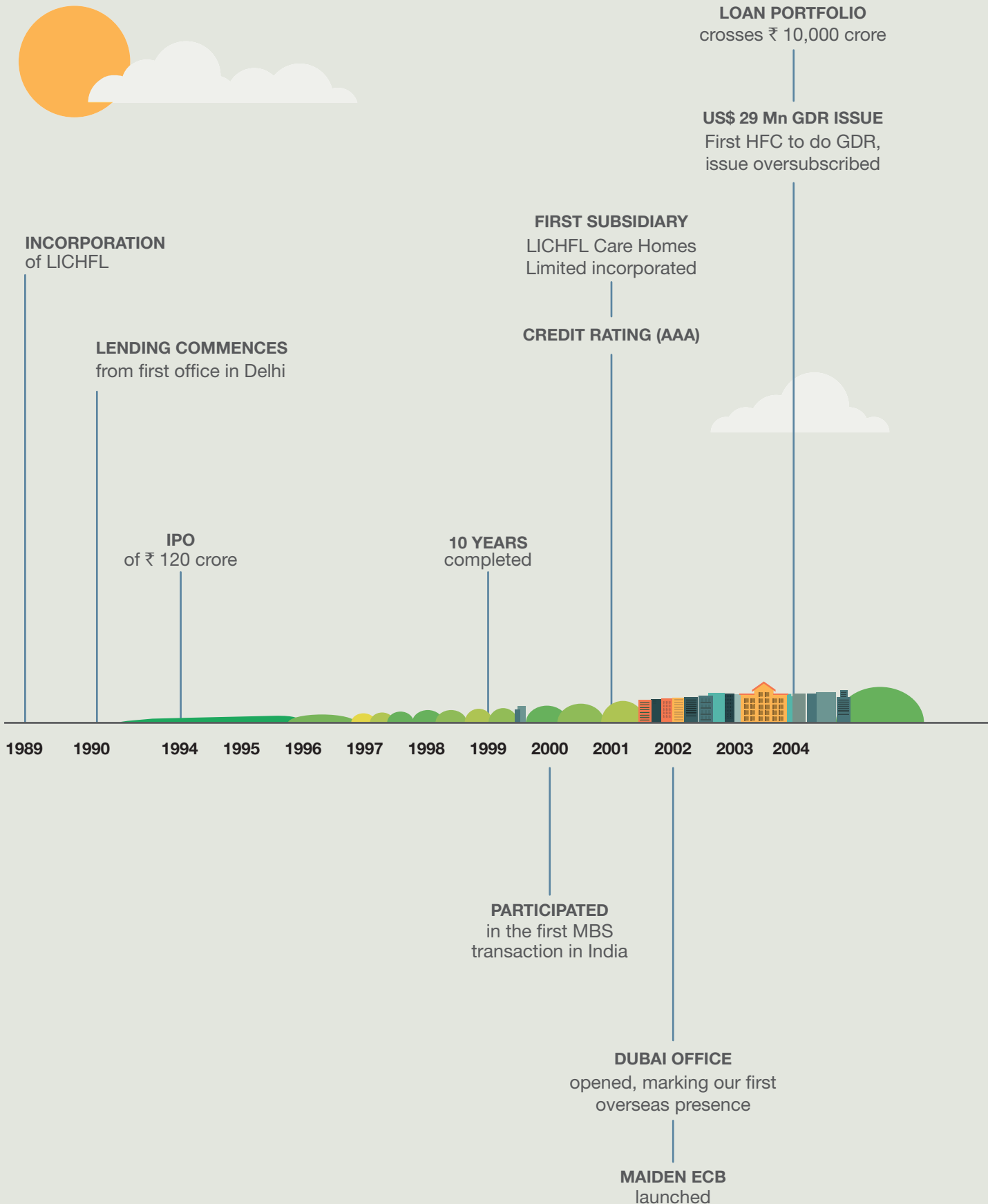
Going forward, we are on a journey with a singular commitment to delight the customer with cutting-edge products and new industry benchmarks. With an in-depth understanding of the housing market, we have emerged to deliver a new dimension of excellence. This entails having enhanced market insight, better operating efficiencies and nurturing deeper customer centricity.

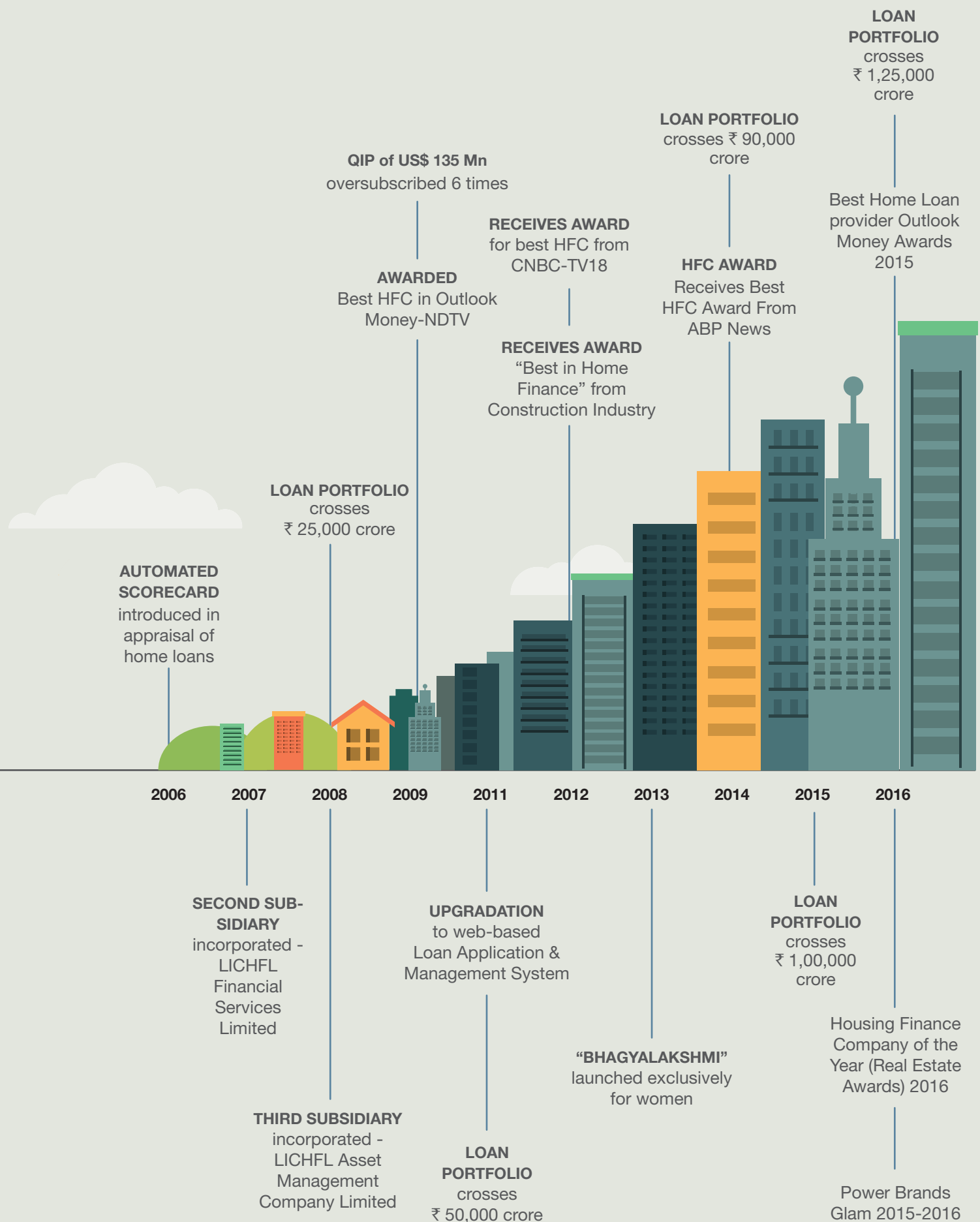
Today, our customers are our best brand advocates. As a result of our strong bond with them, they have bestowed their trust in us as partners in making their dreams come true. Our stakeholders have recognised this clearly, and have supported us since inception, with a keen understanding of our socially-inclusive, sustainable and profitable business model. We continue to live up to our brand promise of helping dreams come true, and by providing our stakeholders with the opportunity of superior value creation consistently.

APPEAL TO MEMBERS

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies through electronic mode. The Companies can now send various notices / documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register their e-mail addresses at lichsggogreen@sharexindia.com, in respect of holdings in dematerialised mode with the Depository through their respective Depository Participants. Those holding shares in physical forms are requested to send their email address directly to the Company or to Registrar & Transfer Agent where various notices / documents can be sent through electronic mode.

Our Rich Legacy





At a Glance

LIC Housing Finance Limited is one of the largest Housing Finance companies in India. Incorporated on 19th June, 1989 under the Companies Act, 1956, the Company was promoted by LIC of India and went public in the year 1994. The Company launched its maiden GDR issue in 2004. The Company is registered with National Housing Bank and listed on the National Stock Exchange (NSE) and Bombay Stock Exchange Limited (BSE) and its shares are traded only in Demat format. The GDRs are listed on the Luxembourg Stock Exchange.

The main objective of the Company is providing long term finance to individuals for the purchase or construction of a house or a flat for residential purpose. The Company also provides finance on an existing property for business or personal needs and also gives loans to professionals for buying their office space and equipment. The Company also provides finance to persons engaged in the business of construction and sale of residential properties.

LIC Housing Finance Limited possesses one of the industry's most extensive marketing network in India with 234 marketing offices. In addition, it has appointed nearly 13,668 intermediaries to extend its marketing reach. There are 17 Back Offices spread across the country to conduct the credit appraisal and administrative functions. The Company has set up Representative Offices in Dubai and Kuwait to cater to the Non-Resident Indians in the GCC countries covering Bahrain, Dubai, Kuwait, Qatar and Saudi Arabia. Today, the Company has a proud group of over 20 lakh prudent house owners who have enjoyed the Company's financial assistance.

Today, LICHFL has mastered the art of knowing how to measure, manage and allocate risk in the home loans business, which are the key elements of this business.

Capital Adequacy Ratio

17.04%

Loan Portfolio

₹1,25,173 cr.

Networth

₹ 9,146 cr.

Gross Revenue

₹12,485 cr.

Net Profit

₹1,661 cr.

EPS

**₹ 32.91
per share**

Sanctions

₹39,100 cr.

Disbursement

₹36,151 cr.

Cumulative Disbursements

**₹2.03
lakh cr.**

Gross NPA

0.45%

Promoted by
the LIC of India in

1989

Gross NPAs in retail loans at

0.20%

Profit making &
dividend paying

since 1990

Highest credit ratings

(AAA)
since 2002

More than

20 lakh
customers serviced
till date

Market capitalisation
more than

₹ 24,000 cr.
As on 31st March, 2016

27

Years in Business

Cumulative Disbursements

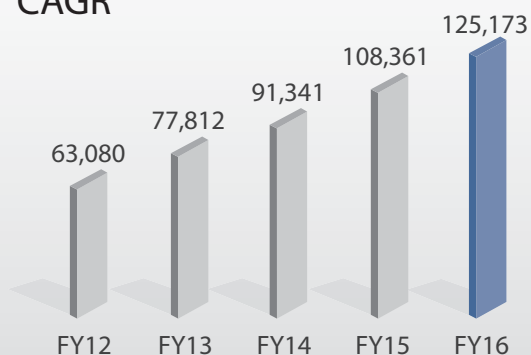
₹ 2.03 lakh cr.
since inception

Financial Highlights

FY2015-16

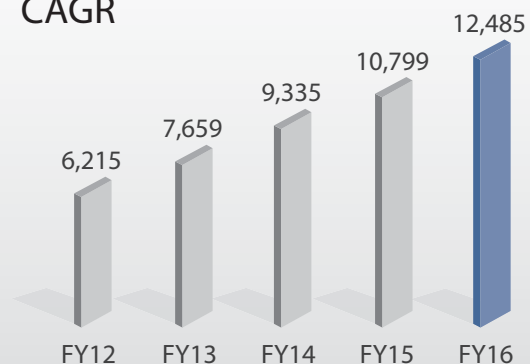
Loan Portfolio
(₹ Cr)

19%
CAGR



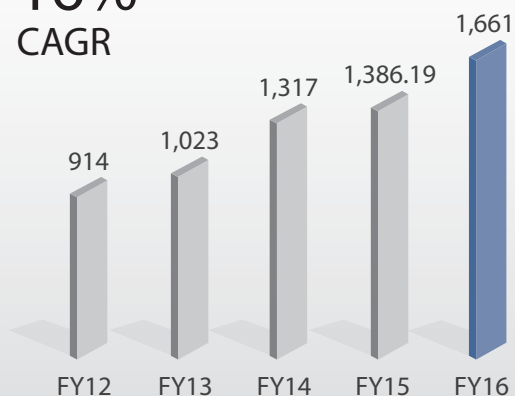
Income
(₹ Cr)

19%
CAGR



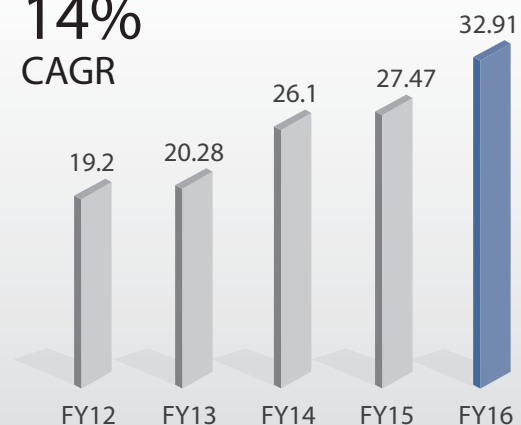
Profit After Tax
(₹ Cr)

16%
CAGR



EPS
(₹ 2 paid-up)

14%
CAGR



Net Profits ₹ 1,661 crore,
up by 20%

Total Loan portfolio up by 19%
to ₹ 125,173 crore

Individual Loan
Portfolio up by 15% to
₹ 121,731 crore

NIMs 2.52% as against 2.24%

Total Gross NPAs 0.45%

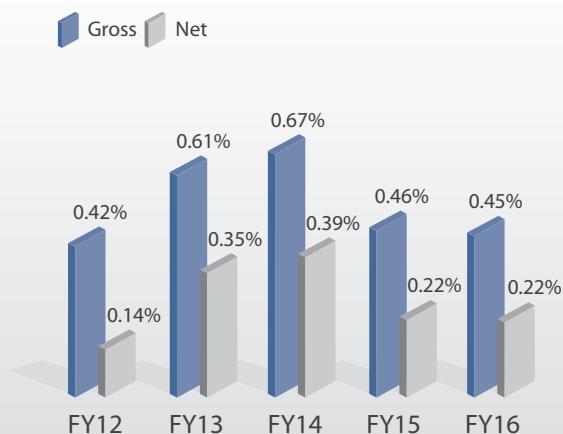
Net NPAs 0.22%

Gross NPAs in individual
loan portfolio 0.2%
down from 0.24%

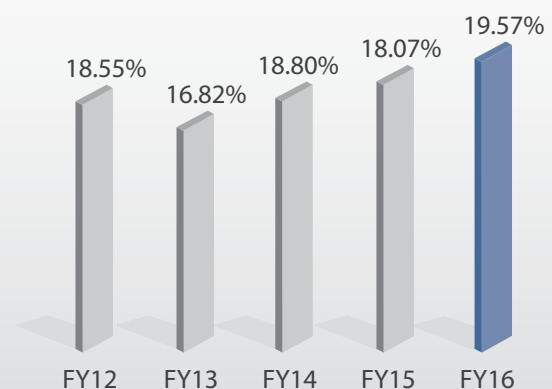
Dividend for the year 275%
as against 250%

Cost to NII 15.89% down
from 16.95%

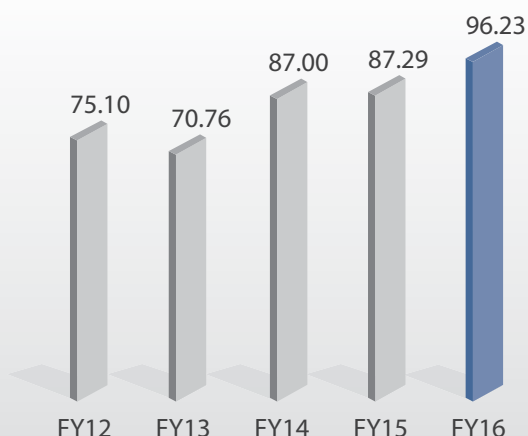
Gross & Net NPAs



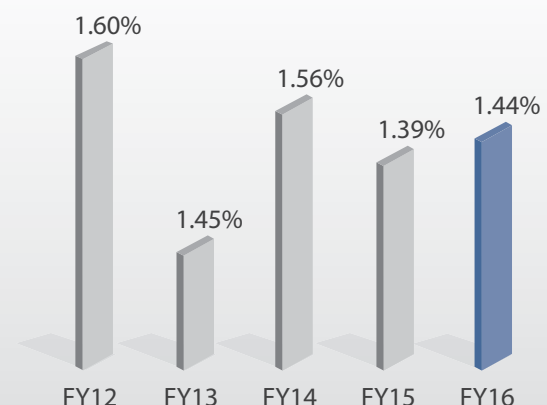
Return on Average Equity



Profit per Employee (₹ Lakh)



Return on Average Loan Assets



Chairman's Message

Today, LICHFL has mastered the art of knowing how to measure, manage and allocate risk in the home loans business, which is a key element of this business.

Dear Shareholders,

We started FY2016 on the backdrop of optimism and anticipation in the real estate sector triggered further by positive macro developments. Several key initiatives were launched by the Government during the year. The 100 Smart Cities Mission is an important call and so is "Housing for All" Mission by 2022 under the Pradhan Mantri Awas Yojana (PMAY) programme. The passing of the Real Estate Regulatory Authority (RERA) Bill in December 2015 can be seen as a major milestone and positive development with far reaching benefits for the sector. The 7th Pay panel recommendation for hike in pay and allowances of government employees will also act as a driver for home buying. Along with tax incentives introduced in recent budgets for both owners and developers of homes, these initiatives augur well for the industry at large, but more importantly, for a greater increase in affordable home ownership and improved financial access to it. The declining interest rate regime further induces affordability to the end-users by driving down the cost of owning their dream home.

LIC Housing Finance Limited (LICHFL) has always had a profound sense of responsibility and optimism towards enabling home ownership and a better lifestyle to the citizens of this country. As your Company journeys through the third decade of its operations, its purpose is further fortified with the immense trust and conviction of its stakeholders and custodians. The Company is well entrenched in the middle-income end user segment, which stands to benefit tremendously from the demographic dividend we have been talking about for quite some time, which mirrors the aspirations, consumption style and purchasing power of India.

The greatest facet of India's economic growth story continues to be nested within this rapidly expanding and dynamic middle income segment. With a keen understanding of this consumer segment and its purchasing power, LICHFL has chalked a robust roadmap ahead. In particular, your Company is taking the commendable "Housing for All" initiative to heart and hopes to keep increasing its role in this area.

Today, LICHFL has mastered the art of knowing how to measure, manage and allocate risk in the home loans business, which is a key element of this business. This along with a strong technology driven platform, a wide range of products and a pan India reach differentiates LICHFL superbly for value creation.