



Resilience *through* Performance.

ANNUAL REPORT 2017- 18



Contents

| | |
|---|-----|
| At a Glance | 2 |
| Our Rich Legacy | 3 |
| Financial Highlights | 5 |
| Chairman's Letter | 8 |
| Managing Director and CEO's Letter | 10 |
| Showing the way in financing affordable housing | 12 |
| Expanding our Market Presence to Reach Deeper into India | 14 |
| Leveraging Technology & Product Innovation to enhance Value | 16 |
| Corporate Information | 18 |
| Board of Directors | 19 |
| Management Discussion & Analysis | 24 |
| Board's Report | 34 |
| Report of Directors on Corporate Governance | 80 |
| Business Responsibility Report | 100 |
| Financial Section | 112 |

DETAILS OF THE ANNUAL GENERAL MEETING

Date : 20th August, 2018

Time : 3.00 PM

Venue : "M. C. Ghia Hall", Bhogilal Hargovindas Building,
4th Floor, 18/20 Kaikhushru Dubash Marg,
Behind Prince of Wales Museum,
Mumbai - 400001.





Resilience
through
Performance.

At a Glance

Promoted by the LIC of India in

1989

Profit making & dividend paying

since 1990

29

Years in Business

More than

23 lakh

customers serviced till date

Highest credit ratings

(AAA) since 2002

Employee Base

2,103

Market capitalisation more than

₹ 28,526.07 cr.

As on 31st March, 2018

Networth

₹ 12,691 cr.

Capital Adequacy Ratio

15.49%

Loans Portfolio

₹ 1,66,363 cr.

Gross NPA

0.78%

Gross Revenue

₹ 15,073 cr.

Net Profit

₹ 1,990 cr.

EPS

₹ 39.42 per share

Gross NPAs in retail loans at

0.42%

Disbursement

₹ 49,378 cr.

Cumulative Disbursements

₹ 2.86 lakh cr.

Sanctions

₹ 55,437 cr.

TODAY, THE COMPANY HAS A PROUD GROUP OF OVER 23 LAKH PRUDENT HOME OWNERS WHO HAVE ENJOYED THE COMPANY'S FINANCIAL ASSISTANCE.

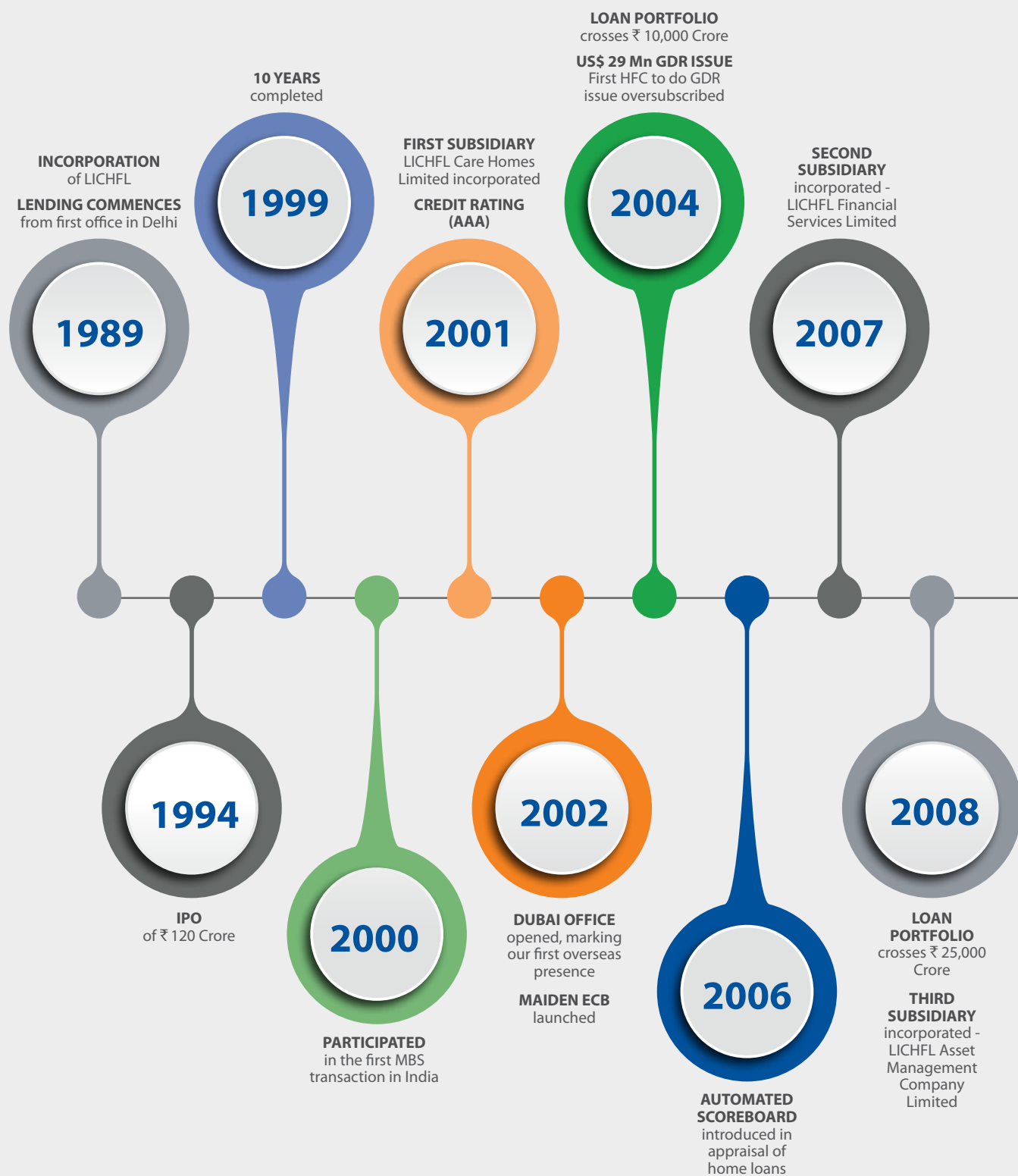


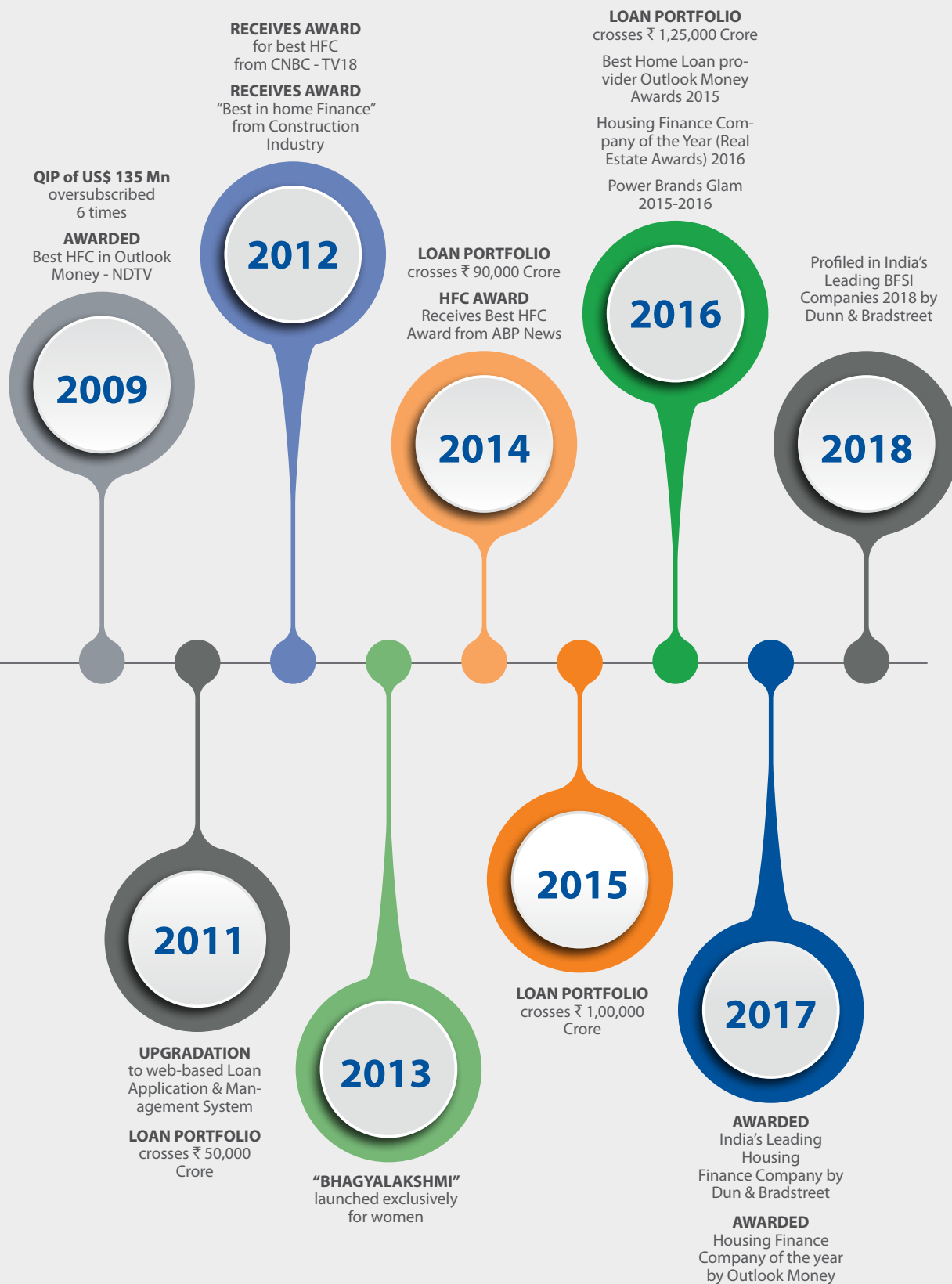
Incorporated in 1989, LIC Housing Finance Limited is one of the largest Housing Finance companies in India, with the key objective of providing long-term finance to individuals for the purchase or construction of a house or a flat for residential purposes. The Company also provides finance on an existing 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 the sale of residential properties.

The Company went public in 1994 and since then its stocks are listed and actively traded on the National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Ltd. (BSE). The Company has also launched its GDR in 2004 and its GDSs are listed on Luxembourg Stock Exchange.

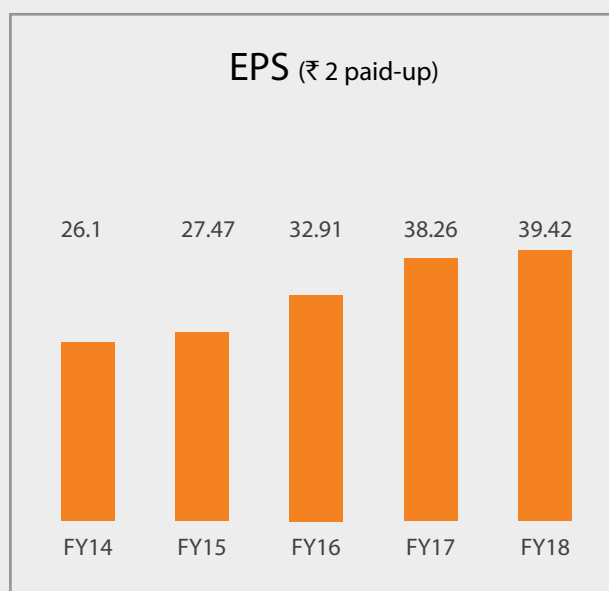
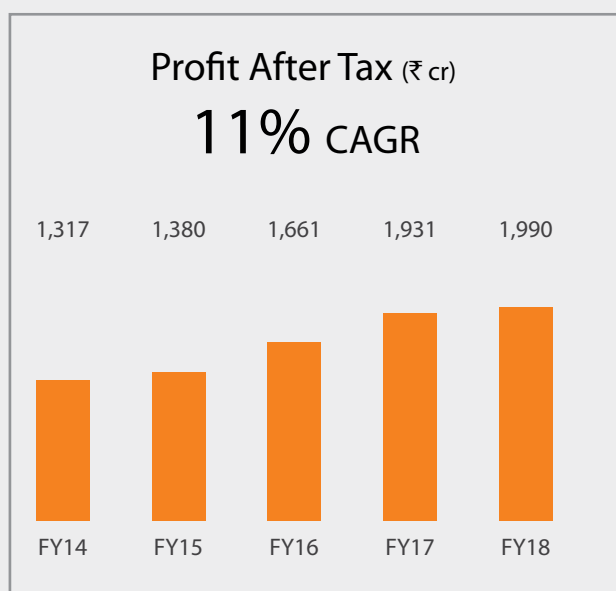
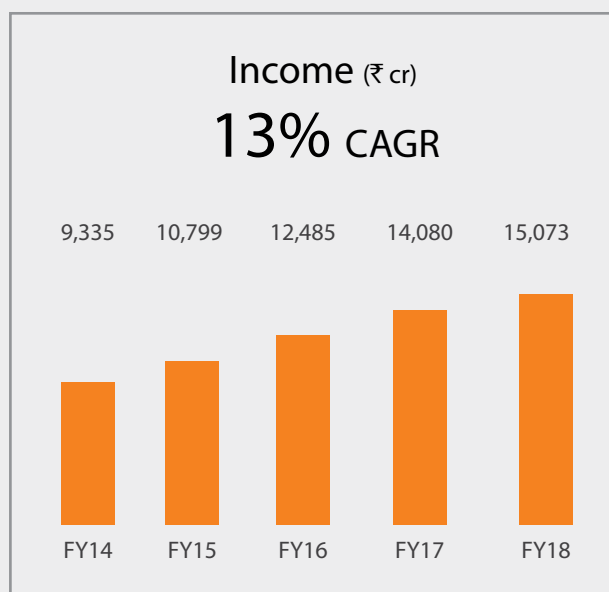
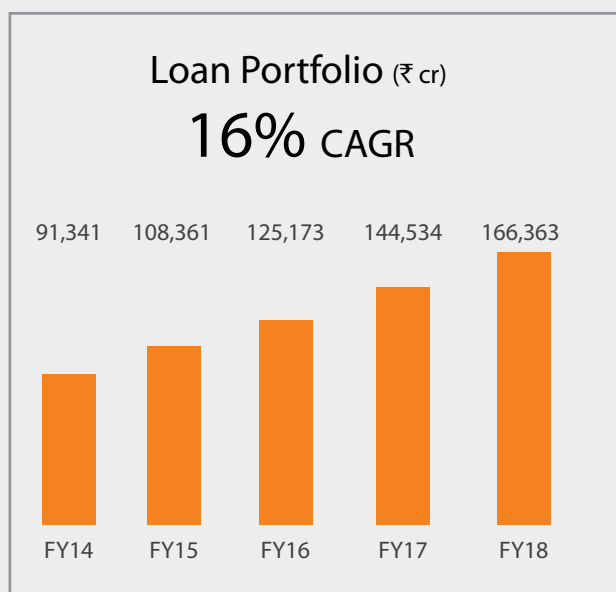
LIC Housing Finance Limited possesses one of the industry's most extensive marketing network in India with 249 Marketing Offices. In addition, there are 23 Back Offices spread across the country to conduct the credit appraisal and administrative functions. The Company has set up Representative Offices in Dubai and Kuwait. Today, the Company has a proud group of over 23 lakh prudent home owners who have enjoyed the Company's financial assistance.

Our Rich Legacy

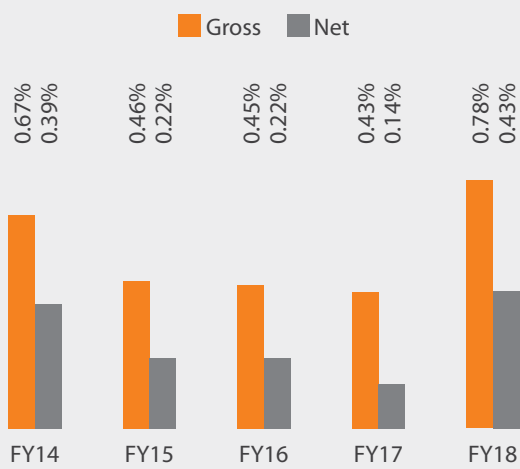




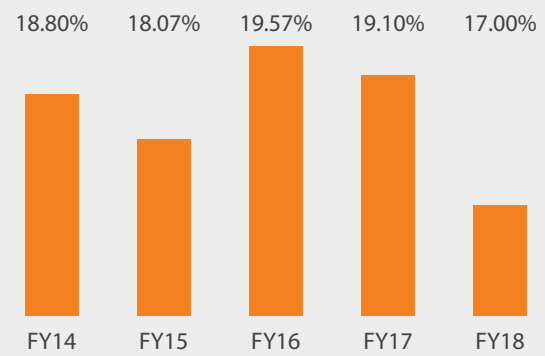
Financial Highlights



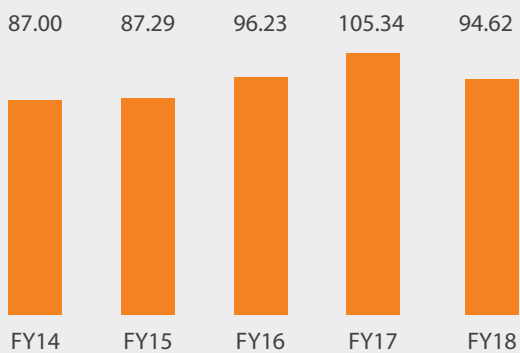
Gross & Net NPAs



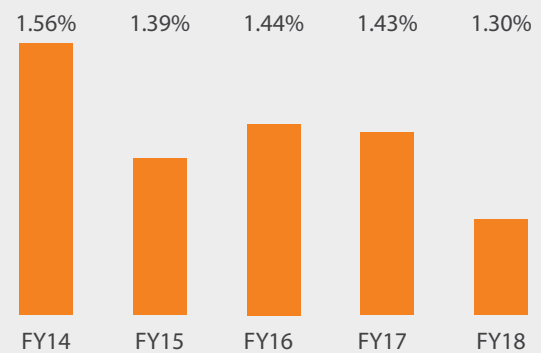
Return on Average Equity



Profit per Employee (₹ Lakh)



Return on Average Loan Assets



Chairman's Letter



Mr V. K. Sharma
Chairman

OVER OUR JOURNEY OF THE LAST 29 YEARS, WE HAVE SEEN THROUGH ALL KINDS OF COMPETITION, AND EACH TIME WE HAVE COME OUT AS A TOP PERFORMING PLAYER IN OUR INDUSTRY.

25

Million
Demand for affordable
housing by 2022

Dear Stakeholders,

We are entering a long term phase of economic growth in India, with good evidence of improving performance across agriculture, manufacturing, services, and financial segments of our economy. Despite several constructive interventions, such as the introduction of GST and RERA, the country has exhibited great flexibility to quickly adapt and resume its momentum. With a revival of investment on the demand side, and in manufacturing on the supply side, economic activity should look good for the running fiscal year. With a strong thrust on rural and infrastructure sectors in the most recent Union Budget, rural demand for products, services and homes should rejuvenate and keep the country's economic momentum fuelled.

With this economic backdrop, HFCs should continue to witness robust growth. Key drivers behind this have been the Government's thrust on affordable housing, general recovery in the real estate market, the formalisation of the realty marketplace through RERA, and the stabilisation of GST. As one of the largest Housing Finance companies in India, LIC Housing Finance is well placed to capitalise on such favourable conditions.

Impact of RERA

In particular, the introduction of RERA will bring about a sea change in how business is done in terms of disclosure, transparency, and a strong grievance redressal. This should permeate into a very strong boost of confidence to home buyers, leading to a larger volume of quality transactions. At LIC Housing Finance, we expect the entire sector to move up in terms of superior corporate governance, allowing us to take greater exposure into the sector without increasing our risk exposure. This should also allow us bigger elbow room for being more flexible on pricing our home loans, and thus be more competitive in the marketplace. Furthermore, this gives us an opportunity to improve our relations with a larger number of strong quality developers, and convert them also into deal-sourcing engines.