

LICHFL *next*

Learn | Change | Grow | Relearn



Annual Report
2022-23

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A Respected And Trusted Financial Services Company

Outstanding Portfolio of
₹2.75 lakh crore
up 9.5% YoY

Made our presence felt
with **314 branches**
across cities and towns
in India

Built a cohesive family of
2,462 employees
relentlessly striving towards
a collective vision

Strengthened our
distribution with more than
10,000 hands to guide
through the loan process

Enhancing
operational
excellence with
Project RED

Served more than
35 lakh
Prudent Home Owners
since inception



To view this report or to read
online, please log on to
www.lichousing.com/annual-report

ENDURING
A GROWTH MINDSET

₹**22,656.95** Crore

Revenue from Operations

₹**18,069.57** Crore

Market Capitalisation*

₹**2,891.03** Crore

Profit After Tax

425%

Dividend for FY 2022-23

₹**52.56**

Earnings Per Share

*Market Capitalisation as on 31st March, 2023

WINNING RECOGNITION ACROSS PLATFORMS

2015

- Best Housing Finance Company by BFSI Awards
- Best data quality in HFC by CIBIL



2016

- Outlook Money-Best Housing Finance Company
- Best Housing Finance Company by ABP News
- Asia Pacific Entrepreneurship Award
- Power Brands Awards by Franchise India

2019

- Voted as the 'Brand of the Decade 2019' by BARC Asia
- NSE for Best Issuer on EBP



2017

- Outlook Money-Best Housing Finance Company
- Business Today BFSI Best CEO
- NSE for highest Debt Issuance



2022

- "Best Organisation for Women 2022" Award by 'The Economic Times'
- "BEST CSR" Award in the 11th Edition of Global CSR Excellence & Leadership Awards

LEARN. CHANGE. GROW. RELEARN.

At LIC Housing Finance Limited, we have built a strong platform to foster our market position. With a total loan book size exceeding ₹ 2.75 lakh crore, we made our presence felt in every city and town of India with our pan-India reach and 10,000 points of presence.

LICHFL NEXT is all about learning, changing, growing, relearning. This remains our credo, supported by our prudent strategies and agile execution to reinforce our systems and processes, deliver superior performance, sustain asset quality, maintain robust collection efficiency and decentralised credit underwriting, and build smarter platforms for enriched customer experience.

This is just a beginning. As we stand at the fulcrum of our growth curve, we are truly prepared for the next orbit of growth and to keep delivering consistent value to our stakeholders – Customers, Investors, Employees and the Society.



WHAT DOES LICHFL NEXT SIGNIFY?



TO OUR CUSTOMERS

A new experience and delight



TO OUR INVESTORS

More wealth creation



TO OUR EMPLOYEES

Creating leaders of tomorrow



TO THE SOCIETY

Embracing sustainability and green initiatives



With a focus this sharp, with a portfolio where we enjoy a distinctive position, and with a market that promises sustainable growth, we have the gravitas to make an indelible mark on India's housing finance landscape.

"Learn. Change. Grow. Relearn." is not just our annual report theme, it is our corporate strategy that has permeated every facet of our working today.

Fulfilling Deeply Cherished Ambitions Of Owning A Home



OUR PASSION AND COMMITMENT

We are one of the largest housing finance companies in India with a 34-year legacy, experience and expertise. Today, we have a proud group of over 35 lakh prudent home owners.

OUR KEY OBJECTIVE

We are among the pioneers in ensuring access to housing finance for home ownership. With a strong business foundation, extensive distribution network and proven industry expertise, our key objective is to provide:

- Long-term finance to individuals for purchase or construction of house or flat for residential purpose
- Finance on existing property for business or personal needs
- Finance to builders and developers engaged in construction of houses or flats for residential purpose
- Loans to professionals for purchase or construction of clinics, nursing homes, diagnostic centres, or office space and for purchase of equipment

AN EXTENSIVE DISTRIBUTION NETWORK

We have one of the widest networks of 314 Marketing Offices across the country and Representative Office in Dubai. We also distribute our products through the branches of our subsidiary LIC HFL Financial Services Limited.



Our Vision

To be the best housing finance company in India



Our Mission

To provide secured housing finance at affordable cost, maximising shareholder value with higher customer sensitivity



Our Values

- Fair and transparent business practices
- Transformation to a knowledge organisation
- Higher autonomy in operations
- Instilling a sense of ownership amongst employees

BEST-IN-CLASS CREDIT RATING

The Company has received the highest rating from CRISIL, ICRA and CARE, indicating the highest safety for our ability to repay the principal amount and service the interest.

YEAR FY 2022-23 IN NUMBERS

₹64,115 Crore

Total Disbursement

₹53,459 Crore

**Disbursement under
Individual Home Loans**

₹2,697 Crore

**Disbursement under
Project Loans**

2.41%

Net Interest Margin

18.23%

**Capital Adequacy
Ratio (Tier 1&2)**

35 Lakh

**Number of customers
served**

4.41%

Gross NPA

2.50%

Net NPA

11.72%

Return on Network



End-to-end digitalisation

Focused on tech adoption by fine-tuning robust systems and procedures to enable outreach and higher business volumes



Enhancing reach

An expansive reach to address the home loan needs of prospective borrowers; Introduced Cluster-driven Hub-and-Spoke Model for faster TAT in loan disbursements; To open new Marketing Offices



Sustained asset quality

Reputed for having the best asset quality and better asset liability mix in India's housing finance space



Stable profit growth

Recorded all-time high disbursement and contributed better to business; at the cusp of long-term secular growth due to revival in residential real estate, favourable macros and improved profitability



Driving efficiency

Maintained high collection efficiency and significant recoveries by controlling delinquencies

**EMBARKED ON
A PURSUIT OF
EXCELLENCE AND
VALUE CREATION**

Three-and-a-half Decades of Understanding Emotions

OUR JOURNEY OF EVOLUTION

> 1989

- Year of incorporation
- Lending commences from first office in Delhi

> 1994

Launched IPO of ₹ 120 crore

> 2002

- Achieved credit rating of AAA
- Set up a representative office in Dubai, marking its first presence in the overseas market

> 2004

- Loan portfolio crossed ₹ 10,000 crore
- Emerged as the first Housing Finance to come out with a US\$ 29 million GDR issue which was over-subscribed

> 2009

Launched a QIP of US\$ 135 million, which was over-subscribed by six times

> 2012

- Received the award for being the best Housing Finance Company from CNBC-TV18
- Received the award "Best in Home Finance" from the construction industry

> 2014

Received an award for being the Best Housing Finance Company from ABP News

> 2019

- Crossed Loan Portfolio of ₹ 2 lakh crore
- Voted as Brand of the Decade 2019 by BARC Asia

> 2018

Profiled in India's leading BFSI Companies 2018 by Dun & Bradstreet

> 2017

- Crossed Loan Portfolio of ₹ 1.5 lakh crore
- Received the Outlook Money Award for Best HFC
- Won BFSI Best CEO Award from Business Today

> 2016

- Received the Outlook Money Award for Best HFC
- Won the award for Best HFC by ABP News
- Won the Asia Pacific Entrepreneurship Award
- Won the Power Brands Award by Franchise India

> 2015

- Loan portfolio cross ₹ 1 lakh crore
- Won award for Best HFC by BFSI Awards
- Won an award for Best Data Quality in HFC by CIBIL

> 2020

- Ranked as the Best Private Issuer 2019 on Electronic Bidding Platform by National Stock Exchange
- Received Data Quality Award by Transunion CIBIL in the Housing Finance Company category at the TU CIBIL Annual Conference 2019
- Awarded the 'Best Housing Finance Company' at the National Real Estate Congress Leadership & Awards, 2019
- Listed as 'The Outperforming Housing Finance Company 2019' by Outlook Business
- Featured amongst the Top 10 Most Consistent Wealth Creators according to the "Motilal Oswal 24th Annual Wealth Creation Study, 2019"

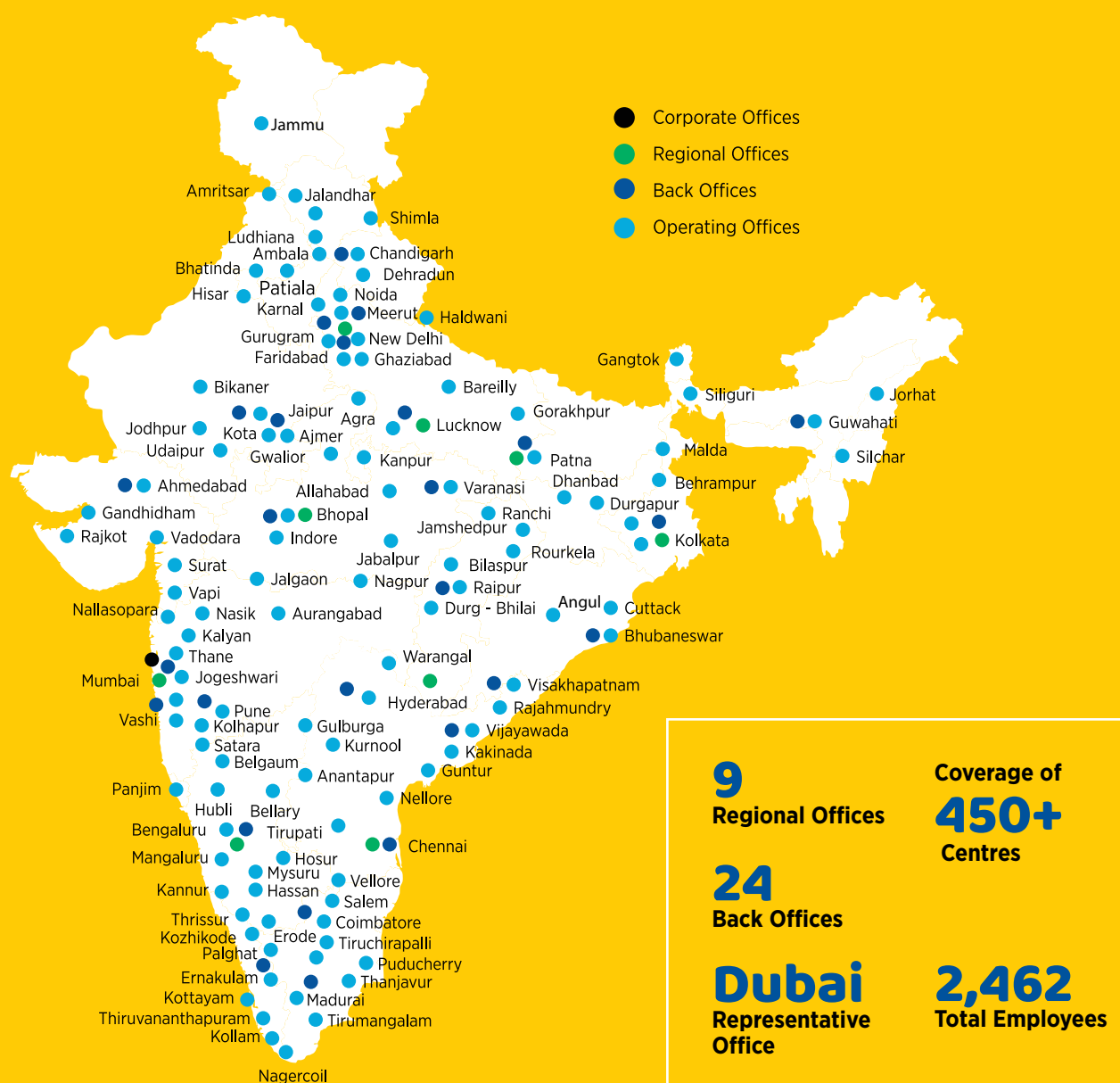
> 2022

- Won the Global CSR, Excellence & Leadership Award 2021-22
- Recognised as one of the "The Best Organisation for Women" by Economic Times
- Economic Times awarded LIC HFL as one of the "Best Brands for 2021"
- Recognised by Kendriya Sainik Board for valuable contribution in the past to Veer Naaris

> 2023

Introduced Cluster-driven Hub-and-Spoke Model for faster TAT in loan disbursements

Promoting Home Ownership in Every City and Town of India



Map not to scale. For illustrative purposes only.

To address the changing market needs and as part of the reorganisation, we opened 44 Cluster Offices to speed up disbursements, besides adding 50 Area Offices to tap a wider customer base. This is aimed at achieving higher growth with less TAT. With an average ticket size of ₹ 26+ lakh, we are venturing into several Tier 2/3 cities to tap into promising cities of the future.

Change over Two Decades

Year	No. of Marketing Offices	No. of Back Offices	No. of Regional Offices	No. of Employees	Loan Portfolio (₹ Crore)
2008	125	14	6	985	21,936
2013	194	16	7	1,446	77,812
2020	282	24	9	2,392	2,10,578
2023	281	24	9	2,462	2,75,047

Chairman's Message to the Shareholders



Today, we are consolidating our position as the largest Housing Finance Company with a Loan Portfolio of ₹ 2.75 lakh crore.



Dear Shareholders,

As I sit down to write my letter to shareholders as the Chairman, I find myself even more optimistic by what lies ahead for LIC Housing Finance Limited today. I would like to start my letter with a famous quote of Eleanor Roosevelt: "The future belongs to those who believe in the beauty of their dreams." This truly epitomises the philosophy and culture of your Company.

With LICHFL NEXT, we brought innovations in the business, made some key changes in our strategies and decisions, while still preserving our values and strong foundation. Our key motive behind all this remains to deliver more and more value by automating every facet of customer interaction and delivering an elevated experience to all our customers. The organisational changes we have inculcated as part of LICHFL NEXT are set to increase the stakeholder value, expand geographies, and contribute to the economic growth of the country.

With our remarkable 34-year journey, we not only multiplied our footprint in each decade, we also endured a growth mindset. Today, we are consolidating our position as the largest Housing Finance Company with a Loan Portfolio of ₹ 2.75 lakh crore. Over the years, we also built huge and growing base of customers, strengthened our distribution with more than 10,000 hands, and leveraged our space using stability, growth and digital transformation.

KEY GROWTH DRIVERS

The increase in the outlay for PM Awas Yojana by 66% in Union Budget for the FY 2023-24 and the urban infrastructure development fund are all set to trigger acceleration in demand for home loans, benefiting the industry. After witnessing disruptions in business volumes, because of COVID-19 pandemic, the industry saw a continued improvement in disbursements. Further, despite home loan rates hardening this year, on the back of repo rate hike, demand for home loans did not witness a slowdown. India's real estate sector displayed resilience amidst escalating geopolitical situation and rising inflation.

The residential sector witnessed robust demand revival, gaining fast momentum and withstanding market volatility. Under PMAY's Housing for All, India proposes to build 5.73 million houses to realise its target of building 29.5 million houses by 2024, demonstrating projected growth in the near future. Demand for home loans grew owing to increasing urbanisation in smaller cities, growing importance of home ownership, a rising population and increasing income levels, signifying its prominence as one of India's fastest growing sectors. Government measures to support housing finance, additional funding for housing projects and interest rate subsidies for housing loans are set to further improve demand for housing finance. Millennials and young borrowers in need of urban accommodation are a potential consumer base for housing loans.