Board of Directors

Shri T. V. Rao
Director

Shri T. V. Rao is an Associate Member of Indian Institute of Bankers and is a career Banker with specialisation in Corporate Finance, Treasury Management and Mortgage backed Securitisation.

In his career spanning over three decades, he has experience in general banking, corporate finance and Treasury Management. He has headed the Treasuries of National Housing Bank, SIDBI and Exim Bank.

In his last assignment, he spearheaded Exim Bank's activities related to capacity building and value addition in international trade through focussed seminars/ programmes on a gamut of issues; net working with National and International agencies connected with foreign trade.

Mr. Rao has widely travelled representing the institutions he was working from time to time and participated in various international seminars on topics like Mortgage backed Securitisation, Derivative Products, Structured Finance etc. He was a member of the International Trade Committee of the Federation of Karnataka Chambers of Commerce and Industry. He is an independent Director on the Boards of Canfin Homes Limited, Bangalore, STCI Finance Limited, Electronica Finance Limited, Pune, Natco Pharma Limited & Sanvira Industries Limited, Hyderabad and Director on the Board of Fidas Tech (Private) Limited, New Delhi.

Dr. Dharmendra Bhandari
Director

Dr. Dharmendra Bhandari served as a member of the Faculty of Commerce in the University of Rajasthan, Jaipur. He has a PhD in Commerce and is also a qualified Chartered Accountant. He has more than 30 years of academic and professional experience in the financial sector.

Dr. Bhandari has served as the Sole Consultant to the Joint Parliamentary Committee (JPC) that was set up by the Government of India for Enquiry into Irregularities in Securities and Banking Transactions (1992-93), where he assisted in writing the report, strengthening the systems and fixing accountability. In 1994, he was appointed as Officer on Special Duty (1994–95) with the Reserve Bank of India, Mumbai. He was also associated with the Department of Supervision for regulation of banks in India, including the overseas operations of Indian Banks and the branches of foreign banks in India, and in setting up market intelligence for surveillance and monitoring of banking system in India. He was also a member of the Central Council of the Institute of Chartered Accountants of India.

Dr. Bhandari has served as Director of Dena Bank, Bank of Maharashtra and Bank of Baroda, JP Morgan Mutual Fund (India) Pvt Ltd, SBI Capital Markets, etc. He was also on the Board of several companies such as Tata Timken, Birla Corp, etc.

Apart from his academic pursuits in the fields of economics and finance, Dr. Bhandari has also authored several books, prominent among them being *R K Laxman – The Uncommon Man, Mosaic of Faith – Places of Worship in India and Nani Palkhivala, God's Gift to India (Biography by a friend).*

Shri Debabrata Sarkar
Director

Shri Debabrata Sarkar is a Qualified Chartered Accountant, with Master degree in Commerce from Calcutta University. He joined Bank of Baroda as Manager (Credit) in July, 1982 and handled various responsibilities in the area of General Banking Operations, International Banking, Credit, Treasury Operations and Internal Audit. He worked as Chief Manager (Internal Audit) at Bank of Baroda, Port Louis, Mauritius to look after internal audit of Mauritius, Seychelles and South Africa. In 2002, he was posted as Head of Treasury Operations at Mumbai. From 2005 to 2008 , worked as Zonal Head at Surat (Gujarat), Chennai and Mumbai. Thereafter he was posted as General Manager (Corporate Credit) at Central Office, Mumbai. He was promoted as Executive Director in December, 2009 and posted at Allahabad Bank , Kolkata. In April, 2012 , he was promoted and posted as Chairman & Managing Director in Union Bank of India , Mumbai till retirement in November, 2013 .

Shri V. K. Kukreja
Director

Shri. V. K. Kukreja is a Chartered Accountant by profession with a vast experience in the area of accounts, finance, fund management, portfolio management, research analytics and reporting and information technology. He has held various coveted and responsible positions throughout his career and has always added value to his erstwhile job role before moving on to the next position in order to continue to add value to his next job role.

He started his career as an Accounts Officer and worked for National Textile Corporation and Central Electronics Limited(Ministry of Science and Technology) respectively in brief tenures. He joined Life Insurance Corporation of India (LICI) as Direct Recruit Officer (C A Batch) in January 1983. By 1996 he had been elevated to the post of Dy. General Manager in LIC Mutual Fund. In the year 2005 he was made Chief (Investment operations) in the Mumbai Head office of LICI where he managed Equity, Debt and G-Secs Portfolios and also managed the entire treasury operations. He also rose to become the Executive Director (Investment- RMR) in 2009 and established new Department of Risk Management and Research. He retired from services of LIC of India as Executive Director (Finance & Accounts) on 30/9/2012.

Shri. V. K. Kukreja had been Nominee Director on the boards of various companies in sectors such as Power Generation & Distributions, Commodity Exchange, Co-operative Housing Finance and Brokerage. He was also a committee member on Committees of various Companies/ Funds, in sectors such as Private Equity, Infrastructure, IRDA, etc.

Global exposure:-
Shri Kukreja participated in various international conferecnces like Deutsche Bank international credit market conference 2005 South Africa, 2nd Treasury offsite Macau,Hong Kong 2009 Birla Sunlife AMC.

Shri Kukreja visited Bahrain in 2008 and formulated investment policy for LIC Bahrain office.

Shri Kukreja was a keynote speaker at Indian Private Equity IQ Middle East conference Dubai 2007.

Shri kukreja was deputed to LIC (Nepal) Ltd and LIC (Lanka) Ltd; LIC joint ventures companies, in Nepal and Sri Lanka in 2012 to review internal control systems in finance and accounts.

Shri Ameet Patel
Independent Director

Shri Ameet Patel was appointed as Independent Director of LIC Housing Finance Ltd. on 19.08.2015. He qualified as a Chartered Accountant in 1986 with a rank at the all India level and has been in private practice since then. He did his articleship with a reputed firm – S.V. Ghatalia & Associates. Currently, he is a partner at Manohar Chowdhry & Associates. He has spent a large part of his professional career dealing with taxation matters and in the past few years, he has focused on tax matters of FIIs, Banks, Mutual Funds, QFIs and now FPIs.

His core practice consists of tax planning, appeals and representations and Information Technology related issues. Lately, he has been focusing on tax related issues pertaining to the financial services sector – particularly FPIs and also NRIs.

He is a member of the Finance & Taxation Panel of CII's Maharashtra Region. He is also a member of the Journal Committee, International Tax Committee, Indirect Tax Committee, Technology Initiatives Committee and Chairman of Taxation Committee of Bombay Chartered Accountants' Society (which is a voluntary body of CAs with about 9,000 members from across India). He headed this organization as its President in the year 2009-10.

He is an independent non executive director of B4U Television Network India Ltd and B4U Broadband India Pvt Ltd. and also the chairman of the audit committees of both these companies. He is also on the board of Nextgen Knolwedge Solutions Private Limited.

He has been actively involved with the activities of the Institute of Chartered Accountants of India and has been a regular speaker at various seminars and conferences organised by the ICAI, BCAS, Assocham, CII, private banks, income-tax department's Regional Training Institutes, Rotary Clubs and other bodies.

He is a co-author of following publications of the Bombay Chartered Accountants' Society:

"Calculators to Computers – a Paradigm Shift"

"Shares And Securities - Taxation & Accounting"

"Tax Deduction at Source"

"FAQs on e-TDS"

His articles have appeared in various magazines and websites such as Money Outlook, MoneyLife, CNBC's moneycontrol.com, Taxsutra, Journals of the BCAS and ICAI. He has also appeared on several programs on national television and his views are regularly quoted in newspapers and websites and is very active on various social and professional media networks.

Shri P Koteswara Rao
Independent Director

Shri P Koteswara Rao is a Fellow member of Institute of Chartered Accountants of India with Bachelor's Degree in Commerce from Venkateswara University, Tirupati with a vast experience in the area of Accounts, Finance, Fund Management, Portfolio Management, Office Services, etc. He is also NSE Certified Market Professional. Shri P Koteswara Rao joined LIC of India as Direct Recruit Officer (CA Batch) in the month of February 1986. He has held various responsible positions in senior cadre throughout his career spanning 30 years in various capacities in LIC of India. He worked as Marketing Manager in the Machilipatnam Division of LIC of India at Andhra Pradesh and went on to become Senior Divisional Manager in the same division. He also worked as Regional Manager (OS) in the Western Zonal Office, as Regional Manager (F&A) in Southern Zone and also as Regional Manager (F&A) in Northern Zone. For a brief period of one year Shri P Koteswara Rao was General Manager in LIC Housing Finance Limited in charge of Credit Appraisal and Project Finance before moving to LIC of India in the capacity of Chief (Investment), Central Office.

His hobby include reading. He has attended a programme on Strategic leadership at Indian School of Business, Hyderabad.

Global exposure: Shri P Koteswara Rao participated in training programme on Fixed Income Instruments at Asian Institute of Management, Manila, Philippines.

After retiring from the services of LIC of India as Chief (Investment) on 31st March, 2016 has joined Insurance Institute of India as Faculty (life) in the month of May 2018 and continues to be faculty member.

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Macroeconomic Outlook

Global economic activity has continued to strengthen and is becoming increasingly synchronised across regions. Global trade is outpacing demand after lagging behind for two years. Oil prices have firmed up again on the edge of a delicate demand-supply balance. Generally buoyant global financial markets have been interrupted by bouts of volatility triggered by several event-specific announcement effects, and most recently by reassessments of the pace of monetary policy normalisation in the US. Renewed fears of protectionism, retaliatory actions and trade wars pose a major challenge to the global economy, with implications for emerging market economies (EMEs), including India, that are participating in open international trade and relying on foreign capital flows to realise their developmental aspirations.

After languishing for five consecutive quarters, economic activity in India is quickening. Growth is strengthening and several elements are coming together to nurture this nascent acceleration: expectations of a record foodgrains output; strong sales growth by corporations; depleting finished goods inventories; and restart of investment in fixed assets by corporations pointing to renewal of the capex cycle. Several services sectors, including the information technology sector in terms of its international competitiveness, have shown resilience. These are some of the developments that support brighter prospects for the Indian economy in 2018-19. A significant development has been that this time around, the step-up in growth is propelled by a revival of investment on the demand side and manufacturing on the supply side. This outlook will be lifted by tailwinds from demonetization and implementation of Goods and Services Tax (GST).

The path of inflation will likely be influenced by effects of the increase in house rent allowances (HRAs) for central government employees, which is purely statistical and has to be looked through to gauge true inflation developments. As this effect wanes, inflation could moderate in the remaining part of 2018-19 from an upturn in Q1 under the baseline assumptions.

Headline Consumer Price Index (CPI) inflation reached a peak of 5.2 per cent in December 2017 (4.9 per cent, excluding the estimated impact of HRA for central government employees), reflecting an unseasonal spike in the prices of vegetables and the full impact of the central government implementing the 7th Central Pay Commission's (CPC's) HRA award. The delayed setting in of the seasonal food prices moderation took down headline inflation to 4.4 per cent in February (4.1 per cent, excluding the estimated impact of HRA for central government employees). It is likely that this softening will keep the reading for March benign before it reverses in April. The incidence and strength of this reversal will condition monetary policy responses in 2018-19. Taking into account the initial conditions, signals from the forward looking surveys and estimates from structural and other models, CPI inflation is projected to pick up from 4.4 per cent in February 2018 to 5.1 per cent in Q1:2018-19 due to unfavourable base effects and then moderate to 4.7 per cent in Q2, and 4.4 per cent in Q3 and Q4, with risks tilted to the upside. It may be noted that the direct impact of the increase in the HRA announced by the Central Government fades away fully by December 2018. The 50 per cent and the 70 per cent confidence intervals for inflation in Q4:2018-19 are 3.2-5.9 per cent and 2.5-6.7 per cent, respectively. Excluding the estimated impact of HRA for central government employees, CPI inflation would pick up from 4.1 per cent in February 2018 to 4.7 per cent in Q1:2018-19 and then moderate to 4.4 per cent in Q2, Q3 and Q4.

Going forward, economic activity is expected to gather pace in 2018-19, benefitting from a conducive domestic and global environment. First, the teething troubles relating to implementation of the GST are receding. Second, credit off-take has improved in the recent period and is becoming increasingly broad-based, which portends well for the manufacturing sector and new investment activity. Third, large resource mobilisation from the primary market could strengthen investment activity further in the period ahead. Fourth, the process of recapitalisation of public sector banks and resolution of distressed assets under the Insolvency and Bankruptcy Code (IBC) may improve the business and investment environment. Fifth, global trade growth has accelerated, which should encourage exports and reduce the drag from net exports. Sixth, the thrust on rural and infrastructure sectors in the Union Budget could rejuvenate rural demand and also crowd in private investment.

Global financial markets generally remained buoyant through the second half of 2017, boosted by the improving macroeconomic outlook and the gradual normalisation of the US monetary policy. While equity markets surged on a renewed appetite for risk, currencies were lifted by the weakening of the US dollar since November. Yield curves in bond markets tended to flatten with still subdued inflation expectations, and corporate credit spreads narrowed. In 2018, however, market sentiment has been dampened by accelerating wage and employment growth in the US, triggering fears of a faster pace of interest rate increases. Longer term interest rates have been hardening tracking US yields, but also in response to country-specific developments - oscillating geo-political developments and more recent fears of a trade war in response to the US tariff announcements have heightened uncertainty considerably. Volatility has saturated various market segments, with equity and bond market sell offs spilling across geographies. Currency markets have been hit by the turbulence of safe haven flights that are rotating capital flows among emerging economies and sporadically strengthening the US dollar. Financial markets have remained on edge in recent weeks.

In domestic financial markets, various segments have exhibited diverse movements. While money markets remained laden with the overhang of liquidity that characterised the first half of the year, surplus liquidity has gradually receded and turned into deficit since February. As recourse to primary liquidity became pronounced from mid-December, overnight interest rates have begun 'middling' within the LAF corridor

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more frequently. Little farther out on the term curve, however, interest rates on Treasury bills (T-Bills) and discount rates on commercial papers (CPs) are hardening as markets sense that liquidity conditions are balancing out. In bond markets, long-term yields rose unrelentingly from August on apprehensions of excessive issuances, reactions to fiscal slippages following the announcement of the Union Budget for 2018-19, and rising inflation expectations peaking in early March. A spike in international crude price and rise in global interest rates contributed to the hardening of yields. Thereafter, yields declined sharply on favourable inflation print for February 2018 and in response to the lower than expected borrowings indicated by the Government in the issuance calendar for H1:2018-19. Corporate bonds also rose in sync, although credit spreads moderated with the improving outlook on growth.

Until the Budget announcement, equity markets scaled new peaks, riding on aggressive buying by domestic mutual funds and foreign portfolio investors. Thereafter, corrections are occurring with bearish sentiment being more freely expressed in the equity market. The Union Budget proposal to levy long-term capital gains tax (LTCG) of 10 per cent on gains exceeding ₹ 1 lakh from sale of equity shares, sharp increase in US bond yields, the announcement of protectionist tariffs by the US and revelations of fraud in some domestic banks have impacted equity markets adversely since the beginning of February. The foreign exchange segment has moved in tandem; while the rupee had gained against the US dollar on the back of sustained portfolio inflows with the ebullience in equity markets, sentiment had reversed after the Budget announcement and portfolio outflows picked up from mid-February as global cues weighed on the rupee.

In the credit market, activity is slowly gaining strength, despite the overhang of corporate loan delinquencies. The total flow of financial resources to the commercial sector in 2017-18 was much higher than that during the previous year, primarily due to an increase in non-food credit by banks. Credit demand surged in the second half of 2017-18 - though at divergent pace across bank-groups - with the growth pick-up spreading across sectors as underlying macroeconomic conditions improved. Both deposit and lending rates eased up to November as the cumulative reduction in the policy rate of 200 basis points since January 2015 was fully transmitted to new loans.

HOUSING FINANCE INDUSTRY - STRUCTURE & DEVELOPMENT

Housing is an important sector for any economy as it has inter-linkages with nearly 269 other industries. The development of housing sector can have direct impact on employment generation, GDP growth and consumption pattern in the economy. To help develop housing in the country, there is need to have a well-developed housing finance market.

The demand for housing is increasingly being made by individuals and households given the increasing level of income and prosperity. The supply of houses have to come from builders, developers and construction companies scattered widely across the country, both in the private and public sector when examined in the context of demand and supply of housing units, especially in the face of scarce land in the urban areas.

In India, housing finance market is very complex. The government, both at centre and states, is a facilitator and is assisted by two regulators, Reserve Bank of India (RBI) and National Housing Bank (NHB). The housing finance market is dominated by commercial banks, both domestic and foreign. In addition, there are cooperative banks and housing finance companies, self-help groups, micro-finance institutions, and NGOs. The RBI regulates commercial banks and partially cooperative banks (which are mainly governed by the State Governments under State Cooperative Acts) while the NHB regulates the housing finance companies. The others are not regulated by any authority in the country.

The need of long term finance for the housing sector in India is catered by scheduled commercial banks (SCBs), financial institutions, cooperative banks, regional rural banks (RRBs), Housing finance companies (HFCs), agriculture and rural development banks, non-banking finance companies (NBFCs), micro finance institutions (MFIs), and self -help groups (SHGs). The largest contributor to housing loans by virtue of their strong branch network and customer base are SCBs, accounting for the major share of housing loan portfolio in the market followed by HFCs.

It is estimated that HFCs manage over ₹ 6 lakh Crore out of approximate India's housing loan portfolio of ₹ 15.1 lakh Crore. As established HFCs grew, lending to retail borrowers for several years, they craved a share of the big boys (i.e. the banks) business pie. They created products to suit big ticket borrowers' needs – loans against property (LAP), corporate and developer loans, lease rental discounting. LAP eventually became the most effective weapon to bulk up assets. Most mid and large sized HFCs lent cautiously at the beginning, but when more players jumped in, HFCs shifted from the restrictive tenets of prudent banking. The LAP book was 38% of the total non-housing loans for the housing finance sector last fiscal.

Affordable housing numbers are astounding, so much so that they present themselves as an opportunity for moneyed entities to throw their nets in. As per a recent RBI report, the industry (including banks) disbursed housing loans amounting to ₹ 42,990 Crore in the (upto) ₹ 10 lakh borrower's category last fiscal.

HFCs are expected to register robust growth in the new financial year owing to the government's thrust on affordable housing, recovery in the real estate market and stabilisation of GST. Assets Under Management (AUM) of housing finance companies (HFCs) grew at 24% last fiscal, even as non-performing assets (NPAs) edged up 30 bps and profitability remained stable. An analysis of 20 HFCs accounting for over 90% of sector AUM, indicates, in the home loan segment, AUM

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rose 22% last fiscal, which translated into a compound annual growth rate of 20% over the past 3 years. Consequently, the market share of HFCs in the home loan segment has increased by around 100 bps to 43%. Primarily, due to the ability of HFCs to tap the massive opportunity in affordable housing, and second is the slower credit growth at banks providing HFCs the room to ramp up faster and continue gaining market share.

The non-housing segment (loan against property, developer funding, corporate loans, etc.,) remains the fastest-growing segment for HFCs, racking up 30% growth last fiscal. Overall, HFCs are expected to continue doing well with home loan AUM seen growing at 18-20% per annum. Housing shortage in the affordable segment, regulatory facilitation, entry of a large number of HFCs with sharp focus on the affordable segment will be the drivers.

As for asset quality, the overall picture remains comfortable, but there has been an uptick in delinquencies. Gross NPAs of HFCs stood at around 1.1% as on 31st March, 2018, compared with 0.8% a year back. While, the overall sectoral gross NPA trend has been reasonably steady, some HFCs focusing on the affordable housing segment have shown an above-average increase in delinquencies with gross NPA at 4-5%.

Leading rating agency, CRISIL believes two-year lagged gross NPAs are a better indicator of asset quality in mortgages because of their long tenures. That number stood at 1.6% on 31st March, 2018, or 40 bps more than on 31st March, 2017. The uptick in slippages was expected given increasing delinquencies in the loan against property segment, sharper focus on low-ticket-size home loans, and increased lending to the self-employed customer segment. CRISIL had earlier highlighted that delinquencies in these segments tend to be higher than the salaried segment.

Profitability of HFCs was stable last fiscal with return on assets (adjusted for one-time gains) of around 1.9%. However, going forward, net interest margins could get compressed owing to increase in funding costs and intensifying competition. Consequently, there could be some pressure on profitability in the coming quarters, particularly in the home loan segment. Control over fund costs and operating expenses will define the profitability of HFCs.

Looking ahead:

Housing Finance Companies (HFCs) are expected to register robust growth in the new financial year owing to the government's thrust on affordable housing, recovery in the real estate market and stabilisation of GST, as per the report of the leading rating and research firm ICRA. Housing credit growth is likely to pick up further, supported by the improvement in primary sales, and additional GOI's thrust on the affordable housing segment, which is likely to expand the market. HFCs and the non-banking finance companies (NBFCs) are likely to benefit from this thrust on the relatively high growth segments like affordable housing and self-employed customers, and their comparatively superior service levels.

As per ICRA banks' housing credit growth is expected to pick upto 16 – 18% and that of the HFCs to be in the range of 20 – 23%, leading to an overall market growth of 18 -20% in the financial year 2019. The HFCs operating in the affordable housing space have reported better performance on home loans. Their growth was supported by a gradual increase in activity in the affordable housing segment and the improved borrower affordability supported by lower interest rates and capital subsidy through the credit linked subsidy scheme.

The State owned project management consultancy firm NBCC is planning to build more than 1 lakh affordable homes on its own land parcels, plots owned by the government and public sector undertakings. The Company is looking to build these homes over the next five years to support the government's stated objective of Housing for All by 2022. These affordable housing projects would offer residential apartments with prices starting from ₹ 10 lakh to ₹ 60 lakh depending on the location of the project. NBCC itself has over 200 acres of land parcels across the country in the cities such as Alwar, Jaipur, Faridabad, Kochi, Patna, Kolkata, Bhubaneswar and Coimbatore, that would be utilised to build these houses apart from land to be allotted by the government. In addition to this, the NBCC has initiated discussion with many of 25 public sector undertakings to execute such affordable housing projects on their surplus land parcels in locations that include Delhi, Gurgaon, Pune, Hyderabad, Nainital and Raigad near Mumbai. Affordable housing has been attracting attention from realty developers and financiers over the past few quarters and the pace of development is getting faster. The government's decision to grant infrastructure status to affordable housing in the Union Budget for FY 2017-18 has rejuvenated the interest in this segment in a significant way. The move is allowing developers of these projects get access to institutional funding with better terms. The government's efforts to enhance supply of affordable housing units by offering tax incentives to realty developers has started yielding results. More developers and bigger brands, hitherto known for their premium housing projects, have also forayed into this segment.

Under the credit rating subsidy scheme of the PMAY, an interest subsidy of 6.50 percent has been announced for the Economically Weaker Section (EWS) and low income groups who have an income of ₹ 2.65 lakh per annum. For the middle income population, an extension of the credit linked subsidy scheme was also announced. Here, people with an annual income of ₹ 6-12 lakh will be assisted with an interest subsidy of 4 percent for a 20 year loan of ₹ 9 lakh and those with an income of ₹ 12-18 lakh will get an interest subsidy of 3 percent.

Competition

With repo rate at 6.0 per cent, the home and auto loans, among other loans set to become cheaper. From the perspective of the home-buyers, this definitely has a multiplier effect on the psychology, which had been subdued for quite some time due to high interest rates and trust deficit within the sector. The industry has hence given its thumbs-up to the RBI's gesture. On the back of moderating inflation levels, controlled fiscal

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deficit and cautious economic sentiments, the RBI's decision to pare key interest rates in its latest monetary policy review was largely expected by the industry. The rate cut is likely to help lower borrowing costs and support growth further in 2018-19. For the real estate sector, this is particularly critical. It is expected that this benefit will be completely transferred to the borrowers, which will result in lower lending rates, thus reviving housing sales.

The Housing Finance Industry is one of the most keenly competitive segments of the economy, with the banking sector having a significant presence. Banks decide on their rates based on the 'marginal cost of funds'. In other words, banks have to routinely calculate their cost of funds and any change has to be passed on to borrowers by revising their benchmark. This new formula-based benchmark is called the marginal cost of lending rate (MCLR). MCLR is a benchmark rate which reflects the cost of funds for a particular tenure.

Banks have an edge over housing finance companies due to access to relatively low cost funds raised through deposits. Therefore, with every drop in interest rate as envisaged in coming months, propelled by Banks, the Housing Finance Companies will be forced to follow the suit, else borrowers of Housing Finance Companies would be at a disadvantage where interest rate matters. The competition will not be only on cheap loans but it will trigger innovation in housing finance products and force improvement of customer services.

It can be noted that banking regulator Reserve Bank of India (RBI) has been flagging concerns on retail loans being the panacea for banks, which are saddled with reverses on the corporate lending side. The RBI in its communication to banks has been cautioning that retail loans are not risk free segment and that they should not see it as grand panacea for their problem-riddled corporate loan book. There are risks in retail loans too and that it should be properly assessed, priced and mitigated.

However, Housing Finance Companies with a dedicated focus on the industry and better understanding of the underlying real estate markets stand on a better footing when it comes to understanding the needs of the customers as also assessing the risks in the industry.

Even after the increased focus on retail lending for a decade, banks and other lending institutions have been able to tap only into a third or 72 million of the estimated 220 million credit-eligible consumers as per report of CIBIL which leaves financiers with 150 million consumers who are eligible for credit but are untapped. Of the 150 million includes those who qualify the lending criteria from the age and income perspective and also those who may have availed some credit facility in the past but are currently inactive or dormant. This segment promises retail lending opportunities for the lenders through products such as housing loan, personal loan, loan against property, consumer durable loans and credit cards which in turn would give boost to the economy. This untapped market presents an opportunity for sustained, prudent growth for lenders over the next five years and beyond. As more consumers reach adult age and have disposable income, they will increasingly seek credit to help finance purchases of housing, vehicles and household goods.

Opportunities

As most of us are aware, 'Housing for All by 2022' is a Government of India initiative under which, the erstwhile Indira Awas Yojana was renamed as Pradhan Mantri Awas Yojana Grameen and another scheme as Pradhan Mantri Awas Yojana Urban was launched in 2015. Under both these schemes a total of 50 million houses were targeted to be built by financial year 2022. The government's budgetary support for these schemes has risen from ₹ 11,600 Crore in FY 2016 to ₹ 29,043 Crore in FY 2018. In India, there is an estimated shortage of around 4 Crore houses (urban and rural). In addition, population growth of 1.3 percent per annum, favourable demographics, 'nuclearisation' of families, migration to urban areas, fiscal benefits, rising income / aspirations all could lead to another one Crore per annum demand for houses. Affordability to buy houses has increased over the past three years (especially in urban areas), even as property prices have remain flat, incomes have risen and mortgage rates have fallen by around 250 bps from five-year peak leading to 15 percent reduction in EMI payments.

The middle-class Indian living in cities has long been dreaming of buying his / her own home and usually, ends up striving to realise this dream. Affordability is a major hindrance that prevents them from attaining the goal. Luckily, in the 2018-19 union budget, the government of India has now made this struggle easier by setting up the Affordable Housing Fund (AHF). The AHF is huge step as the government will provide each buyer linked credit worth ₹ 1 lakh to ₹ 2.30 lakh; this loan will be provided at an interest rate of 6.5 percent against the current market housing interest which is hovering around 8.35% to 8.70%. The government has allowed withdrawals from EPFO to the extent of 90 percent of the amount for housing in case there is a group of eight other people who are doing so for a house in the same society. Finance Minister assured that 31 lakh affordable homes will be built for the common man residing in urban areas in his 2018-19 budget speech. The AHF has been set up under the National Housing Bank (NHB), which will play a key role in identifying and distributing these subsidies in the form of credit and lowered interest rates. Until now, the private developers would look at affordable housing as a job of the Delhi Development Authority (DDA) in Delhi or the Maharashtra Housing and Development Authority (MHADA) in Maharashtra. But now, post the announcement and the realisation that luxury homes have not gained them enough profits, they are now turning to the middle-income consumer.

In its effort to make 'Housing for All by 2022' a reality, the Centre proposed to ease green norms for the building and construction sector, where projects upto 50,000 sqm will not require prior 'environment clearance'. The environmental ministry in third week of March 2018 issued a draft notification

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increasing the threshold of built-up area for getting this relief from 20,000 to 50,000 sqm. Such projects will however, have to fulfil 'environment condition' through self-declaration and certification while seeking permits from local authorities. The proposed move would streamline permission for building and construction sector to fulfil its objective to make available affordable housing to weaker sections in urban areas.

The regulatory relaxations announced by the Central Government have given a leg up to startups in the affordable housing finance segment, opening up both supply and demand as well as making it attractive for investors. While in the last year's budget, the government accorded infrastructure status to affordable housing, in this year's budget (i.e. budget for FY 2018-19) announcement, finance minister announced the setting up of an Affordable Housing Fund in the National Housing Bank to boost the fund flow. The government had also extended the benefits of the interest subsidy upto ₹ 2.6 lakh on home loans under the Pradhan Mantri Awas Yojana to boost affordability and reach a wider consumer base. The affordable housing segment is expected to continue to drive the real estate sector in 2018 with several developers and institutional funds eyeing opportunities in this space led by better returns. The end-user demand in this segment along with the government's thrust through incentives such as granting infrastructure status is ensuring a rising appetite for such projects across the country.

The established developers are expected to expand their scope of business categories. For instance, some branded developers catering to the ultra-luxury segment, expanded their focus on compact, efficient, boutique homes for high and mid-level income category of buyers, a trend that is expected to gain further momentum. With both regulatory and taxation policies in the form of RERA and GST in place, property development environment will be stable and make the business a more standard process.

Calendar 2017 was a pioneer to the much needed stability of the residential market as seen in the nature of launches, which was led by affordable housing. The sector is likely to continue realigning itself to end users' demands well into 2018. With RERA in place, the end users' interest in the residential sector will become positive as investments will be legally protected and there would be commitment on timely delivery from developers.

With only the affordable housing segment seeing a rise in launches in 2017, the new unit launches in residential saw a decline of 35%. The total estimated new residential units were around 74,000 across India's top eight cities with Mumbai constituting nearly 31% of these, followed by Pune with 15% of all launches. Affordable housing saw a y-o-y growth of 6% with Mumbai leading the trend as per Cushman & Wakefield report. With interest rates at almost its decade low level and PMAY benefits, the affordable housing would continue to provide the much needed momentum to realty sales in 2018 as well. Even as developers grappled with the impact of business fundamentals such as RERA and GST over their business, the government's clarity on the definition of affordable housing and its benefits led to this growth. The velocity of project cash flows is much higher in affordable housing compared to conventional real estate as most units are sold out long before they are constructed. This translates into better risk adjusted returns for investors.

Benefits of Buying Property

1) Tax Benefit

Tax deduction on home loan principal amount can be claimed under Section 80C with a limit of ₹ 1.5 lakh – stamp duty and registration charges can also be claimed under Section 80C. However, it needs to be claimed in the year in which these expenses are paid. Furthermore, one can claim tax deduction under Section 24 of upto ₹ 2 lakh on home loan interest, whereas first time home owners can also claim deduction of upto ₹ 50,000 under the newly added Section 80EE.

2) A good investment option

If a person buys property, good returns are guaranteed, whereas there is no value for the money if one pays each month as rent.

3) Security

Having a roof over one's head is a basic necessity for any human being and hence, owing a house provides lifetime security.

Threats (bottlenecks)

Unavailability of land, delays in project approvals and low floor space index norms are constraining the supply in certain markets, thereby adversely affecting the ability of prices to settle at a more rational level.

Residential real estate is defying the conventional wisdoms of economics where a constant price hike is not benefitting the real estate companies either. With pressure on both, the demand and supply side, residential real estate has gone into a vicious cycle of ever increasing cost, falling demand and liquidity crunch, bureaucratic delays, labour shortage and legal wrangles, have contributed to the holding up of projects and consequent slowing down of sales.

Average Gross NPAs of HFCs are hovering at 1.2% levels – a sharp spike from a healthier 0.5% to 0.65% maintained till last year. By end of the September quarter 2017, close to ₹ 10,500 Crore of loans disbursed by HFCs have turned doubtful as per data from leading rating agency. Are HFCs sitting on a powder keg? No one wants to hazard a guess just yet but the signs are ominous. Bigger players remain relatively insulated thanks to their heft and borrowing cost management. Many have sufficient capital and strong promoters (bank or corporate houses). Smaller players are vulnerable and could be in dire straits if their non-performing assets NPAs turn credit losses. They maintain a narrow capital base and have very little financial support.

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The stress is seen more in the affordable housing segment, especially low ticket size borrowers. Smaller players of HFCs have not been able to predict markets without even properly assessing property values. A few have also given loans at high loan-to-value (LTV), which leaves lenders with slim collateral cover.

Stress Points in HFCs

- Reckless non-housing loan lending. High LAP, builder loans and Lease Rental Discounting;
- Slump in rural economy post demonetisation;
- Lending in untested markets has backfired for some HFCs;
- Excessive lending to non-salaried, low income earners with unpredictable cashflows;
- Some cases of 'dummy borrowing' and document fudging by developers in affordable housing segment;
- Small HFCs have low capital base and their cost of funding is high;
- GST implementation has impacted earning capabilities of low-income, non-salaried borrowers.

The RBI report dated January 2018 has highlighted concerns on rising NPAs in lower ticket loan categories. Among all slabs, loan upto ₹ 2 lakh has seen the highest NPA level. NPA position in this bracket has surged from 6% in 2015-16 to 8.6% last fiscal. Demonetisation has impacted low income earners severely. RERA implementation has stalled several affordable housing projects, as a result people have not got their homes and many have stopped paying EMIs.

Segment wise Reporting

Segment has been identified in line with the Accounting Standard on segment reporting, taking into account the organization structure as well as the differential risk and returns of these segments. The Company is exclusively engaged in the Housing Finance business and revenues are mainly derived from this activity.

Outlook

The count of Housing Finance Companies (HFCs) in India is double that of domestic banks, and is still climbing. That the government is intensifying its focus on 'Housing for All' by 2022 with concessions including lowering of Goods and Service Tax rate and paying out subsidies promptly, has enthused the industry to play ball. The National Housing Bank, regulator as well as the refinance company is stepping on the gas by licensing as many as 28 housing finance companies in the past two years, and 13 are waiting in the wings.

One industry that has huge scope to grow in India is housing and financing it. It not only enables a roof over millions of families, but generates employment that is in short supply in a world that is increasingly mechanised. India's urban population is forecast to reach 58.3 Crore by 2030 from 42 Crore now. The current urban housing shortage is estimated at 1 Crore houses, which could only grow. At the national level, the demand for affordable housing alone could be 25 million homes by 2022 which is four times the entire current housing stock, India Ratings forecasts. It would be driven by government's financial and policy thrust, regulatory support, nuclearisation of families and increasing affordability. The industry is growing at 14% to 15% every year consistently. The affordable housing segment topped the charts in overall home bookings in the first half of financial year 2017-18. Homes priced at less that ₹ 40 lakh, which are defined as affordable, constituted 62% of total new launches. About 28% was in the ₹ 40 lakh to ₹ 80 lakh range, data from NHB shows.

In any economy, housing is the fulcrum of growth as well as employment generation and that is more so in developing economies. There is assured demand as well as profits. Lending to housing in India has been lucrative with low delinquencies since most hang on to their homes even during times of difficulty. For banks, home loans constitute about half their retail portfolio. But with housing loan demand in the top 15 cities plateauing out due to astronomical prices, the rush to affordable home lending has gathered pace. Eagerness to capture market share could lead to compromises on underwriting that could blow up.

There has been a real change in the Indian property sector since the past two years. Be it implementation of RERA, Goods and Service Tax, have contributed to improvement in transparency. It is a big game changer. Indian real estate has attracted $44 billion worth FDI across all assets classes since 2006 according to JLL India. Several foreign institutional investors are keen on investing in India and global institutional investors such as Blackstone Group, GIC, Canada Pension Plan Investment Board (CPPIB), Brookfield Asset Management, Goldman Sachs and Qatar Investment Authority have already been investing aggressively in Indian real estate assets over the past few years. While these entities had earlier shown interest in investing in commercial real estate, they are also looking at other real estate segments such as residential, retail and hospitality. In the backdrop of an ongoing transformation in business environment, Indian real estate is witnessing a robust rise in investment inflows as both foreign and domestic institutional investors are infusing more funds into the sector. Globally, there is lot of allocation being made towards real estate. Among the emerging markets, India stands a number one choice as the economy is growing at 6.5% to 7.0%. Indian real estate sector is projected to reach a market size of $180 billion by 2020, a sharp rise from $126 billion in 2015.

In view of the infrastructure status given to affordable housing, developers will have diverse and cheaper sources of funding, including external commercial borrowings (ECBs). It would lower the borrowing cost of developers, who could, in turn, pass on some of the savings to the buyers, thus spurring demand. Affordable housing is the only segment in housing sector to get 100% tax exemption for developers. Lower risk weights on loans for affordable housing, tax exemptions

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for developers sitting on completed unsold inventory, amendment of Section 80-IBA for relaxing the condition of period of completion of a project for claiming deduction to five years from three years, etc, funding incentives and central assistance for affordable housing projects have all led to the belief of a decadal structural upswing in housing industry growth.

Housing sector has multiple sector linkages. The myriad stakeholders in this opportunity include companies from housing finance, cement (two-thirds of the cement demand comes from housing), lighting/fan suppliers, real estate developers, plywood manufacturers, moulded furniture players, tiles/sanitary ware companies, switchgear manufacturers etc. Affordable housing can provide a thrust to the economy by way of capital investment to the tune of ₹ 1 lakh Crore to ₹ 1.25 lakh Crore per annum incrementally, generate 27 – 34 million jobs, and have a direct and indirect impact on other sectors – translating into 1.5 percent of the GDP.

Risks and concerns

Risk is inherent part of the Company's business. Effective Risk management is critical to any Housing Finance Company for achieving financial soundness. In view of this, aligning Risk management to Company's organizational structure and business strategy has become an integral part in Company's business.

The management has to base their business decisions on a dynamic and integrated risk management system and process, driven by corporate strategy. The Company is exposed to risks in the course of their business such as credit risk, interest rate & market risk, liquidity risk and operational risk. LICHFL's strategy in optimizing business opportunities within the aforesaid constraints is assisted by a robust asset liability management.

The objective can be summarized as below:

- Reduce potential costs of financial distress by making LIC Housing Finance less vulnerable to adverse movements in liquidity, interest rates, exchange rates (wherever applicable).
- Create a stable planning environment, by ensuring that the business plan is not adversely impacted during the financial year due to any adverse liquidity situations, interest rate and currency fluctuations by using tools such as time-bucket wise liquidity statements, duration gap and Forex exposure reports. In other words, it is aimed at ensuring that the Net Interest Income (NII) is not adversely affected irrespective of adverse changes in the above risks as far as possible.

► Credit Risk

Credit risk is the risk associated with the borrower defaulting on its obligation as and when it is due. A default by the customer is recorded as Non-Performing Asset (NPA) in the Company's books if the customer is not able to settle the dues within 90 days of due date. Also referred to as Default Risk, this risk is usually borne by the lender and is one of the most critical which can impact a financial institute whose main business is lending.

In case of LICHFL, the Company advances money in the lump sum to collect it over the forthcoming years by the way of Equated Monthly Installments (EMIs).Selection of right borrowers is the first and the most crucial step of this process. The Company follows a rigorous methodology while selecting the borrowers. The Company scrutinizes the documents carefully and the decision making is based on several parameters. After sanctioning the loan, monitoring of the accounts is done. If any irregularities are found, prompt action is initiated.

As Credit Risk is one of the major risk faced by the Company, the Standard Operating Procedures (SOP) document, clearly delineates the guidelines on credit appraisal, legal appraisal, technical appraisal, verification, valuation, documentation, etc. The same is reviewed periodically and, if need be, is revised in order to keep the procedures up-to-date.

► Market Risk

Market risk is the risk of losses in positions taken by the company which arises from movements in market prices. Any item in the balance sheet which needs re-pricing at frequent intervals and whose pricing is decided by the market forces will be a component of market risk. There are items in the Company's balance sheet which exposes it to market risk like Housing loans at floating rate ,loans to developers at floating rate, Non-Convertible Debentures (NCDs) with options, bank loans with option, Foreign Currency Bank Loans, Coupon Swaps, etc. This risk can be divided into following two types-:

■ Interest Rate Risk

Interest Rate Risk refers to the risk associated with the adverse movement in the interest rates .Adverse movement for LIC Housing Finance Limited would imply rising interest rates on liabilities and falling interest yields on the assets. This is the biggest market risk which the company faces. It arises because of maturity and re-pricing mismatches of assets and liabilities. In order to mitigate the impact of this risk, the Company tracks the composition and pricing of assets and liabilities on a continuous basis. For the same purpose, the Company has constituted an ALCO Committee which actively monitors the ALM position and take appropriate action to avoid risk.

■ Foreign Exchange Risk

Foreign exchange risk (also known as FX risk, exchange rate risk or currency risk) is a financial risk that exists when a financial transaction is

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denominated in a currency other than that of the base currency of the company. It arises because of an unfavorable movement in the exchange rate of the denomination currency with respect to the base currency. Depending upon the magnitude of the movement, the cash flows of the Company can be impacted.

In our case, the amount of foreign currency liabilities forms a minor part of overall liabilities and is suitably monitored.

- **Liquidity Risk**

Liquidity Risk implies the risk of not having sufficient funds to make good the liabilities. This very risk has been the cause behind closure of number of banks in the international markets in the past. Various situations in which liquidity risk may arise include higher than estimated disbursements, stress on systemic liquidity due to CRR hikes, higher government borrowing program, advance tax outflows, etc. Therefore it is imperative to anticipate the net cash outflows correctly, as well as have a contingency plan in case of any unforeseen outgo of funds. Another aspect of liquidity management is avoiding hoarding excess money than what may be required as the same would result in sub-optimal returns on the money available to invest. So every institution has to strike a balance between the two positions and manage the liquidity position actively.

In case of LIC Housing Finance Limited, the Company has to continuously borrow money from the market in order to carry on the business operations. This borrowing depends on the market liquidity conditions and as the liquidity conditions change in the market very rapidly, the Company may not get required funds at times. In order to avoid that situation, a thorough analysis of expected cash outflow is done and funds are raised in advance to make sure that net cash outflows remain less than cash inflows. The buffer is appropriately deployed in suitable investments.

- **Operational Risk**

Operational risk is "the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems, or from external events (including legal risk), differ from the expected losses". It can be sub divided into the following categories:

- **Compliance risk** is defined as the risk of legal sanctions, material financial loss, or loss to reputation, the Company may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best /good practice. In case of LICHFL, the Company is regulated by NHB, registered with ROC and its equity shares are listed on the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and the Luxembourg Stock Exchange, making it imperative that the Company follows all the applicable laws. In order to deal with the same, the Company has a designated Compliance Officer whose role entails complying with the statutory requirements of the Company.

- **Legal risk** is the cost of litigation due to cases arising out of lack of legal due diligence. Litigation can also arise out of failure or frauds in project delivery. For LIC Housing Finance Limited, the main business is of lending money for/against mortgage loans and is therefore exposed to legal risk. For handling the same, there are robust legal systems for title verification and legal appraisal of related documents. The Company also has standards of customer delivery and the operational mechanism to adhere to such standards aimed at minimum instances of customers' grievances.

- **Accounting risk** is the risk that an error in accounting practice will necessitate are statement of earnings, which adversely affects the investors or customers' perception of the company. The accounting transactions are consolidated through IT system to prevent errors and omission. The Company presents a fair and transparent view through its financial statement and should disclose the opinion of statutory auditors in the Annual Report as per the prescribed format by SEBI.

The Company is aware that Operational risk events may affect client satisfaction, reputation of the Company and shareholder value and therefore considers imperative to manage the same through appropriate mechanism.

- **Regulatory Risk**

Regulatory risk is the risk that a change in laws and regulations will materially impact the company. Changes in law or regulations made by the government or a regulatory body can increase the costs of operating the business, and/or change the competitive landscape. The regulatory risk can arise due to change in prudential rules/norms by the regulators viz; NHB, SEBI, RBI etc. The Company is able to mitigate the same by anticipating the likely regulatory changes that may come in the short and medium term and is able to quickly change its systems and practice store align itself with the changed regulatory framework from time to time as required.

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- **Competition Risk**

  Competition Risk is the risk to the market share and profitability arising due to competition. It is present across all the businesses and across all the economic cycle with the intensity of competition risk varying due to several factors, like, barriers to entry, industry growth potential, degree of competition, etc.

  Housing Finance business is on an upward trajectory, perhaps due to growing economy, increased urbanization, government incentives, acceptability of credit in society and rise in nuclear families. With the result, the Housing Finance industry has seen a higher growth rate than overall economy and several other industries since past several years. This has attracted lot of companies in the market thereby increasing competition among the existing companies to maintain/grow market share and profitability. The Company is able to mitigate this risk by addressing to the customer needs with state of art infrastructure including IT interface aligning its practices with the market in order to attract customers and at the same time retain the existing ones. The Company has also been able to sense pulse of peer group in terms of their product offerings, pricing and other schemes and is better poised to meet the challenges through improved product offerings, prices and customer service.

Asset Liability Management:

The Company follows 'The Asset Liability Management System for Housing Finance Companies – Guidelines' issued by NHB. The Company has in place Board approved Risk management policy. The policy specifies the prudential gap limits and the tolerance limits and the reporting mechanism. The Asset Liability Management (ALM) reports are periodically reviewed by Asset Liability Committee (ALCO) and ALCO in turn apprises the Board on ALM issues periodically.

The average loan to value is in the range of 50-60 percent (as against the regulatory limit of 90 per cent for loans upto ₹ 20 lakh and 80 percent for loans above ₹ 20 lakh and upto ₹ 75 lakh and 75 percent for loans above ₹ 75 lakh) and its instalment to income ratio ranges between 30-40 percent, both being amongst the lower ones in the industry. The low average ticket size of the loan of ₹ 20 lakh and pan India spread of business adequately disperses the risk.

The Company has one of the best recovery machineries in its category, to address NPAs, supported by legislations such as SARFAESI Act.

Internal Control Systems & their Adequacy

The Company has internal audit system which is effective and commensurate with the size of its operations. Adequate records and documents are maintained as required by law from time to time. Internal audits and checks are regularly conducted and internal auditor's recommendations are considered for improving systems and procedures. The Company's Audit Committee reviews the internal control system and looks into the observations of the statutory and internal auditors. During the year, various guidelines/circulars were issued on the operational side to ensure better credit appraisal, as a result of which quality of portfolio should further improve during the years to come.

Discussion of Financial Performance with respect to Operational Performance Financial / Fund Management

The Company's borrowing is planned taking into consideration ALM gaps, interest rate mismatches and the prevailing market conditions. LIC Housing Finance has got highest rating for bank borrowings, non-convertible debentures, commercial paper and public deposit scheme from CRISIL / CARE rating agencies, which has helped the Company to procure funds at very competitive rates.

The prime lending rate of the Company is regularly reviewed and revised as it is a benchmark for asset pricing. Since more 85 percent of the asset portfolio is on the floating/fix-o-floating rate, the Company re-prices the loan assets consequent upon the revision in prime lending rate of the company at specified intervals.

The Company also reviews the fund position on daily basis and parks surplus funds in liquid mutual fund schemes, fixed deposits as per the Board approved policy with an objective of reducing the negative carry to the extent possible.

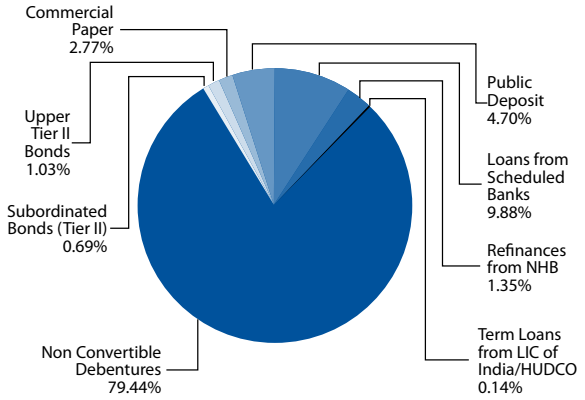
The derivative contracts selectively entered into by the Company to manage risks associated with interest rate movement are regularly monitored and the Company unwinds such transaction at the appropriate time.

The composition of outstanding borrowings as on 31st March, 2018 & the ratings assigned by rating agencies is as under:

Particulars	Percent to total Borrowing	Rating
Loans from Scheduled Banks	9.88%	CRISIL AAA/Stable & CRISIL A+
Refinances from NHB	1.35%	-
Term loans from LIC of India / HUDCO	0.14%	-
Non-Convertible Debentures	79.44%	CRISIL AAA/Stable & CARE AAA
Subordinated Bonds (Tier II)	0.69%	CRISIL AAA/Stable & CARE AAA
Upper Tier II Bonds	1.03%	CRISIL AAA/Stable & CARE AAA
Commercial Paper	2.77%	CRISIL A+
Public Deposit	4.70%	FAAA (Stable)
Total	100%	

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Composition Borrowings



Performance / Operation Highlights

During the year, the Company sanctioned ₹ 54,828.80 Crore and disbursed ₹ 49,378.27 Crore registering a growth of 25.83 per cent in sanctions and growth of 18.87 per cent in disbursements over the last year. For the year ended 31st March, 2018, the Company's total income from operations was ₹ 14,959.66 Crore as against ₹ 13,986.94 Crore of previous year. Net profit for year ended 31st March, 2018 was ₹ 1,989.59 Crore when compared to ₹ 1,931.05 Crore of the previous year, showing a growth 3.03 per cent. The outstanding mortgage portfolio as at 31st March, 2018 was ₹ 1,66,363 Crore as against ₹ 1,44,534 Crore as at 31st March, 2017 thus registering a growth of 15.10 per cent.

Key Elements of statements of profit and loss account for the year ended 31st March, 2018

- Profit before tax grew by 3.59 per cent and Profit after tax grew by 3.03 per cent on year to year basis. Net interest margin for the year was 2.38 per cent.
- Tax provision for the year amounted to ₹ 1,072.28 Crore as compared to ₹ 1,024.72 Crore in the previous year.
- Net interest income grew by 2 per cent year on year basis.
- For the year ended 31st March, 2018 dividend @ 340 per cent is being recommended as against dividend @ 310 per cent in the previous year.

Marketing

LIC Housing Finance is one of the largest housing finance companies in India having one of the widest networks of 249 Marketing Offices, 23 Back Offices to conduct the credit appraisal and administrative functions and 1 Customer Service Point as on 31st March, 2018 across the country and representative offices in Dubai and Kuwait. The Company continues to serve the customers at their door step through Home Loan Agents, Direct Selling Agents and Customer Relation Associates. During the year, the Company also participated in property exhibitions in various parts of the country and the same has been an impetus for successful marketing.

Recovery Management

The gross Non-Performing Assets (NPA) as on 31st March, 2018 stood at ₹ 1,303.61 Crore as against ₹ 627.06 Crore as on 31st March, 2017 registering an increase of 107.89 per cent. The gross NPA ratio of the Company stood at 0.78 per cent as on 31st March, 2018 as against 0.43 per cent as on 31st March, 2017. Net NPAs excluding provision on standard assets as per NHB norms as at 31st March, 2018 stood at 0.43 per cent (₹ 711.66 Crore) as against 0.14 per cent (₹ 205.29 Crore) on the corresponding dates last year. The provision cover on the NPAs stood at 45.41 per cent (excluding provision on standard loans as per NHB norms) as on 31st March, 2018.

Human Resources Development

The Company has staff strength of 2103 employees who have been contributing to the progress and growth of the Company. The manpower requirement of the offices of the Company is assessed and recruitment is conducted accordingly. Personal skills of the employees are fine-tuned and knowledge is enhanced by providing them internal and external training from time to time keeping in view the market requirement. Outstanding performers are rewarded by way of elevation to the higher cadre. Apart from fixed salary and perquisites, the employees are paid performance linked incentives which motivates them to perform better.

Loan assets per employee as at 31st March, 2018 was ₹ 79.10 Crore and net profit per employee ₹ 94.62 lakh.

Conclusion with Caution

Statements in this report, describing the Company's objectives, projections, estimations, expectations are "forward looking statements" within the meaning of applicable laws, guidelines and regulations. These statements are based on certain assumptions in respect of future events and Company assumes no responsibility in case the actual results differ materially due to change in internal or external factors.

Board's Report

To the Members of LIC Housing Finance Limited

Your Directors are pleased to present the Twenty Ninth Annual Report together with the Audited Financial Statements for the year ended 31st March, 2018 of LIC Housing Finance Limited ('the Company').

Financial results

(₹ In Crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Profit before Tax	3,061.87	2,955.77
Tax Expense	1,072.28	1,024.72
Profit after Tax	1,989.59	1,931.05
Appropriations		
Special Reserve & Statutory Reserve u/s 29C of NHB Act, 1987	560.00	570.00
General Reserve	500.00	500.00
Proposed Dividend	343.17	312.89
Tax on Dividend	69.25	63.00
Balance carried forward to next year	517.17	485.16
	1,989.59	1,931.05

Dividend

The Company has in place a Dividend Distribution Policy formulated in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which intends to ensure that a rationale decision is taken with regard to the amount to be distributed to the shareholders as dividend after retaining sufficient funds for the Company's growth, to meet its long-term objective and other purposes. The Policy also lays down various parameters to be considered by the Board of Directors of the Company before declaration / recommendation of dividend to the Members of the Company.

Considering the performance during the financial year 2017-18, your Directors, in terms of the Dividend Distribution Policy, have recommended payment of dividend for the financial year ended 31st March, 2018 of ₹ 6.80 per equity share of face value of ₹ 2/- per share i.e. @ 340 percent, as against ₹ 6.20/- per equity share of face value of ₹ 2/- per share for the previous year i.e. @ 310 percent. The total dividend outgo for the current year would amount to ₹ 412.42 Crore including Dividend Distribution Tax of ₹ 69.25 Crore, as against ₹ 375.89 Crore including Dividend Distribution Tax of ₹ 63.00 Crore, for the previous year. The dividend payable shall be subject to the approval of the Members of the Company at the ensuing Annual General Meeting which is scheduled to be held on Monday, 20th August, 2018.

The Dividend Distribution Policy is available on the website of the Company in the given link *http://www.lichousing.com/dividend_dist_policy.php* and forms part of this Board's report as Annexure - 8.

Performance

Income and profit

The Company earned total revenue of ₹ 15,072.90 Crore, registering an increase of 7.05 percent. The percentage of administrative expenses to the housing loans, which was 0.42 percent in the previous year, has remained the same at 0.42 percent during the financial year 2017-18.

Profit before tax and after tax stood at ₹ 3,061.87 Crore and ₹ 1,989.59 Crore respectively as against ₹ 2,955.77 Crore and ₹ 1,931.05 Crore, respectively, for the previous year. Profit before tax increased by 3.59 percent over the previous year while profit after tax showed growth of 3.03 percent over that of the previous year.

Lending operations

Individual loans:

The main thrust continues on individual housing loans with a disbursement growth of 17.68 percent during the year. The Company has sanctioned 1,99,490 individual housing loans for ₹ 46,700.80 Crore and disbursed 1,98,402 loans for ₹ 45,112.54 Crore during FY 2017-18. Housing loan to Individual i.e. retail loans constitute 84.23 percent of the total sanctions and 91.37 percent of the total disbursements for the FY 2017-18 as compared to 90.55 percent and 92.28 percent respectively during the FY 2016-17. The gross retail loan portfolio grew by over 13.84 percent from ₹ 1,39,210.71 Crore as on 31st March, 2017 to ₹ 1,58,472.25 Crore as on 31st March, 2018.

The cumulative sanctions and disbursements since incorporation, in respect of individual housing loans are:

Amount sanctioned : ₹ 2,99,106.51 Crore

Amount disbursed : ₹ 2,86,887.58 Crore

24,08,439 customers have been serviced by the Company up to 31st March, 2018 since inception.

Project loans:

The project loans sanctioned and disbursed by the Company during the year were ₹ 8,736 Crore and ₹ 4,266 Crore respectively. Corresponding figures for the previous year were ₹ 4,117 Crore and ₹ 3,207 Crore. These loans are generally for short durations, giving better yields as compared to individual housing loans.

Awards and Recognitions:

During the year under review, the Company was profiled in India's leading BFSI Companies 2018 by Dunn and Bradstreet.

Board's Report

Amendment to the Articles of Association

During the year under review, in order to comply with the provisions of SEBI circular no. CIR/IMD/DF-1/67/2017 dated June 30, 2017 and pursuant to, and in terms of the provisions of Section 14 of the Companies Act, 2013, the Members of the Company vide a Special Resolution passed by means of postal ballot on 9th March, 2018 approved the amendment in the Articles of Association of the Company by way of insertion of a new article for enabling consolidation and re-issuance of debt securities subject to the provisions of the Companies Act, 2013 and the applicable SEBI Regulations.

Marketing and Distribution

During the year under review, efforts were taken to further strengthen the distribution network. The distribution network of the Company consists of 249 Marketing Offices & 1 Customer Service Point. The distribution network also includes 49 offices of LICHFL Financial Services Ltd., wholly owned subsidiary company engaged in distribution of various financial products including housing loan. The Company has representative offices in Dubai and Kuwait.

Repayments

During the FY 2017-18, ₹ 25,851.01 Crore was received by way of schedule repayment of principal through monthly instalments as well as prepayment of principal ahead of schedule, as compared to ₹ 19,579.42 Crore received during the previous year.

Non-Performing Assets and Provisions

The amount of gross Non-Performing Assets (NPA) as at 31st March, 2018 was ₹ 1,303.61 Crore, which is 0.78 percent of the housing loan portfolio of the Company, as against ₹ 627.06 Crore i.e. 0.43 percent of the housing loan portfolio as at 31st March, 2017. The net NPA as at 31st March 2018 was ₹ 711.66 Crore i.e. 0.43 percent of the housing loan portfolio vis-à-vis ₹ 205.29 Crore i.e. 0.14 percent of the housing loan portfolio as at 31st March, 2017. The total cumulative provision towards housing loan portfolio including provision for standard assets as at 31st March, 2018 is ₹ 1,248.80 Crore as against ₹ 1,038.18 Crore in the previous year. During the year, the Company has written off ₹ 23.29 Crore of housing loan portfolio as against ₹ 50.42 Crore during the previous year.

Resource Mobilisation

During the year, the Company raised funds aggregating to ₹ 73,688.56 Crore through Non-Convertible Debentures (NCD), Term loans / Line of Credit (LoC) / Working Capital Demand Loan (WCDL) from banks, NHB refinance, Commercial paper and Public Deposits.

Non Convertible Debentures (NCD)

During the year, the Company issued NCD amounting to ₹ 28,777/- Crore on a private placement basis which have been listed on Wholesale Debt Segment of National Stock Exchange of India Ltd. The NCDs have been assigned highest rating of 'CRISIL AAA/Stable' by CRISIL & 'CARE AAA' by CARE. As at 31st March, 2018, NCDs amounting to ₹ 1,15,471/- Crore were outstanding. The Company has been regular in making repayment of principal and payment of interest on the NCDs.

As at 31st March, 2018, there were no NCDs which have not been claimed by the Investors or not paid by the Company after the date on which the said NCDs became due for redemption. Hence, the amount of NCD remaining unclaimed or unpaid beyond due date is Nil.

Subordinate Bonds & Upper Tier II Bonds

During the year, the Company has not issued any Subordinate Bonds and Upper Tier II Bonds. As at 31st March, 2018, the outstanding Subordinate Bonds and Upper Tier II Bonds stood at ₹ 2,500/- Crore. Considering the balance term of maturity as at 31st March, 2018, ₹ 1,500/- Crore of the book value of the Subordinate Bonds and Upper Tier II Bonds is considered as Tier II Capital as per the Guidelines issued by NHB for the purpose of Capital Adequacy.

Term Loans, FCNR (B) loan from Banks / LOC / WCDL, Refinance from NHB / Other Financial Institutions / Commercial Paper

The total loans / LOC outstanding from the Banks as at 31st March, 2018 are ₹ 14,358.81 Crore as compared to ₹ 11,977.44 Crore as at 31st March, 2017. Loans and advances outstanding from Other Financial Institutions is ₹ 200 Crore as at 31st March, 2018 and 31st March, 2017. The Refinance from NHB as at 31st March, 2018 stood at ₹ 1,958.24 Crore as against ₹ 3,744.06 Crore as at 31st March, 2017. During the year, the Company has not availed any Refinance from NHB under regular refinance scheme. As at 31st March, 2018, Commercial Paper amounting to ₹ 4,025/- Crore were outstanding as compared to ₹ 2,267 Crores for corresponding previous year. During the year 2017-18, the Company issued Commercial Paper amounting to ₹ 17,976/- Crore from market as compared to ₹ 8,091 Crores for corresponding previous year.

The Company's long term loan facilities have been assigned the highest rating of 'CRISIL AAA/STABLE' and short term loan has been assigned rating of 'CRISIL A1+ & ICRA A1+' signifying highest safety for timely servicing of debt obligations.

Transfer of Unclaimed Dividend / Deposits and Shares to Investor Education & Protection Fund (IEPF)

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, rules made thereunder and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto, the amount of dividend / deposits remaining unclaimed for a period of 7 (seven) years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) as constituted by the Central Government. Further, as per the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor

Board's Report

Education & Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016, the shares in respect of which the dividend has not been claimed for 7 (seven) consecutive years are required to be transferred by the Company to the designated demat account of the IEPF Authority. The details of the unclaimed dividend/deposits and the shares transferred to the IEPF, are uploaded as per the requirements, on the website of the Company i.e. *www.lichouisng.com*.

Unpaid/Unclaimed Dividend

During the financial year under review, your Company has transferred unclaimed dividend of ₹ 66,30,765/- pertaining to the financial year 2009-10 to the Investor Education and Protection Fund (IEPF) established by the Central Government, after the expiry of seven years from the date of transfer to unpaid dividend account.

Transfer of Shares to IEPF

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Rules made thereunder, the Company has transferred in aggregate 7,39,192 equity shares of ₹ 2/- each to Investor Education and Protection Fund (IEPF) established by the Central Government in respect of which the dividend remained unclaimed for a period of seven consecutive years i.e. from 2009-10 till the due date of 29th November, 2017 after following the prescribed procedure.

Any person who is entitled to unclaimed dividend or deposits etc. that have been transferred to IEPF, he / she can claim the same by making an application directly to IEPF in the prescribed form under the IEPF Rules which is available on the website of IEPF i.e. *www.iepf.gov.in*

Public deposits

As at 31st March, 2018, the outstanding amount on account of public deposits was ₹ 3,474.33 Crore as against ₹ 3,167.40 Crore in the previous year and outstanding amount on account of corporate deposits was ₹ 3,351.70 Crore as against ₹ 3,154.27 Crore in the previous year. During FY 2017-18, the number of depositors has decreased for public deposit from 38,210 to 35,528 and increased for Corporate deposit from 425 to 521. ₹ 862.16 Crore has been collected as public deposits while ₹ 2,937.68 Crore was as corporate deposits. Total aggregate amount collected ₹ 3,799.84 Crore.

CRISIL has for the twelfth consecutive year, re-affirmed a rating of "CRISIL FAAA/Stable" for the company's deposits which indicates highest degree of safety regarding timely servicing of financial obligations and carries the lowest credit risk.

The support of the agents and their commitment to the Company has been vital in mobilization of deposits and making the product most preferred investment for individual households and others.

774 depositors amounting to ₹ 36.32 Crore which were due for repayment on or before 31st March, 2018 were not claimed by the depositors. Since then, 325 depositors have claimed or renewed deposits of ₹ 26,02,90,000/- as on date of this report. Depositors are appropriately intimated for renewal / claim of their deposits through an authorised agency. Further, adequate follow-up is made in respect of those cases where deposits are lying unclaimed.

As per the provisions of Section 125 of the Companies Act, 2013, deposits and interest thereon remaining unclaimed for a period of seven years from the date they became due for payment have to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, accordingly, as on date ₹ 1,41,390/- against unclaimed interest on deposits has been transferred to IEPF.

Being a housing finance company registered with the National Housing Bank established under the National Housing Bank Act, 1987, the disclosures as per Rule 8(5)(v)&(vi) of the Companies (Accounts) Rules, 2014 read with section 73 and 74 of the Companies Act, 2013 are not applicable to the Company.

Regulatory Compliance

The Company has been following guidelines, circulars and directions issued by National Housing Bank (NHB) from time to time.

Your Company has been maintaining capital adequacy as prescribed by the NHB. The capital adequacy was 15.49 percent (as against 12 percent prescribed by the NHB) as at 31st March, 2018 after considering the loan to value ratio for deciding risk weightage.

The Company has adopted Know Your Customer (KYC) Guidelines, Anti Money Laundering Standards, Fair Practices Code, Model Code of Conduct for Direct Selling Agents and Guidelines for Recovery Agents engaged by the Company as prescribed by NHB from time to time. During the year, NHB has prescribed that HFCs shall provide 'Most Important Terms and Conditions' (MITC) of housing loans, which the Company has implemented with the objective of ensuring a better understanding of the major terms and conditions of the loan agreed upon between the Company and its borrowers.

The Company also has been following directions / guidelines / circulars issued by SEBI, MCA from time to time, applicable to a listed company.

Disclosure under Housing Finance Companies issuance of Non-Convertible Debentures on Private Placement Basis (NHB) Directions, 2014

During the financial year under review, the Non-Convertible Debentures issued on private placement basis, were repaid / redeemed by the Company on their respective due dates and there were no such instances of any Non-Convertible Debentures which have not been claimed by the investors or not paid by the Company after the date on which the Non-Convertible Debentures became due for redemption.

Board's Report

Statutory Auditors

Pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification, or re-enactment thereof, Messrs Chokshi & Chokshi, LLP, Chartered Accountants, Mumbai (Firm Registration No.:101872W / W100045) and Messrs Shah Gupta & Co., Chartered Accountants, Mumbai (Firm Registration No.:109574W), were appointed by the shareholders at the Twenty Seventh Annual General Meeting to hold the office for a term of three years i.e., from the conclusion of the Twenty Seventh Annual General Meeting until the conclusion of the Thirtieth Annual General Meeting on a remuneration to be determined by the Board of Directors in consultation with them and applicable taxes / cess on the said remuneration, for the purpose of audit of the Company's accounts at the Corporate Office as well as at all Back Offices subject to ratification by shareholders at each Annual General Meeting. The Company has received a confirmation from the Joint Statutory Auditors to the effect that they are eligible to continue as Joint Statutory Auditors of the Company in terms of Section 139 and 141 of the Companies Act, 2013 and Rules made thereunder.

The Board recommend to the Members for approval at the Twenty Ninth AGM, the ratification of appointment of Messrs Chokshi & Chokshi, LLP, Chartered Accountants, Mumbai (Firm Registration No.:101872W / W100045) and Messrs Shah Gupta & Co., Chartered Accountants, Mumbai (Firm Registration No.:109574W) as Joint Statutory Auditors of the Company to hold the office from the conclusion of the Twenty Ninth Annual General Meeting until the conclusion of the Thirtieth Annual General Meeting on a remuneration to be determined by the Board of Directors in consultation with them and applicable taxes / cess on the said remuneration, for the purpose of audit of the Company's accounts at the Corporate Office as well as at all Back Offices.

Corporate Governance

A certificate from Shri. N. L. Bhatia, (FCS: 1176, CoP: 422), Managing Partner, M/s. N. L. Bhatia & Associates, Practicing Company Secretaries (UIN:P1996MH055800), regarding compliance of the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Corporate Governance Report.

Your Company has been complying with the principles of good Corporate Governance over the years. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity. The report on Corporate Governance is appended as a separate section in this Annual Report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

Business Responsibility Report

In terms of Regulations 34(1)(f) of the SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015, the top 500 listed entities, based on the market capitalization (calculated as on 31st March of every financial year), business responsibility report describing the initiatives taken by these listed entities from an environmental, social and governance perspective, in the format as specified by SEBI from time to time shall be included as part of the Annual Report. Accordingly, Business Responsibility Report is presented in a separate section forming part of the Annual Report.

Depository system

For transaction of the Company's shares in dematerialised form, the Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL). The shareholders have a choice to select the Depository Participant. As at 31st March, 2018, 7266 members of the Company continue to hold shares in physical form. As per the Securities and Exchange Board of India's (SEBI) circular, the Company's shares have to be transacted in dematerialised form and therefore, members are requested to convert their holdings to dematerialised form.

Auditors' observations

No adverse remark or observation has been cited by the Joint Statutory Auditors in their report dated 23rd April, 2018.

The Company has an in-house mechanism for Internal Audit of all its back offices conducted by the team of in-house auditors. The Company maintains an exhaustive checklist for the purpose of Audit. The Company also appoints CA firm as Internal Auditor for Internal Audit of its Corporate Office.

Systems and procedures are being upgraded from time to time to provide checks and alerts for avoiding fraud arising out of misrepresentation made by borrower/s while availing the housing loans and non-housing loans.

Outlook for 2018-19

The initiatives taken by the Company during the financial year 2017-18 are expected to improve its operational and financial performance. During FY 2018-19, the Company proposes:

- To grow business qualitatively by consolidating position and strengthening the competitiveness on service delivery.
- To create brand LIC HFL as a source of trusted partner exuding consumer confidence.

Board's Report

- Understand the inherent risks to the business and managing it effectively.
- Focus on winning and retaining customers.
- Pursue new skills and expand knowledge aimed at managing competition effectively.
- Expand its operations by establishing new business centres.
- Increase its distribution by appointing new agents and activising more agents. Explore new avenues of distribution channel.
- Incentivising and motivating the marketing intermediaries systematically for improving productivity, imbibe a sense of loyalty, professionalism.
- Raising funds through various sources at attractive terms.
- Making efforts towards reducing overall cost of funds.
- Steps to improve the recovery ratio and ensuring lowest NPA level. Improving receivable management through IT support system.
- Timely review of credit appraisal system to improve the loan asset quality.
- Continuous efforts to upgrade Information Technology platform to ensure prompt and effective service to the clientele.
- Swift, appropriate and competitive pricing of its existing loan schemes to attract new customers.
- Ensuring achievement of term targets – monthly, quarterly by all units.
- Procurement of business under Pradhan Mantri Awas Yojana / Affordable housing and to have a continuous focus in alignment with Government initiatives from time to time.

The management perspective about future of the Company

As most of us are aware, 'Housing for All by 2022' is a Government of India initiative under which, the erstwhile Indira Awas Yojana was renamed as Pradhan Mantri Awas Yojana Grameen and another scheme as Pradhan Mantri Awas Yojana Urban was launched in 2015. Under both these schemes a total of 50 million houses were targeted to be built by financial year 2022. The government's budgetary support for these schemes has risen from ₹ 11,600 Crore in FY 2016 to ₹ 29,043 Crore in FY 2018. In India, there is an estimated shortage of around 4 Crore houses (urban and rural). In addition, population growth of 1.3 percent per annum, favourable demographics, 'nuclearisation' of families, migration to urban areas, fiscal benefits and rising income / aspirations, all these could lead to another one Crore per annum demand for houses. Affordability to buy houses has increased over the past three years (especially in urban areas), even as property prices have remain flat, incomes have risen and mortgage rates have fallen by around 250 bps from five-year peak leading to 15 percent reduction in EMI payments.

The middle-class Indian living in cities has long been dreaming of buying his / her own home and usually, ends up striving to realise this dream. Affordability is a major hindrance that prevents them from attaining the goal. In the 2018-19 union budget, the government of India has now made this struggle easier by setting up the Affordable Housing Fund (AFH). The AHF is huge step as the government will provide each buyer linked credit worth ₹ 1 lakh to ₹ 2.30 lakh; this loan will be provided at an interest rate of 6.5 percent against the current market housing interest which is hovering around 8.35% to 8.70%.

Compliance under Companies Act, 2013

Pursuant to section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company complied with the compliance requirements and the detail of compliances under Companies Act, 2013 are enumerated below:

Extract of Annual Return:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 as on 31st March, 2018 is attached as Annexure 1 to this Report.

Extract of Annual Returns is also displayed at Company's Website: *www.lichousing.com/annual_general_meeting.php*

Board Meetings held during the year:

During the year under review, 6 (six) Board meetings were held. Detailed information on the meetings of the Board are included in the Report on Corporate Governance which forms part of this Annual Report.

Directors' Responsibility Statement:

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013, and based on the information provided by the management, your Directors state that:

(a) in the preparation of the annual accounts, the applicable accounting standards has been followed and there are no material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

Board's Report

(e) the Directors have laid down internal financial controls to be followed by the company and that such Internal Financial controls are adequate and were operating effectively. Note on Internal Financial control is attached as Annexure 2 to this Report and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statement on Declaration from Independent Directors:

A declaration under section 149(6) & (7) of the Companies Act, 2013 has been obtained from each of the Independent Director.

Company's policy on Directors' appointment and remuneration including criteria:

The Nomination and Remuneration Committee at its meeting had laid down Criteria for determining Director Qualification, positive attributes and independence of a Director, remuneration of Directors, Key Managerial Personnel and also criteria for evaluation of Directors, Chairperson, Non-Executive Directors and Board as a whole and also the evaluation process of the same.

The performance of the members of the Board, and the Board as a whole were evaluated at the meeting of Independent Directors held on 23rd March, 2018.

In terms of the provisions of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Company shall have atleast one Woman Director on the Board of the Company. The Company has Ms. Savita Singh as Director on the Board since 25th May, 2012 and Ms. Usha Sangwan since 23rd June, 2016. Shri Vinay Sah is Managing Director & CEO of the Company.

Qualification, reservation or adverse remark or disclaimer made by Joint Statutory Auditors and Secretarial Auditor:

No adverse remark or reservation or qualification has been made by Joint Statutory Auditors or Secretarial Auditor.

Particulars of loans, guarantees or investments under Section 186:

Pursuant to Section 186(11) of the Companies Act, 2013 loans made, guarantee given or security provided by a housing finance company in the ordinary course of its business are exempted from disclosure in the Annual Report.

Particulars of contracts or arrangements with related parties referred to Section in 188(1) read with Rule 8(2) of Companies (Accounts) Rules, 2014:

All Related Party Transaction that were entered during the financial year were in the ordinary course of the business of the Company and were on arm's length basis. There were no materially significant related party transaction entered by the Company with Promoters, Directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company. Considering the nature of the industry in which the Company operates, transactions with related parties of the Company are in the ordinary course of business which are also on arm's length basis. All such Related Party Transactions are placed before the Audit committee for approval, wherever applicable. Prior omnibus approval as per SEBI (LODR) is also obtained from Audit Committee for the Related Party Transactions which are of repetitive nature as well as for ordinary course of business.

The Related Party Transactions Policy and Procedures as reviewed by Audit Committee and approved by Board of Directors is uploaded on the website of the Company and is annexed as Annexure 3 to this report.

Form AOC-2 is annexed as Annexure 4 to this report.

State of the company's affairs:

The Company earned total revenue of ₹ 15,072.90 Crore, registering an increase of 7.05 percent. The percentage of administrative expenses to the housing loans, which was 0.42 percent in the previous year, has remained the same at 0.42 percent during the financial year 2017-18.

Profit before tax and after tax stood at ₹ 3,061.87 Crore and ₹ 1,989.59 Crore respectively as against ₹ 2,955.77 Crore and ₹ 1,931.05 Crore, respectively, for the previous year. Profit before tax increased by 3.59 percent over the previous year while profit after tax showed growth of 3.03 percent over that of the previous year.

Amounts, if any which it proposes to carry to any reserves:

The Company has transferred ₹ 560 Crore to Special Reserve and Statutory reserve u/s 29C of NHB Act, and an amount of ₹ 500 Crore to General Reserve.

Amount, if any, which it recommends should be paid by way of dividend:

₹ 343.17 Crore is proposed to be paid by way of dividend to shareholders of the Company i.e. ₹ 6.80 per equity share of face value of ₹ 2/- per share.

Material changes and commitments, if any, affecting the financial position of the company:

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March, 2018 and the date of the Board's Report i.e. 11th June, 2018.

Board's Report

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

A. Conservation of energy –

(i) The steps taken or impact on conservation of energy-

The Company has replaced models of computers, printers, and other equipment which were consuming between 50 to 90 percent more energy than energy-efficient models. This has ensured reduction in energy consumption and resultant saving in costs.

Electronics such as computers and copy machines are plugged out at the end of day or after office hours in order to save energy as mere turning off or shutting down does not save energy completely.

Air conditioning equipment is cleaned and serviced on routine basis thereby saving energy and costs and giving required cooling.

The office has LED lights and after office hours, only the required lights and air conditioning is used thereby saving energy and minimizing energy wastage.

(ii) The steps taken by the Company for utilizing alternate sources of energy-

The Company is in the process of exploring use of alternate source of energy.

(iii) The capital investment on energy conservation equipments-

None

B. Technology absorption –

(i) The efforts made towards technology absorption – Not applicable.

(ii) The benefits derived like product improvement, efforts to reduce cost of fund, product development or import substitution – Not applicable.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of financial year)- Not applicable.

(a) The details of technology imported – Not applicable.

(b) The year of import – Not applicable.

(c) Whether the technology has been fully absorbed – Not applicable

(d) If not fully absorbed areas where absorption has not taken place and the reason thereof – Not applicable.

(iv) The expenditure incurred on Research and Development – Not applicable.

C. Foreign Exchange Earnings and Outgo-

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows.

During the year ended 31st March, 2018, the Company earned ₹ 184.93 lakh and spent ₹ 13.60 lakh in foreign currency. This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.

Risk Management Policy for the Company:

The Board of the Company has constituted a Risk Management Committee to frame, implement, monitor, review risk management policy; review of the current status on the outer limits prescribed in the Risk Management policy and report to the Board; review the matters on risk management. Risks faced by the Company are identified and assessed. For each of the risks identified, corresponding controls are assessed and policies and procedure are in place for monitoring, mitigating and reporting risk on a periodic basis. In the opinion of the Board, none of the risks faced by the Company threaten its existence.

During the financial year under review, the risk management policy of the Company was amended in accordance with the notification issued by National Housing Bank.

Corporate Social Responsibility (CSR) Policy:

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has established Corporate Social Responsibility Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR activities is annexed as Annexure 5 to this report.

Composition of the Corporate Social Responsibility Committee is as follows:

Ms. Usha Sangwan	Chairperson	Director
Shri Jagdish Capoor	Member	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Vinay Sah	Member	Managing Director & CEO

Annual evaluation made by the Board of its own performance:

The Nomination and Remuneration Committee at its meeting had recommended Criteria for evaluation of Directors, Chairperson, Non-Executive Directors, Board level committee and Board as a whole and also the evaluation process of the same.

The Board of Directors carried out an annual evaluation of its own performance, Board committees and Individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, at the meeting of Independent Directors held on 23rd March, 2018.

Board's Report

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board process, information and functioning, process of disclosure and communication, access to timely, accurate and relevant information, etc.

The performance of the committee was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committee, effectiveness of committee meeting, functioning, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, presented views convincingly, resolute in holding views etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the independent directors, at which the performance of the Board, its committees and Individual Directors was also discussed.

Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement:

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and also of its subsidiaries and associates, in the same form and manner as that of the Company which shall be laid before the ensuing Twenty Ninth Annual General Meeting of the Company alongwith the Company's Financial Statement under sub-section (2) of Section 129 i.e. Standalone Financial Statement of the Company. Further, pursuant to the provisions of Accounting Standard ('AS') 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Company alongwith its subsidiaries and associates for the year ended 31st March, 2018 form part of this Annual Report.

There has been no change in the nature of business of the Company during the year under review.

Directors:

The Company has eleven Directors consisting of seven Independent Directors, three Non-Executive Directors including Chairman; and Managing Director & CEO as Executive Director, as on the date of approval of this report.

Appointments / Resignations of Directors:

Shri P. Koteswara Rao was appointed as Additional Independent Director of the Company by the Board with effect from 11th June, 2018. As required under Section 160 of the Companies Act, 2013, a Notice has been received from a member proposing the name of Shri P. Koteswara Rao for the office of a Director. Shri P. Koteswara Rao has submitted a declaration under Section 149(7) of the Companies Act, 2013 confirming that he meets the criteria prescribed for Independent Director under Section 149(6) of the said Act. In the opinion of the Board, Shri P. Koteswara Rao fulfils the conditions specified in the Act, for such appointment. The proposal for appointment of Shri P. Koteswara Rao as Independent Director is being placed before the members for approval and the relevant details are forming part of the Notice of the Annual General Meeting.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164(2) of the Companies Act, 2013.

Director Retiring by Rotation:

Ms. Savita Singh, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Appointments / Resignation of the Key Managerial Personnel:

Shri Vinay Sah, Managing Director & CEO, Mr. Nitin K. Jage, General Manager & Company Secretary and Mr. P. Narayanan, CFO are the Key Managerial Personnel as per the provisions of the Companies Act, 2013. There is no change in the appointment / resignation of Key Managerial Personnel during the year under review.

Committees of the Board:

The Company has various committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Executive Committee
- Debenture Allotment Committee
- HR Committee
- Investment Committee

Board's Report

Composition of Audit Committee is as follows:

- Shri Debabrata Sarkar — Chairman, Independent Director
- Shri T. V. Rao — Member, Independent Director
- Shri Ameet Patel — Member, Independent Director

There has not been any instance during the year when recommendations of Audit Committee were not accepted by the Board.

The details with respect to the compositions, powers, roles, terms of reference etc. of relevant committees are given in detail in the Report on Corporate Governance which forms part of this Annual Report.

Subsidiaries and group companies

As on 31st March, 2018, the Company has four Subsidiaries namely, LICHFL Care Homes Limited, LICHFL Asset Management Company Limited, LICHFL Trustee Company Private Limited and LICHFL Financial Services Limited. The Consolidated financial statements incorporating the results of all the subsidiaries of the Company for the year ended 31st March, 2018, are attached along with the statement pursuant to Section 129 of the Companies Act, 2013, with respect to the said subsidiaries. Brief write up including performance and financial position of each of the subsidiaries is provided as under:

1. LICHFL Care Homes Limited:

LICHFL Care Homes Limited, a wholly owned subsidiary of LIC Housing Finance Limited, was incorporated on 11th September, 2001 having an authorised share capital of ₹ 75 Crore. The basic purpose of establishing the Company was to establish & operate assisted living community centers for the senior citizens.

During the fiscal 2017 - 18, the Company earned a Profit Before Tax (PBT) of ₹ 144.63 Lakh and Profit After Tax (PAT) stood at ₹ 80.09 Lakh. The Company has recommended dividend of ₹ 0.10/- per equity shares for FY 2017-18.

The project at Bangalore Phase II was completed and handing over of the keys were done on August 12, 2013. The Company is at present implementing a project at Bhubaneswar and the same is expected to be completed at the earliest. The Company is planning / proposing to launch another Senior Living Care Homes project at Vasind in Thane district of Maharashtra in collaboration with TATA Value Homes Limited. The project is subject to approval of concerned authorities. The Company is in process to develop a Senior Living Care Homes project at Chhavar Ka Vas in Jaipur district of Rajasthan. The project is at its approval stage with concerned authorities. During the current financial year the Company has also acquired a land parcel at Aluva, Kerala to develop a Senior Living Care Homes project. The Company will develop the project as per suitable model considering the demand, prevailing rules & regulations in the state and demographic & cultural prospective.

The Company is also exploring possibilities to start Senior Living Care Homes project in Bhopal and Hyderabad subject to viability of the projects.

With life expectancy is going up and number of elderly citizens rising year after year, the Company is set on a growth trajectory keeping LIC & LIC HFLs' vision for fulfillment of Corporate Social Responsibility at the main focus.

2. LICHFL Asset Management Company Limited:

The Company is in the business of managing, advising, administering Venture Capital and Alternative Investment Funds.

The Company was appointed as Investment Manager in 2010 to raise and manage the maiden Fund, LICHFL Urban Development Fund (LUDF). The Company has raised total commitments of ₹ 529.35 Crore from Banks, Financial Institutions, Corporates and HNIs as against the targeted size of ₹ 500 Crore and announced financial closure on 30th March, 2013. The Company has deployed ₹ 448 Crore in 9 Portfolio Companies engaged in development, acquisition or operation of affordable / mid income housing, related infrastructure and Hospitals across 5 cities and 3 towns in India. The Company has achieved full exits in 3 Portfolio Companies, partial exit in 1 Portfolio Company and receipts of ₹ 280 Crore.

The Company has been appointed as Investment Manager in 2017 to raise and manage LICHFL Housing & Infrastructure Fund (LHIF) with focus on Affordable Housing and Property backed Infrastructure in sectors which include Educational Institutions; Hospitals; Industrial Parks & Warehouses. The Company launched LHIF in October 2017 with a total corpus of ₹ 1000 Crore (Base corpus of ₹ 750 Crore with green shoe option of ₹ 250 Crore). On 31st March 2018, the Company has successfully achieved initial closing for LHIF and received commitments of ₹ 562 Crore.

3. LICHFL Trustee Company Private Limited:

The Company is in the business of undertaking the business of trusteeship services for Venture Capital and Alternative Investment Funds.

The Company was appointed as Trustee in 2010 for LICHFL Fund and further appointed LICHFL Asset Management Company Limited (LICHFL AMC) as Investment Manager for the Fund. In 2010 the Company had registered LICHFL Fund with SEBI as Venture Capital Fund (VCF) under the SEBI (Venture Capital Funds) Regulations, 1996. LICHFL AMC launched its maiden Scheme, LICHFL Urban Development Fund and achieved financial closure with ₹ 529.35 Crore on 30th March, 2013.

Board's Report

The Company was appointed as Trustee in 2017 for LICHFL Housing & Infrastructure Trust (LHIT) and further appointed LICHFL AMC as Investment Manager for LHIT. The Company had received registration for LHIT on October 2017 from SEBI under Alternative Investment Fund Regulations, 2012 as Category - I Infrastructure. LICHFL AMC launched LICHFL Housing & Infrastructure Fund (LHIF) in October 2017 and achieved initial closing on 31st March 2018.

4. LICHFL Financial Services Limited:

LICHFL Financial Services Limited, a wholly owned subsidiary of LIC Housing Finance Limited, was incorporated on 31st October, 2007, for marketing of housing loan, insurance products (Life and General Insurance), mutual funds, fixed deposits and credit cards. It became operational in March, 2008 and at present has 49 offices spread across the country. During the FY 2017-18, three new offices were opened. With these new openings, the Company is having its presence in almost all the major locations.

The vision of the Company is "SARVESHAM POORNAM BHAVATU" – to provide complete financial solutions" to secure not only the present but also the future of the customer and his family. In this endeavour, the marketing officials assist at every step – from financial planning to manage every aspect of right investment, both for the short & long term.

At present, the Company distributes Life Insurance products of LIC of India, Home Loans & Fixed Deposits of LIC Housing Finance Limited, Mutual Funds of various fund houses, General Insurance products of United India Insurance Company Limited and Tata AIG General Insurance Company Limited, Credit Cards of LIC Cards Services Limited and Point of Presence for National Pension System (NPS). More business verticals will be added depending on market opportunities and customer needs.

The Company has earned a Profit Before Tax (PBT) of ₹ 2,412.12 lakhs and Profit After Tax (PAT) stood at ₹ 1,722.55 lakhs for the FY 2017-18 and recommended dividend @ 45 % for FY 2017-18.

Financial Highlights for FY 2017-18 in comparison with last year:

Sr. No.	Particulars	FY 2017-18 in ₹ (lakhs)	FY 2016-17 in ₹ (lakhs)
1.	Total Income	5,294.23	4,095.82
2.	Profit Before Tax	2,412.12	1,634.32
3.	Profit After Tax	1,722.55	1,051.76
4.	Dividend (Declared)	427.50	237.50

The Company has consolidated its home loan business during the financial year 2017-18, which is the major revenue earning vertical for the company. The systematic approach along with the new initiatives taken during the year is expected to drive the revenue growth and improve the operational and financial performance in the coming years.

Name/s of Company/ies which have ceased / become subsidiary/joint venture/associate: None

As on 31st March, 2018, the Company has two associate companies namely LIC Mutual Fund Asset Management Company Limited and LIC Mutual Fund Trustee Company Private Limited.

The Annual Report which consists of the financial statements of the Company on standalone as well as consolidated financial statements of the group for the year ended 31st March, 2018 has been sent to all the members of the Company. It does not contain Annual Reports of Company's subsidiaries. The Company will provide Annual Report of all subsidiaries upon request by any member of the Company. These Annual Reports are also be available on Company's website viz *www.lichousing.com*.

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Internal Financial Control Systems and their Adequacy:

The Company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively. Note on Internal financial control as Annexure 2 is attached to this report.

Vigil Mechanism / Whistle Blower Policy:

The Company has a Whistle Blower Policy in place which provides whistle blowers to raise concerns relating to reportable matters as defined in the policy. The mechanism adopted by the Company encourages the whistle blower to report genuine concerns or grievances and provides for adequate safeguards against victimisation of whistle blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee.

Employee stock option:

No stock options were issued to the Directors or any employees of the company.

Employee Remuneration:

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

Board's Report

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non Executive Directors (including Independent Directors)*	Ratio to median remuneration
Nil	N.A.
*No remuneration is paid to Non Executive Directors (including Independent Directors)	
Executive Director (MD&CEO)	Ratio to median remuneration
Shri. Vinay Sah*	7:1

*Remuneration of MD and CEO includes PLI which was given during FY 2017-18 to then MD & CEO who is repatriated to LIC of India.

b. The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Non Executive Directors (including Independent Directors)*	% increase in remuneration in the financial year
Nil	N.A.
*No remuneration is paid to Non Executive Directors (including Independent Directors)	
	% increase in remuneration in the financial year
Executive Director (MD&CEO)	0.34% (Excluding PLI)
Company Secretary	22.81%(on account of perquisite in respect of lease accommodation)
Chief Financial Officer	7.70%

c. The percentage increase in the median remuneration of employees in the financial year:

-13.55%

d. The number of permanent employees on the rolls of the Company:

2,103

e. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	31 March, 2018	15 -November 1994 (IPO)	% Change
Market Price (in ₹)	565.25**	12*	4,610.42

*Adjusted issue price value on account of sub-division

** BSE-clg. Pri 565.25

f. Average percentile increase already made in the salaries of employees other than managerial personnel in the financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Increase in managerial remuneration for the year was 0.34%. The average annual decrease in the salaries of the employees other than managerial personnel during the year was -13.55% on account of new recruitment at lower cadre.

g. Affirmation that the remuneration is as per the Remuneration policy of the Company:

The Company affirms that the remuneration is as per the Remuneration policy of the Company.

During the year the Company has not engaged any employee drawing remuneration exceeding the limit specified under Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In terms of Section 136(1) of the Companies Act, 2013 read with the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board's Report is being sent to all the shareholders of the Company excluding the annexure containing names of the top ten employees in terms of remuneration drawn. Any shareholder interested in obtaining a copy of the said annexure may write to the Company at: The Company Secretary, LIC Housing Finance Limited, Corporate Office, 131 Maker Towers, 'F' Premises, 13th Floor, Cuffe Parade, Mumbai – 400 005.

Secretarial Auditor and Secretarial Audit Report:

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed M/s. N. L. Bhatia & Associates, Practicing Company Secretary as its Secretarial Auditor to conduct the secretarial audit of the Company for the Financial Year 2017-18. The Company has provided all assistance and facilities to the Secretarial Auditor for conducting their audit. Report of the Secretarial Auditor for the Financial Year 2017-18 in Form MR-3 is annexed to this report as Annexure 10.

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Board's Report

Prevention, Prohibition & Redressal of Sexual Harassment of women at workplace:

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has in place a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace and has a robust mechanism to redress the complaints reported there under. An Internal Committee has been constituted, which comprises of internal members who have experience in the subject field.

Pursuant to the provisions of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the complaints received thereunder and the details relating thereto are as follows:

(a) Number of complaints received in the year: 1

(b) Number of complaints disposed of during the year: 1

(c) Number of cases pending more than ninety days: Nil

(d) Number of workshops or awareness programme against sexual harassment carried out: Your Company on a regular basis sensitizes its employees on prevention of sexual harassment through various workshops, awareness programmes.

(e) Nature of action taken by the employer or district officer: Penalty of censure has been imposed on the employee as per service rules.

It may be mentioned here that the Company has Zero tolerance towards any action on the part of any executive / staff which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women executive / staff working in the company.

Human resources

The Company aims to align HR practices with business goals, motivate people for higher performance and build a competitive working environment. Productive high performing employees are vital to the Company's success. The Board values and appreciates the contribution and commitment of the employees towards performance of your Company during the year. To create the leadership bench and for sustainable competitive advantage, the company inducted / promoted employees during the year. In pursuance of the Company's commitment to develop and retain the best available talent, the Company had organised various training programmes for upgrading skill and knowledge of its employees in different operational areas. Apart from fixed salaries and perquisites, the Company also has in place performance-linked incentives which reward outstanding performers who meet certain performance targets. It has been sponsoring its employees for training programmes / seminars / conferences organised by reputed professional institutions.

Employee relations remained cordial and the work atmosphere remained congenial during the year.

Acknowledgments

The Directors place on record their appreciation for the advice, guidance and support given by Life Insurance Corporation of India, National Housing Bank and all the bankers of the Company. The Directors also place on record their sincere thanks to the Company's clientele, lenders and members for their patronage. The Directors express their appreciation for the dedicated services of the employees and their contribution to the growth of the Company.

For and on behalf of the Board

Chairman

Place: Mumbai
Date: 11th June, 2018

Annexure 1
To The Board's Report

EXTRACT OF ANNUAL RETURN
As on financial year ended 31.03.2018
[Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

A. REGISTRATION AND OTHER DETAILS:

CIN:-	L65922MH1989PLC052257
Registration Date:	19.06.1989
Name of the Company:	**LIC Housing Finance Ltd.**
Category / Sub-Category of the Company	Public Company
Address of the Registered office and contact details:	Bombay Life Buliding, 2nd Floor, 45/47, Veer Nariman Road, Mumbai-400001, Phones: 022-22040006, 22049682 & 22049919. Fax: 022-22049839
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dyanamic (India) Pvt. Ltd., Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai-400072, Phones:022-28515606, 28515644,. Fax: 022-22641349

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/	% to total turnover of the company
a.	Activities of specialised institutions granting credit for house purchase	64192	100%
b.			
c.			
d.			

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held
a.	LIC Housing Finance Limited, Bombay Life Building, 2nd Floor, 45 / 47 Veer Nariman Road, Mumbai - 400001.	L65922MH1989PLC052257	Holding	
b.	LICHFL Care Homes Limited, 1st Floor, East Wing, Industrial Assurance Building, Opp. Churchgate Station, Mumbai - 400020.	U85310MH2001PLC133341	Subsidiary	100.00%
c.	LICHFL Financial Services Limited, Bombay Life Building, 2nd Floor, 45 / 47 Veer Nariman Road, Mumbai - 400001.	U67100MH2007PLC175564	Subsidiary	100.00%
d.	LICHFL Asset Management Company Limited, Bombay Life Building, 2nd Floor, 45 / 47 Veer Nariman Road, Mumbai - 400001.	U65900MH2008PLC178883	Subsidiary	94.62%
e.	LICHFL Trustee Company Private Limited, Bombay Life Building, 2nd Floor, 45 / 47 Veer Nariman Road, Mumbai - 400001.	U67190MH2008PTC179718	Subsidiary	100.00%
f.	LIC Mutual Fund Asset Management Company Limited, 4th Floor, Industrial Assurance Building, Opp. Churchgate Station, Mumbai - 400020.	U67190MH1994PLC077858	Associate	39.30%
g.	LIC Mutual Fund Trustee Private Limited, 4th Floor, Industrial Assurance Building, Opp. Churchgate Station, Mumbai - 400020.	U65992MH2003PTC139955	Associate	35.30%

Annexure 1
To The Board's Report

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Categiory of Shareholder	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S		0				0			0
(1). INDIAN		0				0			0
(a). individual		0				0			0
(b). Central Govt.		0				0			0
(c). State Govt(s).		0				0			0
(d). Bodies Corpp.		0				0			0
(e). FIINS / BANKS.	203442495	0	203442495	40.313	203442495	0	203442495	40.313	0
(f). Any Other									
Sub-total (A) (1):-	**203442495**	**0**	**203442495**	**40.313**	**203442495**	**0**	**203442495**	**40.313**	**0**
(2). FOREIGN									
(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0	0	0
(c). Bodies Corporates	0	0	0	0	0	0	0	0	0
(d). Banks / FII	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding	**203442495**	**0**	**203442495**	**40.313**	**203442495**	**0**	**203442495**	**40.313**	**0**
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	16681089	12000	16693089	3.308	19749066	9000	19758066	3.915	0.607
(b). Banks / FI	2660951	11000	2671951	0.529	4151690	10500	4162190	0.825	0.296
(c). Central Govt.		0				0			0.000
(d). State Govt.	7122426	7500	7129926	1.413	12432732	7500	12440232	2.465	1.052
(e). Venture Capital Funds		0				0			0.000
(f). Insurance Companies		0				0			0.000
(g). FIIs	34978936	25000	35003936	6.936	31014291	20000	31034291	6.150	-0.786
(h). Foreign Venture Capital Funds		0				0			0.000
(i). Others (specify)		0				0			0.000
Sub-total (B)(1):-	**61443402**	**55500**	**61498902**	**12.186**	**67347779**	**47000**	**67394779**	**13.355**	**1.169**
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	21022224	80500	21102724	4.182	11477073	65000	11542073	2.287	-1.895
(ii). Overseas		0				0			0.000
(b). Individuals									
(i) Individual shareholders	34597997	4760795	39358792	7.799	37968245	3839795	41808040	8.284	0.485
(ii) Individual shareholders	8697318	0	8697318	1.723	9253366	0	9253366	1.834	0.111
(c). Other (specify)									
Non Resident Indians	2457903	1500	2459403	0.487	2314202	1000	2315202	0.459	-0.028
Overseas Corporate Bodies	166248534	0	166248534	32.942	166174648	0	166174648	32.928	-0.014

Annexure 1
To The Board's Report

Categiory of Shareholder	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Nationals		0				0			0
Clearing Members	1854832	0	1854832	0.368	2732397	0	2732397	0.541	0.173
Trusts		0				0			0
Foreign Bodies - D R		0				0			0
Sub-total (B)(2):-	**234878808**	**4842795**	**239721603**	**47.501**	**229919931**	**3905795**	**233825726**	**46.333**	**-1.168**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**296322210**	**4898295**	**301220505**	**59.687**	**297267710**	**3952795**	**301220505**	**59.688**	**0.001**
C. Shares held by Custodian for GDRs & ADRs		**0**				**0**			**0.000**
Grand Total (A+B+C)	**499764705**	**4898295**	**504663000**	**100.00**	**500710205**	**3952795**	**504663000**	**100.00**	**0.001**

Company : LIC Housing Finance Ltd. from 01-04-2017 to 31-03-2018

(ii) Shareholding of Promoters MGT 9 Report

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2017			Share holding at the end of the Year 31/03/2018			%change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	LIFE INSURANCE CORPORATION OF INDIA	203442495	40.313	0	203442495	40.313	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2017			Share holding at the end of the Year 31/03/2018			% of total shares of the company
		No. of Shares at the beginning / end of the year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	
	NA							

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. no	Name	No.of Shares at the beginning /end of the Year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total shares of the company
1	**BANK MUSCAT INDIA FUND**	11496000	2.278	01-04-2017				
	-Closing Balance			31-03-2018		No Change	11496000	2.278
2	**FIDELITY INVESTMENT TRUST FIDELITY SERIES EMERGING MARKETS FUND**	5623515	1.114	01-04-2017				
				07-04-2017	-271529	Sold	5351986	1.061
				28-04-2017	-153834	Sold	5198152	1.03
				05-05-2017	-79972	Sold	5118180	1.014
				02-06-2017	-76092	Sold	5042088	0.999
				04-08-2017	-206776	Sold	4835312	0.958

Annexure 1
To The Board's Report

Sr. no	Name	No.of Shares at the beginning /end of the Year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total shares of the company
				01-09-2017	143208	Buy	4978520	0.987
				08-09-2017	78429	Buy	5056949	1.002
				22-09-2017	30786	Buy	5087735	1.008
				06-10-2017	188667	Buy	5276402	1.046
				13-10-2017	401157	Buy	5677559	1.125
				20-10-2017	455546	Buy	6133105	1.215
				27-10-2017	754676	Buy	6887781	1.365
				03-11-2017	188121	Buy	7075902	1.402
				08-12-2017	129946	Buy	7205848	1.428
				02-02-2018	-146790	Sold	7059058	1.399
				16-02-2018	218798	Buy	7277856	1.442
				23-02-2018	312929	Buy	7590785	1.504
				02-03-2018	263828	Buy	7854613	1.556
				09-03-2018	183736	Buy	8038349	1.593
				16-03-2018	463527	Buy	8501876	1.685
				23-03-2018	113631	Buy	8615507	1.707
	-Closing Balance			31-03-2018	222233	Buy	8837740	1.751
3	**GOVERNMENT OF SINGAPORE**	7744029	1.534	01-04-2017				
				07-04-2017	-14335	Sold	7729694	1.532
				14-04-2017	-12849	Sold	7716845	1.529
				21-04-2017	-3134	Sold	7713711	1.528
				28-04-2017	-1381	Sold	7712330	1.528
				05-05-2017	-74115	Sold	7638215	1.514
				12-05-2017	77	Buy	7638292	1.514
				26-05-2017	-3676	Sold	7634616	1.513
				02-06-2017	472719	Buy	8107335	1.606
				09-06-2017	14825	Buy	8122160	1.609
				16-06-2017	20	Buy	8122180	1.609
				23-06-2017	-3293	Sold	8118887	1.609
				07-07-2017	37892	Buy	8156779	1.616
				04-08-2017	-215052	Sold	7941727	1.574
				18-08-2017	-3864	Sold	7937863	1.573
				01-09-2017	56711	Buy	7994574	1.584
				08-09-2017	-160260	Sold	7834314	1.552
				15-09-2017	-9724	Sold	7824590	1.55
				06-10-2017	305835	Buy	8130425	1.611
				13-10-2017	1014392	Buy	9144817	1.812
				20-10-2017	210815	Buy	9355632	1.854
				27-10-2017	245583	Buy	9601215	1.903
				03-11-2017	35579	Buy	9636794	1.91
				10-11-2017	-9799	Sold	9626995	1.908
				17-11-2017	-1498	Sold	9625497	1.907

Annexure 1
To The Board's Report

Sr. no	Name	No.of Shares at the beginning /end of the Year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total shares of the company
				01-12-2017	-130266	Sold	9495231	1.881
				08-12-2017	-545274	Sold	8949957	1.773
				05-01-2018	100522	Buy	9050479	1.793
				12-01-2018	-280791	Sold	8769688	1.738
				19-01-2018	84002	Buy	8853690	1.754
				26-01-2018	53338	Buy	8907028	1.765
				02-02-2018	21490	Buy	8928518	1.769
				09-02-2018	-10871	Sold	8917647	1.767
				23-02-2018	-21293	Sold	8896354	1.763
				02-03-2018	-107836	Sold	8788518	1.741
				09-03-2018	40692	Buy	8829210	1.75
				16-03-2018	-321067	Sold	8508143	1.686
	-Closing Balance			31-03-2018	106982	Buy	8615125	1.707
4	**MAWER INTERNATIONAL EQUITY FUND**	9134678	1.81	01-04-2017				
				23-06-2017	17524	Buy	9152202	1.814
				21-07-2017	9955	Buy	9162157	1.816
				28-07-2017	14792	Buy	9176949	1.818
				04-08-2017	48584	Buy	9225533	1.828
				18-08-2017	-120325	Sold	9105208	1.804
				25-08-2017	-248676	Sold	8856532	1.755
				01-09-2017	-178537	Sold	8677995	1.72
				30-09-2017	184541	Buy	8862536	1.756
				13-10-2017	62875	Buy	8925411	1.769
				24-11-2017	67279	Buy	8992690	1.782
				26-01-2018	64752	Buy	9057442	1.795
				09-02-2018	-819799	Sold	8237643	1.632
				16-02-2018	-407628	Sold	7830015	1.552
	-Closing Balance			31-03-2018			7830015	1.552
5	**HSBC GLOBAL INVESTMENT FUNDS - INDIAN EQUITY**	6097916	1.208	01-04-2017				
				02-06-2017	-167658	Sold	5930258	1.175
				09-06-2017	-473757	Sold	5456501	1.081
				16-06-2017	-214788	Sold	5241713	1.039
				18-08-2017	-96119	Sold	5145594	1.02
				01-09-2017	-113360	Sold	5032234	0.997
				06-10-2017	-222818	Sold	4809416	0.953
				13-10-2017	-85326	Sold	4724090	0.936
				20-10-2017	-56945	Sold	4667145	0.925
				02-02-2018	69607	Buy	4736752	0.939
	-Closing Balance			31-03-2018	-17560	Sold	4719192	0.935

Annexure 1
To The Board's Report

Sr. no	Name	No.of Shares at the beginning /end of the Year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total shares of the company
6	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS**	4634372	0.918	23-03-2018				
	-Closing Balance			31-03-2018	-25000	Sold	4609372	0.913
7	**MAWER GLOBAL EQUITY FUND**	2809736	0.557	01-04-2017				
				07-04-2017	9007	Buy	2818743	0.559
				14-04-2017	15308	Buy	2834051	0.562
				21-04-2017	54392	Buy	2888443	0.572
				28-04-2017	70321	Buy	2958764	0.586
				12-05-2017	47500	Buy	3006264	0.596
				16-06-2017	4335	Buy	3010599	0.597
				23-06-2017	5764	Buy	3016363	0.598
				25-08-2017	320848	Buy	3337211	0.661
				22-09-2017	46968	Buy	3384179	0.671
				06-10-2017	182545	Buy	3566724	0.707
				13-10-2017	116425	Buy	3683149	0.73
				03-11-2017	36186	Buy	3719335	0.737
				19-01-2018	50417	Buy	3769752	0.747
				26-01-2018	133695	Buy	3903447	0.773
				02-02-2018	67780	Buy	3971227	0.787
	-Closing Balance			31-03-2018			3971227	0.787
8	**FIDELITY INVESTMENT TRUST - FIDELITY EMERGINGMARKETS FUND**	2713577	0.538	01-04-2017				
				07-04-2017	-34325	Sold	2679252	0.531
				14-04-2017	-25817	Sold	2653435	0.526
				21-04-2017	-20990	Sold	2632445	0.522
				28-04-2017	-36607	Sold	2595838	0.514
				12-05-2017	-220175	Sold	2375663	0.471
				26-05-2017	-35315	Sold	2340348	0.464
				02-06-2017	-21237	Sold	2319111	0.46
				16-06-2017	-170980	Sold	2148131	0.426
				07-07-2017	-22942	Sold	2125189	0.421
				28-07-2017	-19534	Sold	2105655	0.417
				04-08-2017	-29079	Sold	2076576	0.411
				11-08-2017	286381	Buy	2362957	0.468
				01-09-2017	301788	Buy	2664745	0.528
				08-09-2017	-31055	Sold	2633690	0.522
				15-09-2017	-67009	Sold	2566681	0.509
				06-10-2017	240906	Buy	2807587	0.556

Annexure 1
To The Board's Report

Sr. no	Name	No.of Shares at the beginning /end of the Year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total shares of the company
				17-11-2017	68468	Buy	2876055	0.57
				01-12-2017	158584	Buy	3034639	0.601
				15-12-2017	-31904	Sold	3002735	0.595
				12-01-2018	303148	Buy	3305883	0.655
				26-01-2018	425796	Buy	3731679	0.739
				09-02-2018	-70023	Sold	3661656	0.726
				23-02-2018	-36428	Sold	3625228	0.718
	-Closing Balance			31-03-2018			3625228	0.718
9	**ISHARES INDIA INDEX MAURITIUS COMPANY**	3603844	0.714	01-04-2017				
				07-04-2017	25735	Buy	3629579	0.719
				14-04-2017	72000	Buy	3701579	0.733
				21-04-2017	25200	Buy	3726779	0.738
				05-05-2017	16800	Buy	3743579	0.742
				02-06-2017	-106367	Sold	3637212	0.721
				23-06-2017	-20892	Sold	3616320	0.717
				07-07-2017	-6959	Sold	3609361	0.715
				21-07-2017	4804	Buy	3614165	0.716
				04-08-2017	4056	Buy	3618221	0.717
				18-08-2017	-5790	Sold	3612431	0.716
				01-09-2017	-46320	Sold	3566111	0.707
				15-09-2017	-22230	Sold	3543881	0.702
				22-09-2017	-16624	Sold	3527257	0.699
				30-09-2017	-23080	Sold	3504177	0.694
				06-10-2017	-3826	Sold	3500351	0.694
				13-10-2017	-2100	Sold	3498251	0.693
				20-10-2017	-2448	Sold	3495803	0.693
				27-10-2017	-3492	Sold	3492311	0.692
				08-12-2017	-38563	Sold	3453748	0.684
				29-12-2017	-6468	Sold	3447280	0.683
				05-01-2018	-7627	Sold	3439653	0.682
				12-01-2018	31556	Buy	3471209	0.688
				19-01-2018	14494	Buy	3485703	0.691
				26-01-2018	11300	Buy	3497003	0.693
				02-02-2018	20340	Buy	3517343	0.697
				09-02-2018	-6780	Sold	3510563	0.696
				16-02-2018	-14690	Sold	3495873	0.693
				02-03-2018	-39024	Sold	3456849	0.685
				09-03-2018	-3351	Sold	3453498	0.684
	-Closing Balance			31-03-2018			3453498	0.684

Annexure 1
To The Board's Report

Sr. no	Name	No.of Shares at the beginning /end of the Year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total shares of the company
10	**VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND**	3041864	0.603	01-04-2017				
				23-06-2017	93342	Buy	3135206	0.621
				08-09-2017	47362	Buy	3182568	0.631
				08-12-2017	77470	Buy	3260038	0.646
				19-01-2018	95916	Buy	3355954	0.665
	-Closing Balance			31-03-2018			3355954	0.665
11	**FIL INVESTMENTS (MAURITIUS)LTD**	5291828	1.049	01-04-2017				
				26-05-2017	-159552	Sold	5132276	1.017
				13-10-2017	-853788	Sold	4278488	0.848
				03-11-2017	-826617	Sold	3451871	0.684
				10-11-2017	-377294	Sold	3074577	0.609
				15-12-2017	-206521	Sold	2868056	0.568
	-Closing Balance			31-03-2018			2868056	0.568
12	**ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED**	10713921	2.123	01-04-2017				
				07-04-2017	82099	Buy	10796020	2.139
				14-04-2017	3112	Buy	10799132	2.14
				21-04-2017	3605	Buy	10802737	2.141
				28-04-2017	-94400	Sold	10708337	2.122
				05-05-2017	-500	Sold	10707837	2.122
				12-05-2017	-771824	Sold	9936013	1.969
				19-05-2017	-221343	Sold	9714670	1.925
				26-05-2017	-868650	Sold	8846020	1.753
				02-06-2017	-68604	Sold	8777416	1.739
				09-06-2017	45024	Buy	8822440	1.748
				16-06-2017	-29021	Sold	8793419	1.742
				23-06-2017	29850	Buy	8823269	1.748
				30-06-2017	-49228	Sold	8774041	1.739
				07-07-2017	-244046	Sold	8529995	1.69
				14-07-2017	-459	Sold	8529536	1.69
				21-07-2017	3109	Buy	8532645	1.691
				28-07-2017	-27437	Sold	8505208	1.685
				04-08-2017	-1642935	Sold	6862273	1.36
				11-08-2017	-3275	Sold	6858998	1.359
				18-08-2017	2481	Buy	6861479	1.36
				25-08-2017	-562	Sold	6860917	1.36
				01-09-2017	-910620	Sold	5950297	1.179
				08-09-2017	-1397082	Sold	4553215	0.902
				30-09-2017	11494	Buy	4564709	0.905

Annexure 1
To The Board's Report

Sr. no	Name	No.of Shares at the beginning /end of the Year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total shares of the company
				06-10-2017	-117721	Sold	4446988	0.881
				13-10-2017	-328434	Sold	4118554	0.816
				20-10-2017	-193600	Sold	3924954	0.778
				27-10-2017	-793594	Sold	3131360	0.62
				03-11-2017	-243668	Sold	2887692	0.572
				10-11-2017	-162	Sold	2887530	0.572
				17-11-2017	-38	Sold	2887492	0.572
				24-11-2017	-2653	Sold	2884839	0.572
				01-12-2017	103	Buy	2884942	0.572
				22-12-2017	2504	Buy	2887446	0.572
				29-12-2017	-417979	Sold	2469467	0.489
				12-01-2018	-271467	Sold	2198000	0.436
				19-01-2018	-665	Sold	2197335	0.435
				16-02-2018	-360	Sold	2196975	0.435
				23-02-2018	-56285	Sold	2140690	0.424
				02-03-2018	-100180	Sold	2040510	0.404
				09-03-2018	-12	Sold	2040498	0.404
				23-03-2018	63	Buy	2040561	0.404
	-Closing Balance			31-03-2018	-208122	Sold	1832439	0.363
13	**NPS TRUST- A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I**	4023772	0.797	01-04-2017				
				07-04-2017	1723	Buy	4025495	0.798
				14-04-2017	1298	Buy	4026793	0.798
				21-04-2017	695	Buy	4027488	0.798
				12-05-2017	-4011738	Sold	15750	0.003
				11-08-2017	7000	Buy	22750	0.005
				18-08-2017	5000	Buy	27750	0.005
				13-10-2017	2000	Buy	29750	0.006
				03-11-2017	2000	Buy	31750	0.006
				12-01-2018	10000	Buy	41750	0.008
				19-01-2018	5000	Buy	46750	0.009
	-Closing Balance			31-03-2018			46750	0.009
14	**CREDIT SUISSE (SINGAPORE) LIMITED**	4739393	0.939	01-04-2017				
				07-04-2017	19218	Buy	4758611	0.943
				28-04-2017	-110000	Sold	4648611	0.921
				05-05-2017	316695	Buy	4965306	0.984
				12-05-2017	253004	Buy	5218310	1.034
				19-05-2017	-107669	Sold	5110641	1.013
				26-05-2017	-113192	Sold	4997449	0.99
				02-06-2017	-22217	Sold	4975232	0.986

Annexure 1
To The Board's Report

Sr. no	Name	No.of Shares at the beginning /end of the Year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total shares of the company
				09-06-2017	182911	Buy	5158143	1.022
				16-06-2017	-327848	Sold	4830295	0.957
				23-06-2017	-373192	Sold	4457103	0.883
				30-06-2017	-476300	Sold	3980803	0.789
				07-07-2017	-334187	Sold	3646616	0.723
				14-07-2017	91372	Buy	3737988	0.741
				21-07-2017	84700	Buy	3822688	0.757
				04-08-2017	-337374	Sold	3485314	0.691
				11-08-2017	-169901	Sold	3315413	0.657
				25-08-2017	-190598	Sold	3124815	0.619
				01-09-2017	-70615	Sold	3054200	0.605
				08-09-2017	-348062	Sold	2706138	0.536
				15-09-2017	-297673	Sold	2408465	0.477
				30-09-2017	-73815	Sold	2334650	0.463
				27-10-2017	-320717	Sold	2013933	0.399
				03-11-2017	-244472	Sold	1769461	0.351
				10-11-2017	-178507	Sold	1590954	0.315
				22-12-2017	-445734	Sold	1145220	0.227
				29-12-2017	-38660	Sold	1106560	0.219
				05-01-2018	-78000	Sold	1028560	0.204
				12-01-2018	-993554	Sold	35006	0.007
				19-01-2018	-15333	Sold	19673	0.004
				09-02-2018	-221	Sold	19452	0.004
				23-02-2018	-11985	Sold	7467	0.001
	-Closing Balance			31-03-2018			7467	0.001
15	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND**	4413848	0.875	01-04-2017				
				07-04-2017	52538	Buy	4466386	0.885
				28-04-2017	4820	Buy	4471206	0.886
				05-05-2017	38560	Buy	4509766	0.894
				12-05-2017	12050	Buy	4521816	0.896
				19-05-2017	26028	Buy	4547844	0.901
				02-06-2017	10604	Buy	4558448	0.903
				07-07-2017	16870	Buy	4575318	0.907
				14-07-2017	11995	Buy	4587313	0.909
				04-08-2017	10604	Buy	4597917	0.911
				11-08-2017	13978	Buy	4611895	0.914
				01-09-2017	17352	Buy	4629247	0.917
				08-09-2017	24582	Buy	4653829	0.922

Annexure 1
To The Board's Report

Sr. no	Name	No.of Shares at the beginning /end of the Year	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total shares of the company
				15-09-2017	22172	Buy	4676001	0.927
				06-10-2017	14460	Buy	4690461	0.929
				13-10-2017	14942	Buy	4705403	0.932
				20-10-2017	11086	Buy	4716489	0.935
				27-10-2017	10122	Buy	4726611	0.937
				22-12-2017	-135849	Sold	4590762	0.91
				26-01-2018	23030	Buy	4613792	0.914
				02-02-2018	20580	Buy	4634372	0.918
	-Closing Balance			23-03-2018	-4634372	Sold	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	For each of the Directors of the Company and KMP	Shareholding at the beginning of the year 01-04-2017		Cumulative Shareholding during the year 31-03-2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Director/s				
1	**Dr. Dharmendra Bhandari**				
	At the beginning of the year	500	0.00	500	0.00
	Date-wise Increase/ Decrease in shareholding during the year specifying the reasons for increase / decrease e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	500	0.00	500	0.00

Except for Dr.Dharmendra Bhandari, no other director or Key Managerial Personnel hold any share at the beginning or at the end of the year as well as during the year, therefore no purchase or sale of the Company's equity shares were done by them.

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
	Independent Directors	Jagdish Capoor	Savita Singh	T. V. Rao	Dr. Dharmendra Bhandari	Debabrata Sarkar	V K Kukreja	Ameet N Patel	
1	Fee for attending Board / Committee meetings	8,00,000.00	1,50,000.00	2,75,000.00	3,10,000.00	2,80,000.00	8,80,000.00	2,60,000.00	29,55,000.00
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	8,00,000.00	1,50,000.00	2,75,000.00	3,10,000.00	2,80,000.00	8,80,000.00	2,60,000.00	29,55,000.00
	Total Managerial Remuneration								60,40,736.68
	Overall ceiling as per the Act								3,38,04,18,031.99

Annexure 1
To The Board's Report

C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Nitin K. Jage, GM & CS	P. Narayanan, CFO	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	26,86,904.00	24,97,391.00	51,84,295.00
	b) Value of perquisites u/s 17(2) of Income tax Act, 1961	78,020.96	11,390.00	89,410.96
	c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	others, specify	Nil	Nil	Nil
5	Others, please specify (like Company Contribution)	2,27,734.00	2,10,635.33	4,38,369.33
	Total	**29,92,658.96**	**27,19,416.33**	**57,12,075.29**

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ In Crore)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year : 01.04.2017					
i)	Principal Amount	11,52,46,25,00,490.00	47,67,05,05,000.00	63,21,37,48,320.00	12,63,34,67,53,810.00
ii)	Interest due but not paid	0.00	0.00	0.00	0.00
iii)	Interest accrued but not due*	50,39,17,80,948.48	1,08,92,47,258.00	3,28,77,10,879.00	54,76,87,39,085.48
Total (i+ii+iii)		**12,02,85,42,81,438.48**	**48,75,97,52,258.00**	**66,50,14,59,199.00**	**13,18,11,54,92,895.48**
Change in Indebtedness during the financial year					
Addition		5,19,13,00,00,000.00	1,79,75,78,66,000.00	37,99,84,01,500.00	7,36,88,62,67,500.00
Reduction		3,51,71,20,15,647.25	1,62,17,51,24,500.00	32,95,17,87,000.00	5,46,83,89,27,147.25
Net Change		**1,67,41,79,84,352.75**	**17,58,27,41,500.00**	**5,04,66,14,500.00**	**1,90,04,73,40,352.75**
Indebtedness at the end of the financial year : 31.03.2018					
i)	Principal Amount	**13,19,88,04,84,842.75**	**65,25,32,46,500.00**	**68,26,03,62,820.00**	**14,53,39,40,94,162.75**
ii)	Interest due but not paid	0.00	0.00	0.00	0.00
iii)	Interest accrued but not due*	55,24,80,61,234.00	1,66,43,94,964.00	4,17,23,94,029.79	61,08,48,50,227.79
Total (i+ii+iii)		**13,75,12,85,46,076.75**	**66,91,76,41,464.00**	**72,43,27,56,849.79**	**15,14,47,89,44,390.54**

* includes premium payable on redemption of zero coupon debentures, interest payable on commercial paper and amount payable on swap.

Annexure 1
To The Board's Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

Sr. no.	Particulars of Remuneration	Name of MD / WTD / Manager : Shri. Vinay Sah	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,89,706.00	22,89,706.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,25,135.80	5,25,135.80
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00
			0.00
	Stock Option	0.00	0.00
	Sweat Equity	0.00	0.00
	Commission	0.00	0.00
	- as % of profit	0.00	0.00
	- others, specify…	0.00	0.00
	Others, please specify (like Company contribution)	2,70,894.88	2,70,894.88
	Total (A)	30,85,736.68	30,85,736.68
	Ceiling as per the Act	1,53,65,53,650.90	1,53,65,53,650.90

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority[RD/ NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Annexure 2
To The Board's Report

NOTE ON INTERNAL FINANCIAL CONTROL

1. **Background:** As per the Section 134(5)(e) of the Companies Act 2013, The Directors' Responsibility Statement referred to in sub-section (3)(c) shall state that — "the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively."

   Explanation: For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

2. **Policies and Procedures:** The Company has laid down relevant policies and procedures. As part of the Internal Control Framework (ICF), the Company has in place, standard operating procedures (SOP) covering the key activities / functions / processes (Retail Loans, Project Loans, Borrowings, Treasury, Accounting, etc.

3. **Compliance Reporting:** The Company has in place process to ensure compliance with the provisions of all applicable laws and the same is reported in the form of quarterly compliance reports by the process owners to the MD & CEO / Audit Committee / Board.

4. **Risk Management System:** The Company has in place a Risk Management Policy which provides a framework to address the risk faced by the Company on a sustainable basis. The risk management function within the Company is responsible for review of existing risks and identifying potential risks and risk mitigation measures. There is a system of quarterly / half-yearly reporting to the Risk Management Committee / Audit Committee / Board.

5. **Internal Audit System:** The Internal Audit process determines the existence, adequacy, effectiveness and adherence to the Company's internal controls, besides review of processes, adherence to SOPs and compliance with statutory provisions/ regulatory guidelines. The internal audit of Back Offices is conducted by the Internal Audit Department and Internal audit of Corporate Office is conducted by an independent firm of Chartered Accountants.

6. **Adequacy and Effectiveness of Internal Financial Control:** The Standard Operating Procedures, Compliance Reporting, Risk Management System and Internal Audit System adopted by the Company facilitate orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. All these ensure that Internal Financial Controls within the Company are adequate and operating effectively.

Annexure 3
To The Board's Report

LIC Housing Finance Limited

Related Party Transaction Policy and Procedures

Policy:

LIC Housing Finance Limited recognises that Related Party Transactions present a potential or actual risk of conflicts of interest (or the perception thereof) and therefore the Company has adopted this policy, under which all Related Party Transactions will be subject to approval or ratification in accordance with the procedures set forth in this policy.

Definitions:

Related Party: [Section 2(76)]
With reference to Company, Related Party would mean and include the following:

i) A director or his relative;

ii) Key managerial personnel or their relative;

iii) A firm in which a director / manager or his relative is a partner;

iv) A private company in which a director or manager is a director or holds alongwith his relatives, more than 2% of its paid-up share capital;

v) A person on whose advice, directions or instructions (except given in professional capacity) a director or manager is accustomed to act;

vi) A holding / subsidiary or associate company, subsidiary's subsidiary and such person as would be prescribed.

Relative: [Section 2(77)]
For the purpose of this policy and pursuant to Rule 4 of the Companies (Specification of Definitions, Details) Rules, 2014 provides that a person shall be deemed to be the relative of another if he or she is related to another in the following manner, namely:

i) Father (including step father);

ii) Mother(including step mother);

iii) Son (including step-son);

iv) Son's wife;

v) Daughter;

vi) Daughter's husband;

vii) Brother (including step-brother);

viii) Sister (including step-sister).

Related Party Transaction [Section 188] liable to be treated as Related Party Transactions is as set below:

- Sale, purchase or supply of any goods or materials;
- Selling or otherwise disposing of, or buying, property of any kind;
- Leasing of property of any kind;
- Availing or rendering of any services;
- Appointment of any agent for purchase or sale of goods, materials, services or property;
- Such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
- Underwriting the subscription of any securities or derivatives thereof, of the Company.

Key Managerial Personnel: [Section 2(51)]
In relation to a company, Key Managerial Personnel means the following:

i) The Chief Executive Officer or the Managing Director or the Manager;

ii) The Company Secretary;

iii) The Whole-time director;

iv) The Chief Financial Officer; and

v) Such other officer as may be prescribed.

For the purpose of this policy, a Related Party Transaction is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries or associate) was, is or will be a participant and the amount involved exceeds 10% of the networth or 10% of turnover and in which any Related Party (as defined above) had, has or will have a direct or indirect interest.

It may be mentioned here that the word 'material' is omitted from this definition so that the Audit Committee can assess the materiality of a Related Party's interest in the transaction, rather than management or employees in their determination of whether a transaction fall under the policy.

While the Audit Committee has historically monitored related party transactions, Company may determine that Nomination and Remuneration Committee may be better suited to administer this policy, atleast with respect to directors, as these matters are relevant to the independent determinations.

Procedures:

The Audit Committee of the Board of Directors of the Company will review the relevant facts and circumstances of each Related Party Transaction, including if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party and the extent of the Related Party's interest in the transaction, take into account the conflicts of interest and either approve or disapprove the Related Party Transaction. Any Related Party Transaction that would be entered into and would continue only if the Audit Committee has approved or ratified such transaction in accordance with the guidelines set forth in this policy. If advance approval of a Related Party Transaction by

Annexure 3
To The Board's Report

the Audit Committee, is not practicable, then the transaction may be preliminarily entered into by management subject to ratification of the transaction by the Audit Committee at the Audit Committee's next regularly scheduled meeting; provided that if ratification is not done, management will make all reasonable efforts to cancel or annul such transaction.

All Related Party Transactions shall require prior approval of the Audit Committee. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

a. The Audit Committee shall lay down the criteria for granting omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;

b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

c. Such omnibus approval shall specify the following:
   - Name(s) of the Related Party;
   - Name of the transaction;
   - Maximum amount of transaction that can be entered into;
   - The indicative base price / current contracted price and the formula for variation in the price, if any, and;
   - Such other conditions as the Audit Committee may deem fit.

d. In such cases where the need for Related Party Transactions cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 10 Crore per transaction;

e. The Audit Committee shall review, atleast on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given;

f. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

The Audit Committee will have the discretion to recommend / refer any matter relating to the Related Party Transactions to the Board for the approval.

Management will present to the Audit Committee each proposed Related Party Transaction, including all relevant facts and circumstances, and will update the Audit Committee as to any material changes to an approved or ratified Related Party Transaction and will provide a status report annually at a regularly scheduled meeting of the Audit Committee, of all then current Related Party Transactions.

No director shall participate in approval of a Related Party Transaction for which he or she is a Related Party.

Approval of Board of Directors:

All the Related Party Transactions under Section 188 of the Companies Act, 2013 shall be approved by the Board of Directors of the Company; however this provision will not apply to the transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

Factors / Criteria to be considered while granting approval to Related Party Transactions:

The Audit Committee / Board will consider the following factors, among others, to the extent relevant to the Related Party Transactions while granting its approval:

a. Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

b. Whether there are any compelling business reasons for the Company to enter into a Related Party Transaction and the nature of alternative transactions, if any;

c. Whether the Related Party Transaction would affect the independence of an independent director;

d. Whether the transaction qualifies to be a transaction in ordinary course of business;

e. Whether the proposed transaction includes any potential risk issues, that may arise as a result of or in connection with the proposed transaction;

f. Whether the Related Party Transaction would present an improper conflict of interest for any director or key managerial personnel of the Company, taking into account the terms and size of the transaction, the purpose and timing of the transaction, the overall financial position of the director or other Related Party, the direct or indirect nature of the director's, key managerial personnel's or other Related Party's interest in the transaction and the ongoing nature of the any proposed relationship and any other factors the Board / Committee deems relevant.

Annexure 3
To The Board's Report

Pre-Approved Transactions:

The Audit Committee has reviewed and pre-approved each of the following types of Related Party Transactions, which will be deemed to be approved or ratified, as applicable under this policy:

1. Managerial Remuneration
   a) To Managing Director & CEO if the remuneration is required to be reported / circulated to the shareholders pursuant to requirement of the Companies Act, 2013 and such remuneration has been approved, or recommended to the Company's Board of Directors for approval, by Nomination and Remuneration Committee of the Board of Directors of the Company; or
   b) To key managerial personnel if the remuneration is required to be reported/circulated to the shareholders pursuant to requirement of the Companies Act, 2013 and such remuneration has been approved, or recommended to the Company's Board of Directors for approval, by Nomination and Remuneration Committee of the Board of Directors of the Company.

2. Transactions that are in the Company's ordinary course of business such as the following:
   a) Borrowing or Raising of funds in the nature of NCD, Bonds (Tier I or II, subordinate, etc) for business of the Company from the promoter, repayment / payment of interest or principal towards secured or unsecured loans, issue of equity shares, PTC and payment of interest or other return on such subscription.

3. Transactions that are in the nature of payment of rent, dividend, reimbursement of municipal taxes, reimbursement of electricity expenses, reimbursement of gratuity for staff on deputation from promoter, payment for staff training, conference and towards renovation and repairs either to promoter or subsidiary or associate.

Disclosure:

All Related Party Transactions are to be disclosed in the Company's applicable returns/report as required by the Companies Act, 2013 and Listing Regulations. Furthermore, any material Related Party Transactions will be disclosed to the Board of Directors.

Other Agreements:

Management will assure that all Related Party Transactions are not in violation of and are approved in accordance with any requirements of the Company's financing or other material agreements.

Review and Monitoring of Related Party Transactions:

The Audit Committee may review and monitor a Related Party Transaction taking into account the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy, subject to compliance with the requirements of the Companies Act, 2013 and Listing Regulations.

Interpretation:

This policy is intended to comply with the requirement of the Companies Act, 2013 and Listing Regulations. Notwithstanding anything herein to the contrary, this policy will be interpreted only in such a manner as to comply with the requirement of the Companies Act, 2013 and Listing Regulations.

Annexure 4
To The Board's Report

FORM No. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

a) Name(s) of the related party and nature of relationship: N.A.
b) Nature of contracts/arrangements/transactions: N.A.
c) Duration of the contracts / arrangements / transactions: N.A.
d) Salient terms of the contracts or arrangements or transactions including the value if any: N.A
e) Justification for entering into such contracts or arrangements or transactions: N.A
f) Date(s) of approval by the Board: N.A
g) Amount paid as advance, if any: N.A
h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: N.A.

2. Details of material contracts or arrangements or transactions at arm's length basis:

a) Name(s) of the related party and nature of relationship: Annexed as Annexure 6 to this report
b) Nature of transactions: As annexed as Annexure 6 to this report.
c) Duration of the transactions: On going basis
d) Salient terms of the contracts or arrangements or transactions including the value, if any: As per Annexure 6
e) Date(s) of approval by the Board: 23rd April, 2018
f) Amount paid as advance, if any: Nil

For and on behalf of the Board of Directors

V. K. Sharma
Chairman

Place: Mumbai
Date: 11th June, 2018

Annexure 5
To The Board's Report

Annual Report on the CSR activities pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013.

1. Brief outline of the Company's CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

To actively contribute towards social and economic development of the poor irrespective of caste, creed and religion in areas around which the Company operates. In doing so, it aims to bring a dignified and meaningful life to the poor and sense of gratification to stakeholders by making a difference in their lives. The Company's CSR policy has been uploaded on the website of the Company under the web-link:

https://www.lichousing.com/Polices&Codes.

2. Composition of the CSR Committee:

Ms. Usha Sangwan	Chairperson	Director
Shri Jagdish Capoor	Member	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Vinay Sah	MD & CEO	Executive Director

3. Average net profit of the Company for last three financial years:

₹ 2539.79 Crore

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above):

The Company, during the financial year 2017-18, was required to spend ₹ 50.79 Crore towards CSR.

5. Details of CSR spent during the financial year:

a) Total amount spent for the financial year: ₹ 6.78 Crore.

b) Amount unspent, if any: ₹ 44.01 Crore.

c) Manner in which amount spent during the financial year is detailed below:

Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes was undertaken	Amount Outlay (budget) project or programme wise (₹)	Amount spent on the projects or programmes Subhead: (1) Direct expenditure (2) Overheads (₹)	Cumulative Expenditure upto the reporting period (₹)	Amount Spent: Direct or through implementing agency
1.	Contribution to Dr. Ambedkar Vanvasi Kalyan Trustfor their natural resource management project towards production system and micro enterprise expenses.	Natural Resource Management	Diwantembrun & Jamlapada, Gujarat	6,09,375/-	6,09,375/-	6,09,375/-	Through Implementing agency namely Dr. Ambedkar Vanvasi Kalyan Trust
2.	Contribution to M K Educational Societyfor providing school uniform to underprivileged students.	Promoting education	Malwani, Maharashtra	4,00,027/-	4,00,027/-	4,00,027/-	Through Implementing agency namely M K Educational Society

Annexure 5
To The Board's Report

3.	Contribution to Concern India foundation for providing education and vocation training to differently abled individuals.	Promoting education	Grant Road, Maharashtra	10,00,000/-	10,00,000/-	10,00,000/-	Through Implementing agency namely Concern India Foundation
4.	Contribution to AIM for Seva for construction of new students hostel building.	Promoting education	Tondikatti village, Karnataka	92,11,900/-	92,11,900/-	92,11,900/-	Through Implementing agency namely AIM for Seva
5.	Contribution to Smile Foundation for education support to under privileged children.	Promoting education	Rajasthan	23,35,540/-	23,35,540/-	23,35,540/-	Through Implementing agency namely Smile Foundation
6	Contribution to Akshaya Patra Foundation for purchasing food distribution vessels in Guwahati Kitchen.	Eradicating hunger, malnutrition and Promoting Education	Guwahati, Assam	15,51,000/-	15,51,000/-	15,51,000/-	Through Implementing agency namely Akshaya Patra Foundation
10.	Contribution to Chetna Institute For Mentally Retarded for purchase of school bus.	Promoting education	Lucknow, Uttar Pradesh	14,64,500/-	14,64,500/-	14,64,500/-	Through Implementing agency namely Chetna Institute For Mentally Retarded
8.	Contribution to Indian Association of Blood Cancer and Allied Diseases for purchase of mobile medical van.	Health Care	Kolkata, West Bengal	4,25,905/-	4,25,905/-	4,25,905/-	Through Implementing agency namely Indian Association of Blood Cancer and Allied Diseases
9.	Contribution to Prime Minister's National Relief Fund	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief, welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women	Pan India	-	2,50,00,000/-	2,50,00,000/-	Direct
10.	Swachh Bharat Kosh	Environment protection	Pan India	-	2,50,00,000/-	2,50,00,000/-	Direct

Annexure 5
To The Board's Report

6. In case, the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reason for not spending the amount in its Board's Report:

The Company in the process of gradually building and developing the internal CSR appraisal mechanism, for appraising CSR projects, as it intends to contribute towards genuine projects and partner with only reputed implementation agencies with proven track record. The Company is also laying emphasis on periodically monitoring the CSR contribution made by it. In financial year 2017-2018 the Company has made its best endeavour to appraise and process the contribution requests received by it. The Company is committed towards spending maximum CSR funds.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance of CSR objectives and policy of the Company:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Vinay Sah	**V. K. Sharma**
Managing Director & CEO	Chairman

Place: Mumbai
Date : 11th June, 2018

Annexure 6
To The Board's Report

Details of transactions and balance at the end of financial year with related parties:

Related Party	Nature of transactions	Volume of Transaction	
		Current Year Rupees	Previous Year Rupees
LIC of India	Issue of non-convertible debentures	-	2800,00,00,000.00
	Repayment of non-convertible debentures	263,70,00,000.00	818,10,00,000.00
	Repayment of Secured loan	17,75,00,000.00	42,75,00,000.00
	Interest expenses on Secured and Unsecured loans	1646,82,35,653.51	1584,66,02,129.00
	Dividend Payment	126,13,43,469.00	111,89,33,723.00
	Rent, Rates & Taxes	5,56,18,075.79	5,33,98,223.00
	Reimbursement of Electricity Expenses	55,24,743.60	17,72,044.00
	Payment for Staff training, Conference, etc.	19,44,462.00	11,14,220.00
	Payments towards Renovation & Repairs Work carried out by them	-	-
	Reimbursement of Gratuity for staff on deputation from LIC	39,20,433.00	33,96,507.43
	Balance as at the year-end (Credit)	19398,49,09,860.06	1965074,27,313.42
LICHFL Care Homes Limited	Dividend Income	17,10,000.00	-
	Investment in Share Capital	16,45,00,000.00	-
	Investment in Share Application (Pending Allotment)	25,00,00,000.00	-
LICHFL Financial Services Limited	Dividend Income	2,37,50,000.00	1,42,50,000.00
	Commission Expenses on Loan Business	41,56,39,903.00	32,87,43,723.00
	Commission Expenses on Public Deposit	5,36,362.00	8,24,616.00
	Payment of Expenses	34,54,873.47	9,96,705.00
	Reimbursement of Expenses	(34,87,219.00)	(9,96,309.00)
	Balance as at the year-end (Credit)	7,58,92,563.66	8,96,42,155.00
LICHFL Asset Management Co. Ltd.	Dividend Income	87,00,000.00	2,61,00,000.00
	Investment in Public Deposit Scheme by LICHFL Asset Management Co. Ltd in LIC HFL	(1,80,96,000.00)	-
	Payment of Expenses	19,27,756.29	32,64,296.00
	Reimbursement of Expenses	(19,27,772.00)	(31,37,546.00)
	Balance as at the year End (Debit)	(1,80,82,196.17)	1,26,015.00
LIC Mutual Fund Asset Management Company Ltd.	Dividend Income	21,61,500.00	-
	Investment in Share capital	-	27,49,12,783.00
LICMF Trustee Co. Ltd.	Investment in Share capital	-	1,51,023.00
LICHFL Urban Dev Fund	Investment	1,69,50,000.00	5,85,50,000.00
	Redemption of Investment	1,33,03,814.00	8,65,95,977.00
	Income from Investment	2,81,32,567.00	3,79,05,552.00

Annexure 6
To The Board's Report

Related Party	Nature of transactions	Volume of Transaction	
		Current Year Rupees	Previous Year Rupees
	Investment as at the year-end (Debit)	36,80,16,188.00	36,43,70,002.00
Shri Vinay Sah, MD & CEO & Ms. Sunita Sharma Ex MD & CEO	Managerial remuneration*	51,51,395.68**	51,44,667.00
Shri Nitin K Jage, Company Secretary	Managerial Remuneration*	29,92,658.96	33,49,677.00
Shri P Narayanan, CFO	Managerial Remuneration*	27,19,416.33	29,13,032.00

* As the Provision for Performance Linked Incentive (PLI) and Leave encashment is accrued for the company as a whole and not decided individually, hence not included. However payment made during the financial year 2017-18 has been included.

** The amount includes Performance Linked Incentive (PLI) paid to Ms.Sunita Sharma, Ex MD & CEO during the Financial year 2017-18 and Salary paid to Mr. Vinay Sah, MD & CEO for financial year 2017-18.

For and on behalf of the Board of Directors

Vinay Sah
Managing Director & CEO

V. K. Sharma
Chairman

Place: Mumbai
Date : 11th June, 2018

Form Aoc-1
Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries / associate companies.

Part 'A' Subsidiaries

Amt in ₹

Sl. No.	Name of the Subsidiary Company	Reporting period	Reporting currency	Issued, subscribed and paid up Capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover	Profit/(Loss) before taxation	Tax Expenses / (Credit)	Profit / (Loss) after taxation	Proposed dividend	% of shareholding
1	LICHFL Care Homes Limited	April 2017 - March 2018	₹	25,00,00,000	20,64,36,037	86,76,09,933	86,76,09,933	Nil	10,78,57,627	1,93,77,506	64,53,598	1,29,23,908	1%	100
2	LICHFL Financial Services Limited	April 2017 - March 2018	₹	9,50,00,000	33,66,78,462	49,21,08,561	49,21,08,561	Nil	52,94,23,366	24,12,11,864	6,89,57,104	17,22,54,760	45%	100
3	LICHFL Asset Management Company Limited	April 2017 - March 2018	₹	9,19,44,000	27,68,35,523	38,07,38,471	38,07,38,471	23,15,96,000	15,11,76,463	10,06,86,762	2,49,29,400	7,57,57,362	20%	94.62
4	LICHFL Trustee Company Private Limited	April 2017 - March 2018	₹	9,00,000	13,55,167	23,03,117	23,03,117	22,36,310	5,43,992	4,64,692	1,21,319	3,43,373	Nil	100
Part 'B' Associate														
1	LIC Mutual Fund Asset Management Company Limited	April 2017 - March 2018	₹	11,00,00,000	1,00,65,19,177	1,19,25,57,053	1,19,25,57,053	26,99,99,969	60,38,94,733	3,92,55,145	(1,80,02,368.00)	5,72,57,513	Nil	39.30
2	LIC Mutual Fund Trustee Private Limited	April 2017 - March 2018	₹	1,00,000	15,41,392	17,05,476	17,05,476	Nil	20,07,578	3,61,558	96,964	2,64,594	Nil	35.30

Annexure 8
To The Board's Report

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

Normally Companies do not distribute entire profit earned amongst the shareholders. Part of profit is ploughed back or held back as retained earnings and only part of the profit gets distributed to the shareholders. The part that is distributed is the dividend. Dividends are declared at the Annual General Meeting of the shareholders based on the recommendation by the Board of Directors of the Company.

Dividend policy of a Company is the strategy followed to decide the amount of dividends and the timing of the payments. There are various factors that frame a dividend policy of the Company. Availability of better investment opportunities, estimated volatility of future earnings, tax considerations, financial flexibility, legal restrictions, profitability, stability of dividend payout and retained earnings, liquidity and cash flows, investment variables and financial variables, financial leverage, last year's dividend, regulations, industry growth rate and capital investment needs.

DIVIDEND DISTRIBUTION POLICY OF LIC HOUSING FINANCE LIMITED

The Board of Directors (the "Board") of LIC Housing Finance Limited (the "Company") has adopted the Dividend Distribution Policy (the "Policy") of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

EFFECTIVE DATE

The Policy has become effective from the date of its adoption by the Board i.e. 16.01.2017.

PURPOSE:

The Securities and Exchange Board of India ("SEBI") vide its Notification dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalization calculated as on the 31st day of March of every year. The Company being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, the Board of the Company recognized the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/ or retaining or ploughing back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

OBJECTIVES:

Objective of Dividend Distribution policy of the Company would be to define policy and procedures in relation to the calculation, declaration, settlement of dividend and time period within which dividend payments would be made to its shareholders. There are various financial parameters, external and internal factors which are considered in forming the Dividend Distribution Policy for the Company.

To ensure that the Company has sufficient distributable profits and / or general reserves, as determined by a review of the Company's audited financial statements, prior to any declaration and / or payment of dividend.

Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element of the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board of Directors.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

SCOPE, LAW AND REGULATION OF DIVIDEND:

The declaration and payment of dividend shall be governed by various provisions of the Companies Act, 2013 and most importantly chapter - VIII from section 123 to 127 which deals with "*Declaration and payment of dividend*"; The Companies (Declaration and Payment of Dividend) Rules, 2014 ; Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Section 27 of Security Contract Regulation Act, 1956; Income Tax Act, 1961; Secretarial Standards on Dividend (SS-3); NHB Guidelines / Circulars / Notifications, FEMA 1999, SEBI Guidelines / Circulars etc. as amended from time to time and to the extent applicable.

The Company will adhere to the provisions of Law as stated in above para, as amended from time to time and to the extent applicable.

The policy set out herein generally relates to final Dividend, certain principles also apply to Interim Dividend declared by the Board of Directors, as stated hereinafter.

Trading Window: In terms of regulation 2(1)(n) of SEBI (Prohibition of Insider Trading) Regulations, 2015, declaration of dividends (interim or final) shall be treated as "Unpublished Price Sensitive Information" hence company shall comply with

Annexure 8
To The Board's Report

norms / compliances of trading window read with company's Insider Trading Policy viz. Code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders pursuant to regulation 9(1) and Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Secretarial Standards: The Company will comply with Secretarial Standards as and when the Secretarial Standards are notified and enforced by the Ministry of Corporate Affairs.

Right / Title to dividends: It shall be governed by Section 27 of Security Contract Regulation Act, 1956 and other applicable laws, rules and regulation as amended and enforced from time to time.

The Policy shall not apply to:

Determination and declaring dividend on preference shares, if any, issued in future as the same will be as per the terms of issue approved by the shareholders;

Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law(s);

Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

However, the Board reserves the right to modify this policy to accommodate the preference shares or make a separate policy for preference shares in accordance with applicable provisions of the law as stated in above para as and when it deems fit and necessary.

I. GENERAL TERMS

The general considerations of the Company for taking decisions with regard to dividend payout or retention of profits shall be as follows:

The management would discuss and recommend to the Board on dividend payment, considering the circumstances or factors but not limited to the following:

a) Future expansion plans;
b) Profit earned during the current financial year;
c) Overall financial conditions;
d) Cost of raising funds from alternative sources;
e) Applicable taxes; (including dividend distribution tax)
f) Money market conditions;
g) Macro-economic situations, etc.
h) Investor's expectation and other relevant factors.

The dividends are declared at the Annual General Meeting of the Company, based on recommendations of the Board.

Free Reserves:

The word "Free reserves" has been defined by Section 2(43) of Companies Act, 2013 to mean such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend. However the following shall not be treated as free reserves:
any amount representing unrealized gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves.

Clause 2(1)(l) of the NHB Directions 2010 defines "Free reserves" to include the balance in the share premium account, capital and debenture redemption reserves and any other reserve shown or published in the balance sheet of the company and created through an allocation of profits, not being (1) a reserve created for repayment of any future liability or for depreciation in assets or for bad debt or (2) a reserve created by revaluation of the assets of the Company;

Interim dividend:

The Board of Directors of a company may declare interim dividend during any financial year out of the carried forward profit & or out of profits of the financial year in which such interim dividend is sought to be declared. In case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years in terms of Section 123(3) of Companies Act, 2013.

Final Dividend:

It is declared by the members at an Annual General Meeting as "Ordinary Business" in terms of Section 102(2)(ii) of the Companies Act, 2013 only if recommended by the Board of Directors and at a rate not more than what is recommended by the directors in accordance with the Articles of Association of a company.

Powers to SEBI:

Since, the Company is listed on the bourses, Section 24 of the Companies Act, 2013 confers on SEBI, the power of administration of the provisions pertaining to non-payment of dividend. In any other case, the powers remain vested in Central Government.

Dividend Payout Ratio:

The dividend payout ratio measures the percentage of Net Profit (PAT) that is distributed to the shareholders in the form of dividends during the year. In other words, this ratio shows the portion of profits, the company decides to keep to fund operations and the portion of profits that is given to its shareholders. It is calculated by dividing the proposed dividend (excluding taxes on dividend) by the Profit after tax and depreciation.

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To The Board's Report

II.PARAMETERS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND PAY-OUT

The Board shall consider the following, while taking decisions of a dividend payout during a particular year:

1. Dividend shall be declared or paid only out of:
   - I. Current period profit
     - a) after providing for depreciation in accordance with law;
     - b) after transferring to reserves such amount of profits as may prescribed under National Housing Bank Act, 1987, Companies Act, 2013 and the rules made thereunder, Income Tax Act, 1961 or under any other laws or statutes.
   - II. The profit from any previous financial year(s)
     - a) after providing for depreciation in accordance with law; and
     - b) out of the amount available for dividend that remains undistributed after prescribed appropriations have been made; or
   - III. Out of I or II or both
2. Before declaring any dividend, the losses, if any, of any previous year(s) must be set off against the profit of the Company for the current year or previous year.
3. In terms of third proviso of Section 123(1)(b) of the Companies Act, 2013 no dividend shall be declared or paid by a company from its reserves other than free reserves.

III. OTHER FINANCIAL PARAMETERS

In addition to the aforesaid parameters such as realized profits, the decision of dividend payout or retention of profits shall also be based on the following:

1. Income and profitability parameters:
   - I. Net Interest Income (NII);
   - II. Profit Before Tax (PBT) and Profit After Tax (PAT);
   - III. Return on Assets (RoA);
   - IV. Return on Equity (RoE);
   - V. Earnings Per Share (EPS);
   - VI. Profit growth targets and market expectations.
2. Capitalization level parameters:
   - I. Net Owned Funds (NOF);
   - II. Capital Risk Adequacy Ratio (CRAR), Tier I capital and Tier II capital;
   - III. Gross leverage and net leverage.
3. Portfolio quality parameters:
   - I. Absolute values of gross NPA and net NPA
   - II. Gross NPA and net NPA as percentage of loan assets
   - III. Provisioning levels and provision coverage
   - IV. Change in regulatory provisioning requirements
   - V. Outlook on portfolio quality

IV. FACTORS THAT MAY AFFECT DIVIDEND PAYOUT

A. External Factors

Taxation and other regulatory concern

- Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.
- Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

Product/ market expansion plan

The Company's growth oriented decision to conserve cash in the Company for future expansion plan impacts shareholders expectation for the long run which shall have to be considered by the Board before taking dividend decision.

Macroeconomic conditions

Considering the state of economy in the country, the policy decisions that may be formulated by the Government / regulator and other similar conditions prevailing in the market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

Various macroeconomic factors like GDP growth rate, inflation rate, government policies (especially related to housing), industry specific factors like demand for housing, real estate scenario, etc. would be considered by the Company in finalizing the recommendation of dividend

B. Internal Factors

The Board and Management may decide to utilize its profit for

i. Business expansion and growth;
ii. Capital expenditure;
iii. Upgradation of technology and physical infrastructure;
iv. Creation of contingency fund;
v. Acquisition of brands and businesses;

Growth outlook for the housing sector and competition intensity may result in margin pressures and result in need to shore up equity capital levels to strengthen operational leverage.

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To The Board's Report

Present liquidity scenario and outlook for the same is the most important factor for any finance company. The Company being in the lending business, it relies on its ability to raise funds efficiently to undertake its lending activities. If the liquidity scenario is poor or if the outlook is adverse, then the Company may choose to hold back dividend pay-outs to shore up equity capital levels.

Being in financial sector, the Company is subject to operational risk, fraud risk, regulatory risk, and legal risk. Incidence of substantial loss from these risks may impact dividend pay-outs.

V. CIRCUSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED

The Board shall consider the factors provided above under Para II, III and IV, before determination of any dividend payout after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention etc. The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

VI. DECLARATION OF DIVIDEND IN THE EVENT OF INADEQUACY OR ABSENCE OF PROFITS IN ANY YEAR

Declaration of dividend out of accumulated profits: In terms of second proviso of Section 123(1) of the Companies Act, 2013 where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with the Companies (Declaration and Payment of Dividend) Rules, 2014.

In terms of Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014 as amended from time to time, in the event of inadequacy or absence of profits in any year, the Company may declare dividend out of free reserves subject to the fulfillment of the following conditions, namely:—

(1) The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year:

Provided that this sub-rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years.

(2) The total amount to be drawn from such accumulated profits shall not exceed one tenth of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement.

(3) The amount so drawn shall first be utilised to set off the losses incurred in the financial year in which dividend is to be declared before any dividend in respect of equity shares is declared.

(4) The balance of reserves after such withdrawal shall not fall below fifteen per cent of its paid up share capital as appearing in the latest audited financial statement.

(5) No Company shall declare dividend unless carried over previous losses and depreciation not provided in previous year are set off against profit of the Company of the current year the loss or depreciation, whichever is less, in previous years is set off against the profit of the Company for the year for which dividend is declared or paid.

VII. MANNER OF DIVIDEND PAYOUT

The discussion below is a summary of the process of declaration and payment of dividends, and is subject to applicable regulations:

In case of final dividends

1. Recommendation, if any, shall be done by the Board, usually in the Board Meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
2. The dividend as recommended by the Board shall be approved / declared at the Annual General Meeting of the Company.
3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend as per the record date / book closure period pursuant to the applicable law(s).
4. In terms of Regulations 29(1) and (2) of the Listing Regulations, an intimation of atleast 2 working days (excluding the date of intimation and date of meeting of the Board) is required to be given to the Stock Exchanges, prior to the meeting of the Board at which the recommendation of final dividend is to be considered.
5. In terms of Regulation 30, of the Listing Regulations, the outcome of the meeting shall be intimated, online, immediately to the above Stock Exchanges within 30 minutes of the closure of the Board Meeting.
6. In terms of Regulation 43(1) of the Listing Regulations, the Company shall declare and disclose the dividend on per share basis only.
7. In terms of Regulation 42(3) of the Listing Regulations, the Company shall recommend or declare all dividend at least five working days (excluding the date of intimation and the record date) before the record date fixed for this purpose.
8. In terms of Section 123(5) of the Companies Act, 2013 (**Dividend to be paid to Registered Shareholders**), no dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash. Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company.

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To The Board's Report

9. Any dividend payable (**Mode of payment of dividend**) in cash shall be paid by using any of the electronic mode of payment facility approved by the Reserve Bank of India. Provided that where it is not possible to use electronic mode of payment,'payable-at-par' warrants or cheques may be issued and where the dividend amount exceeds ₹ 1500/-, the 'payable-at-par' warrants or cheques shall be sent by speed post.

   For the above purpose, a separate bank account of the Company in the name and style of `LIC Housing Finance Limited - Dividend – cum - unpaid Dividend A/c – ---' would be opened with any Nationalised / Scheduled Bank / Private Bank.

   Further, the Company, through its Registrar & Share Transfer Agent (RTA) shall maintain bank details of their investors (a) for investors holding securities in dematerialized mode, by downloading the same from the system of depositories. (b) for investors holding securities in physical mode, by updating bank details of the investors at their end. The Company/RTA shall mandatorily print the bank account details of the investors on such payment instruments and in cases where the bank details of investors are not available, the listed entity shall mandatorily print the address of the investor on such payment instructions.

10. Dividend distribution tax will be paid as per the applicable laws.

11. A company which fails to comply with the provisions of Sections 73 (Prohibition on acceptance of deposits from public) and Section 74 (Repayment of deposits, etc., accepted before commencement of this Act) of the Companies Act, 2013 shall not, so long as such failure / default continues, declare any dividend on its equity shares in terms of Section 123(6).

12. Right of dividend to be held in abeyance pending registration of transfer of shares shall be governed in terms of Section 126(a) of the Companies Act, 2013 as amended from time to time.

13. The Company shall determine the date of closure of the register of members and the share transfer register of the company as per requirements of Section 91 of the Companies Act, 2013 read with Regulation 42 of the Listing Regulations. The Company shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date. The date of commencement of closure of the transfer books should not be on a day following a holiday.

14. The Company shall give atleast a 7 days prior notice by advertisement, stating the dates of closure of its transfer books / record date, at least once in a vernacular newspaper in the principal vernacular language having a wide circulation in the district in which the registered office of the company is situated and atleast once in English language in an English newspaper circulating in the district and has wide circulation in the place where the registered office is located and publish the Notice on the website of the Company in terms of Rule 10 of the Companies (Management and Administration) Rules, 2014.

15. The time gap between two book closure and record date would be at least thirty days in terms of Regulation 42(4) of the Listing Regulations.

16. A cheque or warrant for payment of Dividend would be valid for three months from the date thereof and, where such cheque or warrant remains unpaid after this initial period of validity, it would be revalidated for not more than three months or a fresh instrument would be issued which would have a validity of three months from date of issue.

17. The Company would revalidate the Dividend warrant or issue a fresh Dividend warrant or a demand draft or pay order or electronic transfer of funds, in lieu thereof, within 30 days of the receipt of a request for revalidation.

18. A duplicate Dividend warrant would be issued only after the expiry of the validity of the Dividend warrant and the reconciliation of the paid amounts thereof. In case the original instrument is not tendered to the company, a duplicate warrant would be issued only after obtaining requisite indemnity / declaration from the Shareholder. Where the amount of dividend warrant exceeds a sum of ₹ 5000/- the indemnity / declaration shall be obtained from the shareholder on a non-judicial stamp paper of ₹ 100/-.

19. In the case of defaced, torn or decrepit or error crept-in while printing, if any, on the Dividend warrants, a duplicate warrant may be issued before the expiry of the validity period of the Dividend warrant on surrender to the company of such defaced, torn, decrepit warrant or the warrant with printing error.

20. Particulars of every Dividend warrant issued as aforesaid should be entered in a Register of Duplicate Dividend Warrants, indicating the name of the member to whom the Dividend warrant is issued, the number and amount of the Dividend warrant in lieu of which the duplicate warrant is issued and the date of issue of such duplicate warrant.

In case of interim dividend

1. Interim dividend, if any, shall be declared by the Board.

2. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on record date/book closure period pursuant to the applicable law.

   4, 5, 6, 7,……..20 of above para i.e. **In case of final dividend under VII Manner of Dividend Payout** is also applicable to Interim Dividend.

Annexure 8
To The Board's Report

VIII. MANNER OF UTILISATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan;
- Diversification of business;
- Long term strategic plans;
- Other such criteria as the Board may deem fit from time to time;
- To maintain adequate liquidity levels, we may also invest a part of the retained earnings in liquid mutual funds, bonds, non-convertible debentures, pass through certificates and other securities.
- Upgradation and introduction of new technology.

IX. PARAMETERS FOR VARIOUS CLASSES OF SHARES

1. The factors and parameters for declaration of dividend to different class of shares (**though at present there is only one**) of the Company shall be same as covered above.
2. The payment of dividend shall be based on the respective rights attached to each class of shares (**though at present there is only one**) as per their terms of issue.
3. The dividends shall be paid out of the Company's distributable profits and/or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.
4. Dividend when declared shall be first paid to the preference shareholders of the Company (**though at present there is none**) as per the terms and conditions of their issue.

X. UNPAID AND UNCLAIMED DIVIDEND TO BE TRANSFERRED TO INVESTOR EDUCATION PROTECTION FUND (IEPF)

Transfer to IEPF after 7 years: Any money transferred to the unpaid dividend account of a Company in pursuance of Section 124 which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund established (IEPF) u/s 125(1) of Act and the Company shall file a statement in "Form DIV-5" to the Authority constituted under the Act to administer the fund and such authority shall issue a receipt to the Company as evidence of such transfer. [Section 124(5)].

Manner in which unclaimed dividend to be transferred to IEPF: The Company shall deposit the unclaimed dividend amount after lapse of 7 years to IEPF within the prescribed period in the prescribed mode and maintain the particulars of unpaid dividend transferred to IEPF for a period of 8 years from the date of such transfer.

In terms of Regulation 43(2) of the Listing Regulations, the listed entity shall not forfeit unclaimed dividends before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

Display of details in the web site: The Company shall upload the details of unpaid and unclaimed dividend transferred to IEPF in the company's website in PDF format, year wise.

ROC filing after 7 years: The Company shall file with the ROC one copy of the challan evidencing deposit of the amount to the Fund in Form -1 in terms of Rule 3 (ii)(b) of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, as amended from time to time.

XI.REVIEW

Dividend Policy shall be reviewed at least once a year. The revised policy, if any shall be put up to the Board for approval.

XII. AMENDMENT

To the extent any change/amendment is required in terms of any applicable law, the Managing Director & CEO of the Company shall be authorised to review and amend the Policy, to give effect to any such changes / amendments. Such amended policy shall be periodically placed before the Board for noting and necessary ratification, immediately after such changes.

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To The Board's Report

Web links

Pursuant to various provisions of the Companies Act, 2013, Housing Finance Companies-Corporate Governance (National Housing Bank) Directions, 2016 and Listing Regulations, the web links of some of the important policies / code placed on the website of the Company is provided below:

Sr. No.	Name of the policy / code / document	Web link
1.	Dividend Distribution Policy	http://www.lichousing.com/downloads/DividendDistributionPolicy.pdf
2.	Corporate Social Responsibility Policy	http://www.lichousing.com/pdf/Corporate_Social_Responsibility_Policy.pdf
3.	Policy For Determining Material Subsidiaries	http://www.lichousing.com/pdf/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARIES.pdf
4.	Policy For Determination of Materiality	http://www.lichousing.com/pdf/Policy-for-determination-of-materiality-of-an-Event-or-Information.pdf
5.	Governance Guidelines	http://www.lichousing.com/downloads/Governance%20Guidelines.pdf
6.	Whistle Blower Policy	http://www.lichousing.com/pdf/WhistleblowerPolicy.pdf
7.	Related Party Transaction Policy And Procedures	http://www.lichousing.com/pdf/Related-Party-Transaction-Policy-and-Procedures-new.pdf
8.	Code of conduct for Board of Directors and Senior Management	http://www.lichousing.com/pdf/Code_of_Conduct_for_Board_of_Directors_and_Senior_Management.pdf
9.	Familiarisation Programme For Independent Directors	http://www.lichousing.com/fami_prog_ind_dir.php
10.	Remuneration Policy	http://www.lichousing.com/pdf/Remuneration-Policy.pdf
11.	Policy On Archiving Of Information Or Content Hosted On Website Click here to view the file	http://www.lichousing.com/pdf/Policy-on-Archival-of-Information-or-Content.pdf
12.	Corporate Disclosure Policy	http://www.lichousing.com/downloads/Corporate%20Disclosure%20Policy.pdf
13.	Policy On Preservation Of Documents	http://www.lichousing.com/pdf/Policy-on-Preservation-of-Documents-1.pdf
14.	Terms And Conditions Of Appointment Of Independent Directors	http://www.lichousing.com/downloads/TermsAndConditions%20of%20appointment%20of%20Independent%20Directors.pdf
15.	Board Diversity Policy	http://www.lichousing.com/pdf/Board-Diversity-Policy.pdf
16.	Corporate Culture Policy	http://www.lichousing.com/pdf/Corporate-Culture-Policy.pdf
17.	Principal and Policies of business responsibility	http://www.lichousing.com/pdf/Principles-and-Policies-of-Business-Responsibility.pdf
18.	Code Of Internal Procedure And Conduct For Insider Trading-2015	http://www.lichousing.com/Prevention_Insider_Trading.php
19.	Annual Report including Annual Return	http://www.lichousing.com/annual_general_meeting.php

Annexure 10
To The Board's Report

To,
The Members,
LIC Housing Finance Limited

Our report of even date is to be read along with this letter.

(1) Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(4) Where ever required we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standard is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai
Date: 11th June, 2018

For M/s N.L. Bhatia & Associates
Practising Company Secretary
UIN: P1996MH055800

N.L. Bhatia
Managing Partner
FCS:1176
CP. No. 422

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To The Board's Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
LIC Housing Finance Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices adopted by **LIC Housing Finance Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the Rules made thereunder including statutory amendments made thereto and modifications thereof for the time being in force;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulation and Bye-Laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;

(v) The National Housing Bank Act, 1987;

(vi) The Housing Finance Companies (NHB) Directions, 2010 as amended from time to time;

(vii) Housing Finance Company Issuance of Non-Convertible Debentures on Private Placements (NHB) Directions, 2014;

(viii) Guidelines and Circulars issued under the National Housing Bank Act, 1987 from time to time;

(ix) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations , 2013 – **Not applicable to the Company during the financial year**;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not applicable to the Company during the financial year**;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the financial year**;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the financial year**; and

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Other Laws applicable to the Company;

1. Tax Laws:

- GST Act, 2017
- Income Tax Act, 1961

2. Employee Laws:

- Payment of Gratuity Act, 1972 and Payment of Gratuity (Central) Rules, 1972;
- The Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975;
- The Payment of Wages Act, 1936;
- The Minimum Wages Act 1948;
- The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and Scheme framed thereunder;
- The Employees' State Insurance Act 1948;
- The Maternity Benefit Act, 1961;

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To The Board's Report

- The Contract Labour (Abolition and Regulation) Act, 1970 & Rules;
- Equal Remuneration Act, 1976;
- Workmen's Compensation Act, 1923;
- Employment Standing Orders Act, 1946;
- Child Labour (Prohibition and Regulation) Act, 1986;
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
- The Apprentices Act, 1961 and Apprenticeship Rules, 1991 under the above Rules;
- Labour Welfare Fund Act

3. Indian Stamp Act, 1899 and the State Stamp Acts;
4. The Labour Welfare Fund, Act, 1953;
5. Indian Contract Act, 1872
6. Negotiable Instruments Act, 1881
7. Information Technology Act, 2000
8. Whistle Blowers Protection Act, 2011
9. Registration Act, 1908;
10. Limitation Act, 1963;
11. The Shops and Establishment Act;
12. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI);

(ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that; The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions at the Board Meetings were **passed unanimously and with requisite majority in General Meeting.** The decisions at all Board level Committee Meetings were taken unanimously and reason / rational for the decision has also been recorded in the minutes.

We further report that; there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

Place: Mumbai
Date: June 11th, 2018

For M/s N.L. Bhatia & Associates
Practising Company Secretary
UIN: P1996MH055800

N.L. Bhatia
Managing Partner
FCS:1176
CP. No. 422

Report of Directors on Corporate Governance

Company's Philosophy on Code of Governance

The core of Company's philosophy on corporate governance consists of its fundamental guiding principles of fairness, transparency, responsibility and ethical behaviour.

These principles manifest seamlessly into the business practices consistently followed by the Company with the clear aim of creating value and long term wealth for all its stakeholders.

Towards this end the Company deals in a fair and equitable manner with its stakeholders namely shareholders, customers, vendors, creditors, business associates and employees.

Your Company firmly believes in being transparent in all the areas of its operations as also to all the stakeholders and which has been embodied in its culture. This is practiced through open working methods, emphasis on continuous communication, timely and complete disclosures and being transparent about its entire gamut of activities.

Being constantly aware of its responsibilities in relation to the stakeholders, government, employees and society at large, the endeavour is to ingrain in every sphere of the Company's working the principle of being responsible. Effectively and honestly discharging its obligations to the government and the society as a responsible corporate citizen, the Company always stresses on empowerment of the employees. Acutely aware of the accountability of its Board of Directors which ultimately is essential to the Company acting with utmost integrity, the principle of responsibility is observed with all the seriousness it deserves.

Never losing sight of being ethical, your Company is always fair, transparent, honest and truthful about the way it conducts its business and treats its vital place in corporate world with due importance.

The Company has strong legacy of transparency and ethical governance practices. The Company has adopted Code of Conduct for its employees and Directors which is hosted on the Company's website. The Company complies with all the requirements stipulated under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (SEBI (LODR) and shortened version of Listing Agreement entered into with the Stock Exchanges with regard to Corporate Governance.

Board of Directors

Composition

The Board of Directors as on the report date comprised of ten members — nine Non-Executive Directors and one Executive Director. Shri Vinay Sah, Managing Director & CEO is an Executive Director. The Executive and Non-Executive Directors are competent and knowledgeable personalities in their respective fields. None of the Directors on the Board hold Directorship in more than 10 public companies and none of them is a member of more than 10 committees or chairman of more than 5 committees in Companies in which they are Director. Necessary disclosures in this regard as on 31st March, 2018 have been made by the Directors. The Directors are not related to each other.

The Independent Directors take part in the proceedings of the Board and Committee meetings which enables qualitative decision-making. They receive sitting fees for attending the Board and Committee meetings, other than Corporate Social Responsibility Committee meetings and do not have any other material or pecuniary relationship or transaction with the Company, its Promoters, its Directors, Management, Subsidiaries or Associates. In 2017-18, the composition of the Board was in conformity with SEBI (LODR). Details of Board Meetings and the last Annual General Meeting attended by Directors, number of other Directorships / Committee membership and chairmanship (viz. Audit Committee and Stakeholders Relationship Committee as per SEBI (LODR)), held by them as on 31st March, 2018 are tabulated below:

Sr. No.	Directors	Category of Directorship	Attendance at 28th Annual General Meeting	Attendance at the Board meetings (No. of meetings held – 6)	No. of Director-ships of other Companies (other than LIC Housing Finance Ltd.)	No. of Committees Membership / Chairmanship (other than LIC Housing Finance Ltd.)	
						Member	Chairperson
1.	Shri V. K. Sharma	Non Executive Chairman	Present	6	7	-	-
2.	Ms. Usha Sangwan	Non Executive	Not Present	4	4	1	-
3.	Shri Jagdish Capoor**	Independent and Non- Executive	Present	6	5	-	3
4.	Ms. Savita Singh*	Non- Executive	Not Present	3	-	-	-
5.	Shri T. V. Rao	Independent and Non-Executive	Present	5	7	5	2
6	Dr. Dharmendra Bhandari	Independent and Non-Executive	Present	6	1^	1^	-
7.	Shri Debabrata Sarkar	Independent and Non Executive	Present	6	7	-	2
8.	Shri V. K. Kukreja	Independent and Non Executive	Present	6	1	-	-
9.	Shri Ameet N. Patel	Independent and Non Executive	Present	6	1	1	1
10.	Shri Vinay Sah	Executive	Present	6	4	1	-

*Re-appointed w.e.f 24.05.2017.
** Re-appointed w.e.f. 24.05.2017
^ Resigned from Barclays Investments & Loans (India) Ltd. on 25.05.2018

Note:

1) Excluding foreign companies, Private Limited Companies and Companies under Section 8 of Companies' Act 2013, trust and alternate directorship as per Regulations 26 of the Listing Regulations.

2) Includes only chairmanship / membership of Audit Committees and Stakeholders' Relationship Committee in public companies.

3) None of the directors are related inter-se.

Report of Directors on Corporate Governance

Event after Balance Sheet date:

Shri P. Koteswara Rao was appointed as Additional Independent Director of the Company by the Board with effect from 11th June, 2018. The proposal for appointment of Shri P. Koteswara Rao as Independent Director is being placed before the members for approval, the relevant details are forming part of the Notice of the Annual General Meeting.

Details of Director seeking re-appointment at the forthcoming Annual General Meeting

Ms. Savita Singh

Ms. Savita Singh, M.A., LL.B., Mumbai University (2001) is a partner with the Real Estate team of the firm namely, M/s. Khaitan & Co., and is experienced in all kinds of property transactions, litigations arising out of property transactions and allied matters. Her experience includes drafting real estate transactional documents of all kind of general Real Estate advisory work; due diligence of properties.

She has advised various owners, buyers, developers, corporate houses, individuals, domestic investors and foreign investors regarding transactions related to immovable properties and various issues related thereto including structuring. In addition to drafting the documents, she is also experienced in negotiating the same. She has also advised on Real Estate transactions in respect of commercial/retail complexes, multiplexes, hotel premises, redevelopment projects, service apartments, Special Economic Zones, Information Technology / Information Technology Enabled Services Parks and also Integrated Township Projects. She is experienced in Foreign Direct Investments in immovable property and has also advised regarding the Indian Laws during the offer for subscription of units representing a Business Trust by way of an Initial Public Offering (IPO) in Singapore.

The relevant details are forming part of the Notice of the Annual General Meeting.

The details of other Directorships, Committee Membership & Chairmanship of Ms. Savita Singh are as follows:

Sr. No.	Name of the Companies/Bodies corporate/ Firms/Association of individuals	Nature of interest or concern/Change in interest or concern	Shareholding	Name of Committee – Member / Chairman*	Date on which interest or concern arose/ changed
1.	Shreyas Home Management Pvt. Ltd	Director	-	-	-
2.	Khaitan & Co., LLP	Partner	-	-	-
3.	Yes Trustee Ltd.	Director	-	-	-
4.	Indiabulls Properties Pvt. Ltd.	Director	-	-	-
5.	Indiabulls Property Management Trustee Pte. Ltd.	Director	-	-	-

*includes only public company information as per Listing Regulation 36

Board Meetings

The meetings of the Board of Directors are scheduled in advance. The Company Secretary prepares the agenda for the meetings in consultation with the Managing Director & CEO. The detailed agenda and other relevant notes are circulated to the Directors well in advance. The Directors are allowed to suggest additional item for deliberation. Members of the Senior Management team are invited in the meetings to provide additional information and clarification, if required. During FY 2017-18, six Board meetings were held as listed below:

Sr. no.	Dates on which the Board Meetings were held	Total strength of the Board	No. of Directors present
1	25.04.2017	10	9
2	28.07.2017	10	10
3	18.08.2017	10	8
4	30.10.2017	10	9
5	25.01.2018	10	10
6	23.02.2018	10	8

Number of shares and convertible instruments held by Directors:

Except Dr. Dharmendra Bhandari, who holds 500 equity shares, none of the Directors of the Company are holding any equity shares of the Company. The Company has not issued any convertible instruments till date.

Familiarisation Programme for Independent Directors:

During the year under review, the Company had provided suitable training to Independent Directors, familiarizing them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and business model of the Company. The details of such familiarisation programme are disclosed on the Company's website www.lichousing.com.

Sitting Fee:

Sitting fee is paid to the Directors (other than Shri V. K. Sharma, Chairman, Ms. Usha Sangwan, Director, Shri Vinay Sah, Managing Director & CEO) for every Board and Committee meetings, other than Corporate Social Responsibility Committee meetings they attend. Remuneration is paid to Shri Vinay Sah as applicable to an officer in the cadre of Executive Director of LIC of India.

Report of Directors on Corporate Governance

Board Committees:

The Board has constituted various committees to facilitate a more focused attention on important issues. The Committees deliberate and decide on the issues falling within their terms of reference and make recommendations to the Board wherever necessary.

Audit Committee:

The Committee comprises of three Non-Executive Independent Directors with expertise in finance, accounts, treasury and law. During the year, seven Audit Committee meetings were held. The composition of Audit Committee, the dates on which the Audit Committee meetings were held and the attendance of the members at the said meetings are as under:

Composition

Shri Debabrata Sarkar	Chairman	Independent Director
Shri T. V. Rao	Member	Independent Director
Shri Ameet Patel	Member	Independent Director

Dates of Audit Committee Meetings & Attendance Record of Members:

Sr. no.	Dates on which Audit Committee meetings were held	Shri Debabrata Sarkar	Shri T. V. Rao	Shri Ameet N. Patel
1	25.04.2017	Attended	Not Attended	Attended
2	28.07.2017	Attended	Attended	Attended
3	14.08.2017	Attended	Attended	Attended
4	30.10.2017	Attended	Attended	Attended
5	15.01.2018	Attended	Attended	Attended
6	25.01.2018	Attended	Attended	Attended
7.	23.02.2018	Attended	Attended	Attended

Shri Nitin K. Jage, General Manager (Taxation) and Company Secretary, acts as Secretary to the Committee.

The Audit Committee possesses adequate powers and its terms of reference enable it to play an effective role as mentioned in SEBI (LODR), Regulations, 2015.

Role and powers of Audit Committee

The terms of reference of the Audit Committee comprise:

Role

i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, with adequate and credible;

ii. Recommendation for appointment, remuneration, and terms of appointment of auditors of the Company;

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause(c) of sub-section 3 of Section 134 of the Companies Act, 2013;

b. Changes, if any, in accounting policies and practices and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgement by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions;

g. Modified opinion(s) in the draft audit report.

v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency on utilization of proceeds of a public

Report of Directors on Corporate Governance

or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

vii. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions of the Company with related parties.

ix. Scrutiny of inter-corporate loans and investments.

x. Valuations of undertakings or assets of the Company wherever it is necessary.

xi. Evaluation of Internal Financial Controls and Risk Management systems.

xii. Reviewing, with the management, performance of Statutory and Internal auditors, adequacy of the Internal Control Systems;

xiii. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. Discussion with the Internal Auditors of any significant findings and follow up thereon;

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii. To review the functioning of the Whistle Blower Mechanism;

xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;

xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(*The term related party transactions shall have the same meaning as provided in SEBI (LODR) Regulations, 2015.*)

Powers

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee mandatorily reviews the following:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weakness issued by the statutory auditors;
4. Internal audit reports relating to internal control weakness;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit committee.
6. Statement of deviations :
   a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable.
   b) Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice.

Meetings are scheduled well in advance. The Audit Committee considers and recommends quarterly and yearly financial results for approval by the Board. The Joint Statutory Auditors and Internal Auditor of the Corporate Office are invited to attend the meeting. The head of the Internal Audit function attends the Audit Committee meetings; the Committee also invites other Head of the Departments (HODs) to be present as may be necessary.

Executive Committee

The Executive Committee formed by the Board has been empowered with the following:

1) To frame the norms, policies, guidelines, conditions, parameters for all housing loan schemes including Project Finance schemes.
2) To relax / waive / alter the norms/ guidelines/ conditions of the housing loan schemes including Project Finance schemes on case to case basis.
3) To sanction loans to builders and developers under Project Loans beyond the limits delegated to Managing Director & CEO as per Financial Power Standing Order, 1990 (as amended upto 15th July, 2016 (FPSO)) on recommendation of the HODs Committee as constituted by the Managing Director & CEO from time to time.
4) To sanction loans under Rental Securitization of the loan amount more than the amount delegated to General Managers' Committee as per FPSO.
5) To sanction loans under Individual loan schemes beyond the loan amount delegated to General Managers' Committee as per FPSO.
6) To approve any new loan scheme that Company may launch.

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7) To revise the interest rate in the existing schemes and new schemes of Individual/ Project loans/ Apna Hospital / Unsold Inventory.

8) To modify/ restructure existing and new schemes for Individual / Project loans.

9) To revise terms and conditions of the existing and new Individual/ Project loans.

10) To take over the portfolio of the Housing Loans subject to the limits as specified by the Board from time to time.

11) To waive Interest, Additional Interest, and other charges beyond the limits delegated to Managing Director & CEO in respect of the One Time Settlement under FPSO.

12) To waive principal amount irrespective of the waiver amount involved in respect of One Time Settlement beyond the limits delegated to Managing Director & CEO under FPSO.

13) To approve the Reserve price under SARFAESI Act, 2002 beyond the limits delegated to Managing Director & CEO under FPSO.

14) To approve LICHFL- PLR and to review and revise the same from time to time.

15) To approve the purchase / construction of the property for office building / staff quarters beyond the limits delegated to Managing Director & CEO generally on such terms and conditions as it may think fit and in any such purchase or other acquisition to accept such title as it may believe or may advise to be reasonably satisfactory.

16) To borrow money for the purpose of the business of the Company subject to the limit specified by the Board from time to time.

17) To approve the payment to arrangers for fund mobilization.

18) To approve the payment of processing or any other fees payable to Banks/FIs.

19) To approve the availing of re-finance from National Housing Bank.

20) To delegate to Managing Director & CEO any or all of the powers listed above for a specific period.

21) To approve / ratify relaxation/ waiver/ refund of processing fees, administrative fee, prepayment charges in respect of project finance (including at the time of revalidation).

22) To approve / ratify restructuring / reschedulement of project loan.

23) To approve revision of rate of interest in respect of project loans on case to case basis.

24) To approve/ ratify issue of NOC, release of charge in respect of project loan.

25) To approve the cases under consortium/ joint financing.

26) To approve takeover of existing project loan/ term loan of other institution/s.

27) To approve loan against unsold inventory.

28) To approve loan against Apna Hospital Scheme.

29) To modify existing schemes.

The Executive Committee meets as and when required for considering and approving loan proposals / offers within the power delegated to it. During the year, thirty six Executive Committee meetings were held. The composition of Executive Committee, the dates of the meetings held and the attendance of the members at the said meetings are as under:

Composition of the Executive Committee:

Shri Jagdish Capoor	Member	Independent Director
Shri V. K. Kukreja	Member	Independent Director
Shri Vinay Sah	Member	Managing Director & CEO

Dates of Executive Committee Meetings & Attendance Record of Members:

Sr . no.	Dates on which Executive Committee meetings were held	Shri Jagdish Capoor	Shri V. K. Kukreja	Shri Vinay Sah
1.	26.05.2017	Attended	Attended	Attended
2.	14.06.2017	Attended	Attended	Attended
3.	28.06.2017	Attended	Attended	Attended
4.	30.06.2017	Attended	Attended	Attended
5.	14.07.2017	Attended	Attended	Attended
6.	26.07.2017	Attended	Attended	Attended
7.	08.08.2017	Attended	Attended	Attended
8.	24.08.2017	Attended	Attended	Attended
9.	30.08.2017	Not Attended	Attended	Attended
10.	08.09.2017	Not Attended	Attended	Attended
11.	13.09.2017	Attended	Attended	Attended

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Sr . no.	Dates on which Executive Committee meetings were held	Shri Jagdish Capoor	Shri V. K. Kukreja	Shri Vinay Sah
12.	25.09.2017	Attended	Attended	Attended
13.	29.09.2017	Attended	Attended	Attended
14.	10.10.2017	Attended	Attended	Attended
15.	25.10.2017	Attended	Attended	Attended
16.	31.10.2017	Attended	Attended	Attended
17.	14.11.2017	Attended	Attended	Attended
18.	29.11.2017	Not Attended	Attended	Attended
19.	09.12.2017	Attended	Attended	Attended
20.	18.12.2017	Not Attended	Attended	Attended
21.	26.12.2017	Not Attended	Attended	Attended
22.	29.12.2017	Attended	Attended	Attended
23.	12.01.2018	Attended	Attended	Attended
24.	22.01.2018	Attended	Attended	Attended
25.	30.01.2018	Attended	Attended	Attended
26.	09.02.2018	Attended	Attended	Attended
27.	22.02.2018	Attended	Attended	Attended
28.	27.02.2018	Not Attended	Attended	Attended
29.	05.03.2018	Attended	Attended	Attended
30.	12.03.2018	Attended	Attended	Not Attended
31.	15.03.2018	Attended	Not Attended	Attended
32.	19.03.2018	Not Attended	Attended	Attended
33.	23.03.2017	Attended	Attended	Attended
34.	27.03.2017	Attended	Attended	Attended
35.	29.03.2017	Not Attended	Attended	Attended
36.	31.03.2017	Not Attended	Attended	Attended

Stakeholders Relationship Committee

The Stakeholders Relationship Committee looks into issues related to shareholders, like transfer / transmission of shares, issue of duplicate share certificate/s, non-receipt of dividend, annual report and other related matters. The Committee also advises to improve investor services and to provide prompt and adequate information. Further, to expedite share transfers in physical form, the Board has delegated power for approving the share transfers to the Committee of Officers of the Company.

Composition of the Stakeholders Relationship Committee is as follows:

Shri Debabrata Sarkar	Chairman	Independent Director
Ms. Savita Singh	Member	Non Independent Director
Shri Vinay Sah	Member	Managing Director & CEO

During the year, one Stakeholders Relationship Committee meeting was held as follows:

Sr. no.	Date on which Stakeholders Relationship Committee Meeting was held	Shri Debabrata Sarkar	Ms. Sunita Sharma	Ms. Savita Singh
1	23.02.2018	Attended	Attended	Not Attended

The Board has delegated power for issue of duplicate share certificate/s to the Committee of Directors so as to expedite the process of issuing Duplicate Share Certificate/s from time to time to the shareholders in case original share certificate/s is lost, upon receipt of necessary documents required for the purpose.

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Compliance Officer

Shri Nitin K. Jage, General Manager (Taxation) and Company Secretary, acts as the Compliance Officer.

Details of shareholders' complaints

During 2017-18, 100 complaints / requests in respect of non receipt of Annual Report, Address change, change in ECS details, non receipt of Duplicate Share Certificate/s, Revalidation of Dividend Warrant etc. from investors and the same were replied/resolved to their satisfaction. As on 31st March, 2018, no complaints were pending unattended.

During the year, 437 dematerialisation requests for 2,35,550 shares and 39 requests for transfer involving 22,000 shares were received. The request for dematerialisation and transfers were promptly attended and there were no requests pending for approval as on 31st March, 2018.

OTHER COMMITTEES:

Debenture Allotment Committee

The Debenture Allotment Committee is empowered to raise funds by allotting Non Convertible Debentures to the successful applicants from time to time in different tranches.

Composition of the Debenture Allotment Committee is as follows:

Ms. Usha Sangwan	Member	Director
Shri Vinay Sah	Member	Managing Director & CEO
Shri Jagdish Capoor	Alternate Member	Independent Director
Dr. Dharmendra Bhandari	Alternate Member	Independent Director

Dates of Debenture Allotment Committee Meetings & Attendance Record of Members:

Sr no.	Dates on which Debenture Allotment Committee Meetings were held	Ms. Usha Sangwan	Shri Vinay Sah	Shri Jagdish Capoor (Alternate Member)	Dr. Dharmendra Bhandari (Alternate Member)
1	03.05.2017	Attended	Attended	N.A*	N.A*
2	08.05.2017	Not Attended	Attended	Attended	N.A*
3	16.05.2017	Not Attended	Attended	Attended	N.A*
4	17.05.2017	Not Attended	Attended	Attended	N.A*
5	23.05.2017	Attended	Attended	N.A*	N.A*
6	29.05.2017	Attended	Attended	N.A*	N.A*
7	12.06.2017	Attended	Attended	N.A*	N.A*
8	20.06.2017	Not Attended	Not Attended	Attended	Attended
9	07.07.2017	Not Attended	Attended	Attended	N.A*
10	21.07.2017	Not Attended	Attended	Attended	N.A*
11	27.07.2017	Not Attended	Attended	N.A*	Attended
12	07.09.2017	Not Attended	Attended	N.A*	Attended
13	06.10.2017	Not Attended	Not Attended	Attended	Attended
14	17.10.2017	Not Attended	Not Attended	Attended	Attended
15	27.10.2017	Not Attended	Attended	N.A*	Attended
16	23.11.2017	Not Attended	Not Attended	Attended	Attended
17	23.01.2018	Attended	Attended	N.A*	N.A*
18	29.01.2018	Not Attended	Attended	Attended	N.A*
19	26.03.2018	Not Attended	Attended	Attended	N.A*
20	28.03.2018	Not Attended	Attended	N.A*	Attended

N.A*- (Not Applicable being the Alternate Member)

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Nomination & Remuneration Committee

Nomination & Remuneration Committee was formed comprising three Non-Executive Directors and the Chairman of the Committee is an Independent Director as per SEBI (LODR) Regulations, 2015.

The terms of reference of Nomination & Remuneration Committee are:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) devising a policy on diversity of board of directors;

(4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

(5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Composition of the Nomination & Remuneration Committee is as follows:

Shri Jagdish Capoor	Chairman	Independent Director
Shri Debabrata Sarkar	Member	Independent Director
Ms. Usha Sangwan	Member	Director

Dates of Nomination & Remuneration Committee Meetings & Attendance Record of Members:

Sr no.	Dates on which Nomination & Remuneration Committee meetings were held	Ms. Usha Sangwan	Shri Jagdish Capoor	Shri Debabrata Sarkar
1	25.04.2017	Attended	Attended	Attended

Criteria of making payments to Non-Executive Directors:

The Directors except Shri V. K. Sharma, Chairman, Ms. Usha Sangwan, Director, Shri Vinay Sah, Managing Director & CEO, and Ms. Sunita Sharma, Ex-Managing Director & CEO were paid sitting fees for Board and Committee, other than Corporate Social Responsibility Committee meetings attended.

During the financial year ended March 31, 2018, Non-Executive Independent members of the Board were paid sitting fees at the rate of ₹ 20,000/- each for every Board / Executive Committee Meetings, ₹ 15,000/- each for every Debenture Allotment Committee / Audit Committee and ₹ 10,000/- each for HR Committee / Risk Management Committee / Nomination & Remuneration Committee / Stakeholder relationship committee / Investment Committee Meetings attended by them.

The details of sitting fees paid to the Directors during the period from 1st April, 2017 to 31st March, 2018 is mentioned below:

Names of Non –Executive Directors	Sitting fees (In ₹)
Shri Jagdish Capoor	8,00,000/-
Ms. Savita Singh	1,50,000/-
Shri T. V. Rao	2,75,000/-
Dr. Dharmendra Bhandari	3,10,000/-
Shri Debabrata Sarkar	2,80,000/-
Shri V. K. Kukreja	8,80,000/-
Shri Ameet N. Patel	2,60,000/-

REMUNERATION POLICY

The Company framed this policy in order to align with various provisions under SEBI (LODR) vide its circular no.CIR/CFD/Policy Cell/2/2014 dated 17th April 2014 and circular no.CIR/CFD/Policy Cell/7/2014 dated 15th September 2014.

The Nomination & Remuneration Committee recommends to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees as per sub-section (3) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per Section 149) annexed to the Companies Act, 2013 and the Rules made thereunder.

Accordingly, the Remuneration policy relating to the remuneration of Directors, Key Managerial personnel and other employees is as below:

The Remuneration to Non Executive Independent Directors and Non Executive Non Independent Directors:

The Non Executive Independent Directors and Non Executive Non Independent Director would be paid sitting fees for every Board and Committee Meeting they attend as decided from time to time. Apart from sitting fees, no other remuneration / commission would be payable to them.

The Remuneration to Non Executive Promoter Directors:

The Non Executive Promoter Directors would not be paid any sitting fees for Board and Committee Meetings they attend. However, as these Promoter Directors are employees of LIC of India, they are being paid salary and other benefits as per the scale / cadre decided by LIC of India from time to time.

The Remuneration to Executive Director:

The Executive Director who is Managing Director & CEO of LIC Housing Finance Ltd. would be paid remuneration as applicable to an Officer in the cadre of Executive Director of LIC of India. This apart, the Executive Promoter Director would

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be entitled for Productivity Linked Incentive (PLI) as per criteria approved by the Nomination and Remuneration Committee of the Board.

Should there be any revision in the pay scales of the Executive Promoter Director as per the charter decided by the LIC of India from time to time for its Executive Director, then the same would be applicable to the Executive Promoter Director, namely, Managing Director & CEO of LIC Housing Finance Limited. Further, tenure and terms & conditions of appointment of Executive Promoter Director would be as decided by LIC of India from time to time.

The Remuneration to Key Managerial Personnel (other than MD&CEO) and other employees:

In the present set up of the Company's key managerial personnel other than Managing Director & CEO are Company Secretary and Chief Financial Officer. Chief Financial Officer who is an officer on deputation from LIC of India is being paid remuneration as applicable to an Officer in the cadre of Senior Divisional Manager of LIC of India whose salary and other benefits are decided by LIC of India from time to time. Remuneration payable to Company Secretary and other employees would be as decided by the Board of Directors as per Service Terms, Conduct Rules etc. 1990 as amended from time to time.

Except Managing Director & CEO who is a whole time Executive Director, none of the Directors of the Company is paid any other remuneration or any elements of remuneration package under major groups, such as salary, benefits, bonuses, stock options, pension, performance linked incentive etc.

The remuneration paid to Managing Director & CEO of Company for Financial Year 2017-18 is as under:

Ms. Sunita Sharma (from 1st April 2017 to 11th April 2017), was paid PLI as under:

Particulars	Rupees
Productivity Linked Incentive* (PLI)	20,65,659.00
Total	**20,65,659.00**

Shri. Vinay Sah (from 12th April 2017 to 31st March 2018), was paid remuneration as under:

Particulars	Rupees
Gross Salary, Sodexo and, medical lumpsum	22,89,706.00
Contribution to pension and gratuity funds	2,70,894.88
Perquisites in cash or in kind	5,25,135.80
Total	**30,85,736.68**

* It may be mentioned here that Performance linked incentive for FY 2016-17 was paid during the FY 2017-18 and calculated as per the performance criteria (like growth in portfolio, recovery ratio, NPA ratio and Profit after Tax) approved by the Board.

The evaluation criteria for performance evaluation of Independent Directors as well as Remuneration Policy laid down by the Nomination and Remuneration Committee is appended to this Annual Report.

Meeting of Independent Directors

Separate meeting of the Independent Directors of the Company was held on 23rd March 2018 and in the said meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. They reviewed the performance of the Chairperson of the company, taking into account the views of Executive Director and Non Executive Directors.

Annual evaluation made by the Board of its own performance:

The Board of Directors had carried out an annual evaluation of its own performance, Board committees and Individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by SEBI (LODR) at the Board Meeting held on 23rd February 2018.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board process, information and functioning, process of disclosure and communication, access to timely, accurate and relevant information etc.

The performance of the committee was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committee, effectiveness of committee meeting, functioning, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, presented views convincingly, resolute in holding views etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the independent directors, at which the performance of the Board, its committees and Individual Directors was also discussed.

Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee monitors the implementation of the CSR Policy and apprise the Board accordingly. The CSR Budget of the Company for the FY 2017-2018 was ₹ 50.79 Crore out of which the Company spent ₹ 6.78

Report of Directors on Corporate Governance

Crore in the said Financial Year The expenditure is spread across sectors namely education, health care, women empowerment and environmental conservation.

Composition of the CSR Committee is as follows:

Ms. Usha Sangwan	Chairman	Director
Shri Jagdish Capoor	Member	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Vinay Sah	Member	Managing Director & CEO

Dates of CSR Committee Meetings & Attendance of Members:

Sr. no.	Dates on which CSR Committee Meetings were held	Ms. Usha Sangwan	Shri Jagdish Capoor	Dr. Dharmendra Bhandari	Shri Vinay Sah
1	13.12.2017	Attended	Not Attended	Attended	Attended
2	16.03.2018	Attended	Attended	Attended	Not Attended

Risk Management Committee

The Company has set up Risk Management Committee (RMC) to identify the risks impacting the business of the Company and to take appropriate measures to mitigate the same. The terms of reference of Risk Management Committee shall comprise of:

- review of risk management policy,
- review of the current status on the outer limits in the Risk Management Policy and Report to the Board,
- review the matters on Risk Management and
- review and monitor types of risks the Company is exposed to.

Composition of the Risk Management Committee is as follows:

Shri T. V. Rao	Chairman	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri V. K. Kukreja	Member	Independent Director
Shri Vinay Sah	Member	Managing Director & CEO

During the year, four Risk Management Committee Meetings were held as follows:

Sr. no.	Dates on which Risk Management Committee Meetings were held	Shri T. V. Rao	Dr. Dharmendra Bhandari	Shri V. K. Kukreja	Shri Vinay Sah
1.	21.04.2017	Attended	Attended	Attended	Attended
2.	27.07.2017	Attended	Attended	Attended	Not Attended
3.	12.10.2017	Attended	Attended	Attended	Attended
4.	24.01.2018	Attended	Attended	Attended	Attended
5.	22.02.2018	Attended	Attended	Attended	Attended

HR Committee

The Board of Directors has formed HR Committee to deliberate on all HR related matters of the employees of the Company other than those under the purview of Nomination & Remuneration Committee and recommend the same to the Board for approval.

Report of Directors on Corporate Governance

Composition of the HR Committee is as follows:

Ms. Usha Sangwan	Chairman	Director
Shri T. V. Rao	Member	Executive Director
Ms. Savita Singh	Member	Non Executive Director

Dates of HR Committee Meetings & Attendance Record of Members:

Sr. no.	Dates on which HR Committee meetings were held	Ms. Usha Sangwan	Shri T. V. Rao	Ms. Savita Singh
1	25.04.2017	Attended	Not Attended	Attended
2	28.07.2017	Attended	Attended	Attended
3	24.01.2018	Attended	Attended	Not Attended

Subsidiary companies

The Company has four subsidiaries, namely LICHFL Care Homes Limited, LICHFL Financial Services Limited, LICHFL Asset Management Company Limited and LICHFL Trustee Company Private Limited.

LIC Housing Finance Limited does not have a 'material non-listed Indian subsidiary'. During the year, the Audit Committee once reviewed the financial statements of its unlisted subsidiary companies and in particular the investment made by them.

The minutes of the Board meetings of Subsidiary companies were placed before the Board of LIC Housing Finance Limited. The management also brought to the attention of the Board of Directors, the statement of significant transactions entered into by the unlisted subsidiaries of the company.

General body meetings

Annual General Meeting

The details of the location and time of the last three Annual General Meetings are given below:

Year	Location	Date	Time
2014-15	"M. C. Ghia Hall", Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, behind Prince of Wales Museum, Mumbai – 400 001	19th August,2015	3.00 p.m.
2015-16	"M. C. Ghia Hall", Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, behind Prince of Wales Museum, Mumbai – 400 001	19th August,2016	3.00 p.m.
2016-17	"M. C. Ghia Hall", Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, behind Prince of Wales Museum, Mumbai – 400 001	18th August,2017	3.00 p.m.

Special resolutions passed at the three previous Annual General Meetings

2015:	Related party transactions under Section 188 of the Companies Act, 2013. Issuance of Redeemable Non-Convertible Debentures and / or other hybrid instruments on a private placement basis
2016:	Issuance of Redeemable Non-Convertible Debentures and / or other hybrid instruments on a private placement basis
2017:	Issuance of Redeemable Non-Convertible Debentures and / or other hybrid instruments on a private placement basis

Report of Directors on Corporate Governance

Details of Postal Ballot conducted by the Company

During the year 2017-18, the Company had conducted one Postal Ballot in accordance with Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The Company had sent the Postal Ballot Notice together with Postal Ballot Form to the Members of the Company for seeking their approval to the business listed therein. The Company had also provided its Members with an e-voting facility through Central Depository Services (India) Ltd (CDSL), in accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI Listing Regulations, in order to enable them to exercise their voting rights by way of electronic means on the resolution proposed through Postal Ballot. The Company had complied with the procedure for Postal Ballot in terms of the provision of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Shri N. L. Bhatia, Company Secretary (FCS:1176, COP:422), Managing Partner, M/s. N. L. Bhatia & Associates, Practicing Company Secretaries (UIN:P1996MH055800) was appointed as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

The resolution passed by way of postal ballot along with the voting pattern in respect of the Special Resolution passed is as mentioned below:

In order to comply with the provisions of SEBI circular no. CIR/IMD/DF-1/67/2017 dated June 30, 2017 and pursuant to and in terms of the provisions of Section 14 of the Companies Act, 2013, the Members of the Company vide a Special Resolution passed by means of postal ballot on 9th March, 2018 approved the amendment in the Articles of Association of the Company by way of insertion of a new article for enabling consolidation and re-issuance of debt securities subject to the provisions of the Companies Act, 2013 and the applicable SEBI Regulations.

Details of voting pattern of the Special Resolutions passed:

Resolution No.	Particulars	% of votes polled on outstanding shares	% of votes in favour on votes polled	% of votes against on votes polled
01	Amendment in Articles of association of the Company as required by SEBI circular No. CIR/IMD/DF-1/67/2017 dated 30th June 2017	73.92	99.997	0.003

Details of Proposed Postal Ballots:

At the ensuing Annual General Meeting, facility to members to cast their votes through Postal Ballot has also been provided.

Procedure for Postal Ballot:

In compliance with Schedule V of SEBI (LODR) and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of CDSL for the purpose of providing e-voting facility to all its Members. The Members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its Members whose names appear on the Register of Members / list of beneficiaries as on cut-off date. The postal ballot notice is sent to Members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agent (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off-date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorized officer. The results are also displayed on the website of the Company, www.lichousing.com, besides being communicated to the stock exchanges and depository. The last date of receipt of filled postal ballot form as mentioned in the notice is deemed to be date of passing of the resolutions.

Unclaimed Dividends and Transfer to IEPF:

Pursuant to Section 124 of Companies Act 2013, the company has transferred the unclaimed final dividend for the financial year 2009-10 on due date to the Investor Education and Protection Funds (uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012 the Company has uploaded the details of unclaimed dividends lying with the Company as on 18th August, 2017 (date of last Annual General Meeting) on the website of the Company www.lichousing.com as also on the website of the Ministry of Corporate Affairs. After completion of seven years, no claims shall lie against the said fund or against the company for the amount of Dividend so transferred nor shall any payment be made in respect of such claims under Companies Act 1956. The Companies Act, 2013 provides for claiming such dividends from the Central Government. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit,

Report of Directors on Corporate Governance

Transfer and Refund) Rules, 2016 (as amended from time to time), equity shares in respect of which dividends has not been claimed for seven consecutive financial year from 2010-11 will be transferred to the IEPF Authority in accordance with the aforesaid rules.

Disclosures

None of the transactions with any of the related parties were in conflict with the interests of the Company.

The details of all transactions with related parties in the manner required to be tabled before the Audit Committee as per the SEBI (LODR) Regulations, 2015, were placed before the Audit Committee on quarterly basis during Financial Year 2017-18. The policy on dealing with Related Party transactions and procedures is disclosed on the company's website: www.lichousing.com and Related Party Transactions are appended to the Board's Report.

There were no instances of non-compliance, penalties, strictures imposed on the Company by the Stock Exchanges or the SEBI or any statutory authority of any matter related to the capital markets during the last three years.

The Company has laid down the procedures to inform Board members about the risk assessment and minimization procedures and the Board reviews the Risk Management report on quarterly basis.

The Company has a Code of Conduct for prevention of insider trading known as "LICHFL Code of Conduct for Prevention of Insider Trading" in the shares and securities of the Company by its Directors and designated employees.

The Company has a Code of Conduct for its Directors and the Senior Management. The code includes the duties of Independent Directors as laid down in the Companies Act, 2013.

The above Codes are hosted on the Company's website www.lichousing.com and has been circulated to all the members of the Board and Senior management and the compliance of the same has been affirmed by them. A declaration confirmed by Managing Director and CEO is given below:

As provided under SEBI (LODR) Regulations, 2015, all Board and Senior Management personnel affirmed compliance with LIC Housing Finance Limited — Code of Conduct for Board of Directors and Senior Management for the year ended 31st March, 2018.

For LIC Housing Finance Limited

Vinay Sah
Managing Director & CEO

Mumbai, 23rd April 2018

The Company has a whistleblower policy – a Vigil Mechanism for employees to report to the management any concerns about unethical behaviour, actual or suspected fraud or violation of the rules and regulations. The Board confirms that no personnel were denied access to the Audit Committee.

The Company does not have an Employee Stock Option Scheme.

In the preparation of financial statements no treatment materially different from that prescribed in the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 has been followed.

Directors confirm that the Company has adequate resources to continue its business and, therefore, financial statements are prepared on a going concern basis.

The Company has formulated policy for determining 'material' subsidiaries the same has been hoisted at *www.lichousing.com/Polices & Codes/Policy* for Determining Material Subsidiaries. However, none of the Company's subsidiaries' income or networth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or networth of the listed holding company (LIC Housing Finance Limited) and its subsidiaries in the FY 2017-18.

The Company has also adopted Policy on archiving of information or content hosted on website (*www.lichousing.com/Policies & Codes/Policy* on Archiving of Information or Content) and Policy for Preservation of Documents (*www.lichousing.com/Policies & Codes/Policy* on Preservation of Documents).

Policy on Fit and Proper Criteria for the Directors

The Company has formulated and adopted a Policy on Fit and Proper Criteria for the Directors, in accordance with NHB CG Directions which inter-alia, lays down the fit and proper criteria of the Directors at the time for their appointment/re-appointment and on a continuing basis.

Internal Guidelines on Corporate Governance

The Company has formulated and adopted the Internal Guidelines on Corporate Governance in accordance with Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 which lays down the Corporate Governance practices of the Company and the same is available on the website of the Company at the URL: *http://www.lichousing.com/downloads/Governance%20Guidelines.pdf*

CEO / CFO certification

As required by SEBI (LODR) Regulations, 2015, the Managing Director & CEO / CFO certificate is appended in the Annual Report.

Report of Directors on Corporate Governance

Auditors' Certificate on Corporate Governance:

As required by SEBI (LODR), Certificate from M/s. N.L. Bhatia & Associates, Practicing Company Secretaries, on compliance of the conditions of Corporate Governance is appended in the Annual Report.

Mandatory / Non-Mandatory requirements

During Financial Year 2017-18, the Company has duly complied with all mandatory requirements of SEBI (LODR) Regulations, 2015. The Company is in compliance with all the Non – Mandatory requirements listed in SEBI (LODR) Regulations, 2015 except half-yearly financial results including summary of significant events are presently not being sent to the shareholders. However, the quarterly as well as the annual results are published in the newspapers.

Financial Calendar for 2018-19 (provisional)

a.	Unaudited Financial Result for the first quarter ending 30th June, 2018	In the month of August, 2018
b.	Unaudited Financial Result for the second quarter ending 30th September, 2018	In the month of October, 2018
c.	Unaudited Financial Result for the third quarter ending 31st December, 2018	In the month of January, 2019
d.	Audited Financial Result for the fourth quarter & for the year ending 31st March, 2019	In the month of April, 2019
e.	Annual General Meeting for the year ending March, 2019	In the month of August, 2019

Means of communication

The channels of communication include informative Annual Report containing Board's Report, Report on Corporate Governance, Management's Discussion and Analysis Report and the audited Financial Statement (standalone & consolidated).

The Company also communicates with shareholders through its website, www.lichousing.com. The quarterly and annual financial results as well as shareholding pattern and Memorandum and Articles of Association of the Company, Code of Conduct for Board of Directors and Senior Management and Code of Conduct for Insider Trading are hosted on the Company's website for information of its shareholders.

The audited/ unaudited financial results were published in leading newspapers namely Business Standard-English (all editions), Business Line (all editions), Navshakti (all editions) and Business Standard-Hindi (all editions).

The audited financial statement viz., Balance sheet, Profit and Loss Account, Cash-Flow Statement including schedules and notes thereon, press releases and presentations made to analysts were hosted on the Company's website. All material information about the Company, including quarterly and yearly financial results, limited review reports, shareholding pattern are promptly sent to the stock exchanges where the Company's shares are listed. Besides, the Company disseminates information through press and investors' meet.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Directors' Report.

General shareholder information

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65922MH1989PLC052257.

a) Annual General Meeting :

Date and time: 20th August, 2018 at 3.00 pm.

Venue: "M.C. Ghia Hall", Bhogilal Hargovindas Building,

4th Floor, 18 / 20 Kaikhushru Dubash Marg,

Behind Prince of Wales Museum, Mumbai – 400 001.

b) Financial year: The financial year of the Company starts on April 1 and ends on March 31 of next year.

c) Book closure : From 11th August 2018 to 20th August 2018 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if approved by the Members.

d) Dividend payment date: On or after 24th August, 2018 but within 30 days from the date of declaration.

e) The shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and the Luxembourg Stock Exchange.

Report of Directors on Corporate Governance

f) Stock Exchanges

Name of Stock Exchanges	**Address**	Stock Code
Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. Tel.Nos. :022-22721233 / 22721234 Fax Nos. : 022-22721919 Website : www.bseindia.com	500253
National Stock Exchange of India Ltd.	Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra – East, Mumbai – 400051. Tel Nos: 022-26598100-114 Fax Nos. : 022-26598120 Website : www.nseindia.com	LICHSGFIN EQ
Luxembourg Stock Exchange	35A Boulevard Joseph II L-1840 Luxembourg. Tel: (352) 47 79 36 – 1 Fax: (352) 47 32 98 Website : www.bourse.lu	US50186U2033

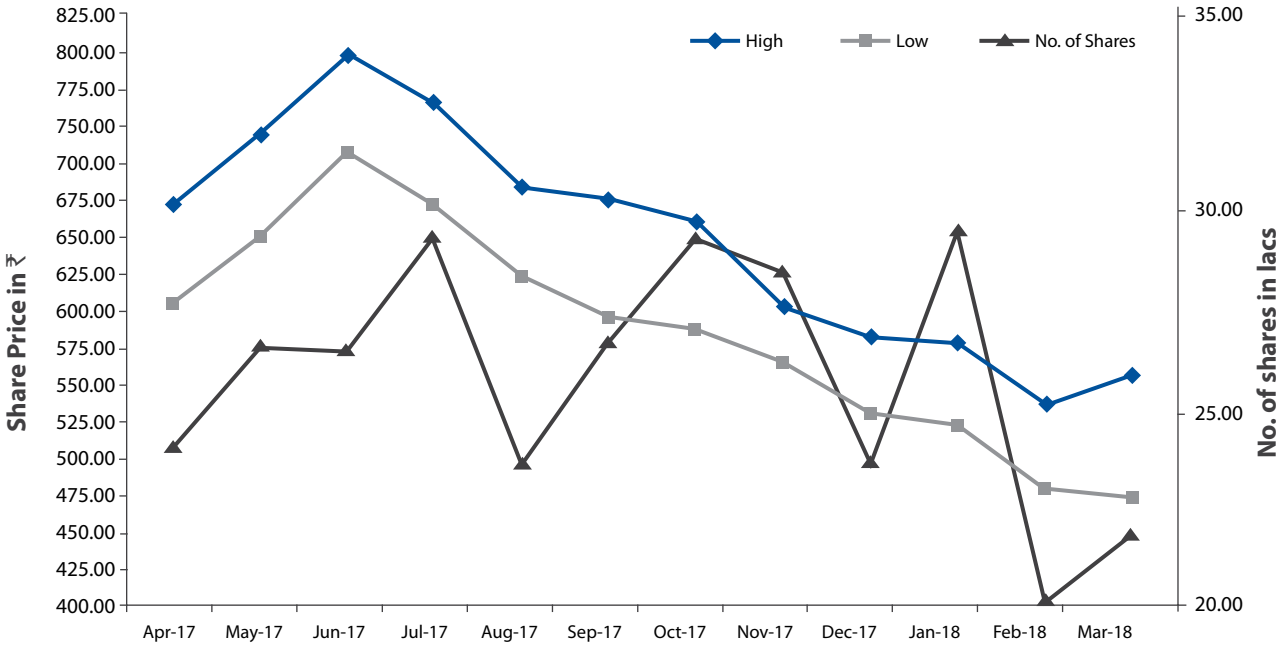
g) International Securities Identification Number (ISIN): INE115A01026

h) Market price data: The monthly high and low stock quotations during the last financial year on BSE and NSE were:

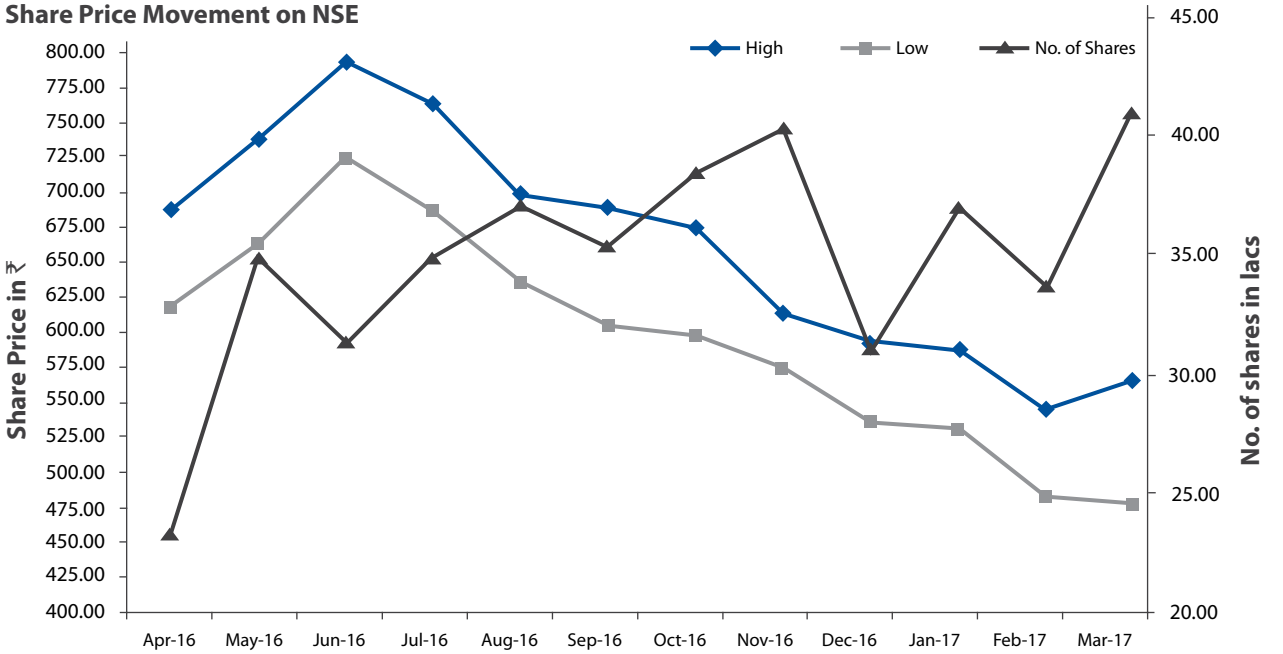
Month	**BSE**					**NSE**		
	Company's share price (₹)		**Volume of shares (Nos.)**	**BSE Sensex**		**Company's share price (₹)**		**Volume of shares (Nos.)**
	High	**Low**		**High**	**Low**	**(Nos.)**	**Low**	
Apr-17	688	616	2405235	30184.22	29241.48	687.80	617.50	23282761
May-17	737.4	663	2657786	31255.28	29804.12	738.70	662.95	34896431
Jun-17	794.1	724	2639036	31522.87	30680.66	794	723.10	31340304
Jul-17	759.15	687.5	2929741	32672.66	31017.11	763.45	686.55	34925324
Aug-17	698.85	635	2358669	32688.48	31128.02	698.75	634.40	37139791
Sep-17	690.55	605	2666169	32524.11	31081.83	689.55	603.95	35329284
Oct-17	674.9	597	2929075	33340.17	31440.48	675	597.10	38467835
Nov-17	613.7	573.7	2843317	33865.95	32683.59	613.85	573.65	40395475
Dec-17	591.9	536.45	2357812	34137.97	32565.16	591	536.15	31042227
Jan-18	588	529.85	2952547	36443.98	33703.37	588.15	529.20	37052488
Feb-18	544.65	483.1	2005991	36256.83	33482.81	544.80	482	33648293
Mar-18	565.25	477.5	2183836	34278.63	32483.84	565.70	476.60	41038891

Report of Directors on Corporate Governance

Share Price Movement on BSE



Share Price Movement on NSE



Report of Directors on Corporate Governance

i) Details of Shareholders holding more than 1% of the share capital of the Company as at 31st March, 2018 are given below :

Sr. No.	Name of the shareholders	No. of shares held	% to share capital
1.	LIFE INSURANCE CORPORATION OF INDIA	203442495	40.313
2.	BANK MUSCAT INDIA FUND	11496000	2.28
3	FIDELITY INVESTMENT TRUST SERIES EMERGING MARKET FUNDS	8837740	1.75
4.	GOVERNMENT OF SINGAPORE	8615125	1.76
5.	MAWER INTERNATIONAL EQUITY FUND	7830015	1.55
6.	HSBC GLOBAL INVESTMENT FUNDS - INDIAN EQUITY	4719192	0.93

Distribution of shareholding as at 31st March, 2018

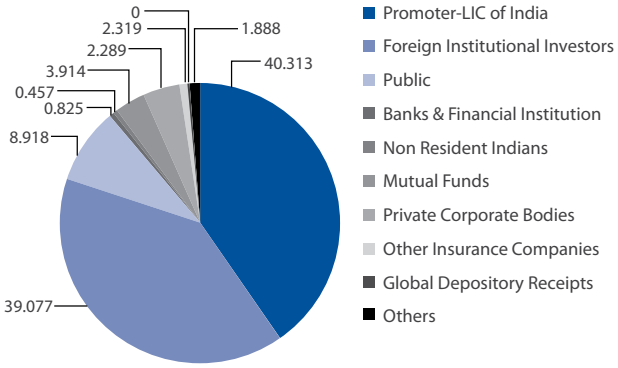
	Folio / Shareholders		Shares	
No. of equity shares held	**Number**	**Percentage**	**Number**	**Percentage**
Up to 5,000	216916	98.90	34910245	6.92
5,001-10,000	1094	0.50	4032983	0.80
10,001-20,000	473	0.22	3456108	0.68
20,001-30,000	143	0.07	1811263	0.36
30,001-40,000	103	0.05	1818124	0.36
40,001-50,000	66	0.03	1485693	0.29
50,001-1,00,000	167	0.08	5992549	1.19
1,00,001 and Above	368	0.17	451156035	89.40
Total	**219330**	**100**	**504663000**	**100**

Details of shareholding based on category as on 31st March, 2018:

	Physical Form		Demat Form		Total		% to total
	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	Capital
Promoter-LIC of India	0	0	1	203442495	1	203442495	40.313
Foreign Institutional Investors	0	0	429	166172978	429	166172978	32.927
Public	7210	3832745	196792	39931007	204002	43763752	8.671
Banks & Financial Institutions	2	10500	15	4151690	17	4162190	0.825
Non Resident Indians	2	1000	4610	2313034	4612	2314034	0.459
Mutual Funds	2	9000	20	19744290	22	19753290	3.914
Private Corporate Bodies	36	65000	1136	11465607	1172	11530607	2.285
Other Insurance Companies	1	7500	6	11693540	7	11701040	2.319
Global Depository Receipts	0	0	0	0	0	0	0.000
Others	11	25500	3911	41797114	3922	41822614	8.287
TOTAL	**7264**	**3951245**	**206920**	**560711755**	**214184**	**504663000**	**100**

Report of Directors on Corporate Governance

Details of Shareholding



j) Global Depository Shares (GDS):

Of the total 5,00,000 GDS issued by the Company, 1776 GDSs were outstanding as on 31st March, 2018.

k) Plant location: The Company is mainly engaged in providing housing finance and as such does not any manufacturing plant.

l) Address for correspondence:

Investors and shareholders can correspond with the Company at following address:

A) The Company Secretary
LIC Housing Finance Limited
Corporate Office,
131 Maker Tower, "F" Premises,
13th Floor, Cuffe Parade,
Mumbai - 400 005.
Phones: (91-22) 22178600 / 22178700 / 22178611.
Fax: (91-22) 22178777.
CIN: L65922MH1989PLC052257.

and / or

B) the Registrar and Transfer Agent of the Company at its following address:

Sharex Dynamic (India) Pvt. Limited
Unit 1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai – 400 072.
Phones: (91-22) 28515606 / 28515644.
Fax: (91-22) 28512885.

m) Share transfer system:

All the share transfers are processed by the Registrar and Transfer agent, namely, Sharex Dynamic (India) Pvt. Limited and approved by the Committees of the Officers of the Company constituted for the said purpose. The Committee meets as and when required to approve share transfers received in physical form.

n) Dematerialisation of shares and liquidity:

The shares of the Company are compulsorily traded in dematerialised form and are available for trading under both the Depository Systems — National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2018, 500710205 equity shares i.e., 99.21% of the Company's share capital were in dematerialised form.

o) Debt Securities:

The Secured Redeemable Non-Convertible Debentures and Un-secured Redeemable Non-Convertible Debentures issued by the Company are listed for trading on the Wholesale Debt Market Segment of the NSE.

Debenture Trustees:

IDBI Trusteeship Services Ltd - Asian Building,
Ground Floor, 17, R. Kamani Marg, Ballard Estate,
Mumbai 400 001. Phones : 022- 40807000,
Email : *itsl@idbitrustee.com*,
Website : *www.idbitrustee.co.in*

Axis Trustee Services Ltd - Axis House, 2nd Floor,
Wadia International Centre, Pandurang Budhkar Marg,
Worli, Mumbai – 400025.
Phones:022-24255215 / 24255216,
Email : *debenturetrustee@axistrustee.com*,
Website : *www.axistrustee.com*.

Vistra ITCL (India) Limited - Plot C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai – 400051.
Phones : 022-26533333 Email: *info@ilfsindia.com*,
Website : *www.ilfsindia.com*

p) Listing Fees:

The Company has paid listing fees to Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) for listing of equity shares on BSE and NSE for Financial Year 2018-19. The Company has also paid listing fees for listing of Non-Convertible Debenture on Wholesale Debt market segment on NSE for Financial Year 2018-19. In respect of GDS listed on Luxembourg Stock Exchange, the Company has paid the listing fees to the Luxembourg Stock Exchange.

q) Demat Suspense Account / Unclaimed Suspense Account:

There are no shares lying under Demat Suspense Account / Unclaimed Suspense Account and hence the Company does not have any Demat Suspense Account / Unclaimed Suspense Account.

r) Foreign Exchange Risk and hedging Activities:

The Company has foreign exchange exposure and hedging is done for a significant portion of the same.

Certificate on Corporate Governance

To,
The Members of
LIC Housing Finance Limited

We have examined all the relevant records of LIC Housing Finance Limited ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period from April 01, 2017 to March 31, 2018. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai
Date: 11th June, 2018

For M/s N.L. Bhatia & Associates
Practising Company Secretary
UIN: P1996MH055800

N.L. Bhatia
Managing Partner
FCS:1176
CP. No. 422

Annual Certification

The Board of Directors
LIC Housing Finance Limited
131 Maker Tower "F" Wing,
13th floor, Cuffe Parade,
Mumbai - 400 005.

Date: 23rd April, 2018

ANNUAL CERTIFICATION

We the undersigned Vinay Sah, Managing Director and CEO and P. Narayanan, Chief Financial Officer hereby certify that for the financial year ended 31st March 2018, we have reviewed Annual accounts, financial statement and the cash flow statement and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

3. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct;

4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of some internal control system of the Company and we have disclosed to the auditors and the Audit Committee the deficiencies, of which we are aware, in the design or operation of the internal control systems and we have taken the steps to rectify these deficiencies.

5. We further certify that:
   (a) There have been no significant changes in internal control during this year.
   (b) There have been no significant changes in accounting policies during this year except as mentioned in the significant accounting policies and notes to accounts.

Managing Director & CEO

Chief Financial Officer

Business Responsibility Report

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L65922MH1989PLC052257
2. **Name of the Company:** LIC Housing Finance Limited
3. **Registered Address:** Bombay Life Building, 2nd Floor, 45/47, Veer Nariman Road, Fort, Mumbai 400001.
4. **Corporate Office:** 131, Maker Tower "F" Premises, 13th Floor, Cuffe Parade, Mumbai 400 005.
5. **Website:** www.lichousing.com
6. **E-mail id:** lichousing@lichousing.com
7. **Phone:** (+91)22 2217 8600
8. **Fax:** (+91) 22 2217 8777
9. **Financial Year Reported:** 1st April, 2017 to 31st March, 2018.

The Company is engaged in the business of providing housing loans to customers (Industrial Activity Code 59225). The motto of the Company is "Sagrahiya arthasahay" which means, enabling individuals to own a house by providing them financial assistance. The Company believes that, every individual shall have their own house. Based on this belief the Company makes efforts to enable individuals to own their house by way of extending loans at lower rates and follows it up with customer friendly services. The Company started its operations in the year 1989 and since then has emerged as key player in the Housing Sector as it has enabled millions of individuals to own houses. The Company has till 31st March 2018 enabled around 21,62,204 individuals to acquire their dream home. Most of the business of the Company is from extending individual loans. Out of this 21,62,204 individuals there are 4,72,825 female house owners and 16,89,379. The Company also provides loans to builders and professional. The Company has extended its operations outside India and have one representative office each in Dubai and Kuwait which has been setup in order to cater to the needs of NRI customers staying in the Middle East. In India, the Company has a Top-down structure with the Corporate office and Registered Office (Data Centre) at its helm. The Company all together has 9 Regional offices, 23 Back Offices and 249 Area (Marketing) Offices and 1 Customer Service Point.

The Corporate Office frames policies and monitors the overall activities of other offices. The Data Centre is a part of the corporate Office and is responsible for providing and safeguarding of the data. The Regional Offices oversees the functions of the Area Offices within their jurisdiction and the Back Office are the Accounting units which provides support to the Regional Office and the Area Offices within their perview.

Section B: Financial Details of the Company

1. **Paid up Capital:** ₹ 100.93 Crore
2. **Revenue from Operations:** ₹ 14,959.66 Crore
3. **Profit after Taxes:** ₹ 1,989.59 Crore
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 0.34 per cent.
5. **List of activities in which expenditure in 4 above has been incurred:**

   The activities towards which the company has contributed are hereunder:

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered
1.	Contribution made to Dr. Ambedkar Vanvasi Kalyan Trust for their Natural Resource Management Project towards Production System and Micro Enterprise expenses	Natural Resource Management
2.	Contribution made to M K Educational Society towards the expense of purchasing school uniforms	Promotion of education
3.	Contribution made to Concern India Foundation for providing education and vocation training to differently abled individuals.	Promotion of education
4.	Contribution to AIM for Seva for construction of new student hostel building.	Promoting education
5.	Contribution to Smile Foundation for Education Support for underprivileged children	Education
6.	Contribution to Akshaya Patra Foundation in order to meet expenses of purchasing distribution vessels in Guwahati Kitchen	Eradicating hunger, malnutrition and Promoting education
7.	Contribution to Chetna Institute for Mentally Retarded towards purchase of School Bus for transportation of disabled children	Promotion of education
8.	Contribution to Indian Association of Blood Cancer and Allied Diseases towards the expense of purchasing a mobile medical van	Health Care
9.	Swachh Bharat Kosh	Environment protection and Sanitation
10.	Contribution to Prime Minister's National Relief Fund	Socio-economic development and relief, welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.

Business Responsibility Report

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

The Company has 4 subsidiaries. The four subsidiaries, namely, LICHFL Care Homes Limited, LICHFL Asset Management Company Limited, LICHFL Financial Services Limited and LICHFL Trusteeship Company Limited.

2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary companies.

The Subsidiary Companies have their own BR Initiatives. However, one of the Companies, namely, LICHFL Care Homes Limited has been floated by the Company as it felt the necessity of taking care of the senior citizens needs and of providing them with better amenities which would serve the old age related requirements. Among the subsidiaries some of them have their separate CSR fund.

3. Do any other entity/ entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30 percent, 30-60 percent, More than 60 percent]

The Subsidiary companies plan their contributions based on the experience of their holding Company with the various implementation agencies. Further, as regards the participation of the suppliers in the BR initiative of the Company is concerned, the Company has various code of conduct in respect of various categories of suppliers of services and strict adherence to such codes of conduct is mandatory to remain empaneled with the Company.

Section D: BR Information

1. Details of Director/ Directors responsible for BR

a. Details of the Director/ Directors responsible for implementation of the BR policy/ policies:

The Board of the Company is collectively responsible for the implementation of the BR policies of the Company.

b. Details of the BR head:

Sr. no.	Particulars	Details
1.	DIN Number	02425847
2.	Name	Vinay Sah
3.	Designation	Managing Director & CEO
4.	Telephone number	022-22189214
5.	e-mail id	pa.mdceo@lichousing.com

2. Principle – wise (as per NVGs) BR Policy/ policies (Reply in Y/N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. The just of the guidelines have been enlisted below:

P1	Businesses should conduct and govern themselves with ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business, should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr no.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for the above principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders? (Refer Note-1 below)	-	-	-	-	-	-	-	-	-
3.	Does the policy conform to any national / international standards?	All the policies adopted by the Company are in line with the best practices in the industry and are in compliance with the various statutes governing the Company.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Business Responsibility Report

Sr no.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5.	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://www.lichousing.com/policies_codes.php								
7.	Has the policy/policies been formally communicated to all relevant internal and external stakeholders?	Yes, the policy/policies have been communicated to concerned stakeholders. The Company ensures to keep the communication as an on-going process. Further, the said policy/policies have also been hosted on the Company's website and are available in the public domain.								
8.	Does the company have in-house structure to implement the policy / policies?	Yes, the Company has an in-house structure to implement the policy / polices and the Board of Directors review the same at regular intervals								
9.	Does the company have a grievance redressal mechanism related to the policy / policies to address stakeholder grievances related to the policy / policies?	Yes, the Company has a full-fledged grievance redressal mechanism to address grievances of different stakeholders at different level.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company has conducted the impact analysis of the CSR projects through an external agency and the report thereof has been deliberated upon by the CSR Committee. The same has also been taken note of by the Board of Directors.								

Note-1: The Company is primarily engaged in providing the business of providing financial services by way of extending housing loans, thus this point has limited applicability. However, all the operations of the Company are carried out in compliance with all the applicable statutes, rules and regulations. Also wherever possible, the Company designs its products in such a manner such that it helps in uplifting the deserving sections of the society.

Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

  The Board of Directors reviews the Principles and Policies of Business Responsibility on an annual basis.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  Business Responsibility Report forms part of the Annual Report and is published annually. The hyperlink for viewing the report is *http://www.lichousing.com/annual_report.php*

Principle-wise performance are as under:

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the company?**

   The policies relating to ethics, bribery and corruption not only covers the Company and its employees but also extends to its suppliers.

2 **Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

   The policies relating to ethics, bribery and corruption extends to the suppliers such as agents, valuers, etc. These suppliers have to abide by the provisions of the policies governing them and any deviation from the same would result into discontinuance of their services with the Company. Further, at the time of appraisal of CSR projects, all efforts are made to evaluate that the implementation agencies (NGOs) to whom the contribution is being extended has clean track record.

3. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   12,396 complaints were received (including opening outstanding complaints) during the year 2017-18, from various stakeholders such as shareholders, deposit holders, investors and customers. Out of the total complaints, 12,320 complaints, working out to 95.36 percent has been satisfactorily resolved.

Business Responsibility Report

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

It is the responsibility of the Company to provide products and services that meet customer requirements. These have been designed in such a manner that it fulfills the expectations of the customer and contribute positively to socio-economic development. Preference is given to local suppliers for specialised products and services. The Company has a focus on creating value for customers and the biggest social responsibility of helping people to have their own shelter is the main objective of the Company and thus, is the motto "Sagrihay Arthasahy". To facilitate the same, the Company has been providing loans to home buyers at competitive rates of interest through its various schemes. The Company through this social objective has enabled in the healthy growth of households and has also optimized their investment opportunities, thereby creating an environment conducive to a positive outlook in society.

1. **List upto 3 products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

   a) Salute to armed forces.

   b) Various products under Pradhan Mantri Awas Yojana.

a) Salute to armed forces: In August 2017 on the eve of India's 70th Independence Day, the Company had launched a scheme namely "Salute to the Armed Forces" in order to show its solitude towards the Armed. Under the said scheme the serving/retired defence personnel under "Army", "Navy", "Air force" & Coast Guard were be eligible to avail loan facilities at a concessional rate of lending with nil processing fees. The Company could disburse ₹ 209 Crore under the scheme in 2 ½ months.

b) Apna Ghar (Scheme on the lines of Pradhan Mantri Awas Yojana):

In line with Government of India's mission "Housing for All by 2022" and the Company's consistent focus on the core housing loan schemes, the Company had launched housing loan scheme for middle income group (MIG) under "Apna Ghar (MIG I & II)" in April 2017-18. In line with Government of India, the Pradhan Mantri Awas yogana-Credit Linked Subsidy Scheme (PMAY- CLSS) Scheme has been designed to finance to those customers who have no pucca house in any part of India and whose house hold income is above ₹ 6 Lakhs and upto ₹ 18 Lakhs p.a. Under this Scheme, interest subsidy is provided by NHB. The Company could finance 10,524 household units under this MIG-I & II in FY 2017-18 and in total the Company could finance 21,916 household units under four schemes of PMAY-CLSS.

2. **For each product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   Since the Company is not involved in any manufacturing activity, the reporting on use of energy, water, raw material, etc. is not applicable. However, while considering financing housing projects, these factors are given due importance.

   Further, the Company minimises the consumption of electrical energy and natural resources and tries to prevent pollution of air, water and land. The Company uses energy efficient products wherever it is required and encourages paperless methods in order to limit the use of papers wherever possible and also re-uses the waste papers to the extent possible.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

   Since the Company is not involved in any manufacturing activity, the reporting on sustainable sourcing is not applicable.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   The entire business of the Company is sourced through Home Loan Agents and Direct Selling Agents. The Company has the policy of grooming the agents through its various training programmes, meetings and seminars, while updating them regularly with regard to the market practices and strategies. Further the Company also recruits Direct Selling Agents and provide them with stipend.

5. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5 percent, 5-10 percent, >10 percent). Also, provide details thereof, in about 50 words or so.**

   Since the Company is not involved in any manufacturing activity, the reporting on recycle mechanism is not applicable. However the IT wastes are outsourced to an agency which disposes off the wastes as per proper waste disposal mechanism. Also the old papers and documents are scrapped in a manner such that they may be recycled.

Business Responsibility Report

Principle 3

Businesses should promote the wellbeing of all employees.

1. **Please indicate the total number of employees:**

   Total number of employees as on 31st March, 2018 is 2,103.

2. **Please indicate the total number of employees hired on temporary/contractual/ casual basis:**

   During the financial year 2017-18, 96 individuals were hired on a contractual basis. The Company also had a recruitment in the same period during the course of which it absorbed 51 contractual staff, who had been serving the Company on contractual basis for a reasonable period, as a reward for their loyalty and good performance.

3. **Please indicate the number of permanent women employees:**

   The Company had a total employee strength of 2103 permanent employees as on 31st March, 2018 out of which 637 employees which constitutes 30.29 per cent were permanent women employees.

4. **Please indicate the number of permanent employees with disabilities:**

   4 permanent employees with disabilities are engaged with the Company as on 31st March, 2018.

5. **Do you have an employee association that is recognized by the management?**

   There is no management recognized employee association. However, mechanisms are in place for employees to represent their issues, if any, and the same is resolved amicably. The Company also has a proper whistle blower mechanism in place.

6. **What percentage of your permanent employees are members of this recognized employee association?**

   Not applicable.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	LICHFL does not hire child labour, forced labour or involuntary labour – No reported case	Not Applicable
2.	Sexual harassment	One	None
3.	Discriminatory employment	None	Not Applicable

8. **What safety & skill up-gradation training was provided in the last year?**
   - Permanent employees
   - Permanent Women employees
   - Casual/ Temporary/ Contractual employees
   - Employees with disabilities

During the year 2017-18, 22 training programmes for upgrading the skills were conducted in house and the employees of the Company participated in 14 training programmes conducted by external entities. In these 36 training programmes a total of 736 employees of the Company were trained and updated. The Company has the culture of conducting department wise in-house training each quarter. The Company does not discriminate among employees while imparting training this is evident from the fact that out of the total employees trained during the year 26.49 per cent employees are from the Non-officer cadre and on the whole 79.35 per cent of employees trained during the year were of deputy manager or cadre below that. The Company believes in providing the best quality of training to the employees at all levels in order to uplift their working as well as professional knowledge and enables them to gather various skill sets. The Company also helps upcoming professionals by allowing them to do industrial training with the Company and helps them gather precious experience and knowledge regarding the housing industry which would benefit them in their future career.

The Company has also adopted a policy with regard to prevention of Sexual Harassment at work place which is in line with the Act and has in place the prescribed mechanism to deal with the incidents pertaining to Sexual Harassment at work place at the Corporate office level and at all the Regional office level. The Company has also setup Internal Complaints Committee (ICC) at the Corporate office and all Regional Offices, which oversees the Sexual Harassment related complaints received from the Area Offices under its jurisdiction. The Service Rules of the Company considers Sexual Harassment at work place as a misconduct and has also prescribed consequences in case an employee is found guilty of such misconduct. The Management of the Company provides all required support to the Internal Complaints Committee (ICC) in the conduct of its functions and constantly endeavours to ensure a safe and secure working environment for women.

During the year one instance of Sexual Harassment at work place had been reported and the same had been resolved by the Internal Complaints Committee.

With regard to employees with disabilities and employees with medical illness, the Company provides the facility of paid Sick Leave upto a certain period. Further, any absenteeism beyond that period of the leave is allowed, without termination of employment based on the merits of the case. The Company has always been sympathetic towards the employees in these matters and the office in-charges have the discretion and liberty to provide relaxed working hours and work allocation to such employees. Also as regards appointment

Business Responsibility Report



Improving the quality of living of 85 mentally challenged adults by providing education and vocational training at Grant Road, Mumbai, Maharashtra

of handicapped employees is concerned the company does not have a specific quota in this regard, however as reported there are four employees with disabilities on the payroll of the company and the Company has made all efforts in order to ensure a conducive working environment to such employees.

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. **Has the company mapped its internal and external stakeholders?**

   The Company's key stakeholders include promoters, employees, customers, business associates, marketing agents, recovery agents, investors, suppliers, regulatory agencies, CSR implementation agencies and local communities around its sites of operations. The Investors comprise of shareholders (including institutional investors, corporate bodies, domestic and foreign institutional investors, foreign bodies etc.).

   The Company values the support of its stakeholders and respects the interests and concerns they have towards it. The Company and its employees strive to provide value-based services to the stakeholders.

   The Company has continuous engagement with its various stakeholders in order to understand their concerns and assess their requirements and respond to their needs in an effective manner.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?**

   The Company through its CSR activities partners through Implementation Agency (NGOs) for catering to the needs of common people, especially of those belonging to marginalised group. It undertakes several initiatives to engage with and ensure sustainable development of the marginalised groups in the local communities around its sites of operations. During the financial year 2017-18 the Company has supported the following causes:

   Natural Resources Management and water harvesting : For the purpose of ensuring sustainable development of villages through natural resources management, treatment of micro watersheds, improved agriculture and skill development and for ensuring water availability for drinking and protective irrigation so as to improve agriculture and crop productivity through Production system and Micro Enterprise activity and minimize distressed migration in search of livelihood, the Company has contributed to a project with the objective of ensuring sustainable development of villages through natural resources management, improved agriculture and skill development of the local communities of Diwantembrun and Jamlapada in Gujarat.

   Eradicating hunger, malnutrition and promotion of education: The Company through various Implementation Agency (NGOs) has supported under privileged, marginalised and disabled children and has made an effort to enable them to obtain quality

Business Responsibility Report

education through sponsorship of uniforms, providing support for school fees, construction of new school building, purchase of school bus for the disabled and purchase of distribution vessels for mid-day meals of children.

During the financial year the Company has also associated itself with an Implementation Agency (NGO) namely AIM for Seva, a registered pan-India, non-profitable charitable trust which functions to educate and transform the lives of children in rural India. The major problems faced by children in rural India are that of commuting long distances to school, domestic pressures, financial strains, lack of extra-curricular activities and much more. Having regard to these problems, AIM for Seva introduced the concept of Free Student Hostels - enabling children in rural India to realize their full potential. In the current project, the said NGO has undertaken a Construction of New Student Hostel Building in and around Tondikatti village in Belgaum District of Karnataka, under its flagship motto i.e. "All India Movement for Seva ".The objective of this project is to empower and help the rural children, to continue their education. The Company has pledged a contribution of approximatley ₹ 92 lakh to this project. The project is expected to be completed within a year and the construction has already been initiated after Boomi Pooja at the construction site.

Health Care: In order to encourage innovative blood cancer care through comprehensive cell therapy and blood safety and in order to develop the blood products safety process and quality assurance to improve the lives and well-being of most vulnerable patients suffering from blood cancer and other cancer diseases and to create long lasting and sustainable blood cell therapy for advance patient care of blood disorder patients the Company has provided monetary support of ₹ 4.26 lakh for purchase of a medical van to a Kolkata based Implementation Agency namely, Indian Association of Blood Cancer and Allied Diseases.

Socio-economic development and Environment protection and Sanitation: For socio-economic development and relief, welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women and in order to promote Environment protection and Sanitation the Company has also made contributions to Swachh Bharat Kosh and Prime Minister's National Relief Fund.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

The Company through its CSR initiative in association with various implementation agencies such as Akshaya Patra Foundation, Concern India Foundation, Smile Foundation, Chetna Institute for Mentally Retarded, Indian Association of Blood Cancer, M K Educational Society and Indian Association of Blood Cancer & Allied Disease as supported various programmes, projects and activities that of providing education, skill training facilities for the differently abled sponsoring kitchen



Bhoomi pooja being conducted at site before initiating construction of New Student Hostel Building in and around Tondikatti village in Belgaum District of Karnataka

Business Responsibility Report



Education support to 200 underprivileged children from marginalized communities of Rajasthan with intensive approach through quality learning centres called Mission Education (ME) centers

vessels for the purpose of distribution of cooked mid-day meals to the students of government schools, sponsoring school uniforms, supporting skill development of girls in computer based interventions and Information Technology and extending medical Aid by contributing to the purchase of mobile medical van.

Contribution of ₹ 14,64,500/- to Chetna Institute for Mentally Retarded to towards purchase of School Bus for transportation of disabled children

Further, proper and effective redressal mechanism is available at different levels in order to enable the stakeholders to take up their grievances or concerns, if any. Formal and informal consultations / meetings are held with the different stakeholders at different management level to obtain their ideas, views and opinions for better handling of their interests. The Company also has its own Customer Relationship Management (CRM), portal namely, TALISMA, which acts as an interface between the aggrieved customer and the Company. The services to the Employees who also are very important stake holders to the Company are provided through the Company's eHRMs and HRmantra intranet portals. Further, the Company has also enhanced Quantum of Lunch Allowance and reimbursement of Tea/Coffee expenses in the current year as a good gesture towards its employees.

Principle 5

Businesses should respect and promote human rights.

1. **Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   All the policies of the Company have been drafted and adopted keeping in mind the creation of enhanced value for its various stakeholders. The policies and code of conduct in respect of fair practices also cover the suppliers of the Company such as the home loan and recovery agents etc. No act of the Company has resulted into violation of Human Rights of any stakeholders and all the practices of the Company have been based on the principles of just and equitable grounds.

2. **How many stakeholder complaints pertaining to violation of Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   During the year one instance of Sexual Harassment at work place had been reported and the same had been resolved by the Internal Complaints Committee.

Business Responsibility Report



Contribution of ₹ 14,64,500/- to Chetna Institute for Mentally Retarded to towards purchase of School Bus for transportation of disabled children

Principle 6

Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

The Company commits itself to take all necessary initiatives towards optimization and continual reduction in utilization of natural resources and also manmade resources. The Company is determined to focus its attention towards achieving the goal of "Reduce, Reuse and Recycle" in its entire operation / process for sustainable development. The Company is committed to put efforts towards renewable resources to avoid depletion of natural resources wherever possible during the course of carrying on its day to day operations. The Company complies with all legal / regulatory requirements related to environment protection, management and sustainable development.

The Company is fully aware of the direct and indirect environmental impacts of its operations and considers it as a major criterion in all its decisions. The Company being in the business of granting housing loans encourages housing projects which are environmentally safe and secure. The Company has contributed a part of CSR Contribution towards projects in the field of natural resource management and in the past also the Company has associated itself with projects relating to water harvesting and water conservation.

2. Does company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.?

This section has limited applicability in respect of the Company since the Company is engaged in providing finance for construction / purchase of house / flat. However, as part of its CSR initiative the Company intends to appraise such projects which are in line with the principles of environmental sustainability.

However, it may be mentioned here that the Company has opted for efficient processes in order to minimize impact on the environment. High priority is given towards energy efficiency for selecting or changing over to new system to have less carbon emission initiatives.

The Company has replaced old model of computer, printers, and other equipment which were consuming between 50 to 90 percent more energy than newer energy-efficient models. This has ensured reduction in energy consumption and resultant saving in costs.

Business Responsibility Report

Air conditioning equipment is cleaned and serviced on routine basis thereby saving energy and costs and giving required cooling.

The office has LED lights and after office hours, only the required lights and air conditioning is used thereby saving energy and minimizing energy wastage.

The Company has actively funded projects in the area of water conservation containing water harvesting and restoration of the ground water levels which is an important contributory towards containing climate change and global warming.

3. Does the company identify and assess potential environmental risks?

Yes, LICHFL is fully aware of the direct and indirect environmental impacts of its operations and considers it as a major criterion in all its decisions. The Company being in the business of granting housing loans encourages housing projects which are environmentally safe and secure. Further, the CSR Committee of the Company has been active in funding environmentally sustainable projects as it intends to do its bit in addressing the issue pertaining to environmental sustainability.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Company under its CSR initiative has been instrumental in funding projects pertaining to water harvesting, environmental protection and management of natural resources. These projects contribute towards the sustainable development of local communities.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page, etc.

The Company is engaged in providing funding for housing projects. At the time of appraisal of the Projects it is mandatory for the builders etc. to ensure that the projects are environmentally viable and sustainable, the same is also reflected in the valuation report which forms part of the Company's SOP guidelines (Standard Operating Procedures Guidelines). Thus, the Company associates itself only with environmentally safe projects.

Further, Company has the practice of replacing old models of computers, printers, and other equipment which were consuming between 50 to 90 percent more energy than newer energy-efficient models. This has ensured reduction in energy consumption and resultant saving in costs.

Air conditioning equipment is cleaned and serviced on routine basis thereby saving energy and costs and giving required cooling.

The offices has LED lights and after office hours, only the required lights and air conditioning is used thereby saving energy and minimizing energy wastage.

6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPSB/ SPCB for the financial year being reported?

Since the Company has been engaged in the business of extending housing loans the above question is not applicable to the Company. However, as mentioned above the Company is determined to focus its attention to achieve the goal of "Reduce, Reuse and Recycle" in its entire operation / process for sustainable development.

7. Number of show cause/ legal notices received from CPSB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

The Company has not received any such legal notices as the same is not applicable to the Company.

Principle 7

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association?

The Company has acquired a stake in Goods and Service Tax Network in order to contribute towards the successful rollout of GST, which has been a historical and progressive indirect tax reform. The employees of the Company are the members of various professional bodies such as the ICAI, ICSI, CMA etc. and the Company reimburses the membership fees in order to encourage the employees to stay updated by way of attending various lectures, seminars and workshops held by this institutes.

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

As mentioned, the Company has invested in Goods and Service Tax Network (GSTN). Due to this reason a senior employee of the Company holds directorship on the board of GSTN. The Company has from time to time through its representative director in GSTN advocated the cause of easing the procedures of GST compliance for hassle free implementation of GST.

Further, the Company also conducts property fairs, wherein it brings the builders and the home buyers to a common platform by acting as a link between them. Through this initiative the Company helps in the growth of the housing industry.

Business Responsibility Report

Principle 8

Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof:

The Company has made its effort towards inviting proposals from various implementation agencies (NGOs) and trusts who has been working towards the upliftment of the society. The Company has through its CSR appraisal mechanism provided funding to some of the NGOs working in the areas of education, health care and natural resource management. The details in respect thereof has been provided in Section B above. The crux of these contribution has been to ensure that there should be equitable growth and inclusive development. Further, in the past years the Company has provided funding to the Corpus funds of an implementation agency (NGO), namely, DEEDS , which works towards the vocational training of deaf people. This Corpus funding would help them to have sustainable development for years to come.

2. Are the programmes / projects undertaken through in-house team/ own foundation / external NGO / Government structures / and any other organisation?

The Company carries on its CSR activities through various implementation agencies (NGOs) which are identified by its in-house CSR team and evaluated by the Board Level CSR Committee. The Company also calls for a quarterly monitoring report to analyse the progress of the sanctioned projects. The Company also conducts an impact analysis of the ongoing CSR projects through an external agency, which submits its report to the Board Level CSR Committee. Further, the Company's wholly owned subsidiary, namely, LICHFL Care Homes Limited's main objective is to build assisted living centres for the elderly and provide them with a roof at a competitive prices, for a peaceful and enjoyable retired life thus supporting growth and inclusive development.

3. Have you done any impact assessment of your initiative?

The Company has conducted the impact assessments of the CSR contributions made by till 2016-17 and the report in respect of the same has been deliberated upon by Company's CSR Committee and has been taken note of by the Board of Directors of the Company. Further, the Company also calls for quarterly monitoring reports from the implementation agencies of all its ongoing CSR projects in order to analyse the impact on a regular basis.

4. What is your company's direct contribution to community development projects – Amount in INR and the details of the project undertaken?

In the years 2015-16 and 2016-17 the Company extended funds amounting to ₹ 1.02 Crore to Thirumalai Charity Trust for a community d evelopment and healthcare project. The overall project constituted 315 villages and out of that 100 villages consisting of 21,936 patients were direct beneficiaries of Company's funds. Similarly, from the contribution amounting to ₹ 44 lakh extended to Advait foundation, in respect of a sanitary napkin and vocational training project, is said to have served 8 Villages reaching out to 1,200 households. Also through the funding of ₹ 1.11 Crore made to Tarun Bharat Sangh for Making Climate Resilient Communities in Rivulet, 107 Villages are expected to benefit in the long run.

Among the projects of the Current year, ₹ 10 lakh has been contributed to "A K Munshi Yojna" towards providing education and vocational training to differently abled individuals, this initiative is expected to improve the quality of living of 85 mentally challenged adults by providing education and vocational training. Also a contribution of ₹ 23.35 lakh has been made to Smile Foundation for providing education support for 200 underprivileged children living in slums / villages of Rajasthan. The precise impact of these contributions would be made in the years to come.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

As per the practice of the Company, it calls for quarterly monitoring reports from the implementation agencies to ensure the proper utilization of funds. Further, the Company conducts an Impact Analysis of the ongoing and completed projects in order to assess the societal impact of the projects. Also at the time of appraisal of the projects, the Company ensures that the implementation agencies being funded has sufficient past experience in the relevant sector. Through all these initiatives the company ensures that this community development initiative is successfully adopted by the community.

Business Responsibility Report

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/ consumer cases are pending as on the end of the financial year?**

   There are no customer complaints that are pending as on 31st March, 2018 as all the complaints that had been received during the year had been solved by the in-house Customer Relationship Management team of the Company.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   LICHFL is a housing finance company and hence this question is not applicable. However, features of housing loan schemes are disclosed to the applicant before financing. The Company also displays the information pertaining to the basket of products at a conspicuous location at each of its offices across India. Further the Most Important Terms and Conditions (MITC) are part of the loan kit and the provisions relating thereto are also explained to the Customer before disbursement.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   There is no such instance during the reporting period.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   The Company has not carried out any consumer survey/ consumer satisfaction trends directly, however the Company has an Input Committee consisting of experienced senior employees having considerable experience in grass root operations of the Company. This Committee brings out the customer sentiments and expectations before the Product committee, which is a committee at the Corporate Office responsible for designing a new product. The Product Committee considers the suggestions of the Input Committee while designing a new product and incorporates therein the requirements and expectations of the Customers and also makes all efforts to keep the product at par with the market trends and sentiments.

Independent Auditors' Report

TO THE MEMBERS OF LIC HOUSING FINANCE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of LIC HOUSING FINANCE LIMITED (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of the section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under sub-section 11 of Section 143 of the Act.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profits, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by sub-section 3 of Section 143 of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the

Independent Auditors' Report

directors is disqualified as on March 31, 2018 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 27(2) to the standalone financial statements;

ii. Provision has been made in the standalone financial statements as at March 31,2018 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SHAH GUPTA & CO.
Chartered Accountants
FRN 109574W

Vipul K. Choksi
Partner
M.No.037606

For CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm Registration No.101872W/W100045

Vineet Saxena
Partner
M.No.100770

Place: Mumbai
Dated: April 23, 2018

ANNEXURE 'A'

Annexure Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and the records examine by us and based on the examination of the registered sale deed/ transfer deed /conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The nature of the Company's business is such that it is not required to hold any inventories and, hence, reporting under paragraph 3 (ii) of the order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Hence, reporting under paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 of the Act, to the extent applicable to the Housing Finance Company and the Housing Finance Companies (NHB) Directions, 2010 (as amended) with regard to the deposits accepted from the public. We have been informed that no Order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any court or any other Tribunal.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under sub-section 1 of section 148 of the Act, for the products / services of the Company, and, hence, reporting under paragraph 3 (ii) of the order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, and the records of the company examined by us, in our opinion, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government and dues to debenture holders.

(ix) According to the information and explanations given to us, money raised by way of debt instruments and term loans have been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment pending application of proceeds. Apart from money raised by way of debt instruments, the Company has neither raised any moneys by way of initial public offer / further public offer nor were such proceeds pending to be applied, during the current year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

ANNEXURE 'A'

(xii) The Company is not a Nidhi Company and hence, reporting under paragraph 3 (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence, reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Hence, reporting under paragraph 3(xv) of the Order is not applicable.

(xvi) In our opinion and according to information and explanation given to us, the Company is not required to be registered under section 45-IA Reserve Bank of India Act, 1934.

For SHAH GUPTA & CO.
Chartered Accountants
FRN 109574W

Vipul K. Choksi
Partner
M.No.037606

For CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm Registration No.101872W/W100045

Vineet Saxena
Partner
M.No.100770

Place: Mumbai
Dated: April 23, 2018

ANNEXURE 'B'

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of LIC Housing Finance Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and specified under sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

ANNEXURE 'B'

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For SHAH GUPTA & CO.
Chartered Accountants
FRN 109574W

Vipul K. Choksi
Partner
M.No.037606

For CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm Registration No.101872W/W100045

Vineet Saxena
Partner
M.No.100770

Place: Mumbai
Dated: April 23, 2018

Independent Auditors' Report

TO THE BOARD OF DIRECTORS OF LIC HOUSING FINANCE LIMITED

Report on Compliance with the Housing Finance Companies (NHB) Directions, 2010

This report is issued in terms of our audit engagement with LIC Housing Finance Limited ("the Company") as joint statutory auditors. Pursuant to the Paragraph 2 of the Housing Finance Companies – Auditor's Report (National Housing Bank) Directions, 2016 ("the Auditor's Report Directions"), we have examined the matters specified in the Paragraph 3 of these Directions in respect of the Company for the year ended March 31, 2018.

Management's Responsibility

The Management of the Company is responsible for compliance with the extant Housing Finance Companies (NHB) Directions, 2010 ("the Directions") on an ongoing basis and reporting non-compliance, if any, to the regulatory authority, Board of the company and its Audit committee. This responsibility also includes (a) preparation and maintenance of proper accounting and other records as per the external and internal requirements (b) the design, implementation and maintenance of adequate internal procedures / systems / processes / controls relevant to the creation and maintenance of the aforesaid records. Further, this responsibility includes ensuring that the relevant records provided to us for our examination are correct and complete.

Auditors' Responsibility

Our responsibility is to express reasonable assurance in the form of an opinion based on our examination of the books of account and other records maintained by the Company on the matters specified in Paragraph 3 of the Auditor's Report Directions, based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, specified under sub-section 10 of Section 143 of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether there are any identified non-compliances.

An audit involves performing procedures to obtain audit evidence about the compliance with the Directions. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the information and records, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's compliance with the Directions in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes ("the Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) -1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on the examination, as above and information & explanations given to us, we are of the opinion that:

1. The Company had applied for registration as required under Section 29A of the National Housing Bank Act, 1987 ("the Act") and has been granted the certificate of registration dated July 31, 2001.

2. The Company has complied with the Net Owned Fund (NOF) requirements as prescribed under section 29A of the Act.

3. The Company has complied with Section 29C of the Act.

4. Public deposits accepted by the Company together with other borrowings are within admissible limits.

5. There are no deposits in excess of the admissible limits.

6. The Company has obtained minimum investment grade credit rating from an approved credit rating agency for the purpose of accepting/holding public deposits.

7. The credit rating (i.e. FAAA/Stable) for deposits reaffirmed by the credit rating agency viz., CRISIL on May 5, 2017 is in force. The rating agency has not specified any limits for accepting/holding public deposit as per their letter dated May 5, 2017.

8. The Company has not defaulted in paying to its depositors the interest and/or principal amounts of deposits after such interest and/or principal became due during the year.

9. Total borrowings of the Company i.e. deposits inclusive of public deposits together with the amounts referred to in sub-clauses (iii) to (vii) of sub-section (bb) of Section 45 I of the Reserve Bank of India Act, 1934 and loans or other assistance from the National Housing Bank are within the limit prescribed in the Directions.

10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that the Company has complied with the prudential norms on income recognition, accounting standards, asset classification,

Independent Auditors' Report

loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Directions.

11. The capital adequacy ratio as disclosed in the Schedule II return submitted to the National Housing Bank in terms of the Directions has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed therein.

12. The Company has furnished to the National Housing Bank within the stipulated period the Schedule II return as specified in the Directions.

13. The Company has complied with the liquidity requirements as specified under Section 29B of the Act, and the requirements as specified in paragraphs 14 and 15 of the Directions and has kept the securities with the designated bank.

14. The Company has furnished to the National Housing Bank within the stipulated period the Schedule III return on Statutory Liquid Assets as specified in the Directions.

15. The Company has complied with the requirements contained in the Directions in the case of opening of new branches /offices or in the case of closure of existing branches/offices.

16. The Company has complied with the provisions contained in paragraph 38 and 38A Directions.

17. The Company has not violated any of the provisions contained under restriction on acceptance of public deposits, period of public deposits, Joint public deposit, particulars to be specified in application form soliciting public deposits, ceiling on the rate of interest and brokerage and interest on overdue public deposits, renewal of public deposits before maturity as provided in Directions.

Restriction of use

This report has been issued pursuant to the requirement as per Paragraph 2 of the Auditor's Report Directions. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For SHAH GUPTA & CO.
Chartered Accountants
FRN 109574W

Vipul K. Choksi
Partner
M.No.037606

For CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm Registration No.101872W/W100045

Vineet Saxena
Partner
M.No.100770

Place: Mumbai
Dated: April 23, 2018

Balance Sheet
As at March 31, 2018

(₹ in Lakhs)

	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	10,099.63	10,099.63
Reserves and Surplus	2	1,258,972.57	1,097,603.08
		1,269,072.20	1,107,702.71
Non Current Liabilities			
Long-Term Borrowings	3	11,022,188.38	10,373,888.73
Deferred Tax Liabilities (Net)	12	104,298.56	91,727.20
Other Long-Term Liabilities	4	110,591.46	118,088.64
Long-Term Provisions	5	125,745.45	99,722.57
		11,362,823.85	10,683,427.14
Current Liabilities			
Short-Term Borrowings	6	938,450.07	758,721.63
Trade Payables	7		
(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
(b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		6,129.33	5,896.95
Other Current Liabilities	8	3,596,853.08	2,520,160.37
Short-Term Provisions	9	11,872.68	14,132.06
		4,553,305.16	3,298,911.01
Total		**17,185,201.21**	**15,090,040.86**
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	10.1	9,471.33	9,287.83
Intangible Assets	10.2	240.60	364.61
Non-Current Investments	11	98,678.61	52,688.94
Long-Term Loans and Advances	13	22,432.47	20,669.53
Other Non-Current Assets	14	10,907.99	6,896.82
		141,731.00	89,907.73
Loans	15		
Non-Current Loans		15,549,867.16	13,541,420.52
Current Loans		1,086,418.82	911,980.56
		16,636,285.98	14,453,401.08
Current Assets			
Current Investments	16	-	9.51
Trade Receivables	17	12,996.13	10,941.79
Cash and Bank Balances	18	295,349.01	446,334.97
Short-Term Loans and Advances	19	3,475.57	1,581.98
Other Current Assets	20	95,363.52	87,863.80
		407,184.23	546,732.05
Total		**17,185,201.21**	**15,090,040.86**
Significant Accounting Policies and Notes	27		

The Notes referred to above form an integral part of the standalone financial statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Vipul K Choksi
Partner
M.No.037606

Vineet Saxena
Partner
M.No. 100770

V. K. Sharma
Chairman
DIN - 02449088

Debabrata Sarkar
Director
DIN - 02502618

Vinay Sah
Managing Director &
Chief Executive Officer
DIN - 02425847

Nitin K. Jage
General Manager (Tax.)
& Company Secretary

Kiron Singh
General Manager
(IT & Accounts)

P. Narayanan
CFO

Place: Mumbai
Date : April 23, 2018

Statement of Standalone Profit And Loss
For The Year Ended March 31, 2018

(₹ in Lakhs)

	Note No.	March 31, 2018	March 31, 2017
Income			
Revenue from Operations	21	1,495,965.89	1,398,694.17
Other Income	22	11,324.73	9,340.81
Total Revenue		**1,507,290.62**	**1,408,034.98**
Expenses			
Finance Costs	23	1,112,465.13	1,023,149.09
Employee Benefits Expense	24	21,754.80	24,580.31
Depreciation and Amortisation Expense	10.1 & 10.2	998.08	943.42
Establishment and Other Expenses	25	41,998.22	35,652.56
Provisions / Write offs (Net)	26	23,887.28	28,132.24
Total Expenses		**1,201,103.51**	**1,112,457.62**
Profit before Tax		306,187.11	295,577.36
Tax Expense			
- Current Tax	27 (22)	94,657.00	91,835.24
- Deferred Tax	27 (23)	12,571.36	10,637.11
Profit for the Year		**198,958.75**	**193,105.01**
Earnings per equity share			
- Basic and Diluted (in ₹)	27 (21)	**39.42**	**38.26**
[Face value of ₹ 2/- each]			
Significant Accounting Policies and Notes	27		

The Notes referred to above form an integral part of the standalone financial statements

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

Vipul K Choksi
Partner
M.No.037606

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Vineet Saxena
Partner
M.No. 100770

Place: Mumbai
Date : April 23, 2018

For and on behalf of the Board of Directors

V. K. Sharma
Chairman
DIN - 02449088

Nitin K. Jage
General Manager (Tax.)
& Company Secretary

Debabrata Sarkar
Director
DIN - 02502618

Kiron Singh
General Manager
(IT & Accounts)

Vinay Sah
Managing Director &
Chief Executive Officer
DIN - 02425847

P. Narayanan
CFO

Standalone Cash Flow Statement
For The Year Ended March 31, 2018

(₹ in Lakhs)

	Particulars		March 31, 2018		March 31, 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit Before Tax		**306,187.11**		**295,577.36**
	Add / (Less) : Adjustment for				
	Depreciation and Amortisation Expenses	998.08		943.42	
	Provisions/ Write offs	23,887.28		28,132.24	
	Interest Income on Loans	(1,489,142.19)		(1,391,389.73)	
	Interest Expenses	1,111,791.76		1,022,209.68	
	Interest Received on Loans	1,478,677.74		1,380,095.54	
	Interest Paid	(1,049,747.73)		(906,276.19)	
	Loss on sale of Property, Plant and Equipment (Net)	(2.04)		(5.88)	
	Property, Plant and Equipment Written off	0.00		0.03	
	(Income)/Loss from investments	(284.19)		(379.06)	
	Dividend Income from current and long term investment	(363.34)		(403.50)	
	Provision for contingency writtenback	0.01		0.00	
			75,815.38		132,926.55
	Operating Profit before Working Capital Changes		**382,002.49**		**428,503.91**
	Adjustment for:				
	(Increase) / Decrease in Other Current Assets	11,430.02		(2,299.63)	
	(Increase) / Decrease in Other Non-Current Assets	(3,430.32)		(6,604.24)	
	(Increase) / Decrease in Loans & Advance	(3,910.10)		(158.18)	
	Increase / (Decrease) in Liabilities & Provisions	(61,584.31)		195,098.57	
			(57,494.71)		186,036.52
	Cash generated from Operations		**324,507.78**		**614,540.43**
	Direct taxes Paid		(94,403.43)		(102,003.50)
	Net Cash from Operations		**230,104.35**		**512,536.93**
	Increase in Housing Loans		(2,184,496.13)		(1,940,435.68)
	Net Cash used in Operating Activities (A)		**(1,954,391.78)**		**(1,427,898.75)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Sale of Investments		593.37		1,465.96
	Purchase of Investments		(47,008.70)		(29,161.31)
	Purchase of Property, Plant and Equipment		(1,057.87)		(1,394.16)
	Sale of Property, Plant and Equipment		2.34		5.92
	Dividend Income from current and long term investment		363.34		403.50
	Income/(Loss) from investments		284.19		379.06
	Net Cash used in Investing Activities (B)		**(46,823.33)**		**(28,301.03)**

Standalone Cash Flow Statement
For The Year Ended March 31, 2018 (Contd.)

(₹ in Lakhs)

	Particulars	March 31, 2018	March 31, 2017
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Secured Loans (Net)	1,674,179.85	1,179,288.73
	Proceeds from Unsecured Loans (Net)	224,961.53	361,300.74
	Dividend Paid	(31,160.87)	(27,643.73)
	Transfer to Investor Protection Fund	(66.31)	(67.44)
	Dividend Tax Paid	(6,300.16)	(5,568.40)
	Net Cash generated from Financing Activities (C)	1,861,614.04	1,507,309.90
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**(139,601.07)**	**51,110.12**
	Cash and cash equivalents at the beginning of the year	426,940.62	375,830.50
	Cash and cash equivalents at the end of the year (Refer Note No.1)	287,339.55	426,940.62
	Net Increase/ (Decrease) in Cash and Cash Equivalents	**(139,601.07)**	**51,110.12**
	Notes:		
1	**Cash & Cash Equivalent include:**		
	Balance with banks*	171,783.90	121,468.46
	Cheques,drafts on hand	19,458.22	23,756.48
	Cash on hand	367.13	321.34
	Investment in Mutual Fund Units (Highly liquid)	95,730.30	281,394.34
	Total Cash & Cash Equivalent	**287,339.55**	**426,940.62**
	*Balance with Banks includes unclaimed dividend of ₹ 775.71 Lakhs (Previous Year ₹ 713.79 Lakhs)		
2	The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on Cash Flow Statements notified under the relevent provisions of the Companies Act, 2013		

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

Vipul K Choksi
Partner
M.No.037606

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Vineet Saxena
Partner
M.No. 100770

Place: Mumbai
Date : April 23, 2018

For and on behalf of the Board of Directors

V. K. Sharma
Chairman
DIN - 02449088

Debabrata Sarkar
Director
DIN - 02502618

Vinay Sah
Managing Director &
Chief Executive Officer
DIN - 02425847

Nitin K. Jage
General Manager (Tax.)
& Company Secretary

Kiron Singh
General Manager
(IT & Accounts)

P. Narayanan
CFO

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018

NOTE 1

(₹ in Lakhs)

SHARE CAPITAL	As at March 31, 2018	As at March 31, 2017
Authorised		
750,000,000 Equity Shares of ₹ 2/- each (Previous year 750,000,000 Equity Shares of ₹ 2/- each)	15,000.00	15,000.00
Issued, Subscribed and Paid-up		
504,663,000 Equity Shares of ₹ 2/- each (Previous Year 504,663,000 Equity Shares of ₹ 2/- each) fully paid up	10,093.26	10,093.26
Add: Forfeited shares as per Note.1(d) below	6.37	6.37
	10,099.63	**10,099.63**

Note.1(a): Reconciliation of number of shares outstanding and amount of Share Capital at the beginning and at the end of the year

Equity Shares	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Shares outstanding at the beginning of the year	5,046,63,000	10,093.26	5,046,63,000	10,093.26
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**5,046,63,000**	**10,093.26**	**5,046,63,000**	**10,093.26**

Note.1(b): Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholdings.

Note.1(c): Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Life Insurance Corporation of India	2,034,42,495	40.31	2,034,42,495	40.31

Note.1(d): Forfeited Shares

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Amount received on forfeited shares	6.37	6.37
	6.37	**6.37**

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

NOTE 2

(₹ in Lakhs)

RESERVES AND SURPLUS			As at March 31, 2018	As at March 31, 2017
(a)	**Capital Reserve**			
	As per last Balance Sheet		47.93	47.93
(b)	**Securities Premium Account**			
	As per last Balance Sheet		170,528.55	170,528.55
(c)	**Special Reserve - I**			
	In terms of section 36(1)(viii) of Income-Tax, 1961 and Section 29C of National Housing Bank (NHB) Act,1987 (Upto financial year 1996-97)			
	As per last Balance Sheet		3,898.00	3,898.00
(d)	**Other Statutory Reserves including Special Reserve- II**			
	Balance at the beginning of the year			
	(i)	Statutory Reserve u/s 29C of the NHB Act, 1987	13.00	12.00
	(ii)	Amount of special reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	379,436.01	322,437.01
Total			**379,449.01**	**322,449.01**
	Addition / Appropriation / Withdrawal during the year			
	Add :			
	(i)	Amount transferred u/s 29C of the NHB Act, 1987	1.00	1.00
	(ii)	Amount of special reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	55,999.00	56,999.00
	Less :			
	(i)	Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
	(ii)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	**-**	**-**
	Balance at the end of the year			
	(i)	Statutory Reserve u/s 29C of the NHB Act, 1987	14.00	13.00
	(ii)	Amount of special reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	435,435.01	379,436.01
Total			**435,449.01**	**379,449.01**
(e)	**General Reserve**			
	Opening Balance		324,804.00	274,804.00
	Add: Transfer during Current Year		50,000.00	50,000.00
	Closing Balance		**374,804.00**	**324,804.00**
(f)	**Surplus in the Statement of Profit and Loss**			
	Opening balance		218,875.59	132,770.58
	Add: Net Profit for the current year		198,958.75	193,105.01
	Less: Appropriations			
	Dividend Paid		31,289.10	-
	Tax on Dividend Paid		6,300.16	-
	Transfer to General Reserve		50,000.00	50,000.00
	Transfer to Special Reserve - II		55,999.00	56,999.00
	Transfer to Statutory Reserve u/s 29C of the NHB Act, 1987		1.00	1.00
	Closing Balance		**274,245.08**	**218,875.59**
			1,258,972.57	**1,097,603.08**

Note 2.1

As per the National Housing Bank's Circular No. NHB(ND)/DRS/Pol. Circular No. 62/2014 dated May 27,2014, the Company has adjusted the opening balance of reserves for creation of Deferred Tax Liability (DTL) on Special Reserve as at April 01,2014 created under Section 36(1)(viii) of the Income Tax Act, 1961.

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

NOTE 3

(₹ in Lakhs)

LONG TERM BORROWINGS	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Secured				
(a) Non-Convertible Debentures (Refer Note - 3.1)	8,729,800.00	2,164,900.00	8,369,300.00	1,118,700.00
(b) Zero Coupon Debentures (Refer Note - 3.2)	574,400.00	78,000.00	300,100.00	142,600.00
(c) Term loans				
From Banks (Rupee Term Loan) (Refer Note - 3.3)	1,018,375.79	157,505.16	838,745.53	64,998.51
From Banks (Foreign Currency Term Loan)*	-	-	-	50,000.00
* FCNR B US$ Loan underlying USD 81,168,831.17 equivalent to INR of ₹ 50,000 Lakhs.				
(d) Loans and advances from related parties:				
Life Insurance Corporation of India	-	-	-	1,775.00
(e) Other loans and advances (Refer Note- 3.3)				
National Housing Bank (Refinance)	150,758.36	45,065.54	291,917.58	82,488.38
Other Financial Institutions	20,000.00	-	20,000.00	-

Security :

Negative lien on the assets of the Company (excluding the Company's current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose of, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules and immovable property acquired by company on or after September 26, 2001.

Unsecured				
(a) Bonds:	50,000.00	50,000.00	100,000.00	-
(i) Subordinate Bonds (Refer Note - 3.4)	150,000.00	-	150,000.00	-
(ii) Upper Tier II Bonds (Refer Note - 3.5)				
(b) Deposits:				
Public Deposits (Refer Note - 3.6)	263,989.66	55,909.17	263,998.25	38,895.70
Corporate Deposits	64,864.57	20,829.50	39,827.37	1,638.50
	11,022,188.38	**2,572,209.37**	**10,373,888.73**	**1,501,096.09**

Note - 3.1

The NCDs are redeemable at par. The NCDs issued after March 31, 2015 are secured by a negative lien on the assets of the Company (excluding the Company's current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the Company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose of, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. In addition to above the NCDs are secured by way of pari-passu mortgage and charge in favour of the debenture trustee on the Company's immovable property to the extent of ₹ 24.29 Lakhs.

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

The details of Non Convertible Redeemable Debentures (NCD) are as under:

(₹ in Lakhs)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2018
Non Current :				
14770 NCD's of ₹ 1000000/- each	29-Jan-28	7.95%	27-Aug-21	147,700.00
2500 NCD's of ₹ 1000000/- each	22-Jan-28	7.90%	22-Aug-19	25,000.00
5300 NCD's of ₹ 1000000/- each	23-Nov-27	7.75%	-	53,000.00
5000 NCD's of ₹ 1000000/- each	14-Jul-27	7.56%	-	50,000.00
7000 NCD's of ₹ 1000000/- each	17-May-27	7.86%	-	70,000.00
6000 NCD's of ₹ 1000000/- each	26-Mar-27	7.95%	-	60,000.00
10000 NCD's of ₹ 1000000/- each	16-Dec-26	7.16%	-	100,000.00
10000 NCD's of ₹ 1000000/- each	23-Oct-26	7.48%	-	100,000.00
5000 NCD's of ₹ 1000000/- each	25-Sep-26	7.83%	26-Nov-20	50,000.00
2000 NCD's of ₹ 1000000/- each	18-Aug-26	7.90%	-	20,000.00
4750 NCD's of ₹ 1000000/- each	10-Jul-26	8.43%	12-Jul-19	47,500.00
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.48%	29-Aug-19	50,000.00
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.48%	29-Aug-18	50,000.00
3700 NCD's of ₹ 1000000/- each	15-Jun-26	8.47%	15-Jul-19	37,000.00
5000 NCD's of ₹ 1000000/- each	10-Jun-26	8.47%	28-Jun-19	50,000.00
5350 NCD's of ₹ 1000000/- each	22-May-26	8.45%	23-Oct-19	53,500.00
3000 NCD's of ₹ 1000000/- each	27-Apr-26	8.32%	-	30,000.00
10000 NCD's of ₹ 1000000/- each	03-Mar-26	8.57%	-	100,000.00
5000 NCD's of ₹ 1000000/- each	26-Feb-26	8.53%	-	50,000.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.42%	-	75,000.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.43%	-	75,000.00
10000 NCD's of ₹ 1000000/- each	12-Dec-25	8.40%	-	100,000.00
10000 NCD's of ₹ 1000000/- each	13-Nov-25	8.20%	-	100,000.00
5000 NCD's of ₹ 1000000/- each	23-Oct-25	8.25%	23-Nov-18	50,000.00
2100 NCD's of ₹ 1000000/- each	08-Oct-25	8.34%	-	21,000.00
3000 NCD's of ₹ 1000000/- each	29-Aug-25	8.50%	-	30,000.00
2000 NCD's of ₹ 1000000/- each	29-Aug-25	8.48%	24-Feb-20	20,000.00
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.55%	-	50,000.00
3000 NCD's of ₹ 1000000/- each	01-Aug-25	8.58%	03-May-19	30,000.00
2000 NCD's of ₹ 1000000/- each	18-Jul-25	8.57%	20-Sep-18	20,000.00
2050 NCD's of ₹ 1000000/- each	04-Jun-25	8.50%	-	20,500.00
10000 NCD's of ₹ 1000000/- each	29-May-25	8.55%	-	100,000.00
10000 NCD's of ₹ 1000000/- each	31-Mar-25	8.22%	-	100,000.00
4250 NCD's of ₹ 1000000/- each	03-Mar-25	8.52%	-	42,500.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.50%	24-Apr-18	60,000.00

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

(₹ in Lakhs)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2018
100 NCD's of ₹ 1000000/- each	30-Jan-25	8.40%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	08-Jan-25	8.61%	-	100,000.00
5000 NCD's of ₹ 1000000/- each	16-Oct-24	9.22%	-	50,000.00
6500 NCD's of ₹ 1000000/- each	30-Sep-24	9.24%	-	65,000.00
10000 NCD's of ₹ 1000000/- each	06-Sep-24	7.40%	-	100,000.00
5000 NCD's of ₹ 1000000/- each	25-Aug-24	9.47%	-	50,000.00
10000 NCD's of ₹ 1000000/- each	25-Aug-24	9.39%	-	100,000.00
6050 NCD's of ₹ 1000000/- each	05-Jul-24	9.29%	-	60,500.00
2500 NCD's of ₹ 1000000/- each	08-May-24	7.90%	-	25,000.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.80%	-	100,000.00
2000 NCD's of ₹ 1000000/- each	08-Feb-24	8.58%	15-Mar-19	20,000.00
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.25%	-	100,000.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.86%	-	20,000.00
2720 NCD's of ₹ 1000000/- each	09-Jun-23	8.48%	-	27,200.00
9000 NCD's of ₹ 1000000/- each	21-May-23	8.37%	-	90,000.00
5000 NCD's of ₹ 1000000/- each	25-Apr-23	8.89%	-	50,000.00
5250 NCD's of ₹ 1000000/- each	09-Apr-23	9.00%	-	52,500.00
5000 NCD's of ₹ 1000000/- each	12-Mar-23	9.13%	-	50,000.00
4900 NCD's of ₹ 1000000/- each	19-Jan-23	8.58%	19-Jun-19	49,000.00
7500 NCD's of ₹ 1000000/- each	01-Jan-23	9.25%	-	75,000.00
5000 NCD's of ₹ 1000000/- each	17-Dec-22	9.30%	-	50,000.00
12050 NCD's of ₹ 1000000/- each	16-Dec-22	7.85%	-	120,500.00
2000 NCD's of ₹ 1000000/- each	13-Dec-22	9.23%	-	20,000.00
4000 NCD's of ₹ 1000000/- each	12-Nov-22	9.25%	-	40,000.00
3350 NCD's of ₹ 1000000/- each	25-Oct-22	9.05%	-	33,500.00
10000 NCD's of ₹ 1000000/- each	17-Oct-22	7.45%	-	100,000.00
5000 NCD's of ₹ 1000000/- each	14-Sep-22	9.30%	-	50,000.00
10000 NCD's of ₹ 1000000/- each	30-Aug-22	7.39%	-	100,000.00
5000 NCD's of ₹ 1000000/- each	24-Jul-22	9.35%	-	50,000.00
11000 NCD's of ₹ 1000000/- each	15-Jul-22	7.42%	-	110,000.00
5000 NCD's of ₹ 1000000/- each	10-Jun-22	7.48%	-	50,000.00
3000 NCD's of ₹ 1000000/- each	23-May-22	7.78%	-	30,000.00
2500 NCD's of ₹ 1000000/- each	03-May-22	7.80%	-	25,000.00
5000 NCD's of ₹ 1000000/- each	24-Mar-22	7.95%	-	50,000.00
2000 NCD's of ₹ 1000000/- each	10-Feb-22	9.43%	-	20,000.00
3000 NCD's of ₹ 1000000/- each	30-Jan-22	9.45%	-	30,000.00

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

(₹ in Lakhs)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2018
5000 NCD's of ₹ 1000000/- each	13-Jan-22	7.57%	-	50,000.00
2000 NCD's of ₹ 1000000/- each	11-Nov-21	9.90%	-	20,000.00
4800 NCD's of ₹ 1000000/- each	21-Oct-21	7.66%	21-Nov-18	48,000.00
3000 NCD's of ₹ 1000000/- each	19-Oct-21	7.81%	-	30,000.00
4970 NCD's of ₹ 1000000/- each	14-Oct-21	7.59%	-	49,700.00
5000 NCD's of ₹ 1000000/- each	19-Sep-21	9.40%	-	50,000.00
2000 NCD's of ₹ 1000000/- each	27-Aug-21	7.75%	-	20,000.00
5000 NCD's of ₹ 1000000/- each	29-Jul-21	7.67%	-	50,000.00
1050 NCD's of ₹ 1000000/- each	27-Jul-21	8.19%	-	10,500.00
5000 NCD's of ₹ 1000000/- each	15-Jul-21	8.30%	-	50,000.00
4350 NCD's of ₹ 1000000/- each	07-Jul-21	8.47%	-	43,500.00
5000 NCD's of ₹ 1000000/- each	07-Jun-21	9.80%	-	50,000.00
2500 NCD's of ₹ 1000000/- each	21-May-21	8.45%	-	25,000.00
5000 NCD's of ₹ 1000000/- each	11-May-21	9.40%	-	50,000.00
5050 NCD's of ₹ 1000000/- each	10-May-21	8.37%	-	50,500.00
6000 NCD's of ₹ 1000000/- each	08-Mar-21	8.75%	-	60,000.00
2500 NCD's of ₹ 1000000/- each	07-Mar-21	9.60%	-	25,000.00
3670 NCD's of ₹ 1000000/- each	26-Feb-21	8.60%	-	36,700.00
12500 NCD's of ₹ 1000000/- each	18-Feb-21	7.57%	-	125,000.00
7500 NCD's of ₹ 1000000/- each	12-Feb-21	8.75%	-	75,000.00
3270 NCD's of ₹ 1000000/- each	28-Jan-21	7.88%	-	32,700.00
10000 NCD's of ₹ 1000000/- each	18-Jan-21	9.00%	-	100,000.00
3500 NCD's of ₹ 1000000/- each	05-Jan-21	8.50%	-	35,000.00
1500 NCD's of ₹ 1000000/- each	05-Jan-21	8.50%	28-Feb-19	15,000.00
1070 NCD's of ₹ 1000000/- each	04-Jan-21	9.35%	-	10,700.00
4560 NCD's of ₹ 1000000/- each	28-Dec-20	8.60%	-	45,600.00
7500 NCD's of ₹ 1000000/- each	21-Dec-20	8.75%	-	75,000.00
3660 NCD's of ₹ 1000000/- each	23-Nov-20	9.00%	-	36,600.00
3500 NCD's of ₹ 1000000/- each	17-Nov-20	7.65%	-	35,000.00
6500 NCD's of ₹ 1000000/- each	23-Oct-20	8.35%	-	65,000.00
4650 NCD's of ₹ 1000000/- each	13-Oct-20	8.88%	-	46,500.00
2000 NCD's of ₹ 1000000/- each	07-Oct-20	7.54%	-	20,000.00
4400 NCD's of ₹ 1000000/- each	24-Sep-20	8.53%	-	44,000.00
2050 NCD's of ₹ 1000000/- each	15-Sep-20	8.65%	-	20,500.00
5030 NCD's of ₹ 1000000/- each	15-Sep-20	8.65%	-	50,300.00
10000 NCD's of ₹ 1000000/- each	25-Aug-20	8.67%	-	100,000.00

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

(₹ in Lakhs)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2018
2500 NCD's of ₹ 1000000/- each	18-Aug-20	7.40%	-	25,000.00
2500 NCD's of ₹ 1000000/- each	14-Aug-20	7.40%	-	25,000.00
6300 NCD's of ₹ 1000000/- each	10-Aug-20	8.90%	-	63,000.00
7500 NCD's of ₹ 1000000/- each	29-Jul-20	8.60%	-	75,000.00
6050 NCD's of ₹ 1000000/- each	22-Jul-20	8.60%	-	60,500.00
3000 NCD's of ₹ 1000000/- each	13-Jul-20	7.47%	-	30,000.00
5000 NCD's of ₹ 1000000/- each	24-Jun-20	7.78%	-	50,000.00
2000 NCD's of ₹ 1000000/- each	19-Jun-20	7.79%	-	20,000.00
5000 NCD's of ₹ 1000000/- each	11-Jun-20	7.59%	-	50,000.00
5000 NCD's of ₹ 1000000/- each	05-Jun-20	7.74%	-	50,000.00
2960 NCD's of ₹ 1000000/- each	31-May-20	8.60%	-	29,600.00
7000 NCD's of ₹ 1000000/- each	22-May-20	7.70%	-	70,000.00
4000 NCD's of ₹ 1000000/- each	15-May-20	7.98%	-	40,000.00
3500 NCD's of ₹ 1000000/- each	11-May-20	7.52%	-	35,000.00
3000 NCD's of ₹ 1000000/- each	28-Apr-20	8.49%	-	30,000.00
5000 NCD's of ₹ 1000000/- each	27-Apr-20	7.81%	-	50,000.00
5750 NCD's of ₹ 1000000/- each	24-Apr-20	7.20%	-	57,500.00
5950 NCD's of ₹ 1000000/- each	30-Mar-20	8.68%	-	59,500.00
2200 NCD's of ₹ 1000000/- each	19-Mar-20	7.80%	-	22,000.00
2200 NCD's of ₹ 1000000/- each	18-Mar-20	7.80%	-	22,000.00
2200 NCD's of ₹ 1000000/- each	17-Mar-20	7.80%	-	22,000.00
6500 NCD's of ₹ 1000000/- each	28-Feb-20	7.58%	-	65,000.00
2500 NCD's of ₹ 1000000/- each	21-Feb-20	7.77%	-	25,000.00
5000 NCD's of ₹ 1000000/- each	18-Feb-20	8.02%	-	50,000.00
2050 NCD's of ₹ 1000000/- each	14-Feb-20	8.48%	-	20,500.00
2000 NCD's of ₹ 1000000/- each	11-Feb-20	7.97%	-	20,000.00
8000 NCD's of ₹ 1000000/- each	21-Jan-20	8.47%	-	80,000.00
4500 NCD's of ₹ 1000000/- each	14-Jan-20	8.75%	-	45,000.00
3500 NCD's of ₹ 1000000/- each	14-Jan-20	8.73%	-	35,000.00
10000 NCD's of ₹ 1000000/- each	19-Dec-19	8.61%	-	100,000.00
3000 NCD's of ₹ 1000000/- each	18-Dec-19	7.90%	-	30,000.00
3000 NCD's of ₹ 1000000/- each	12-Dec-19	7.96%	-	30,000.00
7150 NCD's of ₹ 1000000/- each	28-Nov-19	8.72%	-	71,500.00
16650 NCD's of ₹ 1000000/- each	22-Nov-19	7.93%	-	166,500.00
5500 NCD's of ₹ 1000000/- each	18-Nov-19	8.59%	-	55,000.00
6000 NCD's of ₹ 1000000/- each	08-Nov-19	8.70%	-	60,000.00

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

(₹ in Lakhs)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2018
5000 NCD's of ₹ 1000000/- each	29-Oct-19	8.97%	-	50,000.00
7700 NCD's of ₹ 1000000/- each	18-Oct-19	8.35%	-	77,000.00
10000 NCD's of ₹ 1000000/- each	03-Oct-19	8.37%	-	100,000.00
3500 NCD's of ₹ 1000000/- each	30-Sep-19	9.24%	-	35,000.00
2500 NCD's of ₹ 1000000/- each	10-Sep-19	9.45%	-	25,000.00
10000 NCD's of ₹ 1000000/- each	30-Aug-19	9.44%	-	100,000.00
11750 NCD's of ₹ 1000000/- each	28-Aug-19	7.895%	-	117,500.00
5750 NCD's of ₹ 1000000/- each	19-Aug-19	9.35%	-	57,500.00
10000 NCD's of ₹ 1000000/- each	24-Jul-19	9.51%	-	100,000.00
5000 NCD's of ₹ 1000000/- each	12-Jul-19	7.585%	-	50,000.00
3000 NCD's of ₹ 1000000/- each	26-Jun-19	8.69%	-	30,000.00
6000 NCD's of ₹ 1000000/- each	19-Jun-19	7.065%	-	60,000.00
3000 NCD's of ₹ 1000000/- each	13-Jun-19	8.60%	-	30,000.00
3000 NCD's of ₹ 1000000/- each	13-Jun-19	8.37%	-	30,000.00
5000 NCD's of ₹ 1000000/- each	21-May-19	7.40%	-	50,000.00
2000 NCD's of ₹ 10000000/- each	17-May-19	8.69%	-	20,000.00
13000 NCD's of ₹ 1000000/- each	15-May-19	7.8125%	-	130,000.00
4100 NCD's of ₹ 1000000/- each	10-May-19	7.79%	-	41,000.00
3950 NCD's of ₹ 1000000/- each	30-Apr-19	8.28%	-	39,500.00
7500 NCD's of ₹ 1000000/- each	23-Apr-19	7.085%	-	75,000.00
2000 NCD's of ₹ 1000000/- each	05-Apr-19	8.69%	-	20,000.00
				8,729,800.00
Current :				
11500 NCD's of ₹ 1000000/- each	28-Mar-19	7.90%	-	115,000.00
5000 NCD's of ₹ 1000000/- each	25-Mar-19	9.65%	-	50,000.00
8000 NCD's of ₹ 1000000/- each	08-Mar-19	9.7624%	-	80,000.00
3500 NCD's of ₹ 1000000/- each	28-Feb-19	8.40%	-	35,000.00
3000 NCD's of ₹ 1000000/- each	27-Feb-19	8.38%	-	30,000.00
2810 NCD's of ₹ 1000000/- each	26-Feb-19	9.7705%	-	28,100.00
10250 NCD's of ₹ 1000000/- each	12-Feb-19	7.20%	-	102,500.00
4150 NCD's of ₹ 10000000/- each	08-Feb-19	8.65%	-	41,500.00
5000 NCD's of ₹ 1000000/- each	22-Jan-19	9.60%	-	50,000.00
3700 NCD's of ₹ 1000000/- each	22-Jan-19	9.63%	-	37,000.00
7000 NCD's of ₹ 1000000/- each	16-Jan-19	9.73%	-	70,000.00
5000 NCD's of ₹ 1000000/- each	21-Dec-18	7.56%	-	50,000.00
3000 NCD's of ₹ 1000000/- each	17-Dec-18	8.70%	-	30,000.00

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

(₹ in Lakhs)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2018
5000 NCD's of ₹ 1000000/- each	06-Dec-18	8.69%	-	50,000.00
6500 NCD's of ₹ 1000000/- each	20-Nov-18	7.5072%	-	65,000.00
7000 NCD's of ₹ 1000000/- each	15-Nov-18	6.92%	-	70,000.00
2730 NCD's of ₹ 1000000/- each	01-Nov-18	9.65%	-	27,300.00
7750 NCD's of ₹ 1000000/- each	25-Oct-18	9.55%	-	77,500.00
5000 NCD's of ₹ 1000000/- each	21-Oct-18	9.60%	-	50,000.00
5000 NCD's of ₹ 1000000/- each	15-Oct-18	7.065%	-	50,000.00
5000 NCD's of ₹ 1000000/- each	08-Oct-18	8.38%	-	50,000.00
5000 NCD's of ₹ 1000000/- each*	27-Sep-18	11.15%	-	12,500.00
5250 NCD's of ₹ 1000000/- each	27-Sep-18	8.18%	-	52,500.00
1550 NCD's of ₹ 1000000/- each	14-Sep-18	8.70%	-	15,500.00
7000 NCD's of ₹ 1000000/- each	12-Sep-18	7.20%	-	70,000.00
3000 NCD's of ₹ 1000000/- each	07-Sep-18	8.45%	-	30,000.00
5000 NCD's of ₹ 1000000/- each	06-Sep-18	6.95%	-	50,000.00
5000 NCD's of ₹ 1000000/- each**	05-Sep-18	9.60%	-	12,500.00
5000 NCD's of ₹ 1000000/- each	25-Aug-18	9.60%	-	50,000.00
5000 NCD's of ₹ 1000000/- each	14-Aug-18	7.51%	-	50,000.00
3000 NCD's of ₹ 1000000/- each	13-Aug-18	11.08%	-	30,000.00
4900 NCD's of ₹ 1000000/- each	27-Jul-18	8.60%	-	49,000.00
2050 NCD's of ₹ 1000000/- each	04-Jul-18	8.83%	-	20,500.00
2500 NCD's of ₹ 1000000/- each	29-Jun-18	7.18%	-	25,000.00
285 NCD's of ₹ 10000000/- each	27-Jun-18	7.00%	-	28,500.00
3000 NCD's of ₹ 1000000/- each	27-Jun-18	6.98%	-	30,000.00
5000 NCD's of ₹ 1000000/- each	22-Jun-18	8.70%	-	50,000.00
6600 NCD's of ₹ 1000000/- each	20-Jun-18	8.60%	-	66,000.00
3520 NCD's of ₹ 1000000/- each	11-Jun-18	8.40%	-	35,200.00
8500 NCD's of ₹ 1000000/- each	28-May-18	8.34%	-	85,000.00
3000 NCD's of ₹ 1000000/- each	22-May-18	8.31%	-	30,000.00
4000 NCD's of ₹ 1000000/- each	15-May-18	8.73%	-	40,000.00
4380 NCD's of ₹ 1000000/- each	14-May-18	8.65%	-	43,800.00
5000 NCD's of ₹ 1000000/- each	27-Apr-18	8.30%	-	50,000.00
2000 NCD's of ₹ 1000000/- each	27-Apr-18	7.25%	-	20,000.00
6000 NCD's of ₹ 1000000/- each	09-Apr-18	9.11%	-	60,000.00
				2,164,900.00
				10,894,700.00

*Redeemable @ ₹ 2.50 Lakhs each on 27-Sep-18
**Redeemable @ ₹ 2.50 Lakhs each on 05-Sep-18

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

Note - 3.2

Zero Coupon Debentures (ZCD):

The ZCDs are redeemable at Premium. The ZCDs issued after March 31, 2015 are secured by a negative lien on the assets of the Company (excluding the Company's current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the Company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose of, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. In addition to above the ZCDs are secured by way of pari-passu mortgage and charge in favour of the debenture trustee on the Company's immovable property to the extent of ₹ 24.29 Lakhs.

The details of Zero Coupon Debentures are as under:

(₹ in Lakhs)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2018
11730 ZCD's of ₹ 1000000/- each	25-Mar-21	*	-	117,300.00
13500 ZCD's of ₹ 1000000/- each	25-Feb-20	**	-	135,000.00
10000 ZCD's of ₹ 1000000/- each	23-Jan-20	***	-	100,000.00
9000 ZCD's of ₹ 1000000/- each	10-Sep-19	****	-	90,000.00
10000 ZCD's of ₹ 1000000/- each	02-Sep-19	*****	-	100,000.00
3210 ZCD's of ₹ 1000000/- each	09-Apr-19	******	-	32,100.00
				574,400.00

* Issued at par and redeemable at ₹ 12,70,200/- per debenture including premium.
** Issued at par and redeemable at ₹ 11,58,017/- per debenture including premium.
*** Issued at par and redeemable at ₹ 11,65,320/- per debenture including premium.
**** Issued at par and redeemable at ₹ 15,56,727/- per debenture including premium.
***** Issued at par and redeemable at ₹ 15,66,016/- per debenture including premium.
****** Issued at par and redeemable at ₹ 12,83,584/- per debenture including premium.

(₹ in Lakhs)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2018
Current				
2800 ZCD's of ₹ 1000000/- each	18-Feb-19	*	-	28,000.00
5000 ZCD's of ₹ 1000000/- each	26-Nov-18	**	-	50,000.00
				78,000.00
				652,400.00

*Issued at par and redeemable at ₹ 12,83,951/- per debenture including premium.
** Issued at par and redeemable at ₹ 15,99,971/- per debenture including premium.

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

Note - 3.3

Maturity Profile of Term Loans

(₹ in Lakhs)

Description	As at March 31, 2018		
Non Current:	**Term Loans from Banks** (Rupee Term Loans)	**Loan from Other Financial Institutions**	**National Housing Bank (Refinance)**
	(ROI 7.40% - 8.25%)	**(ROI 8.20%)**	**(ROI 6.50% - 9.10%)**
Over 1 year to 3 years	443,763.93	8,000.00	74,040.33
Over 3 to 5 years	344,595.28	8,000.00	55,685.03
Over 5 to 7 years	185,816.58	4,000.00	21,033.00
Over 7 Years	44,200.00	-	-
Total	**1,018,375.79**	**20,000.00**	**150,758.36**

Notes - 3.4

The details of Subordinate Bonds are as under:

(₹ in Lakhs)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2018
Non Current :				
5000 Bonds of ₹ 1000000 each	15-Sep-20	8.95%	-	50,000.00
				50,000.00

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2018
Current :				
5000 Bonds of ₹ 1000000 each	01-Jul-18	10.35%	-	50,000.00
				50,000.00
				100,000.00

Note - 3.5

The details of Upper Tier II Bonds are as under:

(₹ in Lakhs)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2018
Non Current :				
5000 Bonds of ₹ 1000000 each*	31-Mar-25	8.70%	31-Mar-20	50,000.00
5000 Bonds of ₹ 1000000 each*	26-Oct-25	8.90%	26-Oct-20	50,000.00
5000 Bonds of ₹ 1000000 each*	29-Nov-25	9.00%	29-Nov-20	50,000.00
				150,000.00

*Redemption and call option exercisable with prior approval of National Housing Bank.

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

Note - 3.6

The Company has designated the following liquid assets amounting to ₹ 1,03,888.06 Lakhs (Previous Year ₹ 67,003.85 Lakhs) for the purpose of maintaining Statutory Liquid Ratio and floating charge on fixed deposits with banks has been created in favour of the Trustees for Depositors

(₹ in Lakhs)

Description	As at March 31, 2018	As at March 31, 2017
Government Securities	86,588.45	41,703.85
Fixed Deposits with Banks	17,299.61	25,300.00
	103,888.06	**67,003.85**

NOTE 4

(₹ in Lakhs)

OTHER LONG TERM LIABILITIES		As at March 31, 2018	As at March 31, 2017
(a)	Unamortized Gain		
	Unamortized one time gain on termination of SWAP contracts	20.58	124.18
(b)	Sundry Deposit Repayable	53.20	45.28
(c)	Interest Accrued but not due on Borrowings	26,059.55	37,020.72
(d)	Premium payable on redemption of Debentures	84,458.13	80,898.46
		110,591.46	**118,088.64**

NOTE 5

(₹ in Lakhs)

LONG TERM PROVISIONS		As at March 31, 2018	As at March 31, 2017
(a)	**Provision for Employee Benefits [Refer Note 27(17)]**	5,215.93	4,916.92
	Less : Current maturities of Long Term Employee Benefits [Refer Note 8]	(240.06)	(201.64)
		4,975.87	4,715.28
(b)	**Others**		
	(i) Provision for Contingencies [Refer Note 27(8)(b)]	212.94	212.94
	(ii) Provision for Loans [Refer Note 27(5)(c)]	119,556.30	94,682.07
	(iii) Provision for Loans Against Public Deposit [Refer Note 27(8)(c)]	0.34	-
	(iv) Provision for Dimunition in the value of Investment [Refer Note 11 & 27(6)]	1,000.00	112.28
		125,745.45	**99,722.57**

NOTE 6

(₹ in Lakhs)

SHORT TERM BORROWINGS		As at Marcha 31, 2018	As at March 31, 2017
Secured			
(a)	**Loans repayable on demand:**		
	Line of Credit from Banks	260,000.00	244,000.00

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

Security :

Negative lien on the assets of the Company (excluding the Company's current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on 31st March 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on 31st March 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose of, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules and immovable property acquired by Company on or after September 26, 2001.

	Unsecured		
(a)	Public Deposits	24,765.21	13,123.27
(b)	Corporate Deposits	248,613.24	273,755.63
(c)	Commercial Papers [Refer Note 6.1]	405,071.62	227,842.73
		938,450.07	**758,721.63**

Note - 6.1

Commercial Papers of the Company have a Maturity value of ₹ 4,10,000 Lakhs (Previous Year ₹ 2,30,000 Lakhs)

NOTE 7

(₹ in Lakhs)

	TRADE PAYABLES	**As at March 31, 2018**	**As at March 31, 2017**
(a)	Micro Enterprises and Small Enterprises [Refer Note 27(16)	-	-
(b)	Others*	6,129.33	5,896.95
		6,129.33	**5,896.95**

*includes payable to a related party ₹ 753.88 Lakhs (Previous Year ₹ 896.42 Lakhs)

NOTE 8

(₹ in Lakhs)

	OTHER CURRENT LIABILITIES	**As at March 31, 2018**	**As at March 31, 2017**
(a)	Current maturities of Long-Term Debt (Refer Note 3)	2,572,209.37	1,501,096.09
(b)	Current maturities of Long Term Employee Benefits (Refer Note 5)	240.06	201.64
(c)	Interest accrued but not due on loans and public deposits	466,112.02	420,335.56
(d)	Premium payable on redemption of Debentures	31,679.64	8,010.57
(e)	Unamortized Gain		
	Unamortized one time gain on termination of SWAP contracts	103.61	192.21
(f)	Payable on account of Swap		
	Floating interest rate payable on Swap	-	8,861.05
	Fixed interest rate receivable on Swap	-	(8,576.65)
		-	284.40
(g)	Unpaid Dividends*	775.71	713.79
(h)	Unpaid Deposits	3,645.72	912.29
(i)	Statutory Dues Payable	2,968.46	1,752.34
(j)	Payable to related parties [Refer Note 27(19)]	315.11	149.54
(k)	Other Payables	12,379.14	12,536.33
(l)	Temporary Book Overdraft [Refer Note 27(11)]	506,424.24	573,975.61
		3,596,853.08	**2,520,160.37**

*The Company has transferred ₹ 66.31 Lakhs (Previous year ₹ 67.44 Lakhs) to Investor Education and Protection Fund during the year.

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

NOTE 9

(₹ in Lakhs)

SHORT TERM PROVISIONS	As at March 31, 2018	As at March 31, 2017
(a) Provision for Employee Benefits [Refer Note 27(17)]	6,506.33	4,844.32
(b) Others		
(i) Provision for Loans [Refer Note 27(5)(c)]	5,324.15	9,135.55
(ii) Provision for Loan Against Public deposits [Refer Note 27(8)(c)]	0.01	-
(iii) Provision for Contingencies [Refer Note 27(8)(b)]	42.19	42.19
(iv) Provision for Other Assets [Refer Note 27(8)(c)]	-	110.00
	11,872.68	**14,132.06**

Note 10.1 - Property, Plant & Equipment

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2018 are as follows :-

(₹ in Lakhs)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as at April 1, 2017	4.32	8,101.13	1,464.29	1,170.16	50.69	904.11	3,457.81	15,152.51
Additions	-	8.30	347.17	215.11	-	124.04	306.94	1,001.56
Deletions	-	-	12.52	14.00	-	35.95	29.17	91.64
Gross carrying value as at March 31, 2018	**4.32**	**8,109.43**	**1,798.94**	**1,371.27**	**50.69**	**992.20**	**3,735.58**	**16,062.43**
Accumulated Depreciation as at April 1, 2017	-	628.85	1,154.21	894.82	29.24	675.37	2,482.21	5,864.70
Depreciation for the year	-	128.06	84.90	81.01	9.59	88.16	426.03	817.75
Accumulated Depreciation on Deletions	-	-	12.52	14.00	-	35.67	29.16	91.35
Accumulated Depreciation as at March 31, 2018	**-**	**756.91**	**1,226.59**	**961.83**	**38.83**	**727.86**	**2,879.08**	**6,591.10**
Carrying Value as at March 31, 2018	**4.32**	**7,352.52**	**572.35**	**409.44**	**11.86**	**264.34**	**856.50**	**9,471.33**

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2017 are as follows :-

(₹ in Lakhs)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computer	Total
Gross Carrying Value as at April 1, 2016	4.32	7,338.34	1,343.28	1,055.66	50.69	856.33	4,020.06	14,668.68
Additions	-	762.79	129.07	154.06	-	99.09	192.48	1,337.49
Deletions	-	-	8.06	39.56	-	51.31	754.73	853.67
Gross Carrying Value as at March 31, 2017	**4.32**	**8,101.13**	**1,464.29**	**1,170.16**	**50.69**	**904.11**	**3,457.81**	**15,152.51**

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

Accumulated Depreciation as at April 1, 2016	-	512.08	1,094.89	880.12	19.65	650.74	2,791.39	5,948.87
Depreciation for the year	-	116.77	67.38	54.26	9.59	75.91	445.52	769.41
Accumulated Depreciation on Deletions	-	-	8.06	39.56	-	51.28	754.70	853.60
Accumulated Depreciation as at March 31, 2017	**-**	**628.85**	**1,154.21**	**894.82**	**29.24**	**675.37**	**2,482.21**	**5,864.68**
Carrying Value as at March 31, 2017	**4.32**	**7,472.28**	**310.08**	**275.34**	**21.45**	**228.74**	**975.60**	**9,287.83**

Note 10.2 - Intangible Assets
The changes in carrying value of the Intangible Assets for the year ended March 31, 2018 are as follows:-

(₹ in Lakhs)

Particulars	Software License	Total
Gross Carrying Value as at April 1, 2017	2,162.06	2,162.06
Additions	56.32	56.32
Deletions	-	-
Gross Carrying Value as at March 31, 2018	**2,218.38**	**2,218.38**
Accumulated Depreciation as at April 1, 2017	1,797.45	1,797.45
Depreciation for the year	180.33	180.33
Accumulated Depreciation on Deletions	-	-
Accumulated Depreciation as at March 31, 2018	**1,977.78**	**1,977.78**
Carrying Value as at March 31, 2018	**240.60**	**240.60**

The changes in carrying value of the Intangible Assets for the year ended March 31, 2017 are as follows :-

(₹ in Lakhs)

Particulars	Software License	Total
Gross Carrying Value as at April 1, 2016	2,105.40	2,105.40
Additions	56.66	56.66
Deletions	-	-
Gross Carrying Value as at March 31, 2017	**2,162.06**	**2,162.06**
Accumulated Depreciation as at April 1, 2016	1,623.44	1,623.44
Depreciation for the year	174.01	174.01
Accumulated Depreciation on Deletions	-	-
Accumulated Depreciation as at March 31, 2017	**1,797.45**	**1,797.45**
Carrying Value as at March 31, 2017	**364.61**	**364.61**

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

NOTE 11

(₹ in Lakhs)

NON CURRENT INVESTMENTS		As at March 31, 2018	As at March 31, 2017
Non-trade Investments [Refer Note 11.1 & 27(6)]			
(Long Term Investments)(At Cost)			
(a) Investments in Equity Instruments		7,409.80	5,764.80
(b) Investments in Government Securities		86,588.45	41,703.85
(c) Contribution to Trust		0.20	0.10
(d) Other Non-Current Investments			
(i) Real Estate Venture Fund		4,680.16	5,220.19
		98,678.61	**52,688.94**
Aggregate amount of quoted investments	Book Value	86,588.45	41,703.85
	At Market Value	87,198.57	44,536.21
Aggregate amount of unquoted investments	Book Value	12,090.16	10,985.09
Aggregate provision for diminuition in value of investments (Refer Note 5)		1,000.00	112.28

Note 11.1

(₹ in Lakhs)

Non Trade Investments	No. of Shares / Units		As at	As at
	March 31, 2018	March 31, 2017	March 31,2018	March 31, 2017
(a) Investments in Equity Instruments - Unquoted, Fully paid up				
In Subsidiaries				
LICHFL Care Homes Ltd. (Face Value ₹ 10/- each)	25,000,000	8,550,000	2500.00	855.00
LICHFL Financial Services Ltd. (Face Value ₹ 10/- each)	9,500,000	9,500,000	950.00	950.00
LICHFL Trustee Company Private Ltd. (Face Value ₹ 10/- each)	90,000	90,000	9.00	9.00
LICHFL Asset Management Company Ltd. (Face Value ₹ 10/- each)	8,700,000	8,700,000	870.00	870.00
In Associates				
LIC Mutual Fund Asset Management Ltd. (Face Value ₹ 10,000/- each)	4,323	4,323	2,969.13	2,969.13
LIC Mutual Fund Trustee Private Ltd. (Face Value ₹ 10/- each)	3,530	3,530	1.67	1.67
Others				
Goods and Service Tax Network (Face Value ₹ 10/- each)	1,100,000	1,100,000	110.00	110.00
			7,409.80	**5,764.80**

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

(₹ in Lakhs)

Non Trade Investments	No. of Shares / Units		As at	As at
	March 31, 2018	March 31, 2017	March 31,2018	March 31, 2017
(b) Investments in Government Securities - Quoted, Fully paid up *				
8.33 % Government of India Stock 2036	30,000	30,000	30.00	30.00
8.28 % Government of India Stock 2032	828,000	828,000	789.90	789.90
7.35% Government of India Stock 2024	1,600,000	1,600,000	1,592.50	1,592.50
8.14% Maharashtra SDL 2019	150,000	150,000	150.00	150.00
8.24% Government of India Stock 2027	1,100,000	1,100,000	1,092.45	1,092.45
8.28% Government of India Stock 2027	500,000	500,000	498.05	498.05
7.80% Government of India Stock 2020	6,500,000	6,500,000	6,381.65	6,381.65
8.12% Government of India Stock 2020	1,000,000	1,000,000	1,000.00	1,000.00
8.35% Government of India Stock 2022	20,000	20,000	19.30	19.30
8.83% Government of India Stock 2023	4,200,000	4,200,000	4,200.00	4,200.00
8.32% Government of India Stock 2032	2,000,000	2,000,000	2,000.00	2,000.00
8.24% Government of India Stock 2033	3,000,000	3,000,000	3,000.00	3,000.00
8.60% Government of India Stock 2028	12,450,000	12,450,000	12,450.00	12,450.00
7.59% Government of India Stock 2029	8,500,000	8,500,000	8,500.00	8,500.00
6.57% Government of India Stock 2033	10,500,000	-	10,244.40	-
7.35% Government of India Stock 2024	10,000,000	-	10,000.00	-
6.79% Government of India Stock 2029	11,000,000	-	10,877.30	-
6.68% Government of India Stock 2031	4,000,000	-	3,805.80	-
6.68% Government of India Stock 2031	11,000,000	-	9,957.10	-
* Kept with designated bank for repayment to depositors.			**86,588.45**	**41,703.85**
(c) Contribution to Trust			**0.20**	**0.10**
(d) Other non-current investments-Unquoted, Fully paid up				
(i) Real Estate Venture Fund:**				
Kotak India Real Estate Fund -1 (Face Value ₹ 100,000/- each) ***	-	576.49	-	576.49
CIG Reality Fund - 1 (Face Value ₹ 10/- each)***	10,000,000	10,000,000	1,000.00	1,000.00
			1,000.00	**1,576.49**
(e) Other non-current investments-Unquoted, Partly paid up				
(i) Real Estate Venture Fund:**				
LICHFL Urban Development Fund (Face Value ₹ 10,000/- each)	**50,000**	**50,000**	**3,680.16**	**3,643.70**
			98,678.61	**52,688.94**

**These are close ended schemes subject to lock in till the closure of the Scheme
*** Provision for dimunition in the value of investments of ₹ 1,000.00 Lakhs (Previous Year ₹ 112.28 Lakhs)

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

NOTE 12

(₹ in Lakhs)

DEFERRED TAX ASSETS / (LIABILITIES) (NET) [Refer Note 27(23)]	As at March 31, 2018	As at March 31, 2017
(a) Deferred Tax Assets	46,987.47	38,780.12
(b) Deferred Tax Liabilities	(151,286.03)	(130,507.32)
Net Deferred Tax Liability	**(104,298.56)**	**(91,727.20)**

NOTE 13

(₹ in Lakhs)

LONG TERM LOANS AND ADVANCES Unsecured, considered good	As at March 31, 2018	As at March 31, 2017
(a) Capital Advance	1,963.68	45.46
(b) Security Deposits	821.73	756.88
(c) Loan against Public Deposit	86.02	49.57
(d) Advances to employees*	357.71	360.72
(e) Advance tax and tax deducted at source (Net of provision for tax)	11,252.02	11,505.59
(f) Tax Paid under Protest	7,951.31	7,951.31
	22,432.47	**20,669.53**

*Secured by lien over Provident Fund balances and/or hypothecation of vehicles

NOTE 14

(₹ in Lakhs)

OTHER NON CURRENT ASSETS	As at March 31, 2018	As at March 31, 2017
(a) Fixed Deposit with Banks [Refer Note 27(9)]*	10,024.91	6,600.00
(b) Interest Accrued but not Due on Fixed Deposits with Banks	868.35	287.49
(c) Interest Accured but not Due on Advance against Public Deposits	14.73	9.33
	10,907.99	**6,896.82**

*Fixed Deposits with Banks with maturity of more than twelve months towards maintaining Statutory Liquid Ratio for public deposits.

NOTE 15

(₹ in Lakhs)

LOANS (SECURED) [Refer Note 27(3) & 27(5)(b) & (c)]*	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Individuals	13,969,798.51	867,930.02	12,409,862.34	764,889.84
(b) Others	944,869.00	44,386.18	698,755.66	28,933.39
(c) Corporate Bodies / Builders	635,199.65	174,102.62	432,802.52	118,157.33
	15,549,867.16	**1,086,418.82**	**13,541,420.52**	**911,980.56**

* The above loans include unsecured loans to the extent of ₹ 27,566.57 Lakhs (Previous Year ₹ 26,443.48 Lakhs).

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

NOTE 16

(₹ in Lakhs)

CURRENT INVESTMENTS	**No. of Shares / Units**		**As at**	**As at**
At Lower of cost or market value	**March 31, 2018**	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
(a) Investment in Equity Instruments [Refer Note 27(6)]				
Aptech Limited (Face Value of ₹ 10 each)	-	4,134	-	9.51
(b) Investment in Mutual Funds - Highly Liquid Investments			95,730.30	2,81,394.34
Less: Considered as Cash and Cash Equivalents (Refer Note 18 & Note 16.1)			(95,730.30)	(2,81,394.34)
			-	**9.51**
Aggregate amount of quoted investments		Book Value	-	9.51
		At Market Value	-	9.51

Note 16.1

(₹ in Lakhs)

Mutual Funds (Highly Liquid)	**No. of Units**		**Amount As at**	
	March 31, 2018	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
Aditya Birla Sun Life Floating Rate Fund Short Term Plan - Growth - Regular Plan	1,300,539.51	3,238,443.84	3,005.20	7,002.75
Axis Liquid Fund - Growth	156,424.16	389,424.09	3,004.50	7,001.91
Baroda Pioneer Liquid Fund - Plan A Growth	151,062.89	537,013.64	3,005.14	10,002.99
BNP Paribas Overnight Fund Growth	75,356.23	200,779.72	2,002.37	5,001.32
BOI AXA Liquid Fund - Regular Plan - Growth	100,517.21	-	2,003.21	-
Canara Robeco Liquid - Regular Growth	95,504.84	305,156.13	2,002.69	6,001.14
DHFL Pramerica Insta Cash Plus Fund - Growth	1,334,924.56	3,322,823.72	3,003.49	7,002.14
DSP BlackRock Liquidity Fund - Regular Plan - Growth	202,383.47	302,047.50	5,006.94	7,001.80
Edelweiss Liquid Fund - Regular Plan - Growth	90,162.29	-	2,003.08	-
Franklin India TMA - Super IP - Growth	77,292.59	288,615.66	2,001.40	7,001.96
HDFC Liquid Fund - Regular Plan - Growth	146,800.33	218,841.41	5,006.71	7,002.14
HSBC Cash Fund - Growth	173,971.17	371,162.87	3,001.91	6,001.64
ICICI Prudential Money Market Fund - Growth	2,090,439.08	4,457,955.02	5,007.08	10,002.83
IDBI Liquid Fund - Regular Plan - Growth	162,269.09	346,137.48	3,002.83	6,002.06
IDFC Cash Fund - Growth - (Regular Plan)	95,219.86	304,501.68	2,002.87	6,001.51
Invesco India Liquid Fund - Growth	126,008.57	448,063.42	3,003.65	10,002.55
JM High Liquidity Fund - Growth Option	4,227,248.42	22,547,253.41	2,002.70	10,002.95
Kotak Floater Short Term - Growth (Regular Plan)	176,021.05	281,630.60	5,007.06	7,502.09
Kotak Liquid Requlr Plan Growth	-	227,983.79	-	7,502.12
L & T Liquid Fund - Regular Growth	126,418.99	269,759.57	3,003.49	6,001.52
LIC MF Liquid Fund - Regular Plan - Growth	498,200.41	2,768,101.38	15,622.61	81,338.30

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

Mutual Funds (Highly Liquid)	No. of Units		Amount As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
PRINCIPAL CMF Regular Plan Growth	118,745.81	380,203.18	2,002.54	6,001.98
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	118,598.90	379,478.07	5,007.54	15,004.48
SBI Premier Liquid Fund - Regular Plan - Growth	110,657.69	275,050.39	3,005.01	7,001.93
Sundaram Money Fund Regular Growth	5,488,067.57	20,477,536.14	2,002.62	7,001.72
Tata Money Market Fund Regular Plan - Growth	183,613.68	430,844.45	5,007.03	11,002.85
Union Liquid Fund Growth	116,043.06	432,481.06	2,002.77	7,001.68
UTI - Liquid Cash Plan -Institutuional - Growth	-	564,769.75	-	15,003.97
UTI - Money Market Fund - Institutuional Plan - Growth	154,866.78	-	3,003.86	-
			95,730.30	**281,394.34**

NOTE 17

(₹ in Lakhs)

TRADE RECEIVABLES *Secured, considered good*	As at March 31, 2018	As at March 31, 2017
(a) For a period exceeding six months	-	-
(b) Others		
Interest Accrued and Due on Loans	12,996.13	10,941.79
	12,996.13	**10,941.79**

NOTE 18

(₹ in Lakhs)

CASH AND BANK BALANCES	As at March 31, 2018	As at March 31, 2017
(a) Cash and Cash Equivalents		
Balance with Banks*	171,783.90	121,468.46
Cheques, drafts on hand	19,458.22	23,756.48
Cash on hand	367.13	321.34
Mutual Fund - Highly Liquid Investments (Refer Note 16)	95,730.30	281,394.34
(b) Other Bank Balances		
Fixed Deposits with Banks**	8,009.46	19,394.35
	295,349.01	**446,334.97**

*Balance with Banks includes unclaimed dividend of ₹ 775.71 Lakhs (Previous Year ₹ 713.79 Lakhs)

**Fixed Deposits with Banks includes earmaked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 7,274.70 Lakhs (Previous Year ₹ 18,700.00 Lakhs) and ₹ 734.76 Lakhs (Previous Year ₹ 694.34 Lakhs) created for excess sale proceeds recovered under SARFAESI Act 2002 (Refer Note 27(9))

Notes Forming Part of Standalone Balance Sheet
As at March 31, 2018 (Contd.)

NOTE 19

(₹ in Lakhs)

SHORT-TERM LOANS AND ADVANCES	As at March 31, 2018	As at March 31, 2017
(a) Advances to Subsidiaries (Related Party)		
Unsecured, considered good	0.94	1.26
(b) Others		
(i) Loans and advances to Employees*	199.90	202.29
(ii) Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	773.43	1,372.18
Doubtful	24.88	24.89
Less: Provision for Doubtful	(24.88)	(24.89)
	773.43	1,372.18
(iii) Loan against Public Deposit	1.30	6.25
(iv) Share application money given	2,500.00	-
	3,475.57	**1,581.98**

*Secured by lien over Provident Fund balances and/or hypothecation of vehicles

NOTE 20

(₹ in Lakhs)

OTHER CURRENT ASSETS	As at March 31, 2018	As at March 31, 2017
(a) Interest Accrued but not due on		
(i) Loans	92,771.08	86,017.85
(ii) Investments	1,899.58	918.32
(iii) Fixed Deposits with Banks	217.22	828.57
(iv) Loan against Public deposits	0.59	2.16
(b) Others	53.33	96.90
(c) Receivable on account of Swap		
Fixed interest rate receivable on Swap	4,365.07	-
Floating interest rate payable on Swap	(3,943.35)	-
	421.72	-
	95,363.52	**87,863.80**

Notes Forming Part Of Standalone Statement Of Profit And Loss For The Year Ended March 31, 2018

NOTE 21

(₹ in Lakhs)

REVENUE FROM OPERATIONS	March 31, 2018	March 31, 2017
(a) Interest Income:		
Interest on Loans [Tax deducted at source ₹ 7,038.50 Lakhs (Previous year ₹ 5,156.82 Lakhs)]	1,482,596.28	1,387,671.04
(b) Other Financial Services:		
Processing fees and other charges received	20,923.01	17,534.29
Less: Charges paid	(7,553.40)	(6,511.16)
	13,369.61	11,023.13
	1,495,965.89	**1,398,694.17**

NOTE 22

(₹ in Lakhs)

OTHER INCOME	March 31, 2018	March 31, 2017
(a) Other Interest Income		
(i) (i) Interest on Fixed Deposits with Banks [Tax deducted at source ₹ 179.58 Lakhs (Previous Year ₹ 200.77 Lakhs)]	1,414.01	1,670.17
(ii) Interest on Long Term Investments	5,298.72	2,427.58
	6,712.73	4,097.75
(b) Dividend	363.34	403.50
[Includes Dividend on Current Investments & Dividend from Subsidiaries amounting to ₹ 0.12 Lakhs, ₹ 341.60 & ₹ 21.62 Lakhs respectively (Previous Year ₹ Nil, ₹ 403.50 Lakhs & ₹ Nil)]		
(c) Profit on sale of Investments (Highly Liquid Investments)	2,086.80	4,014.90
(d) Other Non Operating Income	2,161.86	824.66
Miscellaneous Income [Tax deducted at source ₹ Nil (Previous year ₹ 0.07 Lakhs)] [Refer Note 27(10)]		
	11,324.73	**9,340.81**

NOTE 23

(₹ in Lakhs)

FINANCE COSTS	March 31, 2018	March 31, 2017
(a) Interest Expense		
(i) On Term Loan	112,098.98	117,920.63
(ii) On Commercial Papers	24,650.23	10,008.44
(iii) On Debentures / Bonds	920,953.01	852,783.95
(iv) On Public Deposits	54,089.54	40,027.33
(v) Interest receivable / payable from Swaps (Net)	(117.36)	1,469.33
(b) Other Borrowing costs		
(i) Other Finance Charges	790.73	939.41
	1,112,465.13	**1,023,149.09**

Notes Forming Part Of Standalone Statement Of Profit And Loss For The Year Ended March 31, 2018 (Contd.)

NOTE 24

(₹ in Lakhs)

EMPLOYEE BENEFITS EXPENSE	March 31, 2018	March 31, 2017
(a) Salaries and Bonus	16,917.67	19,486.19
(b) Contributions to Provident & Other Funds [Refer Note 27 (17)]	2,586.32	3,193.69
(c) Staff Welfare Expenses	2,250.81	1,900.43
	21,754.80	**24,580.31**

NOTE 25

(₹ in Lakhs)

ESTABLISHMENT AND OTHER EXPENSES	March 31, 2018	March 31, 2017
(a) Rent, rates and taxes	6,020.23	4,049.58
(b) Repairs and maintenance - building	141.77	69.11
(c) Repairs and maintenance - others	154.21	158.90
(d) Travelling and conveyance	1,104.72	965.79
(e) Directors sitting fees	29.06	31.35
(f) Advertisement & Publicity expenses	2,957.17	3,074.75
(g) Competition Prizes & Conference expenses	1,011.70	669.71
(h) Printing and stationery	589.61	552.64
(i) Postage, telephones and telex	920.29	869.92
(j) Computer expenses	716.14	597.74
(k) Legal and professional fees:		
(i) Payment to Auditors [Refer Note 27 (12)]	59.87	62.14
(ii) Other Professional fees	195.78	111.85
(l) Electricity expenses	559.40	569.43
(m) Insurance	12.80	14.64
(n) (Profit)/Loss on sale of Property, Plant and Equipments (Net)	(2.04)	(5.88)
(o) Property, Plant and Equipments written off	0.00	0.03
(p) Service Charges for Safe Custody of Documents	813.63	628.71
(q) Listing Fees and Payment to Share Transfer Agents	46.00	38.80
(r) Commission and Brokerage	25,908.06	21,434.25
(s) Recovery Expenses (Net)	(749.55)	(749.54)
(t) Contribution towards CSR activites [Refer Note 27 (24)]	678.63	1,684.72
(u) Miscellaneous expenses	830.74	823.92
	41,998.22	**35,652.56**

NOTE 26

(₹ in Lakhs)

PROVISIONS / WRITE OFFS (NET) [Refer Note 27(8)(c)]	March 31, 2018	March 31, 2017
(a) Loans written off	2,329.40	5,041.90
(b) Provision for diminution in value of current & long term investment	1,016.12	0.88
(c) Provision on Loans	23,392.23	26,815.06
(d) Provision for Loan Against Public deposit	0.35	-
(e) Long term investment written off (Non Trade)	433.70	2,688.23
(f) Provision For Other Doubtful Assets Receivable	-	110.00
Less :		
(g) Loans written off recovered	(718.17)	(687.41)
(h) Provisions on Loans written back	(2,329.40)	(5,027.82)
(i) Provision for Investments written back	(126.94)	(808.60)
(j) Provisions for Contingency written back	(0.01)	(0.00)
(k) Provision for Other Doubtful Assets written back	(110.00)	-
	23,887.28	**28,132.24**

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

Note: 27

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with accounting principles generally accepted in India. The financial statements comply in all material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the Act), read with the Rule 7 of the Companies (Accounting Standards) Rules, 2014, read with amendment rules and relevant provisions of the Companies Act, 2013 (to the extent notified), National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended.

Accounting Policies not specifically referred to otherwise, followed by the Company are consistent with the generally accepted accounting principles.

b. Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported balances of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

c. Revenue Recognition

Interest on Loans

Repayment of Loans is generally by way of Equated Monthly Installments (EMI) comprising of principal and interest or by way of proceeds of Life Insurance Policies where interest is collected in monthly installment. Necessary appropriation is made out of these EMI collections to principal and interest. Interest income is recognized on accrual basis except in case of Non Performing Assets (NPA) where interest is accounted on realization.

Fees and additional interest income on delayed EMI/Pre-EMI are recognized on receipt basis.

Income from Investments

Interest income on debt investments like Non Convertible Debentures (NCD), Inter Corporate Deposits (ICD), Bank Deposits, Government Securities is recognized on accrual basis and Dividend income is accounted for in the year in which the same is declared in Annual General Meeting and Company's right to receive payment is established.

Other Income

In other cases, income is recognized when there is no significant uncertainty as to determination and realization.

d. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition, or construction inclusive of expenses incidental thereto less accumulated depreciation and impairment loss, if any.

Depreciation in respect of assets is provided on the Straight Line Method as per the useful life of the assets as prescribed in Schedule II of the Act, except in respect of Vehicles (Motor cars) where useful life is estimated as 5 years.

Cost of leasehold improvements is amortized over the period of the lease.

Depreciation on assets whose cost individually does not exceed upto ₹ 5,000/- is fully provided in the year of purchase.

e. Intangible Assets

Intangible assets are stated at cost of acquisition, including any cost attributable to bringing the same to its working condition, less amortization over estimated useful life.

Software is amortized on Straight Line Method over 5 years.

f. Impairment Loss

Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

g. Loans and Provision thereon

The loans given by the company are initially recorded in the books of account at the principal amounts disbursed to the borrowers and are subsequently adjusted for further disbursements / repayments. The loans are classified as Non-performing Assets (NPA) under Substandard / Doubtful / Loss categories as per the prudential norms prescribed under the Housing Finance Companies (NHB) Directions, 2010, (the "NHB Directions") as amended. The provision on Standard and NPA loan accounts is made as per the aforesaid prudential norms. Additional provision (over and above the prudential norms), if required, is made as per the guidelines approved by the Board of Directors from time to time. The loans and provisions thereon are classified into current and non-current categories based on the operating cycle of 12 months as identified by the Company.

h. Investments

Investments are classified as Current Investment and Long term Investment. Current investment is an investment that is by its nature readily realisable and is intended to be held for not more than one year from the date on which such investment is made. A Long term investment is an investment other than a current investment.

In accordance with the Guidelines issued by National Housing Bank (NHB) and the Accounting Standard (AS -13) – "Accounting for Investments" notified under the relevant provisions of the Act, current investments are carried at lower of cost & fair value and long-term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long-term investments. Unquoted investments in the units of mutual funds in the nature of current investments are valued at the net asset value declared by mutual funds in respect of each particular scheme as per the guidelines issued by the NHB. The premium paid on acquisition of Investments is written off in the year of purchase.

i. Employee Benefits

Defined Contribution Plan

Provident Fund

Contribution as required by Statute paid to the Government Provident Fund and also contribution paid to other recognized Provident Fund Trust is debited to the Statement of Profit and Loss.

Defined Benefit Plan

Gratuity

- Gratuity liability is a defined benefit obligation for employees. The Company has taken Group Gratuity-cum-Life Insurance Policy from Life Insurance Corporation of India (LIC) for employees other than those are under deputation from LIC. Accordingly, the Company accounts for liability for future gratuity benefits based on actuarial valuation carried out at the end of each financial year and the Contribution paid to LIC is charged to the Statement of Profit and Loss. Actuarial gain or losses arising from changes in actuarial assumptions are immediately recognized in the Statement of Profit and Loss in the period in which they arise.
- In respect of employees under deputation from LIC, an amount equal to five percent of aggregate of basic salary and dearness allowance of such employees, paid / payable to LIC is charged to the Statement of Profit and Loss and is treated as a defined contribution obligation.

Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

j. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transactions.

In case of forward exchange contracts or other financial instruments that is in substance a forward exchange contract, other

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

than for trading or speculation purposes, the premium or discount arising at the inception of the contract is amortized as expense or income over the life of the contract.

Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognized as income or expense.

At the reporting date, monetary assets and liabilities denominated in foreign currency are reported using the closing rate of exchange. Exchange difference arising thereon and on realization / payments of foreign exchange are accounted as income or expense in the relevant year.

k. Derivative Transactions

SWAP transactions are considered off-balance sheet items and the outstanding SWAP trades are disclosed at the fair value on the reporting date. The carrying amount (difference between coupon rate liability and SWAP contract rate) is accounted on an accrual basis and the same is adjusted against the interest cost of the underlying liability. Gain realized on early termination of SWAP is amortized over the balance tenure of the SWAP or underlying liability whichever is less. Loss if any on early termination is charged to the Statement of Profit and Loss in the same year.

l. Borrowing Costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

m. Zero Coupon Instrument

The difference between the discounted amount mobilized and redemption value of Commercial Papers/ Zero Coupon Bond/ NCD is apportioned on time basis over the life of instrument and charged in the Statement of Profit and Loss.

n. Taxes on Income

Taxes on income are accounted for in accordance with Accounting Standard (AS-22) – "Accounting for Taxes on Income", notified under the relevant provisions of the Act. Income tax comprises both current and deferred tax.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a Deferred Tax Asset or Deferred Tax Liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

In situations where the company has unabsorbed depreciation or carry forward tax losses, all Deferred Tax Assets are recognized, only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Deferred Tax Assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

o. Provisions and Contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

p. Operating Leases

Assets acquired on lease where significant portions of the risks and rewards incidental to the ownership are retained by the lessors are classified as Operating Leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

q. Securitised Assets

Derecognition of Securitised assets in the books of the Company, recognition of gain or loss arising on Securitisation and accounting for credit enhancement provided by the company is based on the extant guidelines issued by the Institute of Chartered Accountants of India.

Securitized Assets are derecognized in the books of the Company based on the principal of surrender of control over the assets.

Notes Forming Part of The Financial Statements
for the year ended March 31, 2018

NOTES TO ACCOUNTS

1. a) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 1,839.62 Lakhs (Previous year ₹ 55.44 Lakhs).

b) Other Commitments: Uncalled liability of ₹ 146.50 Lakhs (Previous Year ₹ 316.00 Lakhs) in respect of commitment made for contribution to LICHFL Urban Development Fund by subscription of 50,000 units (previous year 50,000 units) of ₹ 10,000/- face value each, paid up value being ₹ 7,360.32 (previous year ₹ 7,287.40/-) each.

2. Contingent liabilities in respect of :

a) Claims against the Company not acknowledged as debts ₹ 64.49 Lakhs (Previous Year ₹ 51.02 Lakhs).

b) On completion of income tax assessment, the Company had received a demand of ₹ 347.76 Lakhs- (including interest of ₹ 20.39 Lakhs) for FY 2003-04, ₹ 2,217.31Lakhs (including interest of ₹ 721.90Lakhs) for FY 2004-05 against which the Company received refund of ₹ 220.38 Lakhs, ₹ 3,571.94 Lakhs (including interest of ₹ 667.94 Lakhs) against which ₹ 1,951.62 Lakhs was paid under protest for FY 2005-06, ₹ 2,385.58 Lakhs (including interest of ₹ 138.71 Lakhs against which the Company received refund of ₹ 137.47 Lakhs for FY 2006-07 and ₹ 1,503.40 Lakhs (including interest of ₹ 633.94 Lakhs) for FY 2007-08. The said amounts are disputed and the Company has preferred an appeal against the same. The amounts for the respective years have been paid to the credit of the Central Govt. under protest.

3. (i) Retail / Project Loans are secured by any or all of the following as applicable, based on their categorization :

a) Equitable / Registered Mortgage of Property.

b) Assignment of Life Insurance Policies, NSC, KVP, FD of Nationalized Bank.

c) Assignment of Lease Rent Receivables.

d) Company Guarantees or Personal Guarantees.

e) Negative lien.

f) Undertaking to create a security.

(ii) Loans to employees other than for Housing are secured by lien over Provident Fund balances and / or Hypothecation of Vehicles.

4. Loan Portfolio includes loans amounting to ₹ 26,428.77 Lakhs (Previous year ₹ 23,307.43 Lakhs) against which the company has taken possession of the properties under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and held such properties for disposal. The value of assets possessed against the loan is ₹ 26,356.06 Lakhs (Previous year ₹ 25,186.38 Lakhs), being lower of the fair value of the asset possessed and the outstanding as at March 31, 2018.

5. Advances

Disclosure regarding provisions made for substandard, doubtful and loss assets as per the Prudential Norms contained in the Housing Finance Companies (NHB) Directions, 2010 as amended are as under:

a. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC:

As per NHB Direction Housing Finance Company shall not lend more than 15% of its owned fund to Single borrower and 25% of its owned fund to any single group of borrowers. The Company has not exceeded prudential exposure limits during the year.

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

b. Unsecured Advances

(₹ in Lakhs)

Particulars	Outstanding amount	Tangible Security	Unsecured		Nature of Security
			Intangible Security	Unsecured	
Loan given to other HFC's	14,949.65 (16,014.07)	- (-)	14,949.65 (16,014.07)	- (-)	Book debt on specific assets
Loan given under Lease Rental Discounting	13,414.21 (13,574.91)	2,877.00 (3,686.15)	10,537.21 (9,888.76)	- **(-)**	Rights over receivables
Loan given to Individuals	5,968.70 (1,199.89)	3,888.99 (659.24)		2,079.71 (540.65)	Immovable Property
Total	**34,332.56 (30,788.87)**	**6,765.99 (4,345.39)**	**25,486.86 (25,902.83)**	**2,079.71 (540.65)**	

- Figures in bracket are in respect of the Previous Year.
- As per the NHB Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016,for determining the amount of unsecured advances the rights, licenses,authorization,etc., charged to the HFCs as collateral in respect of projects (including infrastructure projects) financed by them, should not be recoked as tangible security.Hence such advances shall be reckoned as unsecured.

c. Housing Loans and Non-Housing Loans:

(₹ In Lakhs)

Asset Classification	Housing		Non-Housing	
	Current Year	Previous Year	Current Year	Previous Year
Standard Assets				
a) Total Outstanding Amount				
(i) Total Outstanding Amount	13,937,148.90	12,462,750.04	2,568,776.72	1,927,945.50
(ii) Accrued Interest*	88,427.20	84,469.49	17,340.01	12,490.15
b) Provisions made	52,675.04	52,344.62	13,011.44	10,111.44
Sub-Standard Assets				
a) Total Outstanding Amount	39,414.33	11,241.82	23,238.55	948.20
b) Provisions made	5,912.15	1,686.27	3,485.78	142.23
Doubtful Assets – Category-I				
a) Total Outstanding Amount	7,981.12	9,429.39	765.82	317.56
b) Provisions made	1,995.28	2,357.35	191.46	79.39
Doubtful Assets – Category-II				
a) Total Outstanding Amount	16,882.52	5,547.39	2,036.22	573.01
b) Provisions made	6,753.01	2,218.95	814.49	229.20
Doubtful Assets – Category-III				
a) Total Outstanding Amount	19,054.28	16,604.07	15,027.10	14,532.87
b) Provisions made	19,054.28	16,604.07	15,027.10	14,532.87
Loss Assets				
a) Total Outstanding Amount	5,381.22	3,277.62	579.20	233.61
b) Provisions made	5,381.22	3,277.62	579.20	233.61
Total				
a) Total Outstanding Amount				
(i) Total Outstanding Amount of the Portfolio	**14,025,862.37**	**12,508,850.33**	**2,610,423.61**	**1,944,550.75**
(ii) Accrued interest*	**88,427.20**	**84,469.49**	**17,340.01**	**12,490.15**
b) Provisions made	**91,770.98**	**78,488.88**	**33,109.47**	**25,328.74**

* Accrued Interest includes Interest Accrued but not due and Interest Accrued and due.

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

d. Movement of NPAs

(₹ In Lakhs)

Particulars		Current Year	Previous Year
(I)	Net NPAs to Net Advances (%)	0.43	0.14
(II)	Movement of NPAs (Gross)		
	a) Opening balance	62,705.54	56,782.40
	b) Additions during the year	76,303.76	17,136.43
	c) Reductions during the year	8,648.94	11,213.29
	d) Closing balance	130,360.36	62,705.54
(III)	Movement of Net NPAs		
	a) Opening balance	21,343.97	29,248.00
	b) Additions during the year	56,141.97	(1,718.55)
	c) Reductions during the year	6,319.55	6,185.48
	d) Closing balance	71,166.39	21,343.97
(IV)	Movement of Provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	41,361.57	27,534.40
	b) Provisions made during the year	20,161.80	18,854.98
	c) Write-off/write-back of excess provisions	2,329.40	5,027.81
	d) Closing balance	59,193.97	41,361.57

6. Investments

(₹ In Lakhs)

Particulars		Current Year	Previous Year
A.	**Value of Investments**		
	i) Gross value of Investments	**98,678.61**	**52,698.45**
	(a) In India	98,678.61	52,698.45
	(b) Outside India	-	-
	ii) Provisions for Depreciation	**1,000.00**	**112.28**
	(a) In India	1,000.00	112.28
	(b) Outside India	-	-
	iii) Net value of Investments	**97,678.61**	**52,586.17**
	(a) In India	97,678.61	52,586.17
	(b) Outside India	-	-
B.	**Movement of provisions held towards depreciation on investments**		
	(i) Opening balance	112.28	912.88
	(ii) Add: Provisions made during the year	1,014.66	8.00
	(iii) Less: Write-off / Written-back of excess provisions during the year	126.94	808.60
	(iv) Closing Balances	**1,000.00**	**112.28**

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

7. Derivative Instruments:

7.1 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(₹ In Lakhs)

Particulars	Current Year	Previous Year
i) The notional principal of swap agreements	69,600.00	164,600.00
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	1,213.39	1,913.91
iii) Collateral required by the HFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps	1,213.39	1,913.91
v) The fair value of the swap book	1,120.73	589.76

(a) Interest Rate Swaps for hedging underlying liability aggregate to ₹ 69,600.00 Lakhs (Previous Year ₹ 99,600.00 Lakhs).

(b) For underlying liability of ₹ NIL Lakhs (Previous Year ₹ 65,000.00 Lakhs), Coupon Swap has been entered into which remains unhedged in respect of movement in respective currencies affecting the coupon amount.

(c) Foreign currency exposure in respect of coupon linked with LIBOR that are not hedged by derivative instruments as on March 31, 2018 amount to ₹ NIL Lakhs (Previous Year ₹ 5.05 Lakhs)

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The exposure of LICHFL to Derivatives contracts is in the nature of interest Rate Swaps and currency swaps to manage risk associated with interest rate movement and fluctuation in currency exchange rate.

Derivative policy of the Company specifies the exposure norms with respect to single counterparty and the total underlying amount at the time of entering into the new derivative contract.

The Asset Liability Management Committee (ALCO) of the Company oversees efficient management of risk associated with derivative transactions. Company identifies, measures, monitors the exposure associated with derivative transaction. For effective mitigation of risk it has an internal mechanism to conduct regular review of the outstanding contracts which is reported to the ALCO & Risk Management Committee of the Board which in turn reports to the Audit Committee and to the Board of Directors.

The gain realized on early termination of swap is to be amortized over the balance tenor of the swap or underlying liability whichever is less. Loss if any on early termination is to be charged to revenue in the same year. The carry difference, between coupon rate liability and the swap contract rate is to be accounted quarterly on accrual basis

B. Quantitative Disclosure

(₹ In Lakhs)

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	-	69,600.00
(ii) Marked to Market Positions		
(a) Assets (+)	-	1,213.39
(b) Liability (-)	-	92.66
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

8. Movement in Provision for contingencies as under:

a) Provision includes:

i. Provision for untapped corporate undertaking given for securitization of loans. The outflows in respect of untapped corporate undertaking would arise in the event of a shortfall, if any, in the cash flows of the pool of the securitized receivables, and

ii. Provision for doubtful advances and provision for probable loss on account of bank reconciliation differences.

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

b) The movement in provisions is as below:

(₹ In Lakhs)

Particulars	Provision for Untapped Corporate Undertaking & Doubtful Advances	Provision for probable loss on account of Bank Reconciliation differences
Opening balance	237.83 (180.80)	42.19 (42.19)
Add: Top up of Corporate Undertaking / additional provisional for doubtful advances	0.13 (114.85)	- (-)
Less: Amounts utilized during the year / provision written back for doubtful advances	0.14 (57.82)	- (-)
Less: Reversal of provision for corporate undertaking	- (-)	- (-)
Closing balance	**237.82** **(237.83)**	**42.19** **(42.19)**

Figures in bracket are in respect of the previous year.

c) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss Account:

(₹ In Lakhs)

Particulars	Current Year	Previous Year
1. Provisions for depreciation on Investment		
Provisions for depreciation on Investment	1,016.12	0.88
Long term investment written off (Non Trade)	433.70	2,688.23
Less - Provision for Investments written back	(126.94)	(808.60)
2. Provision made towards Income tax	94,657.00	91,835.24
3. Provision towards NPA		
(i) Provision towards NPA	20,161.80	18,854.98
Less - Provision for Loans written back	(2,329.40)	(5,027.82)
(ii) Loans written off	2,329.40	5,041.90
Less - Loans written off recovered	(718.17)	(687.41)
4. Provision for Standard Assets* (with details like teaser loan, CRE, CRE-RH, etc.)	3,230.43	7,960.08
5. Other Provision and Contingencies:		
(i) Provision For Other Doubutful Asset Receivable	-	110.00
(ii) Provisions for Contingency Written Back	(0.01)	(0.00)
(iii) Provision For Other Doubutful Asset Written Back	(110.00)	-
(iv) Provision for Loan Against Public Deposit	0.35	-
Total	**118,544.28**	**119,967.48**

* Provision on Standard Asset includes provision on Individual Housing Loan ₹ (1,267.87) lakhs (Previous Year ₹ 2,358.10 lakhs), CRE-RH ₹ 1,598.34 lakhs (Previous Year ₹ 1,399.98 lakhs), CRE ₹ 561.07 lakhs (Previous Year ₹ 1,618.40 lakhs) and CRE Others of ₹ 2,338.89 lakhs (Previous Year ₹ 2,583.60 lakhs)

9. Fixed Deposits with Banks includes earmarked deposits created in favor of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 17,299.61 Lakhs (Previous Year ₹ 25,300 Lakhs). The Company has beneficial interest on the income earned from these deposits.

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

10. Miscellaneous income includes ₹ 4.89 Lakhs (Previous Year ₹ 4.06 Lakhs) being interest income on staff loans/advances, ₹ 192.21 Lakhs (Previous Year ₹ 196.87 Lakhs) being gain on unwinding of Interest rate SWAP, ₹ 108.13 Lakhs (Previous Year ₹ 117.06 Lakhs) being old outstanding and unclaimed amounts written back, ₹ 318.55 Lakhs (Previous year ₹ -353.19) being interest on income tax refund.

11. Temporary Book Overdraft of ₹ 506,424.24 Lakhs (Previous Year ₹ 573,975.61 Lakhs) represents cheques issued towards disbursements to borrowers for ₹ 504,823.65 Lakhs (Previous Year ₹ 572,827.36 Lakhs) and cheques issued for payment of expenses of ₹ 1,600.59 Lakhs (Previous Year ₹ 1,148.25 Lakhs), but not encashed as at March 31, 2018.

12. Auditor's Remuneration*:

(₹ In Lakhs)

Particulars	Current Year	Previous Year
As auditor	32.33	31.73
As advisor or in any other capacity in respect of tax audit	8.29	9.68
For Quarterly Limited Reviews	16.50	16.50
In any other manner (Certification work)	2.75	4.23
Total	**59.87**	**62.14**

* Excluding Service Tax/ GST

13. Expenditure in Foreign Currencies:

(₹ In Lakhs)

Particulars	Current Year	Previous Year
Travelling Expenses	4.90	10.53
Professional Fees	1.82	3.68
Fees for filing returns and Trade License fees	4.89	7.68
Salary to Overseas Staff	55.60	57.87
Rent for Overseas Staff Residence	20.91	70.36
Flat Annual Fees	45.00	9.47
Commission	1.66	2.74
Other Expenses	50.14	52.36
Total	**184.93**	**214.69**

14. Earnings in Foreign Currencies:

(₹ In Lakhs)

Particulars	Current Year	Previous Year
Processing Fees	34.59	18.69

15. Proposed Dividend

The Board has recommended a dividend of ₹ 6.80 per share of ₹ 2/- each (340%) subject to approval of the members of the Company at the forthcoming Annual General Meeting.

16. The Company had requested its suppliers to confirm the status as to whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. The disclosure relating to unpaid amount as at the year end together with interest paid / payable as required under the said Act have been given to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSMED Act, 2006. No interest has been paid/payable by the Company during the current year to the parties covered under the Micro, Small and Medium Enterprises Development Act, 2006.

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

17. Disclosure in respect of Employee Benefits:

In accordance with the Accounting Standard on (AS-15) – "Employee Benefits" the following disclosures have been made:

Provident Fund and Pension Fund Liability

The Company has recognized ₹ 1,356.48 Lakhs (Previous year ₹ 1,596.70 Lakhs) in the Statement of Profit and Loss towards contribution to Provident fund in respect of company employees. In respect of LIC employees on deputation who have opted for pension, ₹ 43.89 Lakhs (previous year ₹ 42.67 Lakhs) have been contributed towards LIC of India (Employees) Pension Rules, 1995.

Gratuity Liability

(₹ In Lakhs)

Changes in the Benefit Obligation:	**2017-18**	**2016-17**
Liability at the Beginning of the year	6,222.44	4,635.02
Interest Cost	448.02	374.51
Current Service Cost	372.36	291.42
Past Service Cost	433.55	-
Benefit Paid	(80.53)	(30.03)
Actuarial Loss / (Gain) on Plan Assets	(389.06)	951.52
Liability at the end of the year	**7,006.78**	**6,222.44**

Fair Value of the Plan Assets:	**2017-18**	**2016-17**
Fair Value of Plan Asset at the beginning of the year	3,678.12	3,349.41
Expected Return on Plan Assets	264.82	270.63
Contributions	395.40	85.40
Benefit paid	(80.53)	(30.03)
Actuarial Gain / (Loss) on Plan Assets	11.90	2.71
Fair value of Plan Assets at the end of the year	4,269.71	3,678.12
Total Actuarial Loss to be Recognized	**(400.95)**	**948.81**

Actual Return on Plan Assets:	**2017-18**	**2016-17**
Expected Return on Plan Assets	264.82	270.63
Actuarial Gain / (Loss) on Plan Assets	11.90	2.71
Actual Return on Plan Assets	**276.72**	**273.34**

Amount Recognized in the Balance Sheet:	**2017-18**	**2016-17**
Liability at the end of the year	(7,006.78)	(6,222.44)
Fair Value of Plan Assets at the end of the year	4,269.71	3,678.12
Amount recognized in the Balance Sheet	**(2,737.07)**	**(2,544.32)**

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

Expense Recognized in the Statement of Profit and Loss :	**2017-18**	**2016-17**
Current Service Cost	372.36	291.42
Interest Cost	183.19	103.88
Expected Return on Plan Assets	-	-
Net Actuarial Loss to be recognized	(400.95)	948.81
Past Service Cost	433.55	-
Expense recognized in the Statement of Profit and Loss under staff expenses	**588.15**	**1,344.11**

Reconciliation of the Liability recognized in the Balance Sheet:	**2017-18**	**2016-17**
Opening Net Liability	2,544.32	1,285.61
Expense recognized	588.15	1,344.11
Contribution by the Company	(395.40)	(85.40)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	**2,737.07**	**2,544.32**

Assumptions:	**2017-18**	**2016-17**
Discount Rate	7.85%	7.20%
Rate of Return on Plan Assets	7.85%	7.20%
Salary Escalation	8.00%	8.00%
Attrition Rate	2.00%	2.00%

Experience Adjustments:	**2017-18**	**2016-17**	**2015-16**	**2014-15**	**2013-14**
On Plan liability (Gains)/Losses	61.44	408.17	118.35	(11.38)	235.30
On Plan Assets (Losses)/Gains	11.90	2.71	4.91	71.82	15.18
Plan Assets					
Insurer Managed Funds*	4,269.71	3,678.12	3,349.41	3,144.31	2,705.11
*% to the total fair value of plan assets	100%	100%	100%	100%	100%

Gratuity Contribution is paid to LIC of India under Gratuity Scheme of LIC.

The Company's best estimate of contributions expected to be paid to the plan during the annual period beginning after March 31, 2018 is ₹ 976.85 Lakhs (Previous Year ₹ 853.73 Lakhs).

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

Leave Encashment

(₹ In Lakhs)

Changes in the Benefit Obligation:	**2017-18**	**2016-17**
Liability at the Beginning of the year	3,952.89	2,641.88
Interest Cost	284.61	213.46
Current Service Cost	182.24	105.11
Benefit Paid	(174.89)	(17.89)
Actuarial (Gain) / Loss on obligations	(60.75)	1,010.32
Liability at the end of the year	**4,184.09**	**3,952.88**

Amount Recognized in the Balance Sheet:	**2017-18**	**2016-17**
Liability at the end of the year	4,184.09	3,952.88
Fair Value of Plan Assets at the end of the year	-	-
Amount recognized in the Balance Sheet*	**(4,184.09)**	**(3,952.88)**

Expense Recognized in the Statement of Profit and Loss:	**2017-18**	**2016-17**
Current Service Cost	182.24	105.11
Interest Cost	284.61	213.46
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) / Loss to be recognized	(60.75)	1,010.32
Expense recognized in the Statement of Profit and Loss under staff expenses	**406.10**	**1,328.90**

Reconciliation of the Liability recognized in the Balance Sheet:	**2017-18**	**2016-17**
Opening Net Liability	3,952.89	2,641.88
Expense recognized	406.10	1,328.90
Contribution/Benefit Paid by the Company	(174.89)	(17.89)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	**4,184.09**	**3,952.88**

Assumptions:	**2017-18**	**2016-17**
Retirement Age	58 Years	58 Years
Discount Rate	7.85%	7.20%
Salary Escalation	8.00%	8.00%
Attrition Rate	2.00%	2.00%

Experience Adjustments:	**2017-18**	**2016-17**	**2015-16**	**2014-15**	**2013-14**
On Plan Liability (Gains)/Losses	273.55	611.05	199.52	42.89	(454.61)
On Plan Assets (Losses)/Gains	-	-	-	-	-

The estimates of future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

*Exclusive of Amount ₹ 6.06 Lakhs (previous year ₹ 0.68 Lakhs) towards additional provision made for LIC employees.

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

Sick Leave

The Company has recognized ₹ 61.75 Lakhs (Previous year ₹ 264.37 Lakhs) in the Statement of Profit and Loss towards sick leave in respect of company employees.

18. Segment Reporting:

The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation etc. of houses / flats to Individuals, Corporate Bodies, Builders and Co-operative Housing Societies and has its operations within India. Accordingly, there are no separate reportable segments, as per the Accounting Standard on 'Segment Reporting' (AS 17) notified under the relevant provisions of the Act.

19. Related Party Disclosure:

a) Related Party Policy:

Related Party Policy is uploaded on the website of the Company and annexed to the Director Report.

b) Names of related parties:

(i)	**Enterprise having significant influence**
	Life Insurance Corporation of India
(ii)	**Subsidiaries**
	LICHFL Care Homes Limited
	LICHFL Financial Services Limited
	LICHFL Asset Management Company Limited (Formerly known as LICHFL Asset Management Company Private Limited)
	LICHFL Trustee Company Private Limited
(iii)	**Entity over which control exists**
	LICHFL Urban Development Fund
(iv)	**Associates**
	LIC Mutual Fund Asset Management Limited (Formerly known as LIC Nomura Mutual Fund Asset Management Company Limited)
	LIC Mutual Fund Trustee Private Limited (Formerly known as LIC Nomura Mutual Fund Trustee Company Private Limited)
(v)	**Key Management Personnel**
	Ms. Sunita Sharma, MD and Chief Executive Officer (From April 1, 2017 to April 11, 2017)
	Mr. Vinay Sah, MD and Chief Executive Officer (From April 12, 2017)

c) Details of transactions and balance at the year end with related parties:

(₹ In Lakhs)

Related Party	Nature of transactions	Current Year	Previous Year
Life Insurance Corporation of India			
	Issue of non-convertible debentures	-	280,000.00
	Repayment of non-convertible debentures	26,370.00	81,810.00
	Repayment of Secured loan	1,775.00	4,275.00
	Interest expenses on Secured and Unsecured loans	164,682.36	158,466.02
	Dividend Payment	12,613.43	11,189.34
	Rent Rates and Taxes	556.18	533.98
	Reimbursement of Electricity Expenses	55.25	17.72
	Payment for Staff training, Conference, etc.	19.44	11.14

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

(₹ In Lakhs)

Related Party	Nature of transactions	Current Year	Previous Year
	Payments towards Renovation & Repairs Work carried out by them	-	-
	Reimbursement of Gratuity for staff on deputation from LIC	39.20	33.97
	Balance as at the year-end (Credit)	**1,939,849.10**	**1,965,074.27**
LICHFL Care Homes Limited			
	Dividend Income	17.10	-
	Investment in Share Capital	1,645.00	-
	Investment in Share Application (Pending Allotment)	2,500	-
	Balance as at the year-end (Debit)	**-**	**-**
LICHFL Financial Services Limited			
	Dividend Income	237.50	142.50
	Commission Expenses on Loan Business	4,156.40	3,287.44
	Commission Expenses on Public Deposit	5.36	8.25
	Payment of Expenses	34.55	9.97
	Reimbursement of Expenses	34.87	(9.96)
	Balance as at the year-end (Credit)	**758.92**	**896.42**
LICHFL Asset Management Company Limited			
	Dividend Income	87.00	261.00
	Investment in Public Deposit Scheme by LICHFL Asset Managemnet Co. Ltd in LIC HFL	(180.96)	-
	Payment of Expenses	19.28	32.64
	Reimbursement of Expenses	(19.28)	(31.38)
	Balance as at the year-end (Debit)	**(180.82)**	**1.26**
LIC Mutual Fund Asset Management Limited			
	Investment in Share Capital	-	2,749.13
	Dividend Income	21.62	
LIC Mutual Fund Trustee Private Limited			
	Investment in Share Capital	-	1.51
LICHFL Urban Development Fund			
	Investment	169.50	585.50
	Redemption of Investment	133.04	865.96
	Income from Investment	281.33	379.06
	Investment as at the year-end (Debit)	3,680.16	3,643.70
Shri Vinay Sah, MD & CEO & Ms. Sunita Sharma, Ex MD & CEO	Managerial remuneration*	**51.51	51.45

*As the Provision for Performance Linked Incentive (PLI) and Leave encashment is accrued for the company as a whole and not decided individually, hence not included. However payment made during the financial year 2017-18 has been included.

**The amount includes Performance Linked Incentive (PLI) paid to Ms. Sunita Sharma ,Ex MD & CEO during the Financial year 2017-18 and salary paid to Mr. Vinay Sah, MD & CEO for financial year 2017-18.

20. Operating Leases:

The Company has taken various offices and residential premises on cancellable operating lease basis for periods which range from 11 to 180 months with an option to renew the lease by mutual consent on mutually agreeable terms. Lease payments recognized in the Statement of Profit and Loss for such premises are ₹ 2,953.93 Lakhs (Previous year ₹ 2,649.89 Lakhs).

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

In respect of the Non-cancellable leases, the future minimum lease payments are as follows:

(₹ In Lakhs)

Period	March 31, 2018	March 31, 2017
Not later than one year	444.12	397.28
Later than one year but not later than five years	11.64	32.24
Later than five years	-	-
Total	**455.76**	**429.52**

21. Earnings per share:

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars		Current Year	Previous Year
Profit after tax attributable to equity shareholders	(₹ in Lakhs)	198,958.75	193,105.01
Weighted average number of equity shares outstanding during the year	Nos.	504,663,000	504,663,000
Basic and Diluted Earnings per equity share	₹	39.42	38.26
Face value per equity share	₹	2/-	2/-

22. Current Tax:

Provision for current tax is made on the basis of accounting practices consistently followed by the Company, including method of accounting for interest on loans and is after availing deduction under section 36(1)(viii) of the Income Tax Act, 1961. For the purpose of determining the quantum of deduction available under section 36(1)(viii), the methodology applied for the bifurcation of income and expenses for long term housing finance has been relied upon by the auditors.

23. The Components of Deferred Tax Assets and Liabilities are as under:

(₹ In Lakhs)

Particulars		Current Year	Previous Year
Deferred Tax Assets:			
Provisions for Housing & Non Housing loans		43,638.22	35,929.20
Provisions for Contingencies		8.69	8.61
Provision for Tapping Corporate Undertaking		74.41	73.69
Unamortized One Time Gain		43.40	109.51
Provision for Employee Benefits		2,873.19	2,582.18
Provision for diminution in value of Long Term Investment		349.44	38.86
Provision for other doubtful assets receivable		-	38.07
Provision for Loan against Public Deposit		0.12	-
	(A)	**46,987.47**	**38,780.12**
Deferred Tax Liabilities:			
Related to Property Plant & Equipment [Refer Note 10.1]		342.79	395.94
Related to Special Reserve[Refer Note 2]		**150,943.24**	**130,111.38**
	(B)	**151,286.03**	**130,507.32**
Net Deferred Tax Assets / (Liabilities)	**[(A)-(B)]**	**(104,298.56)**	**(91,727.20)**

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

24. Corporate Social Responsibility

Establishment and Other expenses includes ₹ 678.63 Lakhs for the year ended March 31, 2018 (Previous year ₹ 1,684.72 Lakhs) for contribution towards Corporate Social Responsibility(CSR) in accordance with Companies Act, 2013.

Details of CSR expenditure during the financial year

a) Gross amount required to be spent by the company during the year is ₹ 5,079.58 Lakhs (Previous Year ₹ 4,334.43 Lakhs).

b) Amount spent during the year:

(₹ In Lakhs)

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	111.02 (208.62)	- (-)	111.02 (208.62)
(ii)	On purposes other than (i) above	567.61 (1,476.10)	- (-)	567.61 (1,476.10)

Figures in bracket are in respect of the Previous Year

c) Details of related party transactions as per Accounting Standard (AS-18), "Related Party Disclosures" - Nil

d) No provision has been made for CSR expenditure by the company as on March 31, 2018 (Previous Year Nil).

25. Concentration of Public Deposits, Advances, Exposures and NPAs

25.1 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

(₹ In Lakhs)

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	107,052.00	93,167.45
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	31.06%	29.48%

* The figure disclosed in Previous Year 2016-17 was inclusive of Corporate Deposits.

25.2 Concentration of Loans & Advances

(₹ In Lakhs)

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	511,000.00	385,828.03
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	3.07%	2.67%

25.3 Concentration of all Exposure (including off-balance sheet exposure)

(₹ In Lakhs)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers / customers	513,759.77	413,950.79
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	2.67%	2.52%

25.4 Concentration of NPAs

(₹ In Lakhs)

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	61,268.13	33,555.58

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

25.5 Sector-wise NPAs

Sl. No	Sector	Percentage of NPAs to Total Advances in that sector
A.	**Housing Loans:**	
1	Individuals	0.39%
2	Builders/Project Loans	5%
3	Corporates	-
4	Others (specify)	-
B.	**Non-Housing Loans:**	
1	Individuals	0.61%
2	Builders/Project Loans	34%
3	Corporates	-
4	Others (specify)	0.47%

26. Exposure

26.1 Exposure to Real Estate Sector

(₹ In Lakhs)

Category			Current Year	Previous Year
a)	**Direct exposure**			
	(i)	Residential Mortgages –		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented ; Individual Housing Loans upto ₹ 15 lakh : 4,097,611.82 (Previous Year 3,921,416.61)	15,546,236.08	13,657,361.65
	(ii)	Commercial Real Estate –		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	1,058,594.54	768,936.84
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
		(a) Residential (PTC-B)	-	-
		(b) Commercial Real Estate	-	-
b)	**Indirect Exposure**			
		Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

26.2 Exposure to Capital Market

[₹ in Lakhs]

Particulars		Current Year	Previous Year
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; *	7,409.80	5,774.31
(ii)	advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	4,680.16	5,220.19

* includes Investment in Subsidiary Companies and Investment in Associate Companies & other Company.

27. Capital to Risk Assets Ratio (CRAR)

	Items	Current Year	Previous Year
i.	CRAR (%)	15.49%	15.64%
ii.	CRAR - Tier I capital (%)	13.06%	13.35%
iii.	CRAR - Tier II Capital (%)	2.43%	2.29%
iv.	Amount of subordinated debt raised as Tier- II Capital (₹ In Lakhs)	100,000.00	100,000.00
v.	Amount raised by issue of Perpetual Debt Instruments (₹ In Lakhs)	-	-

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

28. Asset Liability Management

Maturity pattern of certain items of assets and liabilities is as under:

(₹ In Lakhs)

Particulars	1day to 30-31 days (one month)	Over one month to 2months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Deposits	6,261	15,743	4,028	104,826	219,171	248,051	80,893	-	-	-	678,973
Borrowings from banks	0	1,928	10,719	41,283	363,575	443,765	344,595	185,816	44,200	-	1,435,881
Market Borrowings***	204,484	357,429	501,816	552,708	1,409,599	5,127,647	1,721,087	1,208,733	1,334,500	-	12,418,003
Foreign Currency Liabilities	-	-	-	--	-	-	-	-	-	-	-
Assets											
Advances*	183,571	181,987	182,376	593,756	1,321,040	1,740,492	1,949,491	2,077,656	3,086,395	5,194,642	16,511,406
Investments**	-	-	-	-	-	11,330	20	15,800	2,600	73,218	102,968
Foreign Currency Assets	-	-		-	-	-	-	-	-	-	-

* Net of Provisions
** Net of Investment diminutions and G-Sec taken at face value.
*** Commercial Paper & Zero Coupon Bond taken at face value.

29. Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010 during the current year:

a. The Company has paid penalty of ₹ NIL to National Housing Bank (NHB) this year. A penalty of ₹ 2,000/- was paid in the Previous Year to National Housing Bank (NHB) for contravention of Policy Circular No. 30.

b. Observations of National Housing Bank (NHB) made in their Inspection Report with reference to the Company's position as on 31/03/2016 and 31/03/2017 have been suitably addressed and compliance has been reported to NHB.

30. Draw Down from Reserves

Special Reserve has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97, whereas Special Reserve No. II relates to the amounts transferred thereafter. In the current financial year ₹ 55,999.00 Lakhs (Previous year ₹ 56,999.00 Lakhs) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961 and an amount of ₹ 1.00 Lakhs (Previous Year ₹ 1.00 Lakhs) to Statutory Reserve under Section 29C the NHB Act.

As per National Housing Bank's (NHB) circular vide circular NHB(ND)/DRS/Pol. 62/2014 dated 27th May, 2014, the Company has adjusted the opening balance of reserves for creation of Deferred Tax Liability (DTL) on the Special Reserve as at 1st April, 2014 created under Section 36(1)(viii) of the Income tax Act, 1961.

31. Overseas Assets

(₹ In Lakhs)

Aset Description	Current Year	Previous Year
Total Tangible Assets	3.29	7.28
Balance in Dubai Foreign Account	38.80	25.50

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

32. Disclosure of Complaints

Customers Complaints

Particulars	Current Year	Previous Year
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	10,657	9,223
c) No. of complaints redressed during the year	10,657	9,223
d) No. of complaints pending at the end of the year	-	-

33. Miscellaneous

33.1 Registration obtained from other financial sector regulators:

The Company was incorporated under the Companies Act, 1956 on 19th June, 1989 and is governed by Companies Act, 2013. It is regulated by NHB and registered under section 29A of the NHB Act, 1987. Apart from this , the Company is not registered under any other financial regulators.

33.2 Rating assigned by Credit Rating Agencies and migration of rating during the year:

"CRISIL AAA/ Stable" by CRISIL, "CARE AAA" by CARE & "ICRA A1+" by ICRA. This rating indicates the highest degree of safety regarding timely payment of interest and principal. There is no change in rating during the year.

Sr. No.	Particulars	CRISIL Ratings
1	Non-Convertible Debentures	CRISIL AAA/STABLE
2	Upper Tier II Bonds	CRISIL AAA/STABLE
3	Tier II Bond	CRISIL AAA/STABLE
4	Commercial Paper	CRISIL A1+
5	Fixed Deposits Programme	FAAA/STABLE
6	Bank Loan Facilities(Long Term)	CRISIL AAA/STABLE
7	Bank Loan Facilities(Short Term)	CRISIL A1+

Sr. No.	Particulars	CARE Ratings
1	Non-Convertible Debentures	CARE AAA
2	Lower Tier II Bonds	CARE AAA
3	Upper Tier II Bonds	CARE AAA

Sr. No.	Particulars	ICRA Ratings
1	Commercial Paper	ICRA A1+

33.3 Remuneration of Directors.

The Independent Directors of the Company receive only sitting fees for attending the Board / Committee meetings and they do not have any other material or pecuniary relationships or transaction with the Company, its Promoters, its Directors, Management, Subsidiaries or Associate.

The details of sitting fees paid to Non-Executive Directors (other than LIC Nominee Directors) has been mentioned in Corporate Governance Report forming part of the Annual Report.

33.4 Management

Management Discussion and Analysis report containing Industry structure and developments, opportunities and threats, segment-wise or product-wise performance, outlook, risks and concerns, internal control systems and their adequacy, discussion on financial performance with respect to operational performance, material developments in HR/Industrial Relations including number of people employed, etc., forming part of a separate section of the Annual Report.

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

33.5 Revenue Recognition

Revenue recognition is as per the Accounting Policy mentioned under Significant Accounting Policies. There have been no instances wherein revenue recognition has been postponed pending resolution of significant uncertainities.

34. Reserve Fund u/s 29C of NHB Act, 1987

Particulars		Current Year	Previous Year
Balance at the beginning of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act,1987	13.00	12.00
b)	Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	379,436.01	322,437.01
	Total	379,449.01	322,449.01
Addition / Appropriation / Withdrawal during the year			
Add:			
a)	Amount transferred u/s 29C of the NHB Act, 1987	1.00	1.00
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	55,999.00	56,999.00
Less:			
a)	Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987.	-	-
Balance at the end of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	14.00	13.00
b)	Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	435,435.01	379,436.01
	Total	435,449.01	379,449.01

35. Exchange Traded Interest Rate (IR) Derivative

Particulars		Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	-
	(a)	-
	(b)	-
	(c)	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2018 (instrument-wise)	
	(a)	-
	(b)	-
	(c)	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
	(a)	-
	(b)	-
	(c)	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
	(a)	-
	(b)	-
	(c)	-

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

36. Securitisation

36.1 These disclosures should be made in the format given below.

	Particulars	No./Amount
1.	No of SPVs sponsored by the HFC for securitisation transactions	-
2.	Total amount of securitised assets as per books of the SPVs sponsored	-
3.	Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	
	(i) Off-balance sheet exposures towards Credit Enhancements	
	(a)	-
	(b)	-
	(ii) On-balance sheet exposures towards Credit Enhancements	
	(a)	-
	(b)	-
4.	Amount of exposures to securitization transactions otherthan MRR	
	(i) Off-balance sheet exposures towards Credit Enhancements	
	(a) Exposure to own securitizations	
	i)	-
	ii)	-
	(a) Exposure to third party securitisations	
	i)	-
	ii)	-
	(ii) On-balance sheet exposures towards Credit Enhancements	
	(a) Exposure to own securitizations	
	i)	-
	ii)	-
	(a) Exposure to third party securitisations	
	i)	-
	ii)	-

36.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

	Particulars	Current Year	Previous Year
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

36.3 Details of Assignment transactions undertaken by HFCs

	Particulars	Current Year	Previous Year
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts assigned	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

Notes Forming Part Of The Standalone Financial Statements For The Year Ended March 31, 2018 (Contd.)

36.4 Details of non-performing financial assets purchased or sold by HFCs

A. Details of non-performing financial assets purchased:

	Particulars	Current Year	Previous Year
1.	(a) No. of accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
2.	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-

B. Details of Non-performing Financial Assets sold:

	Particulars	Current Year	Previous Year
1.	No. of accounts sold	**52**	**62**
2.	Aggregate outstanding (₹ In Lakhs)	**914.33**	**1,082.12**
3.	Aggregate consideration received (₹ In Lakhs)	**1,171.96**	**1,282.46**

37.1 Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's profit and loss.

37.2 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of the SPV sponsored	
Domestic	**Overseas**
-	**-**

38. The additional Information pursuant to Schedule III to the Companies Act, 2013 are either Nil or Not Applicable.

39. The previous year figures have been reclassified / regrouped / restated to conform to current year's classification.

Signature to Notes 1 to 39

As per our attached report of even date

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Vipul K Choksi
Partner
M.No.037606

Vineet Saxena
Partner
M.No. 100770

V. K. Sharma
Chairman
DIN - 02449088

Debabrata Sarkar
Director
DIN - 02502618

Vinay Sah
Managing Director &
Chief Executive Officer
DIN - 02425847

Nitin K. Jage
General Manager (Tax.)
& Company Secretary

Kiron Singh
General Manager
(IT & Accounts)

P. Narayanan
CFO

Place: Mumbai
Date : April 23, 2018

Independent Auditors' Report

TO THE MEMBERS OF LIC HOUSING FINANCE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of LIC Housing Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on separate financial statements of the subsidiaries referred to in sub-paragraph (a) of the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 17,427.60 lakhs as at March 31, 2018, total revenue of ₹ 7,890.01 lakhs, and net cash flows amounting to ₹ 1,590.19 lakhs, for the year ended on that date, as considered in the preparation of the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

(b) The consolidated financial statements include the Group's share of profit of ₹ 244.70 lakhs for the year ended March 31, 2018, as considered in the consolidated financial statements in respect of associates, whose unaudited financial statements/financial information have been

Independent Auditors' Report

furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates are based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies, none of the directors of any such company is disqualified as on March 31, 2018 from being appointed as a Director of that company in terms of sub section 2 of Section 164 of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' report of the Holding company and its subsidiary companies. Based on these reports, our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of subsidiaries, as noted in the "Other Matters" paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 28 (2) to the consolidated financial statements;

      ii. Provisions has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long- term contracts including derivative contracts; and

      iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries.

For SHAH GUPTA & CO.
Chartered Accountants
FRN 109574W

Vipul K. Choksi
Partner
M.No.037606

For CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm Registration No.101872W/W100045

Vineet Saxena
Partner
M.No.100770

Place: Mumbai
Dated: April 23, 2018

ANNEXURE 'A'

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of LIC HOUSING FINANCE LIMITED ("the Holding Company") as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of the Holding Company as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and associates companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and specified under sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE 'A'

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiary companies, is based on the corresponding reports of the auditors of such companies.

For SHAH GUPTA & CO.
Chartered Accountants
FRN 109574W

Vipul K. Choksi
Partner
M.No.037606

For CHOKSHI & CHOKSHI LLP
Chartered Accountants
Firm Registration No.101872W/W100045

Vineet Saxena
Partner
M.No.100770

Place: Mumbai
Dated: April 23, 2018

Consolidated Balance Sheet
As At March 31, 2018

(₹ in Lakhs)

	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	10,099.63	10,099.63
Reserves and Surplus	2	1,269,210.96	1,105,485.00
		1,279,310.59	1,115,584.63
Minority Interest		198.30	163.51
Non Current Liabilities			
Long-Term Borrowings	3	11,022,188.38	10,373,888.73
Deferred Tax Liabilities (Net)	4	104,298.56	91,728.48
Other Long-Term Liabilities	5	111,467.31	118,961.11
Long-Term Provisions	6	125,797.20	99,775.96
		11,363,751.45	10,684,354.28
Current Liabilities			
Short-Term Borrowings	7	938,269.11	758,721.63
Trade Payables	8		
(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
(b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		5,242.73	5,143.99
Other Current Liabilities	9	3,597,794.88	2,521,212.32
Short-Term Provisions	10	12,333.48	14,523.75
		4,553,640.20	3,299,601.69
Total		**17,196,900.54**	**15,099,704.11**
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	11.1	10,021.07	9,850.42
Capital Work in progress	11.3	2,932.67	505.92
Intangible Assets	11.2	241.55	366.46
Goodwill on Consolidation		20.52	20.52
Non-Current Investments	12	96,508.61	51,919.34
Deferred Tax Asset (Net)	13	5.02	1.72
Long-Term Loans and Advances	14	22,806.58	21,357.89
Other Non-Current Assets	15	11,335.32	7,159.08
		143,871.34	91,181.35
Loans	16		
Non-Current Loans		15,549,867.16	13,541,420.52
Current Loans		1,086,418.82	911,980.56
		16,636,285.98	14,453,401.08
Current Assets			
Current Investments	17	-	1,820.31
Trade Receivables	18	14,346.60	11,219.05
Cash and Bank Balances	19	305,535.69	452,253.54
Short-Term Loans and Advances	20	1,249.50	1,808.54
Other Current Assets	21	95,611.43	88,020.24
		416,743.22	555,121.68
Total		**17,196,900.54**	**15,099,704.11**
Significant Accounting Policies and Notes	28		

The Notes referred to above form an integral part of the consolidated financial statements
As per our attached report of even date

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

Vipul K Choksi
Partner
M.No.037606

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Vineet Saxena
Partner
M.No. 100770

V. K. Sharma
Chairman
DIN - 02449088

Debabrata Sarkar
Director
DIN - 02502618

Vinay Sah
Managing Director &
Chief Executive Officer
DIN - 02425847

Nitin K. Jage
General Manager (Tax.)
& Company Secretary

Kiron Singh
General Manager
(IT & Accounts)

P. Narayanan
CFO

Place: Mumbai
Date : April 23, 2018

Consolidated Statement Of Profit And Loss
For The Year Ended March 31, 2018

(₹ in Lakhs)

	Note No.	March 31, 2018	March 31, 2017
Income			
Revenue from Operations	22	1,498,747.79	1,400,694.47
Other Income	23	11,777.46	9,396.67
Total Revenue		**1,510,525.25**	**1,410,091.14**
Expenses			
Finance Costs	24	1,112,457.16	1,023,140.95
Employee Benefits Expense	25	23,923.75	26,623.41
Depreciation and Amortisation Expense	11.1 & 11.2	1,022.99	969.76
Establishment and Other Expenses	26	39,820.33	33,906.92
Provisions / Write offs (Net)	27	23,887.28	28,132.24
Total Expenses		**1,201,111.51**	**1,112,773.28**
Profit before Tax		**309,413.74**	**297,317.86**
Tax Expense			
- Current Tax	28(13)	95,672.13	92,491.64
- Deferred Tax	28(14)	12,560.84	10,643.83
Profit after tax (before adjustment of Profit / Loss of associate and minority interest)		**201,180.77**	**194,182.39**
Share of Profit / (Loss) of Associates		244.70	45.47
Share of Profit / (Loss) of Minority Interest		(34.79)	(0.55)
Profit for the Year		**201,390.68**	**194,227.31**
Earnings per equity share			
- Basic and Diluted [in ₹]	28(12)	**39.91**	**38.49**
[Face value of ₹ 2/- each]			
Significant Accounting Policies and Notes	28		

The Notes referred to above form an integral part of the consolidated financial statements
As per our attached report of even date

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Vipul K Choksi
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V. K. Sharma
Chairman
DIN - 02449088

Debabrata Sarkar
Director
DIN - 02502618

Vinay Sah
Managing Director &
Chief Executive Officer
DIN - 02425847

Nitin K. Jage
General Manager (Tax.)
& Company Secretary

Kiron Singh
General Manager
(IT & Accounts)

P. Narayanan
CFO

Place: Mumbai
Date : April 23, 2018

Consolidated Cash Flow Statement
For The Year Ended March 31, 2018

(₹ in Lakhs)

	Particulars		March 31, 2018		March 31, 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit Before Tax	201,390.68		194,227.31	
	Add / (Less) : Adjustment for	108,232.97	**309,623.65**	92,491.64	**286,718.95**
	Depreciation and Amortisation Expenses	1,022.99		969.76	
	Provisions/ Write offs	23,887.28		28,132.24	
	Interest Income on Loans	(1,489,024.83)		(1,391,389.73)	
	Interest Expenses	1,111,673.28		1,022,209.68	
	Interest Received on Loans	1,478,867.15		1,380,420.78	
	Interest Paid	(1,049,914.66)		(906,276.19)	
	Loss on sale of Property Plant and Equipment (Net)	(2.04)		(5.65)	
	Property, Plant and Equipment Written off	-		0.03	
	(Income) / Loss on sale of long term investment	(284.13)		(379.06)	
	Dividend Income from current and long term investment	(21.74)		-	
	Provision for contingency written back	(0.01)		-	
	Interest on deposits	(215.86)		(283.22)	
	Profit on sale of Mutual fund	-		(32.14)	
			75,987.43		**133,366.50**
	Operating Profit before Working Capital Changes		**385,611.08**		**420,085.45**
	Adjustment for:				
	(Increase) / Decrease in Other Current Assets	12,053.69		(2,825.60)	
	(Increase) / Decrease in Other Non-Current Assets	(3,424.90)		(6,391.63)	
	(Increase) / Decrease in Loans & Advance	(985.93)		(538.83)	
	Increase / (Decrease) in Liabilities & Provisions	(61,762.73)		205,439.60	
			(54,119.87)		195,683.54
	Cash generated from Operations		**331,491.21**		**615,768.99**
	Direct taxes Paid		(95,563.44)		(102,652.58)
	Net Cash from Operations		**235,927.77**		**513,116.41**
	Increase in Housing Loans		(2,184,496.13)		(1,940,435.68)
	Net Cash used in Operating Activities (A)		**(1,948,568.36)**		**(1,427,319.27)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Sale of Investments		5,786.68		4,195.38
	Purchase of Investments		(51,489.78)		(31,181.43)
	Purchase of Property, Plant and Equipment		(3,496.27)		(1,449.28)
	Sale of Property, Plant and Equipment		2.89		6.19
	Dividend Income from current and long term investment		21.74		-

Consolidated Cash Flow Statement
For The Year Ended March 31, 2018 (Contd.)

(₹ in Lakhs)

	Particulars	March 31, 2018	March 31, 2017
	Income/(Loss) from investments- Real Estate Venture Fund	281.33	379.06
	Interest on Deposits	**215.86**	**283.22**
	Net Cash used in Investing Activities (B)	**(48,677.55)**	**(27,766.86)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Secured Loans (Net)	1,674,179.85	1,179,288.74
	Proceeds from Unsecured Loans (Net)	224,780.56	361,300.74
	Dividend Paid	(31,165.82)	(27,658.56)
	Transfer to Investor Protection Fund	(66.31)	(67.44)
	Dividend Tax Paid	(6,370.67)	(5,653.56)
	Increase in minority Interest	34.79	0.56
	Net Cash generated from Financing Activities (C)	**1,861,392.40**	**1,507,210.48**
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**(135,853.51)**	**52,124.35**
	Cash and cash equivalents at the beginning of the year	429,509.03	377,384.68
	Cash and cash equivalents at the end of the year (Refer Note No.1)	293,655.52	429,509.03
	Net Increase/ (Decrease) in Cash and Cash Equivalents	**(135,853.51)**	**52,124.35**
	Notes:		
1	**Cash & Cash Equivalent include:**		
	Balance with banks*	172,482.61	121,641.33
	Cheques,drafts on hand	19,458.22	23,756.48
	Cash on hand	369.86	323.15
	Investment in Mutual Fund Units (Highly liquid)	101,344.83	283,788.07
	Total Cash & Cash Equivalent	**293,655.52**	**429,509.03**
	*Balance with Banks includes unclaimed dividend of ₹ 775.71 Lakhs (Previous Year ₹ 713.79 Lakhs)		
2	The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on Cash Flow Statements notified under the relevent provisions of the Companies Act, 2013		

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

Vipul K Choksi
Partner
M.No.037606

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Vineet Saxena
Partner
M.No. 100770

Place: Mumbai
Date : April 23, 2018

For and on behalf of the Board of Directors

V. K. Sharma
Chairman
DIN - 02449088

Nitin K. Jage
General Manager (Tax.)
& Company Secretary

Debabrata Sarkar
Director
DIN - 02502618

Kiron Singh
General Manager
(IT & Accounts)

Vinay Sah
Managing Director &
Chief Executive Officer
DIN - 02425847

P. Narayanan
CFO

Notes Forming Part Of Consolidated Balance Sheet
As At March 31, 2018

NOTE 1

(₹ in Lakhs)

SHARE CAPITAL	As at March 31, 2018	As at March 31, 2017
Authorised		
750,000,000 Equity Shares of ₹ 2/- each (Previous year 750,000,000 Equity Shares of ₹ 2/- each)	15,000.00	15,000.00
Issued, Subscribed and Paid-up		
504,663,000 Equity Shares of ₹ 2/- each (Previous Year 504,663,000 Equity Shares of ₹ 2/- each) fully paid up	10,093.26	10,093.26
Add: Forfeited shares as per Note.1(d) below	6.37	6.37
	10,099.63	**10,099.63**

Note.1(a): Reconciliation of number of shares outstanding and amount of Share Capital at the beginning and at the end of the year

Equity Shares	As at March 31, 2018		As at March 31, 2017	
Shares outstanding at the beginning of the year	504,663,000	10,093.26	504,663,000	10,093.26
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**504,663,000**	**10,093.26**	**504,663,000**	**10,093.26**

Note.1(b): Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholdings.

Note.1(c): Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Life Insurance Corporation of India	203,442,495	40.31	203,442,495	40.31

Note.1(d): Forfeited Shares

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Amount received on forfeited shares	6.37	6.37
	6.37	**6.37**

Notes Forming Part Of Consolidated Balance Sheet
As At March 31, 2018 (Contd.)

NOTE 2

(₹ in Lakhs)

RESERVES AND SURPLUS		As at March 31, 2018	As at March 31, 2017
(a)	**Capital Reserve**		
	As per last Balance Sheet	47.93	47.93
(b)	**Capital Reserve on acquisition of shares in LICHFL Care Homes Ltd.**	1,321.67	-
(c)	**Securities Premium Account**		
	As per last Balance Sheet	172,108.55	172,108.55
(d)	**Special Reserve - I**		
	In terms of section 36(1)(viii) of income-tax, 1961 and Section 29C of National Housing Bank (NHB) Act,1987 (Upto financial year 1996-97)		
	As per last Balance Sheet	3,898.00	3,898.00
(e)	**Other Statutory Reserves including Special Reserve- II**		
	Balance at the beginning of the year		
	(i) Statutory Reserve u/s 29C of the NHB Act, 1987	13.00	12.00
	(ii) Amount of special reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	379,436.01	322,437.01
Total		**379,449.01**	**322,449.01**
	Addition / Appropriation / Withdrawal during the year		
	Add :		
	(i) Amount transferred u/s 29C of the NHB Act, 1987	1.00	1.00
	(ii) Amount of special reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	55,999.00	56,999.00
	Less :		
	(i) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
	(ii) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	**-**	**-**
	Balance at the end of the year		
	(i) Statutory Reserve u/s 29C of the NHB Act, 1987	14.00	13.00
	(ii) Amount of special reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	435,435.01	379,436.01
Total		**435,449.01**	**379,449.01**
(f)	**General Reserve**		
	Opening Balance	323,463.77	273,446.58
	Add: Current Year Transfer	50,037.88	50,017.20
	Add: Minority Adjustment	-	-
	Less : Considered for Cost of Control for additional shares in LICHFL Care Homes Ltd	32.90	-
	Closing Balance	**373,468.75**	**323,463.77**
(g)	**Surplus in the Statement of Profit and Loss**		
	Opening balance	226,517.73	139,407.61
	Add: Transfer during the Current Year	201,390.68	194,227.31
	Less: Appropriations		
	Dividend Paid and Tax on Dividend Paid	37,659.78	99.99
	Transfer to General Reserve	50,037.88	50,017.20
	Transfer to Special Reserve - II	55,999.00	56,999.00
	Transfer to Statutory Reserve u/s 29C of the NHB Act, 1987	1.00	1.00
	Share of Post-acquisition Profit considered for Cost of Control for additional shares in LICHFL Care Homes Ltd	1,288.77	-
	Share of minority in proposed dividend	4.95	-
	Closing Balance	**282,917.04**	**226,517.73**
		1,269,210.96	**1,105,485.00**

Notes Forming Part Of Consolidated Balance Sheet
As At March 31, 2018 (Contd.)

Note 2.1

As per the National Housing Bank's Circular No. NHB(ND)/DRS/Pol. Circular No. 62/2014 dated May 27,2014, the Company has adjusted the opening balance of reserves for creation of Deferred Tax Liability (DTL) on Special Reserve as at April 01,2014 created under Section 36(1)(viii) of the Income Tax Act, 1961.

NOTE 3

(₹ in Lakhs)

LONG TERM BORROWINGS	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
Secured				
(a) Non-Convertible Debentures	8,729,800.00	2,164,900.00	8,369,300.00	1,118,700.00
(b) Zero Coupon Debentures	574,400.00	78,000.00	300,100.00	142,600.00
(c) Term loans				
From Banks (Rupee Term Loan)	1,018,375.79	157,505.16	838,745.53	64,998.51
From Banks (Foreign Currency Term Loan)*	-	-	-	50,000.00
* FCNR B US$ Loan underlying USD 81,168,831.17 equivalent to INR of ₹ 50,000 Lakhs.				
(d) Loans and advances from related parties:				
Life Insurance Corporation of India	-	-	-	1,775.00
(e) Other loans and advances				
National Housing Bank (Refinance)	150,758.36	45,065.54	291,917.58	82,488.38
Other Financial Institutions	20,000.00	-	20,000.00	-

Security :

Negative lien on the assets of the Company (excluding the Company's current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose of, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules and immovable property acquired by company on or after September 26, 2001.

Unsecured					
(a)	**Bonds:**				
	(i) Subordinate Bonds	50,000.00	50,000.00	100,000.00	-
	(ii) Upper Tier II Bonds	150,000.00	-	150,000.00	-
(b)	**Deposits:**				
	Public Deposits	263,989.66	55,909.17	263,998.25	38,895.70
	Corporate Deposits	64,864.57	20,829.50	39,827.37	1,638.50
		11,022,188.38	**2,572,209.37**	**10,373,888.73**	**1,501,096.09**

Notes Forming Part Of Consolidated Balance Sheet
As At March 31, 2018 (Contd.)

NOTE 4

(₹ in Lakhs)

DEFERRED TAX ASSETS / (LIABILITIES) (NET) [Refer Note 28(14)]	As at March 31, 2018	As at March 31, 2017
Deferred Tax Asset	46,987.47	38,780.12
Deferred Tax Liability	(151,286.03)	(130,508.60)
Net Deferred Tax Liability	**(104,298.56)**	**(91,728.48)**

NOTE 5

(₹ in Lakhs)

OTHER LONG TERM LIABILITIES	As at March 31, 2018	As at March 31, 2017
(a) Unamortized Gain		
Unamortized one time gain on termination of SWAP contracts	20.58	124.18
(b) Sundry Deposit Repayable	929.05	917.75
(c) Interest Accrued but not due on Borrowings	26,059.55	37,020.72
(d) Premium Payable on redemption of Debentures	84,458.13	80,898.46
	111,467.31	**118,961.11**

NOTE 6

(₹ in Lakhs)

LONG TERM PROVISIONS	As at March 31, 2018	As at March 31, 2017
(a) Provision for Employee Benefits [Refer Note 28(8)]	5,233.74	4,942.72
Less : Current maturities of Long Term Employee Benefits	240.06	201.64
	4,993.68	4,741.08
(b) Others		
(i) Provision for Contingencies [Refer Note 28(5)(b)]	212.94	212.94
(ii) Provision for Loans	119,556.30	94,682.07
(iii) Provision for Dimunition in the value of Investment [Refer Note 12 & 28(5)(c)]	1,000.00	112.28
(iv) Provision for Loan Against Public Deposits	0.34	-
(v) Provision for Property Tax	27.49	27.49
(vi) Provision for Taxation	0.10	0.10
(vii) Provision for Deferred Rent	6.35	-
	125,797.20	**99,775.96**

NOTE 7

(₹ in Lakhs)

SHORT TERM BORROWINGS	As at March 31, 2018	As at March 31, 2017
Secured		
(a) Loans repayable on demand:		
Line of Credit from Banks	260,000.00	244,000.00

Notes Forming Part Of Consolidated Balance Sheet
As At March 31, 2018 (Contd.)

Security :

Negative lien on the assets of the Company (excluding the company's current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on 31st March 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on 31st March 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose of, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules and immovable property acquired by company on or after September 26, 2001.

Unsecured		
(a) Public Deposits	24,584.25	13,123.27
(b) Corporate Deposits	248,613.24	273,755.63
(c) Commercial Papers [Refer Note 7.1]	405,071.62	227,842.73
	938,269.11	**758,721.63**

Notes - 7.1

Commercial Papers of the Company have a Maturity value of ₹ 410,000 Lakhs (Previous Year ₹ 230,000 Lakhs)

NOTE 8

(₹ in Lakhs)

TRADE PAYABLES	**As at March 31, 2018**	**As at March 31, 2017**
(a) Micro Enterprises and Small Enterprises [Refer Note 28 (15)]	-	-
(b) Others	5,242.73	5,143.99
	5,242.73	**5,143.99**

NOTE 9

(₹ in Lakhs)

OTHER CURRENT LIABILITIES	**As at March 31, 2018**	**As at March 31, 2017**
(a) Current maturities of Long-Term Debt (Refer Note 3)	2,572,209.37	1,501,096.09
(b) Current maturities of Long Term Employee Benefits (Refer Note 6)	240.06	201.64
(c) Interest accrued but not due on loans and public deposits	466,111.02	420,335.56
(d) Premium payable on redemption of Debentures	31,679.64	8,010.57
(e) Unamortized Gain		
Unamortized one time gain on termination of SWAP contracts	103.61	192.21
(f) Payable on account of Swap		
Floating interest rate payable on Swap	-	8,861.05
Fixed interest rate receivable on Swap	-	(8,576.65)
	-	284.40
(g) Unpaid Dividends	775.71	713.79
(h) Unpaid Deposits	3,645.72	912.29
(i) Statutory Dues Payable	3,199.85	1,753.72
(j) Payable to related parties [Refer Note 28(10)]	315.19	149.62
(k) Other Payables	13,090.47	13,586.82
(l) Temporary Book Overdraft	506,424.24	573,975.61
	3,597,794.88	**2,521,212.32**

Notes Forming Part Of Consolidated Balance Sheet
As At March 31, 2018 (Contd.)

NOTE 10

(₹ in Lakhs)

SHORT TERM PROVISIONS	As at March 31, 2018	As at March 31, 2017
(a) Provision for Employee Benefits [Refer Note 28(8)]	6,759.35	5,204.67
(b) Others		
(i) Provision for Taxation	37.80	31.34
(ii) Provision for Loans	5,324.15	9,135.55
(iii) Provision for Loan Against Public deposits	0.01	-
(iv) Provision for Contingencies [Refer Note 28(5)(b)]	42.19	42.19
(v) Provision for Other Assets	-	110.00
(vi) Provision for Other Outstanding Expences	169.98	-
	12,333.48	**14,523.75**

Note 11.1 - Property, Plant & Equipment

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2018 are as follows :-

(₹ in Lakhs)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as at April 1, 2017	92.60	8631.51	1467.49	1195.03	66.94	919.44	3527.60	15900.61
Additions	0.00	8.30	347.18	221.38	0.00	124.84	311.55	1013.25
Deletions	0.00	0.00	12.52	14.18	0.00	36.64	30.33	93.67
Gross carrying value as at March 31, 2018	**92.60**	**8639.81**	**1802.15**	**1402.23**	**66.94**	**1007.64**	**3808.82**	**16820.19**
Accumulated Depreciation as at April 1, 2017	0.00	722.48	1157.24	914.44	44.66	683.50	2527.87	6050.19
Depreciation for the year	0.00	136.45	84.89	82.37	9.58	89.91	438.56	841.76
Accumulated Depreciation on Deletions	0.00	0.00	12.52	14.18	0.00	35.81	30.32	92.83
Accumulated Depreciation as at March 31, 2018	**0.00**	**858.93**	**1229.61**	**982.63**	**54.24**	**737.60**	**2936.11**	**6799.12**
Carrying Value as at March 31, 2018	**92.60**	**7780.88**	**572.54**	**419.60**	**12.70**	**270.04**	**872.71**	**10021.07**

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2017 are as follows :-

(₹ in Lakhs)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computer	Total
Gross Carrying Value as at April 1, 2016	92.60	7868.71	1346.48	1078.48	66.94	869.81	4073.16	15396.18
Additions	0.00	762.80	129.07	156.54	0.00	100.94	210.78	1360.13
Deletions	0.00	0.00	8.06	39.99	0.00	51.31	756.34	855.70

Notes Forming Part Of Consolidated Balance Sheet
As At March 31, 2018 (Contd.)

(₹ in Lakhs)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computer	Total
Gross Carrying Value as at March 31, 2017	**92.60**	**8631.51**	**1467.49**	**1195.03**	**66.94**	**919.44**	**3527.60**	**15900.61**
Accumulated Depreciation as at April 1, 2016	0.00	597.32	1097.65	898.51	35.07	656.74	2825.76	6111.05
Depreciation for the year	0.00	125.16	67.65	55.73	9.59	77.80	458.34	794.27
Accumulated Depreciation on Deletions	0.00	0.00	8.06	39.80	0.00	51.04	756.23	855.13
Accumulated Depreciation as at March 31, 2017	**0.00**	**722.48**	**1157.24**	**914.44**	**44.66**	**683.50**	**2527.87**	**6050.19**
Carrying Value as at March 31, 2017	**92.60**	**7909.03**	**310.25**	**280.59**	**22.28**	**235.94**	**999.73**	**9850.42**

Note 11.2 - Intangible Assets

The changes in carrying value of the Intangible Assets for the year ended March 31, 2018 are as follows:-

(₹ in Lakhs)

Particulars	Software License	Total
Gross Carrying Value as at April 1, 2017	2169.86	2169.86
Additions	56.32	56.32
Deletions	0.00	0.00
Gross Carrying Value as at March 31, 2018	**2226.18**	**2226.18**
Accumulated Depreciation as at April 1, 2017	1803.40	1803.40
Depreciation for the year	181.23	181.23
Accumulated Depreciation on Deletions	0.00	0.00
Accumulated Depreciation as at March 31, 2018	**1984.63**	**1984.63**
Carrying Value as at March 31, 2018	**241.55**	**241.55**

The changes in carrying value of the Intangible Assets for the year ended March 31, 2017 are as follows :-

(₹ in Lakhs)

Particulars	Software License	Total
Gross Carrying Value as at April 1, 2016	2112.96	2112.96
Additions	56.90	56.90
Deletions	0.00	0.00
Gross Carrying Value as at March 31, 2017	**2169.86**	**2169.86**
Accumulated Depreciation as at April 1, 2016	1627.91	1627.91
Depreciation for the year	175.49	175.49
Accumulated Depreciation on Deletions	0.00	0.00
Accumulated Depreciation as at March 31, 2017	**1803.40**	**1803.40**
Carrying Value as at March 31, 2017	**366.46**	**366.46**

Notes Forming Part Of Consolidated Balance Sheet
As At March 31, 2018 (Contd.)

Note 11.3 - Capital Work in Progress

The changes in carrying value of the Capital Work in Progress for the year ended March 31,2018 are as follows:-

(₹ in Lakhs)

Particulars	Capital Work in Progress	Total
Gross Carrying Value as of April 1, 2017	505.92	505.92
Additions	2426.75	2426.75
Deletions	0.00	0.00
Gross Carrying Value as of March 31,2018	**2932.67**	**2932.67**
Accumulated Depreciation as of April 1,2017	0.00	0.00
Depreciation for the year	0.00	0.00
Accumulated Depreciation on Deletions	0.00	0.00
Accumulated Depreciation as of March 31,2018	**0.00**	**0.00**
Carrying Value as of March 31, 2018	**2932.67**	**2932.67**

The changes in carrying value of the Capital Work in Progress for the year ended March 31,2017 are as follows:-

(₹ in Lakhs)

Particulars	Capital Work in Progress	Total
Gross Carrying Value as of April 1, 2017	473.68	473.68
Additions	32.24	32.24
Deletions	0.00	0.00
Gross Carrying Value as of March 31,2018	**505.92**	**505.92**
Accumulated Depreciation as of April 1,2017	0.00	0.00
Depreciation for the year	0.00	0.00
Accumulated Depreciation on Deletions	0.00	0.00
Accumulated Depreciation as of March 31,2018	**0.00**	**0.00**
Carrying Value as of March 31, 2018	**505.92**	**505.92**

NOTE 12

(₹ in Lakhs)

NON CURRENT INVESTMENTS	As at March 31, 2018	As at March 31, 2017
Non-Trade Investments		
(Long Term Investments)(At Cost)		
(a) Investments in Equity Instruments	110.00	110.00
(b) Investments in Government Securities	86,588.45	41,703.85
(c) Investment in Associates		
Opening Carrying amount of Investment (LIC MF Asset Management Ltd.)	4,876.77	2,083.74
Add: Carrying amount of additional share of Investments	-	2,039.90
Add: Share of profit during the year	243.76	43.91
Add: Goodwill on acquisition of shares of Associates	-	709.22
Closing Carrying amount of Investment (LIC MF Asset Management Ltd.)	**5,120.54**	**4,876.77**

Notes Forming Part Of Consolidated Balance Sheet
As At March 31, 2018 (Contd.)

(₹ in Lakhs)

NON CURRENT INVESTMENTS		As at March 31, 2018	As at March 31, 2017
Opening Carrying amount of Investment (LIC MF Trustee Pvt. Ltd.)		3.24	0.16
Add: Carrying amount of additional share of Investments		-	3.13
Add: Share of profit during the year		0.94	1.57
Less: Capital Reserve on acquisition of shares of Associates		-	(1.62)
Closing Carrying amount of Investment (LIC MF Trustee Pvt. Ltd.)		**4.17**	**3.24**
(d) Other Non-Current Investments			
(i) Real Estate Venture Fund		**4,685.45**	**5,225.48**
		96,508.61	**51,919. 34**
Aggregate amount of quoted investments	At Cost	86,588.45	41,703.85
	At Market Value	87,198.57	44,536.21
Aggregate amount of unquoted investments	At Cost	9,920.16	10,215.50
Aggregate provision for diminuition in value of investments (Refer Note 6)		1,000.00	112.28

NOTE 13

(₹ in Lakhs)

DEFERRED TAX ASSETS/LIABILITIES (NET) [Refer Note 28(14)]	As at March 31, 2018	As at March 31, 2017
(a) Deferred Tax Assets	5.02	1.72
	5.02	**1.72**

NOTE 14

(₹ in Lakhs)

LONG TERM LOANS AND ADVANCES *Unsecured, considered good*	As at March 31, 2018	As at March 31, 2017
(a) Capital Advance	1,963.68	45.46
(b) Security Deposits	969.78	1,387.82
(c) Loan against Public Deposits	86.02	49.57
(d) Advances to employees	357.78	363.30
(e) Advance tax and tax deducted at source (Net of provision for tax)	11,478.01	11,560.43
(f) Tax Paid under Protest	7,951.31	7,951.31
	22,806.58	**21,357.89**

NOTE 15

(₹ in Lakhs)

OTHER NON CURRENT ASSETS	As at March 31, 2018	As at March 31, 2017
(a) Fixed Deposit with Bank*	10,430.15	6,834.82
(b) Interest Accrued but not due on Fixed Deposits with Banks	882.71	307.20
(c) Interest Accured but not due on Advance against Public Deposits	14.73	9.33
(d) Others	7.73	7.73
	11,335.32	**7,159.08**

*Fixed Deposits with Banks includes amount ₹ 10,024.91 Lakhs (Previous Year ₹ 6,600 Lakhs) with maturity of more than twelve months towards maintaining Statutory Liquid Ratio for public deposits.

Notes Forming Part Of Consolidated Balance Sheet
As At March 31, 2018 (Contd.)

NOTE 16

(₹ in Lakhs)

LOANS (SECURED) [Refer Note 28(3)] *	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current	Non Current	Current
(a) Individuals	13,969,798.51	867,930.02	12,409,862.34	764,889.84
(b) Others	944,869.00	44,386.18	698,755.66	28,933.39
(c) Corporate Bodies / Builders	635,199.65	174,102.62	432,802.52	118,157.33
	15,549,867.16	**1,086,418.82**	**13,541,420.52**	**911,980.56**

* The above loans include unsecured loans to the extent of ₹ 27,566.57 Lakhs (Previous Year ₹ 26,443.48 Lakhs).

NOTE 17

(₹ in Lakhs)

CURRENT INVESTMENTS *At Lower of cost or market value*	No. of Shares / Units March 31,2018	No. of Shares / Units March 31,2017	As at March 31,2018	As at March 31,2017
(a) Investment in Equity Instruments				
Aptech Limited (Face Value of ₹ 10 each)	-	4,134	-	9.51
(b) Investment in Mutual Funds - Highly Liquid Investments			97,887.66	283,205.14
Less: Considered as Cash and Cash Equivalents (Refer Note 19)			(97,887.66)	(281,394.34)
			-	**1,820.31**
Aggregate amount of quoted investments		Book Value	-	**9.51**
		At Market Value	-	**9.51**

NOTE 18

(₹ in Lakhs)

TRADE RECEIVABLES *Secured, considered good*	As at March 31, 2018	As at March 31, 2017
(a) For a period exceeding six months	126.10	196.11
(b) Others		
(i) Interest Accrued and Due on Loans	12,996.13	10,941.79
(ii) Others	1,224.37	81.15
	14,346.60	**11,219.05**

NOTE 19

CASH AND BANK BALANCES	As at March 31, 2018	As at March 31, 2017
(a) Cash and Cash Equivalents		
Balance with Banks*	172,482.61	121,641.33
Cheques, drafts on hand	19,458.22	23,756.48
Cash on hand	369.86	323.15
Mutual Fund - Highly Liquid Investments (Refer Note 17)	101,344.83	283,788.07
(b) Other Bank Balances		
Fixed Deposits with Banks**	11,880.17	22,744.51
	305,535.69	**452,253.54**

*Balance with Banks includes unclaimed dividend of ₹ 775.71 Lakhs (Previous Year ₹ 713.79 Lakhs)

**Fixed Deposits with Banks includes earmaked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 7,274.70 Lakhs

(Previous Year ₹ 18,700.00 Lakhs) and ₹ 734.76 Lakhs (Previous Year ₹ 694.34 Lakhs) created for excess sale proceeds recovered under SARFAESI Act 2002

Notes Forming Part Of Consolidated Balance Sheet
As At March 31, 2018 (Contd.)

NOTE 20

(₹ in Lakhs)

SHORT-TERM LOANS AND ADVANCES	As at March 31, 2018	As at March 31, 2017
Others		
(i) Advances to Subsidiaries	0.94	-
(ii) Loans and advances to Employees	201.10	204.07
(iii) Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	1,046.16	1,584.36
Doubtful	24.88	24.89
Less: Provision for Doubtful	(24.88)	(24.89)
	1,046.16	1,584.36
(iv) Loan against Public Deposits	1.30	6.25
(v) Advance tax and tax deducted at source (Net of provision for tax)	-	13.86
	1,249.50	**1,808.54**

NOTE 21

(₹ in Lakhs)

OTHER CURRENTS ASSETS	As at March 31, 2018	As at March 31, 2017
(a) Interest Accrued but not due on		
(i) Loans	92,771.08	86,017.85
(ii) Investments	1,899.58	918.32
(iii) Fixed Deposits with Banks	341.86	974.09
(iv) Public Deposits	0.59	2.16
(b) Others	176.61	107.82
(c) Receivable on account of Swap		
Fixed interest rate receivable on Swap	4,365.06	-
Floating interest rate payable on Swap	(3,943.35)	-
	421.71	-
	95,611.43	**88,020.24**

Notes Forming Part Of Consolidated Statement Of Profit And Loss For The Year Ended 31 March, 2018

NOTE 22

(₹ in Lakhs)

REVENUE FROM OPERATIONS	March 31, 2018	March 31, 2017
(a) Interest Income:		
Interest on Loans [Tax deducted at source ₹ 7,038.50 Lakhs (Previous year ₹ 5,156.82 Lakhs)]	1,482,596.28	1,387,671.04
(b) Other Financial Services:		
(i) Processing fees and other charges received	20,923.01	17,534.29
Less: Charges paid	(7,553.40)	(6,511.16)
	13,369.61	11,023.13
(ii) Fund Establishment & Management fees	2,781.90	2,000.30
	1,498,747.79	**1,400,694.47**

NOTE 23

(₹ in Lakhs)

OTHER INCOME	March 31, 2018	March 31, 2017
(a) Other Interest Income		
(i) Interest received on Fixed Deposits with Banks [Tax deducted at source ₹ 192.40 Lakhs (Previous Year ₹ 219.01 Lakhs)]	1,628.75	1,953.38
(ii) Interest on Long Term Investments	5,298.72	2,427.58
	6,927.47	4,380.96
(b) Dividend	21.74	-
(c) Profit on sale of Investments (Highly Liquid Investments)	2,646.60	4,168.17
(d) Other Non Operating Income		
(i) Miscellaneous Income [Tax deducted at source ₹ Nil (Previous year ₹ 1.07 Lakhs)]	2,181.62	847.54
(e) Excess provision written back	0.03	-
	11,777.46	**9,396.67**

NOTE 24

(₹ in Lakhs)

FINANCE COSTS	March 31, 2018	March 31, 2017
(a) Interest Expense		
(i) On Term Loans	112,098.98	117,920.64
(ii) On Commercial Papers	24,650.23	10,008.44
(iii) On Debentures / Bonds	920,953.01	852,783.95
(iv) On Public/ Corporate Deposits	54,088.42	40,027.33
(v) Interest receivable/payable from Swaps (Net)	(117.36)	1,469.33
(b) Other Borrowing costs		
(i) Other Finance Charges	783.88	931.26
	1,112,457.16	**1,023,140.95**

NOTE 25

(₹ in Lakhs)

EMPLOYEE BENEFITS EXPENSE	March 31, 2018	March 31, 2017
(a) Salaries and Bonus [Refer Note No 28(8)]	18,918.02	21,360.30
(b) Contributions to Provident & Other Funds [Refer Note No 28(8)]	2,693.40	3,302.05
(c) Staff Welfare Expenses	2,312.33	1,961.06
	23,923.75	**26,623.41**

Notes Forming Part Of Consolidated Statement Of Profit And Loss For The Year Ended 31 March, 2018 (Contd.)

NOTE 26

(₹ in Lakhs)

ESTABLISHMENT AND OTHER EXPENSES	March 31, 2018	March 31, 2017
(a) Rent, rates and taxes	6,295.68	4,294.95
(b) Repairs and maintenance - building	154.20	88.09
(c) Repairs and maintenance - others	157.46	161.16
(d) Travelling and conveyance	1,148.26	1,006.34
(e) Directors sitting fees	33.98	35.92
(f) Advertisement & Publicity expenses	3,756.09	3,638.11
(g) Competition prizes & Conference expenses	1,026.53	732.77
(h) Printing and stationery	601.21	564.47
(i) Postage, telephones and telex	934.10	882.58
(j) Computer expenses	730.51	610.33
(k) Legal and professional fees:		
(i) Payment to Auditors [Refer Note 28(6)]	66.35	68.06
(ii) Other Professional fees	206.70	137.30
(l) Electricity expenses	567.46	576.77
(m) Insurance	14.46	18.44
(n) (Profit) / Loss on sale of Property, Plant and Equipments (Net)	(2.04)	(5.64)
(o) Property, Plant and Equipments written off	0.00	0.03
(p) Service Charges for Safe Custody of Documents	813.63	628.71
(q) Listing Fees and Payment to Share Transfer Agents	46.00	38.80
(r) Commission and Brokerage	21,602.29	18,287.33
(s) Contribution towards CSR activites [Refer Note 28(18)]	693.63	1,701.80
(t) Recovery Expenses (Net)	(749.55)	(749.54)
(u) Construction / Project expenses	718.43	328.92
(v) Penalty for Service Tax & Professional Tax	0.38	12.22
(w) Miscellaneous expenses	891.87	849.00
(x) Fund Establishment expenses	63.55	-
(y) Share issue Expenditure	49.15	-
	39,820.33	**33,906.92**

NOTE 27

(₹ in Lakhs)

PROVISIONS / WRITE OFFS (NET)	March 31, 2018	March 31, 2017
(a) Loans written off	2,329.40	5,041.90
(b) Provision for diminution in value of current & long term investment	1,016.12	0.88
(c) Provision on Loans	23,392.23	26,815.06
(d) Provision for Loan Against Public deposit	0.35	-
(e) Long term investment written off (Non Trade)	433.70	2,688.23
(f) Provision For Other Doubutful Asset Receivable	-	110.00
Less :		
(g) Loans written off recovered	(718.17)	(687.41)
(h) Provisions on Loans written back	(2,329.40)	(5,027.82)
(i) Provision for Investments written back [Refer Note 28(5)(c)]	(126.94)	(808.60)
(j) Provisions for Contingency written back [Refer Note 28(5)]	(0.01)	(0.00)
(k) Provision for Other Doubtful Asset written back	(110.00)	-
	23,887.28	**28,132.24**

Notes Forming Part Of The Consolidated Financial Statements For The Year Ended 31 March, 2018

NOTE: 28

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
PRINCIPLES OF CONSOLIDATION:

1. The consolidated financial statements relate to LIC Housing Finance Limited ("the Company") and its subsidiaries and associates, which together constitute the Group. The consolidated financial statements have been prepared on the following basis :

   a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" notified under the relevant provisions of the Companies Act, 2013 (the Act).

   b) In case of associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity or exercises significant influence over the investee, investments are accounted for using equity method in accordance with Accounting Standard (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" notified under the relevant provisions of the Act.

   c) The difference between the cost of investment in the subsidiaries / associates and the share of net assets at the time of acquisition of shares in the subsidiaries / associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

   d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of subsidiaries when they are used in preparing the consolidated financial statements that are presented in the same manner as the Company's separate financial statements except for accounting policy followed by a subsidiary, LICHFL Care Homes Limited for amortization of preliminary expenses incurred by the said subsidiaries after April 1, 2003 over a period of ten years as against charging off of such expenses to the Statement of Profit and Loss by the Company.

   e) The audited financial statements of the subsidiaries and unaudited financial statements of associates are considered for the purpose of consolidation and are drawn up to March 31, 2018. The reporting period of these financial statements is same as the reporting period of the company.

   f) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the Subsidiary Companies and further movements in their share in the equity, subsequent to the dates of the investments as stated above.

2. As required by Accounting Standard (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" notified under the relevant provision of the Act, the carrying amounts of investments in Associates is adjusted for post-acquisition change in the Company's share in the net assets of the associates after eliminating unrealized profits or losses, if any.

3. The consolidated financial statements of the Company, its subsidiaries and associates are prepared in accordance with Accounting Standard (AS–21) 'Consolidated Financial Statements' and Accounting Standard (AS–23) - 'Accounting for Investments in Associates in Consolidated Financial Statements' notified under the relevant provisions of the Act.

Notes Forming Part Of The Consolidated Financial Statements For The Year Ended 31 March, 2018 (Contd.)

The details of such enterprises are as under:

Name of the company	Nature of relationship	Proportion of ownership interest / voting power		Country of Incorporation
		Current Year	Previous Year	
LICHFL Care Homes Limited	Subsidiary	100.00%	100.00%	India
LICHFL Financial Services Limited	Subsidiary	100.00%	100.00%	India
LICHFL Asset Management Company Limited	Subsidiary	94.62%	94.62%	India
LICHFL Trustee Company Private Limited.	Subsidiary	100.00%	100.00%	India
LIC Mutual Fund Asset Management Limited.	Associate	39.30%	39.30%	India
LIC Mutual Fund Trustee Private Limited.	Associate	35.30%	35.30%	India

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with accounting principles generally accepted in India. The financial statements comply in all material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the Act), read with the Rule 7 of the Companies (Accounting Standards) Rules, 2014, read with amended rules and the relevant provisions of the Companies Act, 2013 (to the extent notified), National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended.

Accounting Policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.

b. Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported balances of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

c. Revenue Recognition

Interest on Housing Loans

Repayment of Housing Loans is by way of Equated Monthly Installments (EMI) comprising of principal and interest or by way of proceeds of Life Insurance Policies where interest is collected in monthly installment. Necessary appropriation is made out of these EMI collections to principal and interest. Interest income is recognized on accrual basis except in case of Non-Performing Assets (NPA) where interest is accounted on realization.

Fees and additional interest income on delayed EMI/Pre-EMI are recognized on receipt basis.

Income from Investments

Interest income on debt investments like Non-Convertible Debentures (NCD), Inter Corporate Deposits (ICD), Bank Deposits, Government Securities is recognized on accrual basis and Dividend income is accounted for in the year in which the same is declared in Annual General Meeting and Company's right to receive payment is established.

Revenue from Property Development / Construction Projects

Revenue is recognized based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

a) Income from services is recognized on completion of the works/contract.

b) Revenue from property development / construction projects activity is recognized by applying percentage of completion method of the contract value basis when reasonable expectation of collection of the sale consideration from the customers exists. Percentage of completion is determined as a proportion of the cost of work performed to date to the total estimated contract costs and the project so determined has been accounted for proportionate to the percentage of the actual work done.

c) Interest on delayed payment from customers is booked on cash basis.

Notes Forming Part Of The Consolidated Financial Statements For The Year Ended 31 March, 2018 (Contd.)

Other Income

In other cases, income is recognized when there is no significant uncertainty as to determination and realization.

d. Property, Plant and Equipment / Capital Work in Progress

Property, Plant and Equipment are stated at cost of acquisition, or construction inclusive of expenses incidental thereto less accumulated depreciation and impairment loss, if any.

Cost incurred for land parcel acquisition and all related acquisition expenses are capitalized with Land cost and are grouped under Work in Progress till the time of commencement of development of the project. All pre-operative expenses incurred in respect of the respective projects are grouped under Work in Progress till development of the project commence and are transferred to the Profit & Loss account in the first year of development of the project.

Depreciation in respect of assets is provided on the Straight Line Method as per the useful life of the assets as prescribed in Schedule II of the Act, except in respect of Vehicles (Motor cars) where useful life is estimated as 5 years.

Cost of leasehold improvements is amortized over the period of the lease.

Depreciation on assets whose cost individually does not exceed up to ₹ 5,000/- is fully provided in the year of purchase.

e. Intangible Assets

Intangible Assets are stated at cost of acquisition, including any cost attributable to bringing the same to its working condition, less amortization over estimated useful life.

Software is amortized on Straight Line Method over 5 years.

f. Impairment Loss

Impairment loss is provided to the extent the carrying amount of assets (including goodwill on consolidation) exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

g. Loans and Provision thereon

The loans given by the company are initially recorded in the books of account at the principal amounts disbursed to the borrowers and are subsequently adjusted for further disbursements / repayments. The loans are classified as Non-performing Assets (NPA) under Substandard / Doubtful / Loss categories as per the prudential norms prescribed under the Housing Finance Companies (NHB) Directions, 2010, (the "NHB Directions") as amended. The provision on Standard and NPA loan accounts is made as per the aforesaid prudential norms. Additional provision (over and above the prudential norms), if required, is made as per the guidelines approved by the Board of Directors from time to time. The loans and provisions thereon are classified into current and non-current categories based on the operating cycle of 12 months as identified by the Company.

h. Investments

Investments are classified as Current Investment and Long term Investment. Current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made. A Long term investment is an investment other than a current investment.

In accordance with the Guidelines issued by National Housing Bank (NHB) and the Accounting Standard (AS -13) – "Accounting for Investments" notified under the relevant provisions of the Act, current investments are carried at lower of cost & fair value and long term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long term investments. Unquoted investments in the units of mutual funds in the nature of current investments are valued at the net asset value declared by mutual funds in respect of each particular scheme as per the guidelines issued by the NHB. The premium paid on acquisition of Investments is written off in the year of purchase.

Notes Forming Part Of The Consolidated Financial Statements For The Year Ended 31 March, 2018 (Contd.)

i. Employee Benefits

Defined Contribution Plan

Provident Fund

Contribution as required by Statute paid to the Government Provident Fund and also contribution paid to other recognized Provident Fund Trust is debited to the Statement of Profit and Loss.

Defined Benefit Plan

Gratuity

- Gratuity liability is a defined benefit obligation for employees. The Company has taken Group Gratuity-cum-Life Insurance Policy from Life Insurance Corporation of India (LIC) for employees other than those are under deputation from LIC. Accordingly, the Company accounts for liability for future gratuity benefits based on actuarial valuation carried out at the end of each financial year and the Contribution paid to LIC is charged to the Statement of Profit and Loss. Actuarial gain or losses arising from changes in actuarial assumptions are immediately recognized in the Statement of Profit and Loss in the period in which they arise.
- In respect of employees under deputation from LIC, an amount equal to five percent of aggregate of basic salary and dearness allowance of such employees, paid / payable to LIC is charged to the Statement of Profit and Loss and is treated as a defined contribution obligation.

Short-term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

j. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transactions.

In case of forward exchange contracts or other financial instruments that is in substance a forward exchange contract, other than for trading or speculation purposes, the premium or discount arising at the inception of the contract is amortized as expense or income over the life of the contract.

Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognized as income or expense.

At the reporting date, monetary assets and liabilities denominated in foreign currency are reported using the closing rate of exchange. Exchange difference arising thereon and on realization / payments of foreign exchange are accounted as income or expense in the relevant year.

k. Derivative Transactions

SWAP transactions are considered off-balance sheet items and the outstanding SWAP trades are disclosed at the fair value on the reporting date. The carrying amount (difference between coupon rate liability and SWAP contract rate) is accounted on an accrual basis and the same is adjusted against the interest cost of the underlying liability. Gain realized on early termination of SWAP is amortized over the balance tenure of the SWAP or underlying liability whichever is less. Loss if any on early termination is charged to the Statement of Profit and Loss in the same year.

l. Borrowing Costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

m. Zero Coupon Instrument

The difference between the discounted amount mobilized and redemption value of Commercial Papers/ Zero Coupon Bond/ NCD is apportioned on time basis over the life of instrument and charged in the Statement of Profit and Loss.

Notes Forming Part Of The Consolidated Financial Statements For The Year Ended 31 March, 2018 (Contd.)

n. Taxes on Income

Taxes on income are accounted for in accordance with Accounting Standard (AS-22) – "Accounting for taxes on income", notified under the relevant provisions of the Act. Income tax comprises both current and deferred tax.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a Deferred Tax Asset or Deferred Tax Liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

In situations where the company has unabsorbed depreciation or carry forward tax losses, all Deferred Tax Assets are recognized, only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Deferred Tax Assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

o. Provisions and Contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

p. Operating Leases

Assets acquired on lease where significant portions of the risks and rewards incidental to the ownership are retained by the lessors are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

q. Securitized Assets

De-recognition of Securitized assets in the books of the Company, recognition of gain or loss arising on Securitization and accounting for credit enhancement provided by the company is based on the extant guidelines issued by the Institute of Chartered Accountants of India.

Securitized Assets are derecognized in the books of the Company based on the principle of surrender of control over the assets.

NOTES TO ACCOUNTS

1. a) Estimated amounts of contracts remaining to be executed on capital account and not provided for - (net of advance) are ₹ 2,620.27 Lakhs (Previous Year ₹ 1,872.96 Lakhs).

   b) Other Commitments: Uncalled liability of ₹ 146.50 Lakhs (Previous Year ₹ 316.00 Lakhs) in respect of commitment made for contribution to LICHFL Urban Development Fund by subscription of 50,000 units (previous year 50,000 units) of ₹ 10,000/- face value each, paid up value being ₹ 7360.32 (Previous Year ₹ 7,287.40/-) each

2. Contingent liabilities in respect of :

a) Claims against the Company not acknowledged as debts ₹ 64.49 Lakhs (Previous Year ₹ 51.02 Lakhs).

b) On completion of income tax assessment, the Company had received a demand of ₹ 347.76 Lakhs- (including interest of ₹ 20.39 Lakhs) for A.Y. 2003-04, ₹ 2,217.31Lakhs (including interest of ₹ 721.90Lakhs) for A.Y. 2004-05 against which the Company received refund of ₹ 220.38 Lakhs, ₹ 3,571.94 Lakhs (including interest of ₹ 667.94 Lakhs) against which ₹ 1,951.62 Lakhs was paid under protest for A.Y. 2005-06, ₹ 2,385.58 Lakhs (including interest of ₹ 138.71 Lakhs against which the Company received refund of ₹ 137.47 Lakhs for A.Y. 2006-07 and ₹ 1,503.40 Lakhs (including interest of ₹ 633.94 Lakhs) for A.Y. 2007-08. The said amounts are disputed and the Company has preferred an appeal against the same. The amounts for the respective years have been paid to the credit of the Central Govt. under protest.

c) Contingent Liabilities - LICHFL Financial Services Limited has received Show Cause Cum Demand Notice dated 23.03.2018 from Office of The Commissioner of GST Audit – I, Mumbai for Service Tax Liability of ₹ 57,94,650. The Company is in process of filing replies to the Department. (Previous Year : Nil). Also, interest payment liability of LICHFL Care Homes Limited, if any, arises in respect of Bhubaneswar project shall be accounted as and when the certainty of payment of interest shall be established. At present the amount is unascertainable.

Notes Forming Part Of The Consolidated Financial Statements For The Year Ended 31 March, 2018 (Contd.)

3. (i) Retail / Project Loans are secured by any or all of the following as applicable, based on their categorization:
   a) Equitable / Registered Mortgage of Property
   b) Assignment of Life Insurance Policies, NSC, KVP, FD of Nationalized Bank
   c) Assignment of Lease Rent Receivables
   d) Company Guarantees or Personal Guarantees
   e) Negative lien
   f) Undertaking to create a security

   (ii) Loans to employees other than for Housing are secured by lien over Provident Fund balances and / or Hypothecation of Vehicles.

4. Loan Portfolio includes loans amounting to ₹ 26,428.77 Lakhs (Previous year ₹ 23,307.43 Lakhs) against which the company has taken possession of the properties under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and held such properties for disposal. The value of assets possessed against the loan is ₹ 26,356.06 Lakhs (Previous year ₹ 25,186.38 Lakhs), being lower of the fair value of the asset possessed and the outstanding as at March 31, 2018.

5. Movement in Provision for contingencies and diminution in the value of investments are as under:

a. Provision includes:

i. Provision for untapped corporate undertaking given for securitization of loans. The outflows in respect of untapped corporate undertaking would arise in the event of a shortfall, if any, in the cash flows of the pool of the securitized receivables, and

ii. Provision for doubtful advances and provision for probable loss on account of bank reconciliation differences.

b. The movement in provisions is as below:

(₹ In Lakhs)

Particulars	Provision for Untapped Corporate Undertaking & Doubtful Advances	Provision for probable loss on account of Bank Reconciliation differences
Opening balance	237.83 (180.80)	42.19 (42.19)
Add: Top up of Corporate Undertaking / additional provisional for doubtful advances	0.13 (114.85)	- (-)
Less: Amounts utilized during the year / provision written back for doubtful advances	0.14 (57.82)	- (-)
Less: Reversal of provision for corporate undertaking	- (-)	- (-)
Closing balance	**237.82** **(237.83)**	**42.19** **(42.19)**

Figures in bracket are in respect of the previous year

Notes Forming Part Of The Consolidated Financial Statements For The Year Ended 31 March, 2018 (Contd.)

c. Provision for diminution in the value of investments:

(₹ In Lakhs)

Particulars	Provision for diminution in the value of long term investments
Opening Balance	112.28
	(912.88)
Add : Provision made during the year	1,014.66
	(8.00)
Less : Write back of provision during the year	126.94
	(808.60)
Closing Balance	**1000.00**
	(112.28)

Figures in bracket are in respect of the previous year.

6. Auditor's Remuneration*:

(₹ In Lakhs)

Particulars	Current Year	Previous Year
As auditor	36.89	35.77
As advisor or in any other capacity in respect of tax audit	9.55	10.93
For Quarterly Limited Reviews	16.50	16.50
In any other manner (Certification work)	3.41	4.86
Total	**66.35**	**68.06**

* Excluding Service Tax

7. Derivative Instruments:

(a) Interest Rate Swaps for hedging underlying liability aggregate to ₹ 69,600.00 Lakhs (Previous Year ₹ 99,600.00 Lakhs).

(b) For underlying liability of ₹ NIL Lakhs (Previous Year ₹ 65,000.00 Lakhs), Coupon Swap has been entered into which remains unhedged in respect of movement in respective currencies affecting the coupon amount.

(c) The Company as on March 31, 2018 had outstanding interest rate and coupon swaps covering the underlying liability aggregating to ₹ 69,600.00 Lakhs (Previous year ₹ 164,600.00 Lakhs). The Mark to Market value of all such Swaps as at March 31, 2018 was ₹ 1,120.73 Lakhs (Previous Year Negative ₹ 589.76 Lakhs).

(d) Foreign currency exposure in respect of coupon linked with LIBOR that are not hedged by derivative instruments as on March 31, 2018 amount to ₹ NIL Lakhs (Previous year ₹ 5.05 Lakhs).

8. Disclosure in respect of Employee Benefits:

In accordance with the Accounting Standard on Employee Benefits (AS-15), the following disclosures have been made:

Provident Fund and Pension Fund Liability

The Company has recognized ₹ 1,416.91 Lakhs (Previous year ₹ 1,650.00 Lakhs) in the Statement of Profit and Loss towards contribution to Provident fund in respect of company employees. In respect of LIC employees on deputation who have opted for pension, ₹ 51.40 Lakhs (previous year ₹ 49.64 Lakhs) have been contributed towards LIC of India (Employees) Pension Rules, 1995.

Notes Forming Part Of The Consolidated Financial Statements For The Year Ended 31 March, 2018 (Contd.)

Gratuity Liability

(₹ In Lakhs)

Changes in the Benefit Obligation:	**2017-18**	**2016-17**
Liability at the Beginning of the year	6,263.95	4,660.50
Interest Cost	451.60	376.97
Current Service Cost	384.28	298.81
Past Service Cost	433.55	-
Benefit Paid	(81.87)	(31.77)
Actuarial Loss/(Gain) on obligations	(396.83)	959.44
Liability at the end of the year	**7,054.68**	**6,263.95**

Fair Value of the Plan Assets:	**2017-18**	**2016-17**
Fair Value of Plan Asset at the beginning of the year	3,701.52	3,369.41
Expected Return on Plan Assets	266.61	272.31
Contributions	410.40	90.47
Benefit paid	(81.87)	(31.77)
Actuarial Gain / (Loss) on Plan Assets	11.96	1.10
Fair value of Plan Assets at the end of the year	4,308.62	3,701.52
Total Actuarial Loss to be Recognized	**(407.32)**	**945.72**

Actual Return on Plan Assets:	**2017-18**	**2016-17**
Expected Return on Plan Assets	266.61	272.31
Actuarial Gain / (Loss) on Plan Assets	11.96	1.10
Actual Return on Plan Assets	**278.57**	**273.41**

Amount Recognized in the Balance Sheet:	**2017-18**	**2016-17**
Liability at the end of the year	(7,054.68)	(6,263.95)
Fair Value of Plan Assets at the end of the year	4,308.62	3,701.52
Amount recognized in the Balance Sheet	**(2,746.06)**	**(2,562.43)**

Expense Recognized in the Statement of Profit and Loss :	**2017-18**	**2016-17**
Current Service Cost	384.28	298.81
Interest Cost	186.77	106.34
Expected Return on Plan Assets	(1.79)	(1.68)
Net Actuarial Loss to be recognized	(408.78)	958.34
Past Service Cost	433.55	-
Expense recognized in the Statement of Profit and Loss under staff expenses	**594.03**	**1,361.81**

Reconciliation of the Liability recognized in the Balance Sheet:	**2017-18**	**2016-17**
Opening Net Liability	2,562.43	1,291.10
Expense recognized	594.03	1,361.82
Contribution by the Company	(410.40)	(90.47)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	**2,746.06**	**2,562.44**

Notes Forming Part of the Consolidated Financial Statements for the year ended 31 march, 2018 (Contd.)

Assumptions	2017-18	2016-17
Discount Rate	7.85% 7.70% 7.83%	8.08% 7.85% 7.34%
Rate of Return on Plan Assets	7.85% / 7.50%/ 7.83%	8.08% / 8.00%
Salary Escalation	8.00% / 7.00% 8.00%	8.00% / 7.00% 8.00%
Attrition Rate	2.00%	2.00%

Experience Adjustments	2017-18	2016-17	2015-16	2014-15	2013-14
On Plan liability (Gains)/Losses	60.43	400.89	118.35	(14.59)	235.65
On Plan Assets (Losses)/Gains	11.96	1.11	4.91	72.42	15.18
Plan Assets					
Insurer Managed Funds*	4,308.62	3,701.52	3,349.41	3155.46	2,710.14
*% to the total fair value of plan assets	100%	100%	100%	100%	100%

Gratuity Premium is paid to LIC of India under Gratuity Scheme of LIC.

The Company's best estimate of contributions expected to be paid to the plan during the annual period beginning after March 31, 2018 is ₹ 976.85 Lakhs (Previous Year ₹ 853.73 Lakhs).

Leave Encashment

(₹ In Lakhs)

Changes in the Benefit Obligation	2017-18	2016-17
Liability at the Beginning of the year	3,959.69	2,641.88
Interest Cost	284.61	213.46
Current Service Cost	182.24	105.11
Benefit Paid	(174.90)	(17.89)
Actuarial (Gain) / Loss on obligations	(60.01)	1,010.32
Liability at the end of the year	**4,191.63**	**3,952.88**

Amount Recognized in the Balance Sheet:	2017-18	2016-17
Liability at the end of the year	4,183.35	3,952.88
Fair Value of Plan Assets at the end of the year	-	-
Amount recognized in the Balance Sheet*	**(4,183.35)**	**(3,952.88)**

Expense Recognized in the Statement of Profit and Loss:	2017-18	2016-17
Current Service Cost	182.24	105.11
Interest Cost	284.61	213.46
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) / Loss to be recognized	(60.01)	1,010.32
Expense recognized in the Statement of Profit and Loss under staff expenses	406.84	1,328.89

Notes Forming Part Of The Consolidated Financial Statements For The Year Ended 31 March, 2018 (Contd.)

Reconciliation of the Liability recognized in the Balance Sheet:	2017-18	2016-17
Opening Net Liability	3,959.69	2,641.88
Expense recognized	406.84	1,328.89
Contribution by the Company	(174.90)	(17.89)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	**4191.63**	**3,952.88**

Assumptions:	2017-18	2016-17
Retirement Age	58 Years	58 Years
Discount Rate	7.85%/7.83%	7.20%
Salary Escalation	8.00%/8.00%	8.00%
Attrition Rate	**2.00%/2.00%**	**2.00%**

Experience Adjustments:	2017-18	2016-17	2015-16	2014-15	2013-14
On Plan Liability (Gains)/Losses	273.55	611.05	199.52	42.89	(454.61)
On Plan Assets (Losses)/Gains	-	-	-	-	-

The estimates of future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

* Exclusive of Amount ₹ 6.06 Lakhs (previous year ₹ 0.68 Lakhs) towards additional provision made for LIC employees.

Sick Leave

The Company has recognized ₹ 61.99 Lakhs (Previous year ₹ 265.94 Lakhs) in the Statement of Profit and Loss towards sick leave in respect of company employees.

9. Segment Reporting:

- The company is engaged in the business of providing loans for purchase, construction, repairs and renovation etc., of houses / flats to individuals, corporate bodies, builders and co-operative housing societies.
- LICHFL Care Homes Limited, a wholly owned subsidiary is engaged in the business of setting up, running and maintaining assisted living community center / care homes for senior citizens.
- LICHFL Financial Services Limited, a wholly owned subsidiary is engaged in the business of marketing various financial products and services.
- LICHFL Asset Management Company Limited, a subsidiary with 94.62% shareholding is engaged in business of managing, advising, administering mutual funds, unit trusts, investment trusts and to act as financial and investment advisors and render financial advisory services.
- LICHFL Trustee Company Private Limited, a wholly owned subsidiary acts as a trustee to venture capital trusts and funds.
- LIC Mutual Fund Asset Management Limited, an associate acts as asset manager for LIC Nomura Mutual Fund.
- LIC Mutual Fund Trustee Private Limited is acting as the Trustee to the LIC Mutual Fund having exclusive ownership of Trust Fund and are vested with general power of superintendence, discretion and management of the affairs of the Trust. Also, the Trustee Company supervise the activities of the Fund.

  Further, the Group has its operations primarily within India. The scale of operations of the Company far exceeds those of the subsidiaries and associates and the business segments as mentioned above, do not meet the criteria of reportable segments as defined in Accounting Standard (AS-17), 'Segment Reporting' notified under the Companies (Accounting Standards) Rules, 2006, and hence, segment information for business and geographical segments has not been disclosed.

Notes Forming Part Of The Consolidated Financial Statements For The Year Ended 31 March, 2018 (Contd.)

10. Related Party Disclosure:

a) Details of related parties:

(i)	**Enterprise having significant influence**
	Life Insurance Corporation of India
(ii)	**Entity over which control exists**
	LICHFL Urban Development Fund
(iii)	**Associates**
	LIC Mutual Fund Asset Management Company Limited
	LIC Mutual Fund Trustee Private Limited
(iv)	**Key Management Personnel**
	Ms. Sunita Sharma, MD and Chief Executive Officer (From April 1, 2017 to April 11, 2017)
	Mr. Vinay Sah, MD and Chief Executive Officer (From April 12, 2017)

b) Details of transactions with related parties:

(₹ In Lakhs)

Nature of transactions	Current Year	Previous Year
Life Insurance Corporation of India:		
Issue of non-convertible debentures	-	280,000.00
Repayment of non-convertible debentures	26,370.00	81,810.00
Repayment of Secured loan	1,775.00	4,275.00
Interest expenses on Secured and Unsecured loans	164,682.36	158,466.02
Dividend Payment	12,613.43	11,204.17
Rent Rates and Taxes	556.18	533.98
Reimbursement of Electricity Expenses	55.25	17.72
Payment for Staff training, Conference, etc.	19.44	11.14
Payments towards Renovation & Repairs	-	-
Reimbursement of Expenses	40.68	18.38
Reimbursement of Gratuity for staff on deputation from LIC	39.20	33.97
Year-end Balance (Credit)	**1,939,849.10**	**1,965,074.35**
LICHFL Urban Development Fund		
Investment	169.50	585.50
Redemption of Investment	133.04	865.96
Trusteeship Fees	5.00	5.00
Income from investment	281.33	379.06
Reimbursement of expenses		-
Investment as at the year-end (Debit)	**3680.16**	**3,643.70**
Managerial remuneration*		
Shri Vinay Sah, MD & CEO & Ms. Sunita Sharma, Ex MD & CEO	****51.51**	**51.45**

*As the Provision for Performance Linked Incentive (PLI) and Leave encashment is accrued for the company as a whole and not decided individually, hence not included. However payment made during the financial year 2017-18 has been included.

**The amount includes Performance Linked Incentive (PLI) paid to Ms. Sunita Sharma, Ex MD & CEO during the Financial year 2017-18 and salary paid to Mr. Vinay Sah, MD & CEO for financial year 2017-18.

Notes Forming Part Of The Consolidated Financial Statements For The Year Ended 31 March, 2018 (Contd.)

11. Operating Leases:

The Company has taken various offices and residential premises on cancellable operating lease basis for periods which range from 11 to 180 months with an option to renew the lease by mutual consent on mutually agreeable terms. Lease payments recognized in the Statement of Profit and Loss for premises are ₹ 3,212.82 Lakhs (Previous year ₹ 2,864.68 Lakhs).

In respect of the Non-cancellable leases, the future minimum lease payments are as follows:

(₹ In Lakhs)

Period	March 31, 2018	March 31, 2017
Not later than one year	561.59	514.75
Later than one year but not later than five years	18.94	340.26
Later than five years	-	-
Total	**580.53**	**855.01**

12. Earnings per share:

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars		Current Year	Previous Year
Profit after tax attributable to equity shareholders	(₹ in Lakhs)	201,390.68	194,227.31
Weighted average number of equity shares outstanding during the year	Nos.	504,663,000	504,663,000
Basic and Diluted Earnings per equity share	₹	39.91	38.49
Face value per equity share	₹	2/-	2/-

13. Current Tax:

Provision for current tax is made on the basis of accounting practices consistently followed by the Company, including method of accounting for interest on loans and is after availing deduction under section 36(1)(viii) of the Income Tax Act, 1961. For the purpose of determining the quantum of deduction available under section 36(1)(viii), the methodology applied for the bifurcation of income and expenses for long term housing finance has been relied upon by the auditors.

14. The Components of Deferred Tax Assets and Liabilities are as under:

(₹ In Lakhs)

Particulars		Current Year	Previous Year
Deferred Tax Assets:			
Provisions for Housing & Non Housing loans		43,638.22	35,929.20
Provisions for Contingencies		8.69	8.61
Provision for Tapping Corporate Undertaking		74.41	73.69
Unamortized One Time Gain		43.40	109.51
Provision for Employee Benefits		2,873.19	2,582.18
Provision for diminution in value of Long Term Investment		349.44	38.86
Related to Property, Plant and Equipment		5.02	39.79
	(A)	**46,992.49**	**38,781.84**
Deferred Tax Liabilities:			
Related to Property, Plant and Equipment		342.79	397.20
Related to Special Reserve		150,943.24	130,111.38
	(B)	**151,286.03**	**130,508.58**
Net Deferred Tax Assets / (Liabilities)	**[(A)-(B)]**	**(104,293.54)**	**(91,726.76)**

Notes Forming Part Of The Consolidated Financial Statements For The Year Ended 31 March, 2018 (Contd.)

15. The Company had requested its suppliers to confirm the status as to whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. The disclosure relating to unpaid amount as at the year end together with interest paid / payable as required under the said Act have been given to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSMED Act, 2006. No interest has been paid/payable by the Company during the current year to the parties covered under the Micro, Small and Medium Enterprises Development Act, 2006.

16. Accounting Standard 21 – Consolidated Financial Statement (CFS)

The Consolidated Financial Statements is prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" issued by ICAI and notified under the relevant Provision of the Companies Act, 2013.

The detailed note is included under Significant Accounting Policies and Notes to Accounts of the Consolidated Financial Statements.

17. Additional information, as required under Schedule III of the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Associates.

(₹ In Lakhs)

Name of the Entity	Net Assets		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount (₹)	As a % of Consolidated Profit or Loss	Amount (₹)
Parent				
LIC Housing Finance Limited	98.71%	1,262,843.10	100.76%	202,930.89
Indian Subsidiaries				
LICHFL Financial Services Limited	0.27%	3,426.57	(1.29%)	(2,590.09)
LICHFL Asset Management Company Limited (Formerly Known as LICHFL Asset Management Company Pvt. Limited)	0.27%	3,507.12	0.38%	756.45
LICHFL Trustee Company Private Limited	0.00%	22.52	0.00%	3.43
LICHFL Care Homes Limited	0.36%	4,564.36	0.04%	80.09
Goodwill on Consolidation	0.00%	20.52	-	-
Minority Interest in all subsidiaries	(0.02%)	(198.30)	(0.02%)	(34.79)
Associates				
LIC Mutual Fund Asset Management Company Limited	0.40%	5,120.54	0.12%	243.76
LIC Mutual Fund Trustee Private Limited	0.00%	4.17	0.00%	0.94
Total	**100.00%**	**1,279,310.60**	**100.00%**	**201,390.68**

Notes Forming Part Of The Consolidated Financial Statements For The Year Ended 31 March, 2018 (Contd.)

18. Corporate Social Responsibility

Establishment and Other expenses includes ₹ 693.63 Lakhs for the year ended March 31, 2018 (Previous year ₹ 1,701.80 Lakhs) for contribution towards Corporate Social Responsibility(CSR) in accordance with Companies Act, 2013.

Details of CSR expenditure during the financial year

a) Gross amount required to be spent by the company during the year is ₹ 5,093.95 Lakhs (Previous Year ₹ 4,351.52 Lakhs).

b) Amount spent during the year:

(₹ In Lakhs)

Sl. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	111.02 (208.62)	- (-)	111.02 (208.62)
(ii)	On purposes other than (i) above	582.61 (1,493.18)	- (-)	582.61 (1,493.18)

Figures in bracket are in respect of the previous year.

c) Details of related party transactions as per Accounting Standard (AS) 18, Related Party Disclosures - Nil

d) No provision has been made for CSR expenditure by the company as on March 31, 2018 (Previous Year Nil).

19. The previous year figures have been reclassified / regrouped / restated to conform to current year's classification.

Signatures to Notes 1 to 19

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

Vipul K Choksi
Partner
M.No.037606

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Vineet Saxena
Partner
M.No. 100770

Place: Mumbai
Date : April 23, 2018

For and on behalf of the Board of Directors

V. K. Sharma
Chairman
DIN - 02449088

Debabrata Sarkar
Director
DIN - 02502618

Vinay Sah
Managing Director &
Chief Executive Officer
DIN - 02425847

Nitin K. Jage
General Manager (Tax.)
& Company Secretary

Kiron Singh
General Manager
(IT & Accounts)

P. Narayanan
CFO