

BOARD'S REPORT

To the Members of LIC Housing Finance Limited

Your Directors are pleased to present the Thirty First Annual Report together with the Audited Financial Statements for the year ended 31st March, 2020 of LIC Housing Finance Limited ('the Company').

FINANCIAL RESULTS

(₹ in crore)

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Profit before Tax	3,268.99	3,379.55
Tax Expense	867.15	948.58
Profit after Tax	2,401.84	2,430.97
Other Comprehensive Income	(6.85)	(0.46)
Total Comprehensive Income	2,394.99	2,430.51
Appropriations		
Special Reserve u/s 36(1) (viii) of the Income-tax, Act., 1961	749.99	749.99
Statutory Reserve u/s 29C of NHB Act, 1987	0.01	0.01
General Reserve	600.00	600.00
Dividend	383.54	343.17
Final Dividend & Tax pertaining to the previous year paid during the year	77.61	69.25
Balance carried forward to next year	583.83	668.09
	2,401.84	2,430.97

The Board of Directors has assessed the performance of the Company during the year under review and also taken cognisance of the impact of the coronavirus disease (COVID-19) which has been declared as a pandemic. As the COVID-19 continues to spread around the world, many companies face unprecedented challenges which may adversely impact their operations. Consequently, there is a great deal of uncertainty and it has affected global economy, financial markets, lives and livelihoods and the resultant impact has been felt on the Company.

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 recommendation of dividend to the Members of the Company.

Considering the performance of the Company during the financial year 2019-2020, the Board of Directors felt the need to strike a balance between being prudent and conserving capital in the Company, while at the same time catering to the expectations of shareholders, your Directors considering the Dividend Distribution Policy and also after assessing the capital buffers and liquidity levels of the Company, have recommended payment of dividend for the financial year ended 31st March, 2020 of ₹ 8.00 per equity share of face value of ₹ 2/- per share i.e. @ 400 percent, as against ₹ 7.60 per equity share of face value of ₹ 2/- per share for the previous year i.e. @ 380 percent. The total dividend outgo for the current year would amount to ₹ 403.73 crore excluding Dividend distribution Tax, as against ₹ 461.15 crore for the previous year including Dividend Distribution Tax of ₹ 77.61 crore. The dividend payable shall be subject to the approval of the Members of the Company at the ensuing Annual General Meeting.

Following the amendment in the Finance Act, 2020, the imposition of the Dividend Distribution Tax has been abolished. Accordingly, the dividend amount received by the shareholders of the Company, for the financial year ended 31st March, 2020, may be taxable in the hands of the shareholders.

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

INDIAN ACCOUNTING STANDARDS

The Company has complied with the applicable Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013. The financial statements for the year have been prepared in accordance with Schedule III to the Companies Act, 2013.

Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, w.e.f 1st April, 2018.

PERFORMANCE

Income and profit

The Company earned total revenue of ₹ 19,696.69 crore, registering an increase of 13.47 percent. The percentage of administrative expenses to the housing loans, which was 0.24 percent in the previous year, has remained constant at 0.29 percent during the financial year 2019-20.

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Net Profit before tax and after tax stood at ₹ 3,268.99 crore and ₹ 2,401.84 crore respectively as against ₹ 3,379.56 crore and ₹ 2,430.98 crore, respectively, for the previous year. Profit before tax decreased by 3.27 percent over the previous year while profit after tax dipped by of 1.2 percent over that of the previous year.

LENDING OPERATIONS

LIC Housing Finance Limited is a housing finance company registered with National Housing Bank (NHB) and is mainly engaged in financing purchase / construction of residential flats / houses to individuals and project finance to developers, Loan against Property (LAP), Lease Rental Discounting (LRD) etc. All other activities revolve around the main business of the Company. During the latter part of March 2020, overall lending operations were disrupted due to the national lockdown announced in a bid to curtail the spread of COVID-19. These factors impacted the overall performance of the loan book.

As at 31st March, 2020 the loan book constituted of 94.42 per cent of retail portfolio and 5.58 per cent of project portfolio.

Individual loans:

During the year the main thrust continues on individual housing loans. The Company has sanctioned 2,02,244 individual housing loans for ₹ 48,498.71 crore and disbursed 1, 91,479 loans for ₹ 44,318 crore during FY 2019-2020. Housing loan to Individual i.e. retail loans constitute 92.92 percent of the total sanctions and 94.42 percent of the total disbursements for the FY 2019-2020 as compared to 84.60 percent and 87.11 percent respectively during the FY 2018-19. The gross retail loan portfolio grew by over 8.10 % percent from ₹ 1,81,569 crore as on 31st March, 2019 to ₹ 1,96,340 crore as on 31st March, 2020.

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

Amount sanctioned: ₹ 3,84,978.08 crore

Amount disbursed: ₹ 3,73,699.62 crore

27,70,628 customers have been serviced by the Company up to 31st March, 2020 since inception.

Project loans:

The project loans sanctioned and disbursed by the Company during the year were amounting to ₹ 3,693.19 crore and ₹ 2,618.35 crore respectively. Corresponding figures for the previous year were ₹ 9,154 crore and ₹ 7,128 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.

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 282 Marketing Offices and 1 Customer Service Point. The distribution network also includes 50 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 F.Y. 2019-2020, ₹ 28,895.38 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 ₹ 26,242.99 crore received in this respect during the previous year.

NON-PERFORMING ASSETS AND PROVISIONS

The amount of gross Non-Performing Assets (NPA) as at 31st March, 2020 was ₹ 5,967.60 crore, which is 2.86 percent of the housing loan portfolio of the Company, as against ₹ 2,971.69 crore i.e. 1.54 percent of the housing loan portfolio as at 31st March, 2019. The net NPA as at 31st March 2020 was ₹ 4,120.10 crore i.e. 1.99 percent of the housing loan portfolio vis-à-vis ₹ 2,081.20 crore i.e. 1.08 percent of the housing loan portfolio as at 31st March, 2019. The total cumulative provision towards housing loan portfolio including provision for standard assets as at 31st March, 2020 is ₹ 2,631.62 crore as against ₹ 1,693.89 crore in the previous year. During the year, the Company has written off ₹ 35.05 crore which includes non - retail loan also of housing loans as against ₹ 265.66 crore during the previous year.

RESOURCE MOBILISATION

During the year, the Company mobilised funds aggregating to ₹ 1,78,904.60 crore by way of the Non-Convertible Debentures (NCD), Term Loans / Line of Credit (LoC) / Working Capital Demand Loan (WCDL) from banks, NHB refinance, Commercial Paper and Public Deposits. The Company explored funding, through External Commercial Borrowings (ECBs) and raised an amount of \$ 200 million through this avenue. This avenue would enable the company to tap overseas funding and would enhance its reach to the global markets. Funds were also mobilised from NHB under its refinancing facilities. The following is a brief about the various sources of fund mobilised during FY 2019-2020:

NON-CONVERTIBLE DEBENTURES (NCD)

During the year, the Company issued NCD amounting to ₹ 27,010 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/Stable' by CARE. As at 31st March, 2020, NCDs amounting to ₹ 1,24,452.60 crore

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were outstanding. The Company has been regular in making repayment of principal and payment of interest on the NCDs.

As at 31st March, 2020, 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, 2020, the outstanding Subordinate Bonds and Upper Tier II Bonds stood at ₹ 1,500/- crore. Considering the balance term of maturity as at 31st March, 2020, ₹ 1,000/- 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 FROM BANK/ LOC / WC DL, REFINANCE FROM NHB / OTHER FINANCIAL INSTITUTIONS / COMMERCIAL PAPER

The total loans / LOC outstanding from the Banks and Other Financial institution as at 31st March, 2020 are ₹ 43,188.28 crore as compared to ₹ 25,073.23 crore as at 31st March, 2019. The Refinance from NHB as at 31st March, 2020 stood at ₹ 1,882.17 Crore as against ₹ 1,310.68 Crore as at 31st March, 2019. During the year, the Company has availed ₹ 1,000 crores Refinance from NHB under regular refinance scheme. As at 31st March, 2020, Commercial Paper amounting to ₹ 7,628.71 Crore were outstanding as compared to ₹ 7,114.06 Crore for corresponding previous year. During the year 2019-2020, the Company issued Commercial Paper amounting to ₹ 19,152.23 Crore from market as compared to ₹ 38,339.48 Crore 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 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 Education & Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016, the shares in respect of which the dividend has not been claimed for 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.lichousing.com.

UNPAID/UNCLAIMED DIVIDEND

During the financial year under review, your Company has transferred unclaimed dividend of ₹ 98,49,364 /- pertaining to the financial year 2011-12 to the Investor Education and Protection Fund (IEPF), established by the Central Government, on 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 91,801 equity shares of ₹ 2/- each to IEPF in respect of which the dividend remained unclaimed for a period of seven consecutive years i.e. from 2011-12 till the due date of 30th August, 2019 after following the prescribed procedure.

Any person who is entitled to claim unclaimed dividend or deposits etc. that have been transferred to IEPF, 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, 2020, the outstanding amount on account of public deposits was ₹ 6,983.91 crore as against ₹ 3,993.41 crore in the previous year and outstanding amount on account of corporate deposits was ₹ 5,749.69 crore as against ₹ 3,777.10 crore in the previous year. During F.Y. 2019-2020, the number of depositors has increased for public deposit from 35,005 to 43,755 and for Corporate deposit from 567 to 1051.

₹ 5,367.42 crore has been collected as public deposits while ₹ 4,034.00 crore was as corporate deposits. Total aggregate amount collected ₹ 9,401.42 crore.

CRISIL has for the thirteenth 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

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making the product most preferred investment for individual households and others.

1277 deposits amounting to ₹ 93.17 crore which were due for repayment on or before 31st March, 2020 were not claimed by the depositors. Since then, 498 depositors have claimed or renewed amounting to deposits of ₹ 48.45 Crores 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 ₹ 2,35,038/- 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

Following the amendment in the Finance Act, 2019 and the subsequent notification by the Reserve Bank of India (RBI) in August 2019, HFCs would be treated as one of the categories of non-banking financial companies (NBFCs) for regulatory purposes and accordingly would come under RBI's direct oversight. NHB, however, would continue to carry out supervision of HFCs.

The Company has been following guidelines, circulars and directions issued by National Housing Bank (NHB) from time to time. In fact, the Company has complied with the Housing Finance Companies (NHB) Directions, 2010 and other directions/guidelines prescribed by NHB regarding deposit acceptance, accounting standards, prudential norms, capital adequacy, credit rating, corporate governance, information technology framework, fraud monitoring, concentration of investments, risk management, capital market exposure norms and Know Your Customer and Anti-Money Laundering.

Your Company has been maintaining capital adequacy as prescribed by the NHB. The capital adequacy was 13.89 percent as at 31st March, 2020 after considering the loan to value ratio for deciding risk weightage.

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 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.

AUDIT REPORTS AND AUDITORS

Audit Reports and observations

Statutory Audit, Auditor and Statutory Audit Report

The erstwhile statutory auditors namely Shah Gupta & Co., Chartered Accountants (FRN 109574W) and Chokshi & Chokshi LLP, Chartered Accountants (FRN 101872W / W100045) held the office of the statutory auditors until the date of Annual General Meeting and retired due to operation of Section 139 (2) (b) of the Companies Act, 2013. At the Thirtieth Annual General Meeting of the Company, the members had appointed M/s. Gokhale & Sathe, Chartered Accountant (Firm Registration No.: 103264W) and M/s. M. P. Chitale & Co., Chartered Accountant (Firm Registration No.: 101851W) as Joint Statutory Auditors of the Company for a term of 5 consecutive years and to hold office until the conclusion of the Thirty Fifth Annual General Meeting to be held in the year 2024.

M/s. Gokhale & Sathe, Chartered Accountant (Firm Registration No.: 103264W) and M/s. M. P. Chitale & Co., Chartered Accountant (Firm Registration No.: 101851W) are one of the leading firms of chartered accountants and adheres to high professional standards and benchmarks. They have confirmed to the Company that they continue to satisfy the eligibility criteria as mentioned in Section 141 of the Companies Act, 2013.

The remuneration payable to each of the Joint Statutory Auditors will be ₹ 26,20,000/- as 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 alongwith consolidated accounts as well as at all Back Offices to be allotted equally between them in consultation with the management.

The Joint Statutory Auditors' Report dated 19th June, 2020 for the financial year 2019-2020, does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Internal Audit, Auditor and Audit Report

Internal Audit of Back Offices

The Company has an in-house mechanism for Internal Audit of all its back offices which are the nodal offices looking after the

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accounting, sanction and disbursement functions. Such Audit is conducted by the team(s) of in-house auditors. The Company maintains an exhaustive checklist/questionnaire for the purpose of such Audit and the same is updated regularly. The In-house internal audit team(s) submit quarterly reports in respect of the Back offices assigned to them and such reports auditors are periodically reviewed by the Internal Audit Committee of Corporate Office, which is a management level Committee at the Corporate Office. Detailed deliberations take place in respect of key points related to Internal Audit Reports and the same is also placed before the Audit Committee for their information and guidance.

Internal Audit of Corporate Office

M/s. Borkar & Muzumdar, Chartered Accountants, Mumbai are Internal Auditors for Internal Audit of the Corporate Office for financial year 2019-20 as well as for financial year 2020-21. No adverse remark or observation has been cited by them in their four (4) quarterly Audit Reports for the financial year 2019-2020.

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.

Secretarial Audit, Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. N. L. Bhatia & Associates, Practising Company Secretaries undertook the secretarial audit of the Company for the financial year 2019-2020.

The Secretarial Auditor's Report for the financial year 2019-2020 does not contain any qualification, reservation or adverse remark. Report of the Secretarial Auditor for the financial year 2019-2020 in Form MR-3 is annexed to this report as Annexure 10.

A certificate from Shri. P. S. Gupchup, Practising Company Secretary, Mumbai (Membership No.: ACS 4631 and Certificate of Practice No.: 9900), 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 which does not contain any qualification, reservation or adverse remark.

Cost Records and Cost Audit:

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

Corporate Governance

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, has been 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, 2020, 5,349 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 share/s has / have to be transacted in dematerialised form and therefore, members are requested to convert their holdings to dematerialised form.

OUTLOOK FOR 2020-2021

- Focus on growth of Individual home loans segment.
- Continued focus on PMAY-CLSS in alignment with Government Initiatives from time to time & thus ensuring achievement of targets in both numbers and amount.
- Leveraging our relationship with the Builders to whom Project Finance has been provided, for retail business as well.
- Business potential mapping as ongoing activity and spotting new business opportunities.

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- Advance Processing Facility (APF) approval to be made core activity at Area Office levels and generate bulk business.
- Corporate tie ups with builders for business procurement.
- Making use of sales team of builders/developers as distribution channel.
- Making online loan application more effective and enhance its contribution towards the incremental business.
- Leveraging direct business channels viz., Direct Marketing Executive (DME) channel, LICHFL Financial Services Ltd. for generating additional business.
- Strengthening marketing offices opened during the last 3 years and making them high growth centres.
- To make both the Overseas Offices more effective and productive and increasing their share to the Company's business
- To come up with new Incentive or privilege schemes for Intermediaries & Marketing Officials as additional tool of motivation.
- Continuous training to intermediaries and Marketing Officials to increase productivity.
- To grow business qualitatively by consolidating position and strengthening the competitiveness on service delivery.
- To create brand LICHFL as a source of trusted partner exuding consumer confidence.
- Understanding the inherent risks to the business and managing it effectively.
- Widespread market studies assisting modelling of loan products to suit customer needs.
- Making use of information provided by marketing offices about ground market conditions.
- Expansion of distribution network of Marketing Intermediaries and identification of connectors to source business.
- Monitoring of TAT at different levels.
- Continued focus on Digital Marketing for tapping new age customers and generation of quality leads. Promotion of digitized applications through the app- HomY right from on boarding till disbursement.

- Enhance online application sanctions as part of differential customer service and reduction in TAT through LIC HFL HomY App.
- Positioning as a thought leader in industry through placement of related articles across media including digital.

THE MANAGEMENT PERSPECTIVE ABOUT FUTURE OF THE COMPANY

Housing sales in India's nine key property markets namely Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai (including Navi Mumbai and Thane), Pune and Noida, including Greater Noida and the Yamuna Expressway, fell 30 per cent during the October-December quarter of FY 2019-2020 (YoY) despite the government launching several measures in the recent past to revive buyer sentiment. As against 91,464 units sold during the quarter last year, only 64,034 homes were sold across the nine markets in Q3 this year.

The Indian residential sector which is one of the major contributors to India's GDP, has undergone significant changes in the last few years, making it more transparent and credible. However these changes like demonetization, RERA, GST, IBC and subvention scheme ban were although progressive and forward looking with a long term objective, has adversely affected the sector which was already caught in the grip of delayed project deliveries, liquidity squeeze for developers, high unsold inventory due to low sales and a growing proportion of stalled projects since the past few years. Although these changes were difficult for the sector however these changes instilled transparency, accountability and fiscal discipline over the last few years within the home buyers. However, real estate sector has been struggling against a severe liquidity crunch over the past three years following a series of debt defaults by high profile non-banking finance companies. A slump in the residential property market is leaving many builders struggling to repay loans to NBFCs. A series of these key decisions taken by the government to revive the realty sector has improved consumer confidence and the impetus given to the residential sector is expected to yield positive results in the near future. These reforms will also be instrumental in attracting investors, institutions and private capital players into the Indian real estate market.

In order to boost demand for real estate in the country, it is expected that the government would grant industry status to the real estate sector, implement single-window clearance and revise the income tax slab to boost demand and open up more financial options for developers.

In order to move ahead in the above lines and to make the investment in property a more lucrative option, to boost the

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residential real estate market ahead of the presentation of Union Budget 2020, the Confederation of Indian Industry (CII) had called for enhancing the limit on interest deduction on loan taken for the purchase of house property from ₹ 2 lakh to ₹ 5 lakh as the existing the current limit at ₹ 2 lakh is not in harmony with the interest burden borne by taxpayers given the substantial increase in prices. Although the said suggestion was not considered in this year's budget however aiming to boost the affordable housing demand for realization of the goal of "Housing for All" and affordable housing, the government has extend the date of availing an additional ₹ 1.5 lakh tax deduction on home loan interest by one more year till March 2021 and now the said deduction would continue to be available for those individuals buying homes for the first time and of up to ₹ 45 lakh for home loans sanctioned until 31st March, 2021. This additional deduction of ₹ 1.5 lakh, over and above the existing ₹ 2 lakh, is being provided under the Section 80EEA.

To add to all the above woes and nullifying the efforts of the government to boost the sector, there was the influx of the COVID-19 Pandemic in the month of March, which resulted in a series of lock downs and severely affected not only the Indian Economy but that of the entire world. All sectors of the economy are badly hit with immediate high impact of coronavirus pandemic on domestic service sectors such as tourism, aviation, hospitality, auto/taxi, small business, retail, food and beverages, etc. Post lockdown it will take considerable time for the economy to get back to near normal. There is bound to be massive unemployment going forward. After agriculture, real estate is the largest employment generator in the country. 90% of the workforce engaged in the construction of buildings, rest 10% is involved in building completion, finishing, electrical, plumbing, other installation services, demolition and site preparation. (80% unskilled, 9% Skilled and 11% Semi-Skilled. 2013-40mn, 2017-52 mn and 2022 67 mn. as per Moody's estimate). The contraction in economic activity in the second quarter will be severe and the overall recovery in the second half of the year will be gradual. Recovery is also likely to be uneven across sectors as fear of infection will likely alter consumer behaviour, even after restrictions on business activity and mobility are lifted. Many businesses will struggle to stay afloat in these conditions, and eventually some will close regardless of policy support to the economy.

Further, the Housing finance did not pick up as expected due to low demand as the economy slowed post the FY20 Budget. Things improved a notch after the government and the central bank intervened. The government took a slew of measures to revive the economy and the real estate sector by setting AIF (Alternate Investment Fund) namely the SWAMY Fund of ₹ 25,000 crore to provide last mile funding to about 1,600 stalled projects at different stages.

Other Government Measures to boost Housing Demand are:

- (a) increase in Income tax deduction for interest paid on housing loan from ₹ 2.5 lakh to ₹ 3.50 lakh for affordable housing etc.
- (b) Additional Tax benefit to the first time home buyers where stamp duty value of the property is upto ₹ 45 lakh.

Real estate and housing finance are one of the most affected sectors due to the pandemic outbreak.

Stress in housing loans, particularly in affordable housing loans, will rise. In India, even if the outbreak is contained within 15-20 days after the lockdown, the next two quarters are going to be hard for the economy as well as for the Housing Sector. Non-performing assets are set to rise, liquidity will be adversely hit.

The government of India has taken adequate steps to contain the spread of the virus.

Under the Pradhan Mantri Gareeb Kalyan Scheme, ₹ 1.7 Lakh crore has been offered to protect urban and rural poor, farmers and migrant workers to provide food and nourishment to the daily wagers, widows, Self Help Groups, pensioners, farmers and physically challenged which would keep the rural and urban economy active.

- Ex Gratia and LPG Cylinders for women
- Income support to workers and farmers
- Medical support
- Food security

On 13th May, 2020 the Government has announced another package namely 'AtmaNirbhar Bharat' for various sectors despite its tight fiscal position. This has provided major relief to the Economy.

Further, Reserve Bank of India (RBI) has taken unprecedented steps by infusing ₹ 5.29 lakh crore of liquidity, due to which liquidity position will be improved and Financial Institutions may defer recognition of non-performing assets (NPAs) due to these measures. The steps taken are as follows:

- (a) Cash-reserve-ratio cut of 1% this would bring ₹ 1.37 lakh crore into the market;
- (b) Also minimum CRR Balance reduced from 90% to 80% until 26.06.2020,
- (c) Targeted long-term repo operations (TLTRO) of ₹ 50,000 crore, Further, the funds availed by the banks under TLTRO 2.0 should be invested in investment grade bonds, commercial paper and NCDs of NBFCs, with at least 50%

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of the total amount to small and medium sized NBFCs and MFIs.

- (d) Marginal liquidity facility (MSF), a deep repo rate cut of 75 bps (4.4%),
- (e) Reverse repo rate cut by 115 (i.e. 90+25) bps to 3.75% under Liquidity Adjustment Facility (LAF),
- (f) three-month moratorium on all-term loans and working capital until 31st May, 2020, which was further extended for another 3 months until 31st August, 2020.
- (g) ₹ 50,000 crore to All India Financial Institutions (AIFIs) namely NABARD (₹ 25,000 crore), SIDBI (₹ 15,000 crore) and NHB (₹ 10,000 crore) as refinancing facilities.
- (h) Supplied fresh currency of ₹ 1.2 lakh crore from 1st March, 2020 to 14th April, 2020.

SIDBI would be providing quick working capital in the next 45 to 90 days after screening the application for the start-ups who are facing financial challenges; and loans upto ₹ 50 Lakh at 5% interest rate with tenure of 5 years would be extended to MSMEs, engaged in manufacturing of hand sanitizers, masks, gloves, head gear, body suits, shoe covers, ventilators, goggles, testing labs etc.

The following Banking reliefs granted, in the wake of the pandemic, for infusing money into the Economy in order to boost demand and consumer spending, have also improved the liquidity situation:

- (1) No charges on withdrawal of cash through ATM from any bank for 3 months.
- (2) Deferring of interest accrued on cash credit/overdraft on the working capital loans obtained, up to May 31, 2020
- (3) Letter of Credit and Bill Discounting
- (4) Grant a moratorium of three months, by default, on payment of all instalments, Interest on LC/BD/OD/CC
- (5) No minimum account balance charges
- (6) Over Draft and Cash Credit Facilities.

Since many small businesses serve the common masses of the nation, they have more opportunities to revive quickly as soon as the situation gets back to normal.

Also this prevailing situation of lockdown and social distancing has introduced the concept of 'Work From Home'. This although have enhanced the demand for large living places and is expected to boost the residential real estate demand, however

this situation is expected to adversely affect the demand for commercial spaces and a lot of space is expected to stay vacant due to the fall in demand. Also the LRD loan portfolio has to be reassessed due to the large scale negotiation in the rentals by the various corporate tenants.

The Company is constantly reassessing the current scenario and is adopting increased caution while funding projects and LRD loans and is considering the existing borrowers with credible repayment track record and cashflows before taking new exposure on them. More emphasis is being placed on the security value and manner of valuation in order to ensure that there is no dilution of security. Although, the actual impact can only be known after the completion of the moratorium period on 31st August, 2020, the performance of the borrowers for a certain period after the completion of moratorium would be observed, before making subsequent disbursement.

The Company has also laid increased emphasis in strengthening its recovery mechanism and is having a focused approach to ensure its existing portfolio is intact. Also, in order to ensure that the existing retail borrowers are not lured by other financiers, the Company is passing the benefit of the rate cut to the customer and is allowing rewriting of the existing loans with nominal fees.

Also the Company has reduced its interest rates multiple times in order to stay competitive and has reduced its card rate to sub 7% levels. The Company is focusing on sourcing retail loans of moderate ticket size with large volumes in order to mitigate the risks and is constantly modifying its product mix. The Company has launched a product wherein the interest rate being offered is linked to the CIBIL score.

The funding environment continues to be positive for the Company and the liquidity position continues to be quiet good. The borrowing programme had been completed by the end of February, 2020 and during March, the Company was raising funds for expected March end disbursement and for funding disbursement demand of first few weeks of the new financial year and for servicing the borrowings during the month of April, 2020. However, the demand for the funds remained subdued, due to the declaration of the COVID-19 pandemic by WHO post 11.03.2020 and the subsequent lock down. Thus, by the end of March, 2020 the Company had healthy liquidity position.

There had been a reduction in the cost of borrowing, during the FY 2019-2020. The fall in the incremental spread is more than the fall in cost of funds because of the lower yield, as there had been a decline in the asset growth due to the lesser disbursements towards the high yielding portfolio segment such as project loans etc. owing due to the sluggish market conditions. The Company is in a suitable liquidity situation and is well placed in the appropriate ALM buckets as per the NHB regulatory norms.

BOARD'S REPORT

The Company is proceeding to automate and digitize all areas of operations as well as administration. The goal is to achieve maximum automation to leverage technology in order to provide better customer services, shorten the Turn Around Time (TAT) to process loans and ensuring ease of use, to its employees.

As more and more services are being offered online, transforming the organization, by using digital tools and associated practices, is the ultimate aim for this exercise. The Company has already embarked on a journey to transform operating models and has automated certain areas of its operations and administration however the transformation has not been integrated as of now and happens to be scattered. Therefore, the need is felt that the automation should be more integrated and wholesome to ensure that the Company is able to achieve the entire benefits of transformation & digitization. In order to achieve this objective the Company has initiated the process of on boarding a reputed consulting partner with proven track record, who would guide the Company in re-engineering the entire business processes, to bring about a change in the Corporate Culture by transforming the way the business is carried out in a fully digitized environment.

As mentioned earlier the Finance (No.2) Act, 2019 (23 of 2019) amended the National Housing Bank Act, 1987, conferring powers for regulation of Housing Finance Companies (HFCs) with Reserve Bank of India. Following the issue of notification by the Government notifying August 09, 2019 as the date on which Part VII of Chapter VI of the Finance (No.2) Act, 2019 (23 of 2019) shall come into effect, a Press Release was issued on August 13, 2019 in which it is mentioned that a review of the extant regulatory framework applicable to the HFCs will be carried out and revised regulations will be issued.

A review of the extant directions/guidelines applicable to HFCs has been carried out with a view to regulating HFCs as a category of Non-Banking Financial Company (NBFC). Accordingly, it has been decided that in areas where the extant regulation of HFCs are in tandem with that of NBFCs, the relevant paras in the NBFC Master Directions would be made applicable mutatis mutandis to HFCs. In areas where extant HFC regulation differs from that of NBFCs, either existing provisions would be retained, or changes would be brought out wherever possible while ensuring that the changes are made in a least disruptive manner.

Accordingly, the RBI has placed the revised guidelines, which it intends to make applicable in respect of HFCs, on its portal for public comments and some of the highlights viz-a-viz the Company's preparedness in this regard are as follows:

(a) RBI has restricted additional exposure in respect of retail loans by an HFC, in the same project where the HFC has

extended project funding to the Builder/developer. The Company is of the view that such a restriction would be regressive and that extending such funds to the builder/developer as well as retail customers in the same project, would rather mitigate the risks by converting the project loan to builder into retail loans to individuals, has represented the same while submitting the comments.

(b) RBI wants the HFCs to adopt the best IT platform and the Company has already initiated steps in this regard.

Overall it is expected that RBI would make the compliances and norms more stringent and that the Company is preparing itself to cope up with the said changes, with minimum disruption to its operations.

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, 2020 is attached as Annexure 1 to this Report.

Extract of Annual Return is also displayed at Company's website at the given link - www.lichousing.com/annual_general_meeting.php.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the joint statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

SECRETARIAL STANDARDS:

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

RATING RATIONALE:

CRISIL had reaffirmed its outstanding rating as 'CRISIL AAA/Stable' rating to the non-convertible debentures issue of LIC Housing Finance Limited and has also reaffirmed its 'CRISIL AAA/FAAA/Stable/CRISIL A1+' ratings on other debt instruments, bank facilities and fixed deposit programme of the company.

BOARD'S REPORT

Total Bank Loan Facilities Rated	₹ 40,059.88 crore
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)
₹ 25,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 25,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 25,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 5,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 15,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 10,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 5,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 5,976 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 15,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 15,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 20,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 33,833 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 1,600 crore Upper Tier II Bond	CRISIL AAA/Stable (Reaffirmed)
₹ 1,750 crore Tier II Bond	CRISIL AAA/Stable (Reaffirmed)
Fixed Deposits Programme	FAAA/Stable (Reaffirmed)
₹ 17,500 crore Commercial Paper	CRISIL A1+ (Reaffirmed)

CARE Ratings had assigned its 'CARE AAA; Stable' rating to the ₹ 35,000 crore non-convertible issue of LIC Housing Finance Limited and reaffirmed its 'CARE AAA; Stable'. The unutilised amount as on 30.06.2020 was ₹ 20997.90 crore.

ICRA Limited had reaffirmed ICRA A1+ rating to the ₹ 17,500 crore commercial paper issue of LIC Housing Finance Limited and has reaffirmed its ICRA A1+.

BOARD MEETINGS HELD DURING THE YEAR:

During the year under review, 6 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:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind As) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Act (to the extent modified), guidelines issued by the Securities and Exchange Board of India (SEBI) and guidelines issued by the National Housing Bank ('NHB') (Collectively referred to as 'the Previous GAAP').

The Ind AS are prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in the accounting policy hitherto in use.

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:

- in the preparation of the annual accounts, the applicable accounting standards has been followed and there are no material departures;
- 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;
- 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;
- the Directors have prepared the annual accounts on a going concern basis;
- 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

BOARD'S REPORT

- (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:

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

It is endeavour of the Company to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of 31st March, 2020, the Board had eleven members, consisting of two non-executive directors nominated by LIC of India including Chairman and one LIC Director, one executive director who is Managing Director & CEO; two non-executive and non-independent directors, while rest six are independent directors including one independent woman director.

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 5th March, 2020.

We affirm that except Chairman, LIC Director and Managing Director & CEO were and are paid sitting fees for Board and Committee (other than for Corporate Social Responsibility Committee) meetings attended by them. However, Managing Director & CEO is paid remuneration as applicable to an Officer in the cadre of Executive Director of LIC of India and PLI as per the terms laid out in the Nomination and Remuneration Policy 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:

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:

Considering the nature of the industry in which the Company operates, 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. 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 pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed as Annexure 4 to this report.

AMOUNTS, IF ANY WHICH IT PROPOSES TO CARRY TO ANY RESERVES:

The Company has transferred ₹ 749.99 crore to Special Reserve u/s 36(1)(viii) of the Income-tax, Act., 1961 and ₹ 0.01 crore to the Statutory reserve u/s 29C of NHB Act; and an amount of ₹ 600 crore to General Reserve.

AMOUNT, IF ANY, WHICH IT RECOMMENDS SHOULD BE PAID BY WAY OF DIVIDEND:

₹ 403.73 crore is proposed to be paid by way of dividend to shareholders of the Company i.e. ₹ 8.00 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, 2020 and the date of the Board's Report i.e. 24th August, 2020

BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. Conservation of energy –

(i) The steps taken and 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.

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, 2020, the Company does not have any foreign currency earning and the foreign currency spent is ₹ 2.88 crore. 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.

The Risk Management Policy of the Company is in accordance with the directives issued by National Housing Bank. During the financial year under review, the Risk Management Policy of the Company was reviewed and put up to the Board. The same was approved in the Board Meeting dated 6th March, 2020.

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:

Shri Jagdish Capoor	Chairman	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Siddhartha Mohanty	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 performance, Board level committees and Individual Directors

BOARD'S REPORT

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 5th March, 2020.

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

The Board 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.

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 Thirty First 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 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, 2020 form part of this Annual Report.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the annual report of the Company, the annual financial statements and the related documents of the Company's subsidiary and associate companies are hosted on the website of the Company.

THERE HAS BEEN NO CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY DURING THE YEAR UNDER REVIEW.

DIRECTORS:

As of 31st March, 2020, the Board had eleven members, consisting of two non-executive directors nominated by the promoter, LIC of India which includes the Chairman, Shri M.R Kumar and Director Shri Vipin Anand. The Managing Director & CEO, Shri Siddhartha Mohanty, who is the only executive director in the Board is also a Nominee of the LIC of India. Apart from these three (3) nominee directors there are two non-executive and non-independent directors namely Shri P Koreswara Rao and Shri Sanjay Kumar Khemani. The major part of the board members being six (6) in number are held by independent directors including one independent woman director namely Ms. Savita Singh. The other independent directors are viz., Shri Jagdish Capoor, Dr. Dharmendra Bhandari, Shri Ameet N Patel, Shri V. K. Kukreja, Shri Kashi Prasad Khandelwal.

SUCCESSION PLANNING:

In order to ensure stability and effective implementation of long term business strategies and for smooth transition at MD & CEO level, the Board decided that new MD & CEO should be posted in advance, say 4-6 months as COO who would subsequently take over as MD & CEO on retirement / elevation / transfer of the existing MD & CEO.

In terms of Article 138(b) of the Articles of Association of Company, LIC of India is entitled to nominate upto one third of the total number of directors of the Company and therefore, the Board after consideration, approved posting of senior official from LIC of India as Nominee of LIC of India for the post of COO as part of succession plan for MD & CEO with a view to ensure stability and effective implementation of long term business strategies.

APPOINTMENTS / RESIGNATIONS OF DIRECTORS:

Shri Vipin Anand, Managing Director, LIC of India was nominated to hold the board level position in LIC Housing Finance Limited vide LIC Office Order No:CM/2019-20/06 dated 2nd November, 2019. In this regard the Nomination and Remuneration Committee which had considered the performance evaluation report of Shri Vipin Anand (DIN 05190124) and 'Fit and Proper' criteria adopted by the Board on 10th March, 2017 pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017 had undertaken process of due diligence in the case of Shri Vipin Anand (DIN 05190124) and found him to be suitable and eligible based on the evaluation, qualification expertise, track record, integrity, 'fit and proper' criteria to be appointed to the Board as Additional Non-Independent (Non-Executive) Nominee Director of the Company liable to retire by rotation with effect from 11th November, 2019. Based on the recommendation of the Nomination and Remuneration

BOARD'S REPORT

Committee, the Board considered and after having thought fit pursuant to the provisions of the Section 149, 152, 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, other applicable provisions of any other statute(s) for the time being in force, including any amendment, modification, variation or re-enactment thereof and in terms of clause 138 and 143 of the Articles of Association of the Company, Shri Vipin Anand (DIN 05190124) who fulfils the criteria of Non-Independent Director (Non-Executive) prescribed under Section 152 & 161 of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 be and is hereby appointed as Additional Non Independent Director (Non-Executive) of LIC Housing Finance Limited (the Company), liable to retire by rotation, with effect from 11th November, 2019 and the said appointment shall be without prejudice to his continuing service in LIC of India.

Shri Hemant Bhargava had tendered his resignation from Directorship of the Company with effect from 01st August, 2019 on attainment of superannuation from the services of LIC of India.

The Nomination and Remuneration Committee which had considered the performance evaluation of Shri V K Kukreja (DIN-01185834) and 'Fit and Proper' criteria adopted by the Board on 10th March, 2017 pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017 had undertaken process of due diligence in the case of Shri V K Kukreja (DIN-01185834) and found him to be suitable and eligible based on evaluation, qualification, expertise track record, integrity, 'fit and proper' criteria, for recommendation to the Board to continue Shri V K Kukreja (DIN-01185834) as an Independent Director of the Company for a further period of five consecutive years with effect from 30th June, 2020 not liable to retire by rotation. Based on the recommendation of the Nomination and Remuneration Committee, the Board considered and after having thought fit pursuant to the provisions of the Sections 149, 152, 161 and other applicable provisions, if any of the Companies Act, 2013, and the Rules made thereunder, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the NHB Act and the regulations, directions made thereunder and the provisions of any other statute as may be applicable in this regard and for the time being in force, approved re-appointment of Shri V K Kukreja (DIN-01185834) as an Independent Director of the Company to hold office for a period of five consecutive years with effect from 30th June, 2020, not liable to retire by rotation.

The Nomination and Remuneration Committee which had considered the performance evaluation of Shri Ameet Patel (DIN-00726197) and 'Fit and Proper' criteria adopted by the

Board on 10th March, 2017 pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017 had undertaken process of due diligence in the case of Shri Ameet Patel (DIN-00726197) and found him to be suitable and eligible based on evaluation, qualification, expertise Shri Siddhartha Mohanty track record, integrity, 'fit and proper' criteria, for recommendation to the Board to continue Shri Ameet Patel (DIN-00726197) as an Independent Director of the Company for a further period of five consecutive years with effect from 19th August, 2020 not liable to retire by rotation. Based on the recommendation of the Nomination and Remuneration Committee, the Board considered and after having thought fit pursuant to the provisions of the Sections 149, 152, 161 and other applicable provisions, if any of the Companies Act, 2013, and the Rules made thereunder, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the NHB Act and the regulations, directions made thereunder and the provisions of any other statute as may be applicable in this regard and for the time being in force, approved re-appointment of Shri Ameet Patel (DIN-00726197) as an Independent Director of the Company to hold office for a period of five consecutive years with effect from 19th August, 2020, not liable to retire by rotation.

The Board also recommended appointment of Shri Siddhartha Mohanty (DIN 08058830), Managing Director and Chief Executive Officer (MD & CEO) as a Director and MD & CEO as also Key Managerial Personnel (KMP) to the shareholders / members of the Company for approval in the forthcoming Annual General Meeting of the company based on the recommendation of the Nomination and Remuneration Committee in terms of Notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 09.02.2017 issued by NHB and other applicable provisions of the Companies Act, 2013 and SEBI (LODR), 2015, NHB Directions and any other notification(s), circular(s), order(s) etc. made under the said statute(s) and considering the process of due diligence and scrutiny of the declarations undertaken by the Nomination and Remuneration Committee. The appointment of Shri Siddhartha Mohanty (DIN 08058830) as MD & CEO as also Key Managerial Personnel (KMP) is pursuant to the provisions of Sections 2(78), 2(94), 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other Rules framed thereunder read with Schedule V to the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof for the time being in force and the Articles 138, 161 and 194(c) of Articles of Association of the Company, subject to approval of the members in the 31st Annual General Meeting and such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptable to the appointee, the

BOARD'S REPORT

consent of the Board of Directors be and is hereby accorded for the appointment of Shri. Siddhartha Mohanty (DIN 08058830) as Managing Director & CEO as also Key Managerial Personnel of the Company for a period of 3 years and beyond, maximum upto 5 years effective from 1st August, 2019 or as decided by LIC of India from time to time on payment of remuneration and PLI for the aforesaid period.

The terms and conditions of his service shall be determined from time to time by LIC of India and the Board of LIC Housing Finance Limited and that, the remuneration payable to him shall be within the limit as per the Companies Act, 2013. His appointment as Managing Director & CEO as also Key Managerial Personnel shall be without prejudice to his continuing service in LIC of India.

DIRECTOR RETIRING BY ROTATION:

Shri Sanjay Kumar Khemani, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

APPOINTMENTS / RESIGNATION OF THE KEY MANAGERIAL PERSONNEL:

Shri Siddhartha Mohanty, Managing Director & CEO, Mr. Nitin K. Jage, General Manager & Company Secretary and Mr. Sudipto Sil, CFO are the Key Managerial (Taxation) Personnel (KMP) as per the provisions of the Companies Act, 2013. During the Financial year 2019-2020 there has not been any change in the KMP.

COMMITTEES OF THE BOARD:

The Company has various committees which have been constituted 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
- Strategic Investment Committee
- IT Strategy Committee

COMPOSITION OF AUDIT COMMITTEE IS AS FOLLOWS:

Shri Jagdish Capoor	Chairman	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Ameet Patel	Member	Independent Director
Shri Kashi Prasad Khandelwal	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 Report.

SUBSIDIARIES AND GROUP COMPANIES

As on 31st March, 2020, 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, 2020, 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 with an authorised share capital of ₹ 75 Crore. The basic purpose of incorporating the Company was to establish and operate 'assisted living community centres' for the senior citizens.

During the FY 2019-2020, the Company earned a Profit Before Tax (PBT) of ₹ 437.32 Lakh and Profit After Tax (PAT) stood at ₹ 261.24 Lakh.

The Company has successfully completed a project at Bangalore in two Phases. It has received the Occupancy Certificate for its Bhubaneswar project, from Bhubaneswar Development Authority and is in the process of handing over the units to the allottees. Further, the Company is in process to develop new Carehomes project at Jaipur, Rajasthan and Aluva, Kerala. The Company is also in process to purchase land at various locations across the Country. Going forward, these projects are likely to further improve the overall operations and stability of the Company.

BOARD'S REPORT

With life expectancy 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 fulfilment of Corporate Social Responsibility at the forefront.

2. LICHFL Asset Management Company Limited

The Company was incorporated on 14th February 2008. The Company is in the business of managing, advising, administering Private Equity Funds including Venture capital Fund (VCF) and Alternate Investment Fund (AIF)

The Company was appointed as Investment Manager in 2010 to raise and manage the LICHFL Sponsored, 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 ₹ 461.30 Crore in 9 Portfolio Companies, acquisition or operation of affordable / mid income housing, related infrastructure and Hospitals. With receipts from 6 exits, the Fund has so far achieved a multiple of 1.70x on investments with an IRR of 27.19%.

The Company also launched a new Alternative Investment Fund (AIF) namely LICHFL Housing & Infrastructure Fund (LHIF), with a total corpus of ₹ 1,000 Crore including Green Shoe Option (GSO) of ₹ 250 Crore and the focus of the Fund is on Affordable Housing and Property backed Infrastructure in sectors which include Educational Institutions, Hospitals, Industrial Parks & Warehouses. As on 31st March 2020, the Company has already received total Commitment of ₹ 765 crore out of which Contribution Agreement was signed for ₹ 760 crore.

During the FY 2019-2020, the Company earned a Profit Before Tax (PBT) of ₹ 1,081.11 Lakh and Profit After Tax (PAT) stood at ₹ 735.43 Lakh.

3. LICHFL Trustee Company Private Limited

The Company was incorporated on 5th March, 2008. The Company is undertaking the business of trusteeship services for Venture Capital Funds (VCFs) and Alternative Investment Funds (AIFs).

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 Urban Development Fund achieved its financial closure with ₹ 529.35 Crore on 30th March, 2013.

The Company was appointed as Trustee in 2017 for LICHFL Housing & Infrastructure Trust (LHIT) and further appointed LICHFL AMC Ltd. as Investment Manager for LICHFL Housing and Infrastructure Fund (LHIF). The Company had received registration for LHIF 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. The final closing of the fund was supposed to be on 31st March 2020 but the Investment Manager has requested for further extension of 6 months i.e. 30th September 2020, the result of which is awaited.

During the FY 2019-2020, the Company earned a Profit Before Tax (PBT) of ₹ 15.80 Lakh and Profit After Tax (PAT) stood at ₹ 12.50 Lakh.

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, credit cards. It became operational in March, 2008 and at present has 50 offices spread across the country.

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 – right from financial planning to manage every aspect of 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 ₹ 1,527.84 Lakhs and Profit After Tax (PAT) stood at ₹ 1,062.53 Lakhs for the FY 2019-2020 and recommended dividend @ 25% for FY 2019-2020 on paid up share capital of ₹ 9.50 Crores.

BOARD'S REPORT

FINANCIAL HIGHLIGHTS FOR FY 2019-2020 IN COMPARISON WITH PREVIOUS YEAR:

SN	Particulars	FY 2019-2020 (₹ in Lakhs)	FY 2018-19 (₹ in Lakhs)
1.	Total Income	5,044.71	5,298.81
2.	Profit Before Tax	1,527.84	1,900.91
3.	Profit After Tax	1,062.53	1,309.71
4.	Dividend (Declared)	237.50	380.00

The Company is striving to improve its Performance across all Business verticals in the coming years.

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

As on 31st March, 2020, 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, 2020, 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:

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 Siddhartha Mohanty	8:1

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)

KMP	% increase in remuneration in the financial year
Executive Director (MD&CEO)*	6.76%
Company Secretary	6.85%(on account of perquisite in respect of lease accommodation)
Chief Financial Officer**	43.24%

* Remuneration of MD & CEO includes Salary for the month from Apr-19 to July-19 & PLI which was given during F. Y. 2019-20 to the MD & CEO who has been repatriated to LIC of India.

** Remuneration of CFO includes Salary for the month of Apr-19 & PLI which was given during F. Y. 2019-20 to the CFO who has been repatriated to LIC of India.

BOARD'S REPORT

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

23.91%

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

2392

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, 2020	15 November 1994 IPO)	% Change
Market Price (in ₹)	235.20**	12*	4610.42

* Adjusted Issue price value on account of sub-division

** BSE-closing Price ₹ 235.20

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 6.76%. The average annual Increase in the salaries of the employees other than managerial personnel during the year was 23.91% on account of increase in DA and new recruitment at officer level.

g. Affirmation that 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.

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 thereunder. 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:

- Number of complaints received in the year: 1
- Number of complaints disposed of during the year: 1
- Number of cases pending more than ninety days: Nil
- 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.
- Nature of action taken by the employer or district officer: Nil

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, increase productivity of Human Resource by enhancing knowledge, skills and to provide conducive work environment to develop a sense of ownership amongst employees. 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. The Company inducted employees during the year for various positions and also promoted employees to take up higher responsibilities. Apart from fixed salaries, perquisites and benefits, the Company also has in place performance-linked incentives which reward outstanding

BOARD'S REPORT

performers, who meet certain performance targets. In pursuance of the Company's commitment to develop and retain the best available talent, the Company had organised and sponsored various training programmes / seminars / conferences for upgrading skill and knowledge of its employees in different operational areas.

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, investors 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: 24th August, 2020