

BOARD'S REPORT

To the Members of LIC Housing Finance Limited

Your Directors are pleased to present the Thirty Fifth Annual Report together with the Audited Financial Statements (standalone and consolidated) for the year ended 31st March, 2024 of LIC Housing Finance Limited ('the Company').

FINANCIAL RESULTS

(₹ in crore)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Profit before Tax	6,053.92	3,557.00
Tax Expense	1,288.51	665.97
Profit after Tax	4,765.41	2,891.03
Other Comprehensive Income	(3.57)	5.03
Total Comprehensive Income	4,761.84	2,896.06
Appropriations		
Special Reserve u/s 36(1) (viii) of the Income Tax Act, 1961	1,309.99	984.99
Statutory Reserve u/s 29C of NHB Act, 1987	0.01	0.01
General Reserve	1,000.00	850.00
Impairment Reserve	-	-
Dividend	467.55	467.55
Balance carried forward to next year	1,984.29	593.51
	4,761.84	2,896.06

The above figures are extracted from the financial statements prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act. The detailed Financial Statements as stated above are presented as separate section of this Annual Report.

APPROPRIATION

Transfer to Reserves

The Company has transferred ₹ 1309.99 crore to Special Reserve u/s 36(1)(viii) of the Income-tax, Act., 1961 excluding transfer of ₹ 0.01 crore to the Statutory Reserve maintained u/s 29C of NHB Act; and an amount of ₹ 1,000 crore to General Reserves.

Hence, the total amount transferred to special reserve is ₹ 1310 crore (including ₹ 0.01 crore to Statutory Reserve u/s 29C of NHB Act) and ₹ 1000 crore to General Reserves.

DIVIDEND

The Company has formulated a robust Dividend Distribution Policy in accordance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy aims to ensure prudent decision-making regarding dividend allocation to shareholders. It strikes a balance by earmarking adequate funds for the Company's growth and long-term objectives while judiciously distributing dividends. Before recommending dividends to the Members of the Company, the Board of Directors meticulously considers various parameters.

Performance and Dividend Recommendation for FY 2023-24

During the financial year 2023-2024, the Company's Board of Directors evaluated its performance. Balancing prudence with capital conservation, the Board aimed to meet shareholders' expectations. Taking into account the Dividend Distribution Policy and RBI Circular No. DOR.ACC.REC.No.23/21.02.067/2021-22 dated 24th June, 2021, the Board recommends a dividend payment of ₹ 9 per equity share (face value of ₹ 2/- per share) at a rate of 450 percent. The total dividend outgo, if approved by shareholders at the 35th Annual General Meeting, would be ₹ 495.06 crore which will result in additional outgo of ₹ 27.51 crore as compared to the payout for the previous year. The final dividend is subject to approval by the Members of the Company at the ensuing Annual General Meeting.

The dividend if declared by the Company for the financial year ended 31st March, 2024 would be in compliance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy is available on the website of the Company at <https://www.lichousing.com/policy-codes/>

INDIAN ACCOUNTING STANDARDS

The Company has complied with the applicable Indian Accounting Standards (Ind AS) 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.

PERFORMANCE

Income and Profit

The Company earned total revenue of ₹ 27,234.64 crore for the FY 2023-24 as compared to ₹ 22,674.20 crore in the FY 2022-23, registering an increase of 20.11 percent, as compared to previous year. The percentage of administrative expenses to the housing loans, which was 0.36 percent in the previous year, has increased to 0.40 percent during the financial year 2023-24, mainly due to provisions made for arrears of wages created in the previous year which were included in employee benefits expenses.

Profit before tax and after tax for FY 2023-24 on standalone basis stood at ₹ 6,053.92 crore and ₹ 4,765.41 crore respectively as against ₹ 3,557.00 crore and ₹ 2,891.03 respectively, for the previous year. The increase in the profit before and after tax during the FY 2023-24 is attributable to increase in Net Interest Margin & reduction in ECL charge for the year.

Lending Operations

The Company 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.

As at 31st March, 2024 the loan book constituted of 85.13 per cent of Individual Housing Loans, 9.98 per cent of Non-Housing Loans to Individuals (NHI), 2.09 per cent of Non-Housing Loans to Corporates & 2.80 per cent of project portfolio. (As per IND-AS)

Individual Housing Loans (IHL)

During the year the main thrust continued to be on individual housing loans. The Company has sanctioned 1,84,377 Individual Housing Loans (IHL) amounting to ₹ 54,352 crore and disbursed 171,944 loans aggregating to ₹ 49,103 crore during FY 2023-24. IHL constitute 79.04 percent of the total sanctions and 83.31 percent of the total disbursements for the FY 2023-24 as compared to 82.92 percent and 83.38 percent respectively during the FY 2022-23. The gross IHL portfolio grew by 6.77 percent from ₹ 2,28,730 crore as on 31st March, 2023 to ₹ 2,44,205* crore as on 31st March, 2024.

Non-Housing Individual Loans (NHI)

The company has sanctioned 27,701 Non-Housing Individual Loans (NHI) amounting to ₹ 7,186 crore and disbursed 26,195 loans amounting to ₹ 6,671 crore during the FY 2023-24. NHI constitutes 10.45 percent of the total sanctions and 11.32 percent of the total disbursement for the FY 2023-24 as compared to 11.39 percent and 11.63 percent respectively during FY 2022-23. The gross NHI portfolio grew by 4.42 percent from ₹ 27,412 crore as on 31st March, 2023 to ₹ 28,624 crore as on 31st March, 2024.

Non-Housing Corporate (NHC)

The company has sanctioned 111 Non-Housing Corporate Loans (NHC) amounting to ₹ 665 crore and disbursed 93 loans amounting to ₹ 603 crore during the FY 2023-24. NHC constitute 0.97 percent of the total sanctions and 1.02 percent of the total disbursement for the FY 2023-24 as compared to 0.85 percent and 0.78 percent respectively during FY 2022-23. The gross NHC portfolio decreased by 16.57 percent from ₹ 7,168 crore as on 31st March, 2023 to ₹ 5,980 crore as on 31st March, 2024.

The cumulative sanctions and disbursements since incorporation, in respect of IHL, NHI and NHC are:

Amount sanctioned:	₹ 636,935 crore
Amount disbursed:	₹ 608,917 crore

Since inception 37,20,687 customers have been serviced by the Company up to 31st March, 2024. The number of live accounts on 31st March, 2024 were 15,47,688 and out of which unique customers are 11,83,515.

PROJECT LOANS

The project loans sanctioned and disbursed by the Company during the year amounted to ₹ 6,564 crore and ₹ 2,560 crore respectively. Corresponding figures for the previous year were ₹ 3,096 crore and ₹ 2,697 crore. These loans are generally for short durations, giving better yields as compared to individual housing loans.

AWARDS AND RECOGNITIONS

In the dynamic landscape of business, recognition serves as a compass, guiding us towards excellence. As we reflect on the past year, we take immense pride in the accolades bestowed upon us. From being named the "Best CSR Team of the Year" by the "UBS Forums" at the 10th Edition of CSR Summit and Awards 2024, our journey has been marked by triumphs and milestones. a testament to our commitment to transparency and accountability.

PRESENTING THE COMPANY'S OUTSTANDING AWARDS AND RECOGNITIONS FOR THE YEAR

- The Company has been awarded "Technology Innovation Award" in recognition of CSR support for the "Early Oral Cancer Detection Device" project undertaken by IIT Kanpur between FY 2021-20 and FY 2023-24 by IIT Madras.
- The Company has been awarded "Jury's Choice" award for Empowering the Rural Population Category in recognition of the HRIDAY Project at ICC Social Impact Awards 2024.
- Adjudged as the runner-up for the Sujalam Project in the "Clean Water and Sanitation Project".
- Adjudged as the Winner in the "Best CSR Team of the Year" and received recognition for the "Best Use of CSR Practices in Various Sectors" by UBS Forums' 10th Edition CSR Summit and Awards 2024.

These honours fuel our passion to continue pushing boundaries and delivering exceptional value to our stakeholders.

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 310 Marketing Offices and Customer Service Points. The distribution network also includes 46 offices of LICHL Financial Services Ltd., wholly-owned subsidiary company engaged in distribution of various financial products including housing loan. The Company has representative offices in Dubai.

REPAYMENTS

During the FY 2023-24, ₹ 45,530.35 crore were received by way of scheduled repayment of principal through monthly

instalments as well as prepayment of principal ahead of schedule, as compared to ₹ 38,778.33 crore received in the previous year.

NON-PERFORMING ASSETS AND PROVISIONS

The amount of gross Non-Performing Assets (NPAs) as of 31st March, 2024 were ₹ 9,483.39 crore, which is 3.31 percent of the loan portfolio of the Company, as against ₹ 12,124.74 crore i.e., 4.41 percent of the loan portfolio as of 31st March, 2023. The net NPA as of 31st March, 2024 was ₹ 4607.13 crore i.e. 1.63 percent of the loan portfolio vis-à-vis ₹ 6,743.52 crore i.e. 2.50 percent of the loan portfolio as at 31st March, 2023. The total cumulative provision towards housing loan portfolio including provision for standard assets as at 31st March, 2024 is ₹ 6,270.06 crore as against ₹ 7,230.29 crore in the previous year.

Company has written off ₹ 2,005.62 crore during the FY 2023-24, in comparison to the amount of ₹ 544.71 crore which has been written off in the previous year.

RESOURCE MOBILISATION

During the year, the Company mobilised funds aggregating to ₹ 96,647.60 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 has availed refinance of ₹ 750 crore from NHB. The following is a brief about the various sources of funds mobilised during FY 2023-24:

NON-CONVERTIBLE DEBENTURES (NCD)

During the year, the Company issued NCDs amounting to ₹ 32,506.30 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, 2024, NCDs amounting to ₹ 1,32,808.62 crore were outstanding. The Company has been regular in making repayment of principal and payment of interest on the NCDs.

As at 31st March, 2024, there were no NCDs that 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. Accordingly, the amount of NCDs remaining unclaimed or unpaid beyond due date is Nil.

TIER II BONDS

As at 31st March, 2024, the outstanding Tier II Bonds stood at ₹ 1,796.33 crore. Considering the balance term of maturity as at 31st March, 2024, ₹ 1,796.33 crore of the book value of 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 / WCDL, REFINANCE FROM NHB / COMMERCIAL PAPER

The total Term / LOC outstanding from the Banks as at 31st March, 2024 were ₹ 87,272.11 crore as compared to ₹ 83,089.07 crore as at 31st March, 2023. The Refinance from NHB as at 31st March, 2024 stood at ₹ 8,864.47 crore as against ₹ 11,303.18 crore as

at 31st March, 2023. During the year, the Company has availed ₹ 750 crore Refinance from NHB under various refinance schemes. As at 31st March, 2024, Commercial Paper amounting to ₹ 11,856.70 crore were outstanding as compared to ₹ 13,513.59 crore for corresponding previous year. During the year 2023-24, the Company issued Commercial Paper amounting to ₹ 13,852.04 crore from market as compared to ₹ 17,668.89 crore for the 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.

FIXED DEPOSITS (INCLUDING PUBLIC DEPOSIT)

As at 31st March, 2024, the outstanding amount on account of Public Deposits was ₹ 3,949.81 crore as against ₹ 3,505.27 crore in the previous year and outstanding amount on account of Corporate Deposits was ₹ 5,948.75 crore as against ₹ 8,120.94 crore in the previous year. During FY 2023-24, the number of deposits from the public has increased from 21197 to 22377 and for Corporate Deposits the same number has reduced from 1180 to 1032.

₹ 1,871.17 crore has been collected as Public Deposits while ₹ 5,141.59 crore was collected as Corporate Deposits. Total aggregate amount collected was ₹ 7,012.76 crore.

CRISIL has, for the Seventeenth consecutive year, re-affirmed a rating of "CRISIL AAA/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 mobilisation of deposits and making the product a preferred investment avenue for individual households and others.

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 date of transfer to unpaid dividend account are required to be transferred to 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 on the website

of the Company, as per the requirements. Link for the same is <https://www.lichousing.com/investors-education>.

UNPAID/UNCLAIMED DIVIDEND

During the financial year under review, after giving due notice to the members, your Company has transferred unclaimed dividend of ₹ 1.20 crore pertaining to the financial year 2015-16 to the IEPF, upon 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 1,25,600 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 2015-16 till the due date of 29th September, 2023 in respect of which, individual notices had also been sent to concerned Shareholders.

UNCLAIMED DEPOSITS

424 Nos. of Fixed deposits amounting to ₹ 80.91 crore (out of which 369 are public deposits amounting to ₹ 17.38 crore) which were due for repayment on or before 31st March, 2024 were not claimed by the depositors. Since then, 89 depositors have claimed or renewed deposits of ₹ 49.36 crore (out of which 63 are public deposits amounting to ₹ 11.26 crore) as on 30th June, 2024. Depositors were appropriately intimated for renewal / claim of their deposits. Further, adequate follow-up is initiated in respect of those cases where Fixed 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 30th June, 2024 ₹ 3.31 lakh against unclaimed Principal and ₹ 5.15 lakh against unclaimed interest on deposits has been transferred to IEPF. Concerned depositors can claim their refunds from the IEPF authority.

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.

Any person who is entitled to claim unclaimed dividend or deposits etc. which 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.

REGULATORY COMPLIANCE

Following the amendment in the Finance Act of 2019 and the subsequent notification by the Reserve Bank of India (RBI) in

August 2019, Housing Finance Companies (HFCs) are now categorised as Non-Banking Financial Companies (NBFCs) for regulatory purposes. Consequently, they fall under the direct oversight of the RBI. However, the National Housing Bank (NHB) continues to supervise HFCs. In this context, the Master Direction titled 'Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021' was issued on 17th February, 2021, superseding the regulations and directions previously outlined in Chapter XVII.

The Company diligently adheres to guidelines, circulars and directions issued by the RBI/NHB, from time to time. The Company has complied with the following regulatory frameworks:

- Master Direction-Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 - Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

Additionally, the Company has followed the directions and guidelines prescribed by the RBI. These encompass various aspects, including acceptance of deposits, accounting standards, prudential norms, capital adequacy, credit rating, corporate governance, liquidity management, information technology framework, fair practice code, fraud monitoring, concentration of investments, risk management, capital market exposure norms, Know Your Customer (KYC) guidelines, maintenance of liquidity coverage ratio, and anti-money laundering measures.

Your Company has been maintaining capital adequacy ratio as prescribed by the RBI. The capital adequacy ratio was 20.78 percent as at 31st March, 2024, as against 18.23 percent as at 31st March, 2023 (as against the regulatory minimum of 15 percent).

The Company also has been following Directions / Guidelines / Circulars issued by SEBI, MCA, NHB and RBI from time to time, as applicable to a Listed Company. Regulatory and statutory updates are regularly presented before the Board, and the Company has established robust systems and processes to ensure compliance with these requirements.

As per the requirements of the RBI's Scale Based Regulations, the Internal Capital Adequacy Assessment Procedure (ICAAP) is being implemented and the ICAAP policy has been approved by the Board of Directors of the Company on 7th March, 2024 and the ICAAP implementation would be completed on or before 30th September, 2024.

POLICIES AND CODES

During the year, the Company has reviewed all its policies and modifications therein as required in terms of provisions of the Act, RBI Directions, Listing Regulations and Insider Trading Regulations issued by the SEBI and placed all the statutory policies on its website at <https://www.lichousing.com/policy-codes/>

DISCLOSURE UNDER HOUSING FINANCE COMPANIES FOR ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS (NHB) DIRECTIONS, 2014 READ WITH MASTER DIRECTION – NON-BANKING FINANCIAL COMPANY – HOUSING FINANCE COMPANY (RESERVE BANK) DIRECTIONS, 2021.

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.

AUDITORS, AUDIT REPORTS AND OBSERVATIONS

Statutory Audit

As per the guidelines for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the RBI vide ref. no. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021, the Company is required to appoint the statutory auditors for a continuous period of three years, subject to the firms satisfying the eligibility norms (to be confirmed by the firms in Form B) each year and also to inform RBI (i.e. Central Office of RBI (Department of Supervision)) about the appointment of SCAs/SAs for each year by way of a certificate in Form A within one month of such appointment.

Accordingly, the Company has appointed the following statutory auditors:

M/s. SGCO & CO LLP, Chartered Accountants (Firm Registration No.: 112081W/W100184) and

M/s. Khandelwal Jain & Co, Chartered Accountants (Firm Registration No.: 105049W)

These auditors will serve as Joint Statutory Auditors (JSAs) for a term of three consecutive years. The appointment was made at the Thirty-Third Annual General Meeting held on 29th September, 2022 and will continue until the conclusion of the Thirty-Sixth Annual General Meeting in the year 2025. The Company has also communicated the above appointment to the National Housing Bank (NHB), RBI, and the Ministry of Corporate Affairs (MCA).

The Joint Statutory Auditors have conducted the audit of the standalone and consolidated Financial Statements of the Company for the FY 2023-24 in accordance with the Standards on Auditing specified under sub-section (10) of section 143 of the Companies Act, 2013. The Auditors' Report for FY 2023-24 does not contain any qualification, reservation or adverse remark on the financial statements for the year ended 31st March, 2024. The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Joint Statutory Auditors' Report dated 15th May, 2024 for the financial year 2023-24 is enclosed with the financial statements in this Annual Report.

INTERNAL AUDIT

Internal Audit, Auditor and Audit Report

The Reserve Bank of India (RBI) has issued Circular No. RBI/2021-22/53-DoS. CO. PPG.SEC/03/11.01.005/2021-22 dated 11th June, 2021, making the Risk-Based Internal Audit (RBIA) Framework applicable to our Company. As per the provisions of this circular, the Company was required to establish an RBIA framework by 30th June, 2022. We are pleased to report that the Company has in place an RBIA policy in accordance with the aforementioned circular.

Internal Audit of Back Offices

The Company has established an in-house mechanism for conducting internal audits of all its back offices, which serve as nodal offices responsible for accounting, sanction, and disbursement functions. These audits are carried out by teams of in-house officials from the audit department. To facilitate this process, the Company maintains a comprehensive checklist/questionnaire, which is regularly updated. The in-house internal audit teams submit quarterly reports for the back offices assigned to them. These reports undergo periodic review by the Internal Audit Committee at the Corporate Office—a management-level committee. Detailed deliberations occur regarding key points raised in the Internal Audit Reports, and the same points are also presented to the Audit Committee of the Board for their information and guidance.

Internal Audit of Corporate Office

The Company has established an in-house mechanism for conducting internal audits of the Corporate Office. Starting from FY 2023-24, these audits are conducted by in-house officials from the audit department, except for specific areas that require specialised domain expertise. In such cases, we engage external experts. Notably, M/s. SK Patodia & Co., Chartered Accountants, and M/s. CNK & Associates, Chartered Accountants, were appointed as experts with the approval of the Audit Committee.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. BNP & Associates, Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2023-24.

M/s. BNP & Associates diligently undertook the Secretarial Audit during the said financial year. We are pleased to report that the Secretarial Auditor's Report for the financial year 2023-24 contains no qualifications, reservations, or adverse remarks. The detailed Secretarial Audit Report in Form MR-3 is annexed to this report as Annexure-5.

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 in relation to the business activities carried out by the Company.

CORPORATE GOVERNANCE

Your Company remains committed to upholding the principles of good Corporate Governance. The Board of Directors continues to endorse the fundamental tenets of transparency, accountability, and integrity. The report on Corporate Governance is appended as a separate section in this Annual Report. In this year's report, we provide detailed insights into our corporate governance practices, including our code of governance, board composition, appointment procedures, membership criteria, declarations by Independent Directors, board evaluations, familiarisation programs, and our vigil mechanism etc.

A certificate from M/s. BNP & Associates, Practicing Company Secretaries, Mumbai (UIN: F005578F000777162), regarding compliance of the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Corporate Governance Report, and the same does not contain any qualification, reservation or adverse remarks.

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 AND SUSTAINABILITY REPORTING BY LISTED ENTITIES

The Securities and Exchange Board of India (SEBI) has introduced revised requirements for sustainability reporting by listed entities with the new reporting format being called the "Business Responsibility and Sustainability Report" (BRSR) Core with effect from the financial year 2023 -2024, which is mandatory for the top 1000 listed companies ranked by market capitalisation at the end of the preceding financial year.

The Company has designated the ESG Committee of the Board to oversee the implementation of the Principles and Policies of Business Responsibility and Sustainability Report in the Company and delegated the powers to the ESG Committee to perform all the acts, deeds and things for implementation of the same. BRSR 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.

From the financial year 2024-25 the top 250 listed companies (by market capitalisation) are required to obtain reasonable assurance / assessment on their BRSR Core disclosures. Further from financial year 2024-25 the BRSR Core shall also call for disclosures and assurance of ESG parameters for the Value Chain Partners of the top 250 listed companies (by market capitalisation). In this regard the Company is in the process of putting in place all the necessary arrangements to ensure compliance with these requirements.

DEPOSITORY SYSTEM

To facilitate the 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 the flexibility to choose their Depository Participant. As at 31st March, 2024, 3755 members of the Company continue to hold shares in physical form. As per the SEBI circulars, the Company's shares must be transacted in dematerialised form and therefore, the members are requested to convert their physical holdings to dematerialised form. For assistance in this process, members may contact the R&T Agent. Notably, NSDL serves as the designated depository for various SEBI compliance purposes.

OUTLOOK FOR FY 2024-25

During the FY 2024-25 the focus, resources and logistics of the Company would be directed towards the following activities:

- Continuing to meet the housing needs of individuals and contributing to the overall growth and development of the nation
- Eyeing growth in retail book and ramping up Affordable Housing book for addressing the needs of the bottom of the pyramid
- Growing portfolio and increasing the share of high-margin products – Non-Core products and Griha Suvudha
- Tapping into newer markets not presently covered by recruiting marketing intermediaries/connectors and holding camp offices
- Continuing to further transformation-led initiatives, including Project RED that is helping drive automation in processing leading to improvement in turn-around time
- Streamlining customer acquisition, enhancing the efficiency of loan servicing, simplifying the application processes and improve access to financing solutions and bolstering the overall demand for housing units
- Adopting digital transformation processes to bring personalisation in customer servicing and enhancing customer experience throughout loan journey
 - a. Strengthening digital processes through e-appraisal and PLO
 - b. Making HomY app more effective and easing customer onboarding
 - c. Maximising digital onboarding go more than 50% (including HomY)
 - d. Making use of data and analytics for segment driven customer acquisition
 - e. Increasing the use of cloud-based office automation and collaboration tool
 - f. Modernising technology in line with growing business needs and automation

- Solidifying the base of Direct Marketing Executive (DME) / Direct Marketing Intermediaries (DMIs) Channel by recruiting new market intermediaries and individuals and increasing business share of business from this channel; increasing the emphasis on marketing activities in smart cities to increase business share
- Cross-selling insurance products by exploring the role of corporate agency and earning fee-based income
- Explore strategic tie-ups which may increase customer touchpoints and also enable LIC HFL to offer value-added services
- Increasing presence in social media and augmenting about customer engagement programs to increase brand visibility
- Reaching out to new customers through differentiated products backed by mortgage insurance cover to improve yields
- Shrinking the share of Project Loans and moving to high-yielding segments
- Customising products to tap into niche segments like HNI and Millennials/Gen Z segments of customers
- Assessing Risk-Reward relationship in credit decision making in view of the overall profitability

MANAGEMENT PERSPECTIVE ABOUT FUTURE OF THE COMPANY

The outlook looks optimistic, driven by favourable macro-economic conditions, ongoing industry trends and strategic initiatives and technological upgrades completed in FY 2023-24. The Company is positioning to capture growth opportunities while navigating potential challenges. Building on our strong foundation and legacy, the Company is committed to expanding market presence and enhancing service offerings to meet the evolving needs of our customers.

The economic environment is expected to be conducive to growth in the housing finance sector. The projection of GDP growth and stable interest regime sets a conducive backdrop for real estate sector and housing finance, in particular. Additionally, continued government focus on affordable housing, as evidenced by announcement for 3 crore homes under the Pradhan Mantri Awas Yojana (PMAY), will provide a strong impetus for growth in this segment. LICHL plans to increase its affordable housing portfolio from 10% to 25% over the next two/three years. This shift is expected to tap into the rising demand in tier-2 and tier-3 cities. The Company's product offerings will meet diverse customer needs, including loans against property.

The key drivers to the Company's growth strategies will be the emerging opportunities in residential space and commercial realty like office building. Apart from loans to individuals, the Company is planning to increase the share of loans to builders and developers. LICHL will capitalise to increase its share through diverse loan products, increase the

Company's footprints through augmentation of distribution network and deepen our presence in the markets where we serve. The Company will on continuous basis enhance risk management frameworks that will safeguard against potential market and credit risks. The Company plans a loan book growth of 12 to 15% for FY 2024-25.

The Company's ongoing digital transformation will enhance customer experience and operational efficiency which will help us to manage costs effectively. Continued investment in digital transformation and technology upgradation are critical focus areas. This includes the introduction of digital platforms for loan applications and leveraging our HomY app for streamlining loan application processes and reducing turnaround time. Improving service standards through digital transformation is a priority. The Company's priority is to enhance customer satisfaction and retention.

The Company is also exploring green financing options, including the issuance of green bonds to support environmentally sustainable housing projects. Aligning with global sustainability trends, the Company is committed to green financing, which will not only diversify its funding sources but also promote eco-friendly housing solutions.

FY 2024-25 is set to be a year of significant growth and transformation for the Company. The Company is confident in its strategic direction and committed to achieving its financial and operational goals. The Company is confident of receiving the continued support of all its stakeholders.

The Company continues to churn its borrowings to maintain lower borrowing cost and to positively impact Net Interest Margin (NIM). Through constant review and upgradation of compliance initiatives, it endeavours to put in place the best corporate governance practices.

COMPLIANCE UNDER COMPANIES ACT, 2013

Pursuant to section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company has diligently fulfilled its compliance requirements. The specific details of compliances under Companies Act, 2013 are as follows:

ANNUAL RETURN

In accordance with Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2024 is available on the website of the Company in the following link (Please download the document and then try to view):

<https://www.lichousing.com/annual-report-companies-act>

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Joint Statutory Auditors nor the Secretarial Auditors have reported any instances of fraud committed against the Company by its officers or employees, as required by Section 143(12) of the Companies Act, 2013.

SECRETARIAL STANDARDS

The Company strictly adheres to 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/Stable/CRISIL A1+' ratings on other debt instruments, bank facilities and fixed deposit programme of the company.

Total Bank Loan Facilities Rated	₹ 1,30,085.88 crore
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)
₹ 45,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Assigned)
₹ 30,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Assigned)
₹ 6,929 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 11,705 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 199 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)
₹ 15,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 5,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 10,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 15,000 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)
₹ 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)
₹ 25,000 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)
₹ 20,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 4,750 crore Tier II Bond	CRISIL AAA/Stable (Reaffirmed)
Fixed Deposits Programme	CRISIL AAA/Stable (Reaffirmed)
₹ 17,500 crore Commercial Paper	CRISIL A1+ (Reaffirmed)

CARE had reaffirmed its outstanding rating as 'CARE AAA/Stable' rating to the non-convertible debentures and Tier II Bond issue of LIC Housing Finance Limited.

₹ 40,000 crore Non-Convertible Debentures	CARE AAA / Stable (Assigned)
₹ 2,53,441 crore Non-Convertible Debentures	CARE AAA / Stable (Reaffirmed)
₹ 3,000 crore Tier II Bond	CARE AAA / Stable (Reaffirmed)

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+ which is one notch higher than [ICRA]A1.

BOARD MEETINGS HELD DURING THE YEAR

During the year under review, **Seven (7) Board meetings** were convened. Detailed information on these Board meetings as well as meetings of several Committees set up by the Board, their composition and attendance record of the members of respective Committees is included in the Report on Corporate Governance which forms integral part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements have been 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 Company adheres to the provisions of the Companies Act, 2013 (to the extent modified), guidelines issued by SEBI, and guidelines issued by the National Housing Bank (NHB) and the Reserve Bank of India (RBI) (collectively referred to as 'the Previous GAAP') in preparation of the financial statements.

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. Wherever applicable, newly issued accounting standards or revisions to existing standards have been duly incorporated into the accounting policies hitherto in use.

In accordance with the provisions of Section 134(3)(c) and 134(5) 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 had been followed and there are no material departures;
- the Directors had 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 as at 31st March, 2024 and of the profit of the Company for the year ended on that period;

- (c) the Directors had 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 had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively. Note on internal financial control is attached as **Annexure 1** 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.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2023-24.

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. These declarations confirm that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA

The Company endeavours 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, 2024, the Board comprises of Thirteen (13) members as under:

One (1) Executive Director and two (2) Non-Executive Nominee Directors nominated by LIC of India ('The Promoter'), being the Managing Director & CEO, the Chairman and the Non-Executive Director, Two (2) Non-Executive and Non-Independent Directors. Eight (8) Non-Executive Independent Directors, including one Independent woman director.

The Nomination and Remuneration Committee had laid down Criteria for determining Director's 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 which is approved by the Board of Directors.

The performance of the members of the Board, and the Board as a whole were evaluated at the meeting of Independent Directors held on 7th March, 2024.

We affirm that except Nominee Directors (Chairman, LIC Director, Managing Director & CEO and COO*), sitting fees is paid to all the other Directors for Board and Committee Meetings attended by them. However, the Managing Director & CEO and COO* are being paid remuneration as applicable to an Officer in the cadre of Zonal Manager of LIC of India and PLI as per the terms laid out in the Nomination and Remuneration Policy of the Company. The remuneration payable to them has been duly approved by the Board as also by the shareholders of the Company.

(*) Shri Ashwani Ghai ceased to be the Whole Time Director and COO of the Company on account of his transfer as Additional Director to MDC Mumbai by LIC India with effect from 13th June, 2023.

(#) Shri Yerur Viswanatha Gowd ceased to be the Managing Director and CEO of the Company on account of his superannuation from LIC of India w.e.f 31st July, 2024.

(**) Shri T Adhikari was appointed as the Managing Director & CEO of the Company by the Board w.e.f. 3rd August, 2023 and the appointment was regularised by the members on 28th August, 2023.

(*) Shri Ramesh Lakshman Adige was appointed as an Independent Director w.e.f. 1st September, 2023 by the shareholders through postal ballot on 27th October, 2023.

QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY JOINT STATUTORY AUDITORS AND SECRETARIAL AUDITOR

There are no observations, qualifications, reservations or adverse remarks in the Joint Statutory Auditors' Report dated 15th May, 2024 for the financial year 2023-24.

The management accepts responsibility for establishing and maintaining internal controls and has evaluated the effectiveness of the internal control system of the Company details of which have been disclosed to the Auditors and the Audit Committee, the deficiencies, of which the management is aware of, in the design or operation of the internal control systems and has accordingly taken the steps to rectify these deficiencies.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO SECTION 188(1) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(2) OF COMPANIES (ACCOUNTS) RULES, 2014

Considering the nature of the industry in which the Company operates, all Related Party Transactions that were entered during the financial year were in the ordinary course of the business of the Company and were on an arm's length basis. There were no materially significant related party transactions which were entered into 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 and Board of Directors for approval, wherever applicable. Prior omnibus approval as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also obtained from Audit Committee for the Related Party Transactions which are of repetitive nature as well as in the ordinary course of business.

The Related Party Transactions Policy and Procedures, as amended from time to time, as reviewed by the Audit Committee and approved by Board of Directors is uploaded on the website of the Company at <https://www.lichousing.com/policy-codes>.

The particulars of contracts or arrangements with the 'Related Parties' referred to in sub-section (1) of Section 188 of the Act, are furnished in **Note No. 48** of the Notes forming part of the Standalone Financial Statements and **Note No. 49** of the Notes forming part of the Consolidated Financial Statements for FY 2023-24, forming a part of the Annual Report. This apart, the same is also referred to in **Annexure - 3** which forms an integral part of the Board's Report.

Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure - 2** to this report.

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 have occurred between the end of the financial year of the Company i.e. 31st March, 2024 and the date of the Board's Report i.e. 18th July, 2024.

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

Since the Company is engaged in financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not provided in this Board's Report.

A. Technology absorption

- (i) Company has implemented CFSS (Core Financial Services Solution) to enable digital lending and with the help of

various 3rd party tools the processes of KYC, verification, employment analysis, bank statements analysis has been automated. The company has leveraged various fintech solution improve overall credit assessment process. The company has also implemented SAP for GL & financial accounting to standardise its processes. The various digital enhancements involve Homy app is being made available for deposits customers also. Other implementations include: Other implementations include:

- Digitisation of all legacy documents
- Customer servicing using digital channels like Bots, WhatsApp etc.
- Deposits automation and customer service through Homy app.
- Compliance to regulatory framework like AML & KYC

- (ii) The benefits derived like product improvement, efforts to reduce cost of fund, product development or import substitution – The benefits are mainly towards:

- Reduced TAT for customer onboarding
- Digital lending and STP process
- Phygital journey enables lesser paper consumption
- Online payment services

- (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

B. 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, 2024, the Company does not have any foreign exchange earnings and

Following were the foreign exchange outgo transactions during the year:

1. A total of ₹ 1.65 crore outgo with respect to Operating Expenses of Overseas Area Offices.
2. The Company had listed its Global Depository Receipts at the Luxemburg Stock Exchange on 8th September, 2004

and in this regard M/s Bank of New York were appointed as depository/ listing agent. During the year, the Board had approved the voluntary delisting of the GDRs and terminating the listing agreement with BNY on account of continuing listing not being sustainable with only 992 units of GDR remained outstanding. Accordingly, the Company has paid ₹ 0.92 Lakh to M/s Bank of New York towards fees for termination of agreement. The Company has delisted its Global Depository receipts from the Luxembourg Stock Exchange with effect from 25th March, 2024.

The above transactions do not include foreign currency cash flows in derivatives.

RISK MANAGEMENT POLICY OF THE COMPANY

The Board of Directors of the Company has constituted a Risk Management Committee which is responsible for framing, implementing, monitoring, and reviewing the risk management policy. The committee also assesses the current status of risk limits specified in the policy and reports to the Board. Under the risk management mechanism, the Company identifies and evaluates the risks it faces. For each identified risk, corresponding controls are assessed, and policies and procedures are in place for ensuring ongoing monitoring, mitigation, and reporting.

The Board affirms that none of the risks faced by the Company pose a threat to its existence. Additionally, the Company has appointed Mr. J Sangameswar as the Chief Risk Officer, effective from 1st May, 2023, replacing Mr. K Ramesh.

The Company maintains a robust Risk Management Policy. During the financial year under review, the Risk Management Policy of the Company was reviewed and put up to the Board of Directors. The same was approved in the Board Meeting dated 7th March, 2024.

REMUNERATION POLICY

The Company has framed the Remuneration Policy in order to align itself with various provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Circular DOR.GOV.REC.No.29/18.10.002/2022-23 dated 29th April, 2022. The Policy was last reviewed by the Board on 7th March, 2024.

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

REMUNERATION TO NON-EXECUTIVE DIRECTORS

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

In future, if Company decides to pay any remuneration / commission to Non-Executive Independent Directors, then the

same will be in compliance with the Companies Act, 2013 and Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

REMUNERATION TO NON-EXECUTIVE NOMINEE DIRECTORS

The Non-Executive Nominee Directors would not be paid any sitting fees for the Board and Committee Meetings they attend. The Non-Executive Nominee Directors are not paid any salary and / or other benefits by the Company.

REMUNERATION TO EXECUTIVE NOMINEE DIRECTOR

The Executive Nominee Directors who are designated as Managing Director & CEO and COO are paid remuneration as applicable to an Officer in the cadre of Zonal Manager (Selection Cadre) of LIC of India. This apart, the Executive Nominee Directors are entitled for PLI as per criteria approved by the Nomination and Remuneration Committee of the Board and by the shareholders.

As and when there is any revision in the pay scales of the Executive Nominee Director as per the charter decided by the LIC of India, then the same is made applicable to the Executive Nominee Director at par with those of the officials in the similar cadre. Further, tenure and terms and conditions of appointment of Executive Nominee Director are as decided by LIC of India from time to time and as approved by the Board of Directors of the Company.

However, the remuneration payable to Executive Nominee Director at any point of time shall be within the limits specified under the Companies Act, 2013 and as per Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

REMUNERATION TO KEY MANAGERIAL PERSONNEL (OTHER THAN MD & CEO) AND OTHER EMPLOYEES

In the present set up of the Company, the Key Managerial Personnel, other than Managing Director & CEO, are the Company Secretary and Chief Financial Officer. Remuneration payable to Company Secretary, Chief Financial Officer and other employees is as decided by the Board of Directors as per Service Terms, Conduct Rules 1990 as amended from time to time and as recommended by the Nomination and Remuneration Committee. Further the Company has adopted the Compensation Policy for Key Managerial Personnel and Senior Management in the Meeting of the Board of Directors dated 2nd March, 2023. This is in confirmation to the requirements of the circular issued by the Reserve Bank of India dated 29th April, 2022 on Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs.

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

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, as amended from time to time, the Company has established Corporate Social Responsibility Committee of the Board and the statutory disclosures with respect to the CSR Committee and an Annual Report on CSR activities is annexed as **Annexure-4** to this report.

Composition of the Corporate Social Responsibility Committee is as follows:

Shri Akshay Kumar Rout	Chairman	Non-Executive Non-Independent Director
Ms J. Jayanthi	Member	Non-Executive Independent Director
Shri Ramesh Adige	Member	Non-Executive Independent Director
Shri T Adhikari	Member	Managing Director & CEO

(#) Shri Y Viswanatha Gowd ceased to be the member of the committee on account of his retirement from LIC of India w.e.f. 31st July, 2023.

(*) Shri T Adhikari became member of the Committee from the date of his appointment as the Managing Director & CEO i.e. w.e.f. 3rd August, 2023

(##) Shri Ramesh Lakshman Adige became member of the Committee from the date of his appointment as Director of the Company i.e. w.e.f. 1st September, 2023

ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE

The Nomination and Remuneration Committee had formulated and recommended the evaluation criteria and process for the Directors, Chairperson, Non-Executive Directors, Board-level committees, and the Board as a whole as approved by the Board.

The Board of Directors, excluding the independent directors, conducted an annual performance evaluation in accordance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This evaluation was carried out through circulation. The Board's performance was assessed based on inputs received from all Directors. Criteria included the Board's composition and structure, the effectiveness of Board processes, information and functioning, disclosure and communication processes, and access to timely, accurate, and relevant information.

The performance of the various Board Committees was evaluated by the Board, using inputs from the respective committee members. The criteria for this evaluation included the composition of the committees, the effectiveness of committee meetings, and their overall functioning.

The Board also reviewed the performance of Individual Directors. This was based on criteria such as the Director's contribution to Board and Committee Meetings, their preparedness on the issues discussed, their meaningful and constructive contributions and inputs in meetings, and their ability to present views convincingly and resolutely. The Chairman was also evaluated on the key aspects of his role.

On 7th March, 2024, the Independent Directors held a meeting to evaluate the performance of Non-Independent Directors, the Board as a whole, and the Chairman.

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 along with its subsidiaries and associates, in the same form and manner as that of the Company which shall be laid before the ensuing Thirty Fifth Annual General Meeting of the Company along with the Company's Financial Statement under sub-section (2) of Section 129 i.e. Standalone Financial Statement. Further, pursuant to the provisions of Indian Accounting Standard (Ind AS) 110, 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 along with its subsidiaries and associates for the year ended 31st March, 2024 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 on 31st March, 2024, the Board had Thirteen members, including two (2) Non-Executive Non-Independent Directors and one (1) executive Director nominated by the promoter, LIC of India being the Chairman, Shri Siddhartha Mohanty, the Non-Executive Director, Shri Jagganath Mukkavali, and the Managing Director & CEO, Shri T Adhikari respectively. Apart from these two (2) Non-Executive Nominee Directors, there are two (2) Non-Executive and Non-Independent Directors namely Shri P Koteswara Rao, and Shri Akshay Kumar Rout. Other eight (8) Board Members are Independent Directors including one Independent Woman Director namely Ms. Jagennath Jayanthi. The other Independent Directors are viz., Dr. Dharmendra Bhandari, Shri Ameet N Patel, Shri V. K. Kukreja, Shri Kashi Prasad Khandelwal, Shri Ravi Krishan Takkar, Shri Sanjay Kumar Khemani, Smt Jagennath Jayanthi, and Shri Ramesh Lakshman Adige*.

Note:

(*) Shri Ashwani Ghai ceased to be WTD & COO w.e.f 13th June, 2023 on account of his transfer as Additional director to MDC Mumbai by LIC India. Shri Y Viswanatha Gowd superannuated as MD&CEO w.e.f. 31st July, 2023

(*) Shri Ramesh Adige was appointed as an Independent Director w.e.f. 1st September, 2023 by the shareholders through postal ballot on 27th October, 2023.

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 has decided that the new MD & CEO should be posted in advance, say 4-6 months prior to his/her taking charge as MD&CEO, as (Chief Operating Officer (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 up to one third of the total number of Directors of the Company and therefore, the Board after consideration, approved the 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, within a reasonable time (generally 4 to 6 months) prior to the exit of the serving MD&CEO, of long term business strategies. LIC of India had posted Shri T Adhikari as COO of the Company with effect from 22nd June, 2023 (date of Joining LICHFL being 7th September, 2022). Subsequently he was appointed as the Managing Director & CEO w.e.f. 3rd August, 2023 and his appointment has been approved by the Members in the 34th Annual General Meeting held on 28th August, 2023. Currently, there is no officer designated as COO.

Further, in terms of the Regulation 17 (4) of the SEBI (LODR), 2015 the Company has adopted a succession planning policy for its Key Managerial and senior management personnel. The Company's succession planning policy ensures smooth transitions and continuity by identifying suitable candidates for senior management positions. In case of unexpected vacancies, interim appointments are made following the organisation chart until regular appointments are made. The Succession Planning Policy of the Company has been hosted on the website of the Company on the below mentioned link:

https://www.lichousing.com/static-assets/pdf/Policy_on_Succession_Planning.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true

APPOINTMENTS / RESIGNATIONS OF DIRECTORS

Appointments

Shri Siddhartha Mohanty (DIN 08058830)

On the resignation of Shri M. R. Kumar (DIN 03628755) from the Chairmanship of the Board of the Company, the Nomination and Remuneration Committee in terms of 'Fit and Proper' criteria adopted by the Board, after having undertaken process of due diligence, and after considering Shri Siddhartha Mohanty (DIN 08058830) suitable and eligible based on evaluation, qualification, expertise, track record, integrity and 'fit and proper' criteria, had recommended his appointment to the Board and the Board appointed him as Chairman, Additional Director in the capacity of Non-Executive Nominee Director of the Company with effect from 5th April, 2023. Subsequent to being appointed as an Additional Director under Articles 143 of the Articles of Association of the Company pursuant to the provisions of Section 152, 161 and other applicable provisions, if

any, of the Companies Act, 2013 and the Rules made thereunder, SEBI Listing Regulations, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 including any amendment, modification, variation or re-enactment thereof, for the time being in force and in terms of Articles 141, 143 of the Articles of Association of the Company, the appointment of Shri Mohanty as the Chairman and Director was approved by the members through postal ballot on 28th June, 2023.

Shri Jagannath Mukkavilli (DIN 10090437)

On resignation of Shri Raj Kumar (DIN 06627311) as Non-Executive Nominee Director of the Board of the Company, the Nomination and Remuneration Committee in terms of 'Fit and Proper' criteria adopted by the Board after having undertaken process of due diligence, and after considering Shri Jagannath Mukkavilli (DIN 10090437) suitable and eligible based on evaluation, qualification, expertise, track record, integrity and 'fit and proper' criteria, recommended his appointment to the Board and the Board appointed him as Additional Director in the capacity of Non-Executive Nominee Director of the Company with effect from 5th April, 2023. Subsequent to being appointed as an Additional Director under Articles 143 of the Articles of Association of the Company pursuant to the provisions of Section 152, 161 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder, SEBI Listing Regulations, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 including any amendment, modification, variation or re-enactment thereof, for the time being in force and in terms of Articles 141, 143 of the Articles of Association of the Company, the appointment of Shri Jagannath Mukkavilli as Director liable to retire by rotation, under the provisions of Articles of Association of the Company was approved by the members through postal ballot on 28th June, 2023

Shri Tribhuwan Adhikari (DIN: 10229197)

Shri Tribhuwan Adhikari was appointed as the Chief Operating Officer and Key Managerial Personnel. He was inducted on the Board of Directors with effect from 22nd June, 2023.

Further based on the evaluation, qualification, expertise, track record, integrity, due diligence and the satisfaction of the 'fit and proper criteria', the Nomination and Remuneration Committee recommended and thereby the Board appointed Shri T Adhikari as Managing Director & Chief Executive Officer of the Company with effect from 3rd August, 2023. Subsequently, the appointment and the terms thereof was approved by the shareholders at the 34th Annual General Meeting held on 28th August, 2023.

Shri Ramesh Adige (DIN: 00101276)

As per the recommendation of the Nomination and Remuneration Committee, which undertook process of due diligence, and considered the candidature to be suitable and eligible based on evaluation, qualification, expertise, track record, integrity and 'fit and proper' criteria, the Board at its meeting held on 1st September, 2023 approved the appointment

of Shri Ramesh Adige as an Additional Director (Non-Executive Independent) for a period of five consecutive years, not liable to retire by rotation. The resolution approving his appointment as Independent Director effective from 1st September, 2023 and up to 31st August, 2028 was passed by the shareholders on 27th October, 2023 through Postal Ballot.

Shri Anil Kaul (DIN: 00644761)

As per the recommendation of the Nomination and Remuneration Committee, which undertook process of due diligence, and considered the candidature to be suitable and eligible based on evaluation, qualification, expertise, track record, integrity and 'fit and proper' criteria, the Board at its meeting held on 15th May, 2024 approved the appointment of Shri Anil Kaul as an Additional Director (Non-Executive Independent) for a period of five consecutive years, not liable to retire by rotation. The resolution approving his appointment as Independent Director effective from 15th May, 2024 and up to 14th May, 2029 was passed by the shareholders on 12th July, 2024 through Postal Ballot.

Resignation/ Superannuation/ Completion of term

Shri Ashwani Ghai (DIN 09733798)

Shri Ashwani Ghai ceased to be the COO and Whole Time Director of the company with effect from 13th June, 2023 on account of his transfer and appointment as Additional Director to MDC Mumbai by LIC India.

Shri Y Viswanatha Gowd

Shri Y Viswanatha Gowd (DIN 09048488) ceased to be the Managing Director & CEO of the company with effect from 31st July, 2023 on account of his attaining superannuation from the service of LIC India.

Completion of First Term of Independent Directors

(a) Shri Kashi Prasad Khandelwal

Shri Kashi Prasad Khandelwal is an Independent Director on the Board of LIC Housing Finance Limited. He joined the Board of the Company on 1st July, 2019 as an Additional Director and the appointment as an Independent Director was approved by the members in the Thirtieth Annual General Meeting of the Company held on 28th August, 2019 for a term of five years from 1st July, 2019 up to 30th June, 2024. Shri Kashi Prasad Khandelwal is due for retirement from his term as Independent Director on 30th June, 2024. Shri Kashi Prasad Khandelwal being eligible for reappointment for second term of five consecutive years, has been reappointed as an Independent Director by the Board with effect from 1st July, 2024 for second term of five consecutive years up to 30th June, 2029 subject to the approval of the members in the ensuing Annual General Meeting.

(b) Shri Sanjay Kumar Khemani

Shri Sanjay Kumar Khemani is an Independent Director on the Board of LIC Housing Finance Limited. He joined the Board of the Company on 1st July, 2019 as an Additional

Director and the appointment as a Non-Independent Non-Executive Director was approved by the members in the Thirtieth Annual General Meeting of the Company held on 28th August, 2019. Further the members approved the change in the designation of Shri Sanjay Kumar Khemani from Non-Independent Non-Executive Director to an Independent Director whose term was made effective from 1st July, 2019 and up to 30th June, 2024 through Postal Ballot on 26th April, 2023. Shri Sanjay Kumar Khemani is due for retirement from his term as Independent Director on 30th June, 2024. Shri Sanjay Kumar Khemani being eligible for reappointment for second term of five consecutive years, has been reappointed as an Independent Director by the Board with effect from 1st July, 2024 for second term of five consecutive years up to 30th June, 2029 subject to the approval of the members in the ensuing Annual General Meeting.

DIRECTOR RETIRING BY ROTATION

Shri P Koteswara Rao who has been longest in office would be retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

APPOINTMENTS / RESIGNATION OF THE KEY MANAGERIAL PERSONNEL

Shri Tribhuwan Adhikari, Managing Director & CEO, Mr. Sudipto Sil, Chief Financial Officer and Ms. Varsha Hardasani, Company Secretary & Compliance Officer, are the Key Managerial Personnel (KMP) as per the provisions of the Companies Act, 2013.

During the financial year the following changes took place in the positions of the KMPs:

Shri Ashwani Ghai (DIN 09733798)

Shri Ashwani Ghai ceased to be the COO and Whole Time Director of the company with effect from 13th June, 2023 on account of his transfer and appointment as Additional Director to MDC Mumbai by LIC India.

Shri Y Viswanatha Gowd (DIN 9048488)

Shri Y Viswanatha Gowd ceased to be the, Managing Director & CEO of the Company with effect from 31st July, 2023 on account of his superannuation from LIC of India.

Appointment of Shri T Adhikari (DIN 10229197)

Shri T Adhikari was appointed as the Managing Director & CEO of the Company with effect from 3rd August, 2023. The appointment was approved by the shareholders in the 34th Annual General Meeting dated 28th August, 2023.

COMMITTEES OF THE BOARD

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

The Company has the following Committees of the Board:

- I) Audit Committee
- II) Stakeholders Relationship Committee
- III) Nomination and Remuneration Committee
- IV) CSR Committee*
- V) Risk Management Committee
- VI) Executive Committee
- VII) Debenture Allotment Committee
- VIII) Strategic Investment Committee
- IX) IT Strategy Committee
- X) Preferential Allotment Committee
- XI) Investment Committee*
- XII) Committee for approval of issuance of Duplicate Share Certificate(s)*
- XIII) ESG Committee

*Note: Considering the enhanced regulatory provision for Environmental Social and Governance matters, a separate ESG Committee which earlier was part of CSR-ESG Committee was formed and CSR-ESG Committee was renamed as CSR Committee with effect from 7th June, 2023 on approval at 236th Meeting of Board of Directors.

**Note: The Preferential Allotment Committee is an event based Committee which had been constituted for the limited purpose of allotment of the Equity Shares on private placement basis to the promoters on 8th September, 2021.

*Note: The Investment Committee is an event based Committee which has been constituted to meet only in case any investment proposals needs to be considered. During the year two meetings of the said Committee were held.

*Note: Committee for approval of issuance of Duplicate Share Certificate(s) has only been constituted to sign and approve the request for issuance of Duplicate Share Certificate(s). The approval takes place through circulation of the relevant documents to the signing authorities based on their availability. No physical meeting of the said Committee is generally held.

Composition of Audit Committee is as follows

Shri Kashi Prasad Khandelwal	Chairman	Non-Executive - Independent Director
Shri V K Kukreja**	Member	Non-Executive - Independent Director
Smt Jagennath Jayanti	Member	Non-Executive - Independent Director

*Shri Sanjay Kumar Khemani ceased to be the member of the Committee w.e.f 2nd September, 2023 on account of reconstitution of the Committee.

**Shri V K Kukreja was inducted in the Committee w.e.f 2nd September, 2023 on account of reconstitution of the Committee.

There is no instance, during the year, when the recommendations of Audit Committee have not been 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, 2024, 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, 2024, 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 the 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 2023-24, the Company reported Losses before Tax of ₹ 10.67 crore and Losses after Tax stood at ₹ 18.25 crore.

The Company has successfully completed a project at Bangalore in two Phases and Jeevan Anand Project at Bhubaneswar.

Further, the Company is in the process of developing new Care homes project at Jaipur, Rajasthan and Aluva, Kerala. The Company is also in the process of purchasing land at various locations across the Country. Going forward, these projects are likely to further improve the overall operations and stability of the Company.

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. The Fund with corpus of ₹ 529 crore. has made investments in 9 portfolio companies achieving a portfolio level IRR on cash receipt basis of 16.74%. Portfolio level IRR for entire portfolio (exited and subsisting based on valuation) stands at 18.14%.

The Company also launched a 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, 2024, the total Contribution Agreements signed in respect of LICHFL Housing & Infrastructure Fund is ₹ 812 crore of which the drawable amount is ₹ 765 crore. Fund has made cumulative drawdown call of ₹ 693.62 crore. (Inc. ₹ 66.92 crore of fees and expenses) out of which Fund has received ₹ 663.87 crore. On basis of investments made, distribution received and valuation, the Fund is poised to achieve an IRR of 20%.

The Company has also launched another fund which was registered with SEBI - LICHFL Real Estate Debt Opportunities Fund - I on 30th March, 2021 under AIF Category II of SEBI Alternate Investment Fund Regulations 2012 (AIF). The Fund is having a target corpus of ₹ 3,000 crore (Base corpus of ₹ 2,000 crore plus ₹ 1,000 crore as green shoe option). The Fund is envisaged to be raised from both Domestic and Overseas Investors. The focus sector of the Fund is Housing. The Fund has received commitment of 300 crore from LIC of India, 450 crore from LIC Housing Finance Limited, 65 crore from Indian Bank and IDBI Bank.

During the FY 2023-24, the Company earned a Profit before Tax (PBT) of ₹ 9.19 crore and Profit after Tax (PAT) stood at ₹ 6.58 crore. The Company has recommended dividend @ 30% for FY 2023-24 on it's paid-up share capital.

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 Fund announced its final closing on 31st March, 2021.

The Company was appointed as Trustee on 30th March, 2021 for a New Fund registered with SEBI - LICHFL Real Estate Debt Opportunities Fund - I on 30th March, 2021 and appointed LICHFL AMC Ltd. as Investment Manager for the Fund.

During the FY 2023-24, the Company earned a Profit before Tax (PBT) of ₹ 0.20 crore and Profit after Tax (PAT) stood at ₹ 0.15 crore.

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 48 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, Tata AIG General Insurance Company Limited and HDFC ERGO General Insurance Company Ltd., Health Insurance products of Aditya Birla Health Insurance Co. Ltd. and Star Health and Allied Insurance Co. Ltd 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 ₹ 23.17 crore and Profit after Tax (PAT) stood at ₹ 17.17 crore for the FY 2023-24 and recommended dividend @ 30% for FY 2023-24 on paid up share capital of ₹ 9.50 crore.

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, 2024, THE COMPANY HAS TWO ASSOCIATE COMPANIES NAMELY LIC MUTUAL FUND ASSET MANAGEMENT COMPANY LIMITED AND LIC MUTUAL FUND TRUSTEE COMPANY PRIVATE LIMITED.

The Company does not have any material Subsidiary within the meaning of the term under Regulation 24 of the SEBI (LODR) Regulations.

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, 2024, 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 receipt of request by any member of the Company. These Annual Reports are also 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 as also the operations of the Subsidiary Companies in future.

Brief write up including the performance and financial position of each of the associate companies is provided as under:

1. LIC Mutual Fund Asset Management Company Limited (LICMFAMC)

LIC Mutual Fund was incorporated on 20th April, 1994. LIC Housing Finance Limited holds 33.52 % equity in this entity. Being an associate company of India's premier and most trusted brand, LIC Mutual Fund is one of the well-known players in the asset management sphere. With a systematic investment discipline coupled with a high standard of financial ethics and corporate governance, LIC Mutual Fund is emerging as a preferred Investment Manager amongst the investor fraternity.

LIC Mutual Fund endeavours to create value for its investors by adopting innovative and robust investment strategies, catering to all segments of investors. LIC Mutual Fund believes in providing delight to its customers and partners by way of superior investment experience and unparalleled service thereby truly bring them Khushiyaan, Zindagi Ki.

For the FY 2023-24 both the Profit before Tax (PBT) as well as Profit after Tax (PAT) of LICMFAMC stood at ₹ 10.98 crore, as there was no tax expense.

2. LIC Mutual Fund Trustee Company Private Limited

LIC Mutual Fund Trustee Private Limited (Trustee Company) is the Trustee to the Mutual Fund, LICMFAMC. LIC Housing Finance Limited holds 35.30 % equity in this entity. LIC of India is the Sponsor of the Mutual Fund. The AMC either directly or through third party service providers engaged by the AMC (Service Providers) such as the Registrar and Transfer agents collects, receives, possesses, stores, deals or handles information received from investors/client/customers whether existing or prospective.

The Company has earned a Profit before Tax (PBT) of ₹ 32.51 lakh and Profit after Tax (PAT) stood at ₹ 24.24 lakh for the FY 2023-24.

FINANCIAL DETAILS OF SUBSIDIARIES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ('the Act'), a statement containing salient features

of the financial statements of subsidiaries, joint venture and associate companies in Form AOC-1 is attached as Annexure-6. The separate financial statements of the subsidiaries are available on the website of the Company and can be accessed at <https://www.lichousing.com/subsidiary-financials>.

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.

The Board of Directors confirm that the Company has well-established internal control systems in place which are commensurate with the nature of its business and size, scale and complexity of its operations. Standard Operating Procedures (SOP) and Risk Control Matrices designed to provide a reasonable assurance are in place and are being continuously monitored and updated. The Company also periodically engages outside experts to carry out an independent review of the effectiveness of various Internal Controls. The observations and best practices suggested are reviewed by the management and Audit Committee and appropriately implemented with a view to continuously strengthen internal controls. Note on Internal Financial Control as Annexure 1 is attached to this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy in place which provides whistle blowers an opportunity 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. The Vigil Mechanism / Whistle Blower Policy is reviewed annually or as and when the Regulators' amendments are required to be incorporated therein, as the case may be. During the year the Board considered the modification in the Whistle Blower Policy. The revised whistle-blower policy aims to strengthen the existing framework, ensuring that reporting person feels comfortable and confident in coming forward with any information while maintaining their confidentiality and ensuring protection against retaliation.

During the period under review no concerns or grievances were reported under Vigil Mechanism/ Whistle Blower Policy.

EMPLOYEE STOCK OPTION

The company does not have any Employee stock option scheme.

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.

* Remuneration is not paid to Non-Executive Directors (including Independent Directors) other than by way of sitting fees for attending meetings of the Board and Committees of the Board.

Executive Director MD & CEO	Ratio to median remuneration
Shri Tribhuwan Adhikari (MD&CEO)#	5:1

Shri Yerur Vishwanatha Gowd superannuated as MD & CEO of the Company with effect from 31st July, 2023 and Shri T Adhikari was appointed as MD & CEO of the Company with effect from 3rd August, 2023

Note: Since Shri Ashwani Ghai ceased to be the COO & WTD with effect from 13th June, 2024 on account of his transfer as Additional Director at MDC Mumbai by LIC of India and there was no Whole Time Director thereafter designated till 31st March, 2024, the data for ratio to median remuneration is not comparative and hence excluded.

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
MD&CEO	8.12%
COO*	N.A.
Chief Financial Officer**	3.93%
Company Secretary***	3.50%

*Shri Tribhuwan Adhikari who was appointed as COO on 13th June, 2023 was appointed and designated as MD & CEO on 3rd August, 2023 pursuant to the superannuation of Shri Y. Vishwanatha Gowd from LIC of India w.e.f. 31st July, 2023. The office of the COO remained vacant from 3rd August, 2023. Hence no comparable figure is available for FY 2023-24

**Remuneration of MD & CEO includes Salary for FY 2023-24 and PLII 2022-23

***Remuneration of Company Secretary & CFO includes Salary for FY 2023-24 and PLII 2022-23

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

19.35%

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

2396

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 st March, 2024	15 th November, 1994	% Change (IPO)
Market Price (in ₹)	611.05**	12*	4992.08

*Adjusted Issue price on account of sub-division

**BSE-closing Price

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 8.12%. The average annual Increase in the salaries of the employees other than managerial personnel during the year was 19.35%.

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

The Company affirms that the remuneration payable 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

According to the provisions 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.

The Committee consists of 3 internal members (2 female and 1 male) and 1 independent member (female).

Your Company is committed to provide and promote safe and healthy environment to all its employees without any discrimination. Your Company on a regular basis sensitises its employees on prevention of sexual harassment through various workshops, awareness programmes.

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: One
- (b) Number of complaints disposed of during the year: One
- (c) Number of cases pending more than ninety days: Nil
- (d) Number of workshops or awareness programme against sexual harassment carried out: Nil
- (e) Nature of action taken by the employer or district officer: Nil

It may be noted 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 woman working in the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/ EXCHANGES

During the year, no significant or material orders were passed by the regulators or courts or tribunals that would impact the going concern status or operations of the Company in the future.

The Reserve Bank of India, in exercise of the powers conferred under Section 52A of the National Housing Bank (NHB) Act, 1987, imposed an aggregate penalty of ₹ 49,70,000/- (Rupees Forty Nine Lakh Seventy Thousand only) vide its letter dated 5th April, 2024 on account of non-compliance to provisions of relevant directions under para 80.1 (part) and 85.6 of the RBI Master Directions. The Company has paid the penalty amount on 19th April, 2024.

HUMAN RESOURCES

Productive high performing employees are vital to the Company's success. The Company aims to align HR practices with business goals, increase productivity of Human resources by enhancing knowledge, skills and to provide a conducive work environment to develop a sense of ownership amongst employees.

The contribution and commitment of the employees towards the performance of the Company during the year was valued and appreciated. The Company recruited employees during the year for various positions and 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 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. Wellness programs were also conducted at various office locations to support the physical and mental health of our employees.

Employee relations remained cordial, and the work atmosphere remained congenial during the year. The Human Resource Department at your Company is committed to further improving employee engagement through various new initiatives.

CYBER SECURITY

Organisations embrace certain practices, including social distancing, remote working and all these, in turn, leading to significant dependence on and increased usage of digital technologies. We have implemented advanced security controls, technologies, processes and practices designed to protect networks, computers and data from attack, damage or unauthorised access and threat analytics by leveraging industry leading technologies to help and mitigate internal and external threats to the Company. Company has also deployed various solutions to mitigate cyber threats including Honeypot, firewalls etc. Our Cyber Security Policy ensures that our people are aware of the best practices to be followed in order to ensure that Company's data and infrastructure do not become vulnerable to external threats. We ensure that our IT Team is up to speed by providing them with avenues for continuous learning and making internal training forums available as well as courses through external academic institutions, to keep them enriched and in turn, help protect the Company from cyber-threats on a day-to-day basis.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

There is no application made or pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

ACKNOWLEDGMENTS

The Directors place on record their appreciation for the advice, guidance and support given by the Life Insurance Corporation of India, the National Housing Bank, the Reserve Bank of India 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
Name: Siddhartha Mohanty
DIN: 08058830

Place: Mumbai
 Date: 18th July, 2024

ANNEXURE 1

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 as well as to the 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 reporting to the Risk Management Committee, Audit Committee and the Board. Apart from the Risk Management Policy, the company also maintains

IFC documentation in the form of Risk Control Matrix (RCM), Entity Level Controls (ELC) and Financial Closure and Reporting process (FCRP) which forms the basis of IFC Testing.

- 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 SOP and compliance with statutory provisions/ regulatory guidelines. The Internal Audit Department conducts the internal audit of the Back Offices and Corporate Office, except for certain specific areas within the Corporate Office audit that require specialised domain expertise. In this regard, two independent firms of Chartered Accountants were engaged as experts with the approval of the Audit Committee.
- 6. Adequacy and Effectiveness of Internal Financial Control:** The SOP, 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.

Further, the management accepts responsibility for establishing and maintaining internal controls and has evaluated the effectiveness of some internal control system of the Company which have been disclosed to the auditors and the Audit Committee, the deficiencies, of which the management is aware of, in the design or operation of the internal control systems and have taken the steps to rectify these deficiencies.

ANNEXURE 2

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: Annexure 3 (e) to this report
 - b) Nature of transactions: As per Annexure 3 (e) 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: For basis of Transactions please refer Annexure-5.
 - e) Date of approval by the Board: 15th May, 2024
 - f) Amount paid as advance, if any: Nil

For and on behalf of the Board of Directors

Date: 18th August, 2024

Place: Mumbai

Siddhartha Mohanty

Chairman

ANNEXURE 3

TO THE BOARD'S REPORT

RELATED PARTY DISCLOSURE

Following are the Related Parties and Related Party Transactions for the year ended 31st March, 24.

a) Enterprise having Significant Influence on the Company:-

Name of the Related Party	% of shares held by LIC
Life Insurance Corporation of India	45.24%

b) Enterprises over which Control exists:-

Name of the Related Party	Nature of Relationship	% of shares held by LICHFL
LICHFL Care Homes Limited	Wholly Owned Subsidiary	100.00%
LICHFL Financial Services Limited	Wholly Owned Subsidiary	100.00%
LICHFL Asset Management Co. Ltd.	Subsidiary	94.62%
LICHFL Trustee Company Pvt. Ltd.	Wholly Owned Subsidiary	100.00%

c) Associates of the Company:-

Name of the Related Party	Nature of Relationship	% of shares held by LICHFL
LIC Mutual Fund Asset Management Co. Ltd	Associate	33.52%
LIC Mutual Fund Trustee Co. Ltd.	Associate	35.30%

d) Details of Key Management Personnel and Directors (Executive or Otherwise):-

Name of the Related Party	Nature of Relationship	
	For year ended 31 st March, 2024	For year ended 31 st March, 2023
Key Management Personnel		
Shri Tribhuvan Adhikari	Managing Director & CEO (From 3 rd August, 2023)	-
Shri Y. Vishwanatha Gowd	Managing Director & CEO (Upto 31 st July, 2023)	Managing Director & CEO
Shri Ashwani Ghai	Chief Operating Officer (Upto 13 th June, 2023)	Chief Operating Officer (From 1 st November, 2022)
Smt. Varsha Hardasani	Company Secretary	Company Secretary
Shri Sudipto Sil	Chief Financial Officer	Chief Financial Officer
Directors (Executive or Otherwise)		
Shri Siddhartha Mohanty	Chairman	-
Shri M R Kumar	-	Chairman (Upto 13 th March, 2023)
Shri Jagannath Mukkavilli	Non-Executive Nominee Director	-
Shri Raj Kumar	-	Non-Executive Nominee Director (Upto 9 th February, 2023)
Shri Jagdish Capoor	-	Independent Director (Upto 23 rd May, 2022)
Shri Ravi Krishan Takkar	Independent Director	Independent Director (From 25 th June, 2022)
Shri Dharmendra Bhandari	Independent Director	Independent Director
Shri V. K. Kukreja	Independent Director	Independent Director

Name of the Related Party	Nature of Relationship	
	For year ended 31 st March, 2024	For year ended 31 st March, 2023
Shri Ameet Patel	Independent Director	Independent Director
Shri P Koteswara Rao	Non-Independent Director	Non-Independent Director
Shri Kashi Prasad Khandelwal	Independent Director	Independent Director
Shri Sanjay Kumar Khemani	Independent Director	Independent Director (Designation change w.e.f. 6 th February, 2023)
Shri Akshay Rout	Non-Independent Director	Non-Independent Director
Smt. Jagennath Jayanthi	Independent Director	Independent Director
Shri Ramesh Adige	Independent Director (From 1 st September, 2023)	-

e) Details of Material transactions with Related Party:

(₹ In crore)

Related Party	Nature of transaction	For year ended 31 st March, 2024	For year ended 31 st March, 2023	Basis Of Transaction
Life Insurance Corporation of India	Repayment of Non- Convertible Debentures	2000.00	1500.00	As per coupon of the instrument as on the date of the contract which was as per then prevailing market rate.
	Interest expenses on Secured and Unsecured loans/Debt Securities	871.70	1046.28	
	Dividend Payment	211.52	211.52	
	Rent Rates and Taxes	12.86	10.10	Dividend paid based on the percentage of holding and the Dividend rate approved by the Shareholders
	Payment of Electricity Expenses	0.46	0.78	
	Payment for Staff training, Conference, etc.	0.06	0.06	
	Reimbursement of Gratuity, Medclaim, GSLI and Pension Fund for staff posted from LIC	1.74	1.84	
	Contribution to LIC of India, P & GS, for Gratuity premium for employees, renewal of group insurance.	22.95	9.05	
	Rewriting Fees Income	-	47.69	Change in ROI of LIC staff loan from 8.75% to 6.75%
	Balance as at year-end towards Non-Convertible Debentures (Credit)	9550.00	11,550.00	-
	Balance as at year-end towards Interest Accrued on Non-Convertible Debentures (Credit)	304.05	243.03	-
	Balance as at year end-Others (Credit)	-	1.81	-

ANNEXURE 4

TO THE BOARD'S REPORT

ANNUAL CSR REPORT 2023-24

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. Brief outline on the CSR Policy of the Company:

The Company's primary objective is to foster self-reliant communities by implementing a range of social initiatives focused on Education, Skill Training, Sustainable Livelihood Enhancement, Health Care, Environmental Sustainability, and Rural Development. These initiatives are in accordance with the Company's approved CSR Policy, overseen by the Board of Directors, and aligned with the provisions of Section 135 of the Companies Act, 2013. The progress and impact of these CSR projects/ programs are closely monitored by a dedicated Board-level committee.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Akshay Kumar Rout	Non-Independent Director	15	15
2	Smt. J. Jayanthi	Independent Director	15	14
3	Shri Ashwani Ghai*	Whole Time Director (Nominee Director)	15	3
4	Shri Y. Viswanatha Gowd**	MD & CEO (Nominee Director)	15	4
5	Shri Ramesh Lakshman Adige***	Independent Director	15	10
6	Shri Tribhuwan Adhikari****	MD & CEO (Nominee Director)	15	11

The Corporate Social Responsibility Committee was reconstituted on 3rd August, 2023 wherein Shri Tribhuwan Adhikari was inducted in place of Shri Y Viswanatha Gowd and further reconstituted on 2nd September, 2023 wherein Shri Ramesh Adige was inducted.

* Shri Ashwani Ghai, COO completed his term on 13th June, 2023

** Shri Y. Viswanatha Gowd, MD & CEO superannuated from LIC HFL on 31st July, 2023

**** Shri Tribhuwan Adhikari has taken charge of MD & CEO, LIC HFL on 3rd August, 2023

*** Shri Ramesh Lakshman Adige has taken charge of Independent Director, LIC HFL on 1st September, 2023

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy, and CSR projects approved by the Board are disclosed on the website of the Company:

- CSR Committee – https://www.lichousing.com/static-assets/pdf/Committees_Membership_Updated_SEPTMBER_2023.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
- CSR Policy – https://www.lichousing.com/static-assets/pdf/Corporate_Social_Responsibility_Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
- CSR Approved Projects – https://www.lichousing.com/static-assets/pdf/CSR_Projects_approved_FY_23_24.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true

4. Provide the executive summary along with web-link(s) of the Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Kindly refer Annexure 4A for the executive summary of Impact Assessments undertaken during the year and embedded weblink for the same: https://www.lichousing.com/static-assets/pdf/csr_Assessment_Report.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true

- a) **Average net profit of the Company as per sub-section (5) of section 135.** : ₹ 3239 crore
- b) **Two percent of average net profit of the Company as per sub-section (5) of section 135.** : ₹ 64.79 crore

- c) Surplus arising out of the CSR projects or programs or activities of the previous financial years. : NIL
- d) Amount required to be set off for the financial year, if any : Not Applicable
- e) Total CSR obligation for the financial year [(b)+(c) -(d)] : ₹ 64.79 crore

5. a) Amount spent on CSR Projects (both Ongoing Project and Other than Ongoing Project) : ₹ 12.37 crore
- b) Amount spent in Administrative Overheads : ₹ 1.19 crore
- c) Amount spent on Impact Assessment, if applicable : ₹ 0.12 crore
- d) Total amount spent for the Financial Year [(a)+(b) +(c)] : ₹ 13.68 crore
- e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹ crore)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 13.68 crore	₹ 51.17 crore	29 th April, 2023	NA	NIL	NA

- f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹ crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 64.79 crore
(ii)	Total amount spent for the Financial Year	₹ 13.68 crore
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

6. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹ crore)	Balance amount in Unspent CSR account under sub-section (6) of section 135 (in ₹ crore)	Amount spent in the Financial Year (in ₹ crore)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹ crore)	Deficiency, if any
					Amount (in ₹ crore)	Date of Transfer		
1	FY 2020-21	₹ 47.02 crore	₹ 15.35 crore	₹ 15.33 crore	₹ 8.80 crore	28 th September, 2021	₹ 00.00 crore	₹ 0.02 crore
2	FY 2021-22	₹ 45.72 crore	₹ 11.40 crore	₹ 07.22 crore	₹ 2.30 crore	26 th July, 2022	₹ 04.18 crore	Nil
3	FY 2022-23	₹ 53.28 crore	₹ 53.28 crore	₹ 41.74 crore	₹ 0.00 crore	NA	₹ 11.54 crore	Nil

7. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☒ Yes ☐ No

If yes, enter the number of Capital assets created/acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)		
Sl. No.	Short Particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
1	Sanitation Complex for women - 4 RO water dispenser in Schools - 1 Sanitation Complex for girls at School -1 Smart Class for School -2 solar streetlights -24 Marketing and Value addition infrastructure for vegetables, chilly and minor millets -1	NA	1 st April, 2023 to 31 st March, 2024	₹ 0.34	CSR00000610	Various beneficiaries (individuals, and community)	Thiruchili Block, Virudhunagar District, tamilnadu
2	Digital Classroom - 3 Solar streetlight Installed -36 Mini dall Processing unit -1 Chilli pounding machine - 2	NA	1 st July, 2023 to 31 st March, 2024	₹ 0.26	CSR00000259	Various beneficiaries (individuals, and community)	Raichur District, Karnataka
3	210 nutrition gardens, 70 Goat rearing units, 35 Backyard poultry units, 1 Jaggery Processing unit, 1 Wheat flour processing unit, 10 Model farms, 70 solar streetlights, Infrastructure development in 7 schools	142001	1 st April, 2023 to 31 st March, 2024	₹ 0.53	CSR00000332	Various Beneficiaries (individuals and community)	Moga district, Punjab
4	Sanitation Unit - 01 Vermicompost Unit - 21 Biogas Plant -18 Solar Jal Minar - 02 Mustard Oil Chakki - 03 Mini Solar Light- 70	325202	15 th September, 2023	₹ 0.25	CSR00000044	Beneficiaries (SHG, Individual & VDC)	Block - Antah, Baran, Rajasthan
5	20 Kit for CRPs, 40 Improved breed induction units, 30 Bamboo farmers enterprises, 16 vermi compost units, 800 demonstration plots of improved pulses, 400 demonstration plots of vegetables, 300 demo plots on black gram/wheat/gram seed production, pulses unit set and electricity	284404	1 st August, 2023 to 31 st March, 2024	₹ 0.38	CSR00000074	Various Beneficiaries (individuals and community)	Lalitpur district, Uttar Pradesh
6	1 Laptop, 1 Printer, Swacchta Mitra Application	734011	1 st October, 2023 to 30 th September, 2024	₹ 0.03	CSR00004091	BITAN	38/8, R.N. Tagore Road, Nabapally, Thakurpukur, Kolkata-700063, West Bengal
7	1 School Bus 3 Solar Power backup	501509	1 st October, 2023 to 31 st March, 2024	₹ 0.39	CSR00057372	ST.GREGORIOS BALAGRAM	ST.GREGORIOS BALAGRAM Yacharam P.O. R.R. District, Telangana, INDIA PIN - 501 509
8	21 Seater School Bus	422403	31 st December, 2023	₹ 0.17	CSR00005050	Anusuyatmaja Matimand Nivasi Vidyalaya	Awalkhed Road, Igatpuri, Nashik Dist, near Vipasana International Centre, 422403

(1)	(2)	(3)	(4)	(5)	(6)		
Sl. No.	Short Particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
9	40 Solar Power backup at PHCs and Subcentres	NA	1 st October, 2023 to 31 st March, 2024	₹ 1.15	CSR00002487	Various beneficiaries (Primary Health Centres and Sub Centres)	Assam, Meghalaya, Nagaland and Mizoram
10	200 farmers supported with vegetable seeds, 25 vermi compost units, 40 farmers supported with Machan Kheti, 50 poultry units	272208	1 st January, 2024 to 31 st March, 2024	₹ 0.11	CSR00001677	Various Beneficiaries (individuals and community)	Siddharthnagar district, Uttar Pradesh
11	VDC Box- 08, Wall Writing- 20, Sanitation kit- 08,	816109	1 st October, 2024 to 31 st December, 2024	₹ 0.02	CSR00008272	Various Beneficiaries (individuals and community)	Rajmahal block of Sahebganj District of Jharkhand
12	Library setup in 10 School	470880	15 th March, 2024	₹ 0.02	CSR00000826	Various Beneficiaries (individuals and community)	Schools in Tendukheda, Damoh, M.P.

8. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135:

The Company is dedicated to supporting meaningful projects and collaborates exclusively with reputable implementation agencies that have a proven track record. CSR initiatives are implemented through a systematic disbursement process that involves monitoring and verification of the efficient utilisation of funds by the implementation partners. As a result of this tranche-based disbursement system, only part payments have been released to the implementation partners, and the remaining funds are scheduled to be released in accordance with the approved work plan. This approach ensures that the CSR projects sanctioned by LIC HFL CSR are effectively executed, contributing to the sustainable development of communities, and aligning with the organisation's core values. During the financial year 2023-24, the Company made diligent efforts to evaluate and process the received contribution requests. We remain committed to maximising the utilisation of our CSR funds.

Sd/-
[Managing Director &
Chief Executive Officer]

Sd/-
[Chairman of CSR Committee]

Sd/-
[Person specified under clause (d)
of sub-section (1) of section 380]
(Wherever applicable)

ANNEXURE 4a

TO THE BOARD'S REPORT

EXECUTIVE SUMMARY OF CSR IMPACT ASSESSMENT REPORT

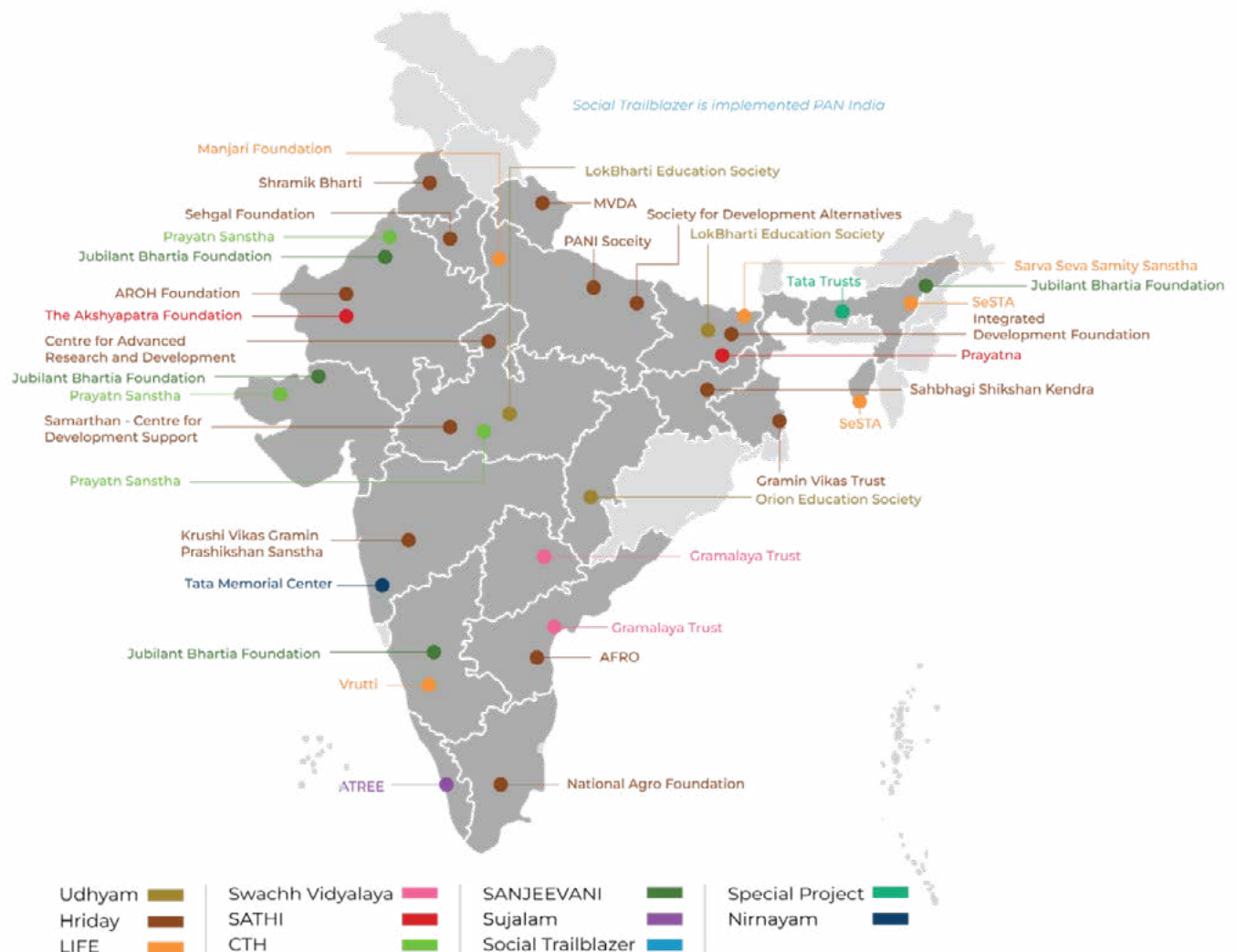
ABOUT LIC HOUSING FINANCE LIMITED (LICHFL)

Incorporated in 1989, LIC Housing Finance Ltd (LICHFL) is one of the largest housing finance companies in India, with the key objective of providing long-term finance to individuals for the purchase or construction of houses/flats for residential purposes.

LICHFL also provides finance on existing property for business/ personal needs and also gives loans to professionals for the purchase/ construction of clinics, nursing homes, diagnostic centres, office spaces, and equipment. The Company also provides finance to builders and developers engaged in the business of construction of houses or flats for residential purposes and to be sold by them.

The Company went public in 1994, and since then, its stocks have been listed and actively traded on the National Stock Exchange (NSE) and Bombay Stock Exchange Limited (BSE). LICHFL is among the pioneers in India, ensuring access to housing finance for home ownership. With a strong business foundation, an extensive distribution network and proven industry expertise, LICHFL is a respected and trusted financial services company. LICHFL takes pride in having served over 25 lakh prudent homeowners.

PROJECT COVERAGE



RESEARCH METHODOLOGY

LICHFL commissioned SoulAce to conduct an impact assessment study to evaluate the immediate and enduring impacts of their CSR program. The impact assessment study was conducted in the fiscal year FY 2024-25.

OBJECTIVES OF THE STUDY



To evaluate the immediate and enduring impacts of the CSR program implemented by LICHFL.



To assess the effectiveness of the program in achieving its intended goals and objectives.



To capture the short and long-term direct, indirect, and unintended impacts.



To identify strengths and areas for improvement in the program implementation process.



To provide recommendations for enhancing the program's impact and sustainability in the future.

USE OF MIXED METHODOLOGY FOR MAXIMUM INSIGHTS

The research problem pertained to assessing the impact of this initiative on local communities. The project's success lies in understanding how this initiative has positively influenced the lives of individuals within the local communities, including their economic well-being, social integration, and overall quality of life. It aims to measure the tangible and intangible benefits brought about by the initiative and evaluate its effectiveness in addressing the needs and challenges of the target population.

ENSURING TRIANGULATION

Triangulation was needed to increase the credibility and validity of the research findings. It was also a measure taken to ensure the trustworthiness of the research process. The findings of the quantitative research have been verified with the insights from qualitative research, and the report has also been structured to reflect this point.

PROJECT EVALUATION FRAMEWORK

After the collection of relevant information and perceptions through interviews, the OECD framework would be followed/applied. It has six evaluation criteria - relevance, coherence, efficiency, effectiveness, impact, and sustainability for each of the indicators.



SAMPLING FRAMEWORK

Project Name	NCO Nam*	Project Code	State	Distrkt	Sample Stet
HRIDAY	PANI Society	PC.20.2104	Uttar Pradesh	Lucknow	251
	AFPRO	PC20.2105	Andhra Pradesh	Vizianagaram	240
	Shramik Bharti	PC.25.2159	Punjab	Moga	251
	Mount Valley Development Association (MVDA)	PC 252158	Uttarakhand	Tehri	257
	Crarnin Vikas Trust (CVT)	PC.25.2164	West Bengal	Malda	248
	ARON Foundation	PC21.2112	Rajasthan	Baran	255
	SAMARTHAN -Centre for Development Support	PC 222126	Chhattisgarh	Durg	254
	Integrated Development Foundation 110F)	PC .212113	Bihar	Gaya	263
	Society for Development Alternatives	PC2S2163	Uttar Pradesh	Sonbhadra	251
	Centre for Advanced Research and Development (CARD)	PC25,2157	Madhya Pradesh	Cuna	256
	Sehgal Foundation	PC21.2111	Haryana	Nuh	257
	National Agro Foundation	PC.25.2156	Tamil Nadu	Virudhunagar	248
	Krushl %Alois Cramin Prashlkshan Sanstha (KVGPS)	PC212118	Maharashtra	Palghar	258
	Sahbhagl Shikshan Kendra (55K)	PC192008	3harkhand	Palamu	234
LIFE	Vrutti	PC.202103	Karnataka	Raichur	226
	Manjari Foundation	PC.25,2152	Uttar Pradesh	Lalitpur	236
	SeSTA	PC.20.2102	Assam	3orhat	236
	Sawa Sava Sarni ty Sanstha 145)	PC.252153	Bihar	Muzaffarpur	236
Swach Vidhyalaya	Cramalaya Trust	PC242134	Andhra Pradesh	Kadapa	265
	Cramalaya Trust	PC.16.1916	Andhra Pradesh	Kamool	265
SATHI	Prayatna	PC242130	Bihar	Muzaffarpur	264
Udhyam	Orion Educational Society	PC.25,2147	Chhattisgarh	Raipur	130
	Lok Bharti Education Society - Bihar	PC21.2115	Bihar	Gaya	236
	Lok Bharti Education Society-MP	PC.25.2146	Madhya Pradesh	Cuna	236
CTH	Prayatn Sanstha	PC252160	Rajasthan	Jaipur	180
SAN3EEVANI	Jubilant Bharlla Foundation	PC.2S2143	Uttarakhand	Haridwar	267
Green Tomorrow	Ashoka Trust For Research In Ecology And The Environment (ATREE)	PC.252144	Kerala	ALappuzha	248
Social Trailblazer	Institute of Rural Management Anand (IRMA)	PC25.2148	PAN India	Pan India	20
Special Project 1	Tata Trusts	PC.25.2165	Assam	Dibrugarh	254
Special Project 2	The Akshyapatra Foundation	PC.16.1918	Rajasthan	Bikaner	266
Nirnayam	Tata Memorial Center	PC.21.2117	Maharashtra	Raigad	264

3 PROJECT SUMMARY

3.1 HRIDAY

IMPLEMENTING AGENCIES:





PANI Society, AFPRO, Shramik Bharti, Mount Valley Development Association (MVDA), Gramin Vikas Trust (GVT), AROH Foundation, SAMARTHAN – Centre for Development Support, Integrated Development Foundation (IDF), Society for Development Alternatives, Centre for Advanced Research and Development (CARD), Sehgal Foundation, National Agro Foundation, Krushi Vikas Gramin Prashikshan Sanstha, Sahbhagi Shikshan Kendra (SSK).



PROJECT BACKGROUND PROJECT

The HRIDAY project, supported by LIC Housing Finance Limited (LICHFL), is implemented across diverse regions. It focuses on holistic rural development through initiatives such as sustainable agriculture, livelihood diversification, community empowerment, and infrastructure improvements like solar streetlights and educational enhancements. HRIDAY aims to uplift socio-economic conditions, enhance employment opportunities, and improve the overall quality of life in rural communities across India.





PROJECT DETAILS

 Year of Implementation	 Project Budget	 Total Beneficiaries	 Project Location
FY 2020-21 FY 2021-22	77,579 individuals	77,579 individuals	Uttar Pradesh, Andhra Pradesh, Punjab, Uttarakhand, West Bengal, Rajasthan, Chhattisgarh, Bihar, Uttar Pradesh, Madhya Pradesh, Haryana, Tamil Nadu, Maharashtra, Jharkhand

PROJECT ACTIVITIES

The core activities under the project interventions include Agricultural Support through the distribution of quality seeds, provision of modern farming tools, farmers' training on sustainable agriculture, training on soil testing, vermicomposting, and modern pest management, as well as support for poultry and goat farming, veterinary assistance, and financial assistance. Community Development efforts encompass the installation of drinking water stations, solar street lighting, sanitation awareness campaigns, waste management, mobile clinics, and linking to available government facilities. Educational support is provided by introducing smart classes and libraries, teacher training, and the provision of sanitation facilities. Women's Empowerment is promoted through skill development and enterprise initiatives such as tailoring and beautician training, along with the strengthening of Self-Help Groups (SHGs).

KEY FINDINGS

	69.2% of the respondents witnessed a 20% increase in income due to the trellis method.		96.9% of the beneficiaries took cattle to Animal Health camps conducted by the project intervention.
	91.9% of the respondents reported a significant improvement in health due to clean water.		100.0% of the beneficiaries reported increased water availability for irrigation and wells for Nala deepening work.


85.1%

of the respondents observed enhanced moisture retention in the soil.


91.2%

of the women beneficiaries were empowered through training classes.


91.9%

of the respondents experienced improved agricultural practices after farm training programs.


100.0%

of the respondents have rainwater harvesting structures installed for recharging wells in their community.


70.2%

of the vermicompost users experienced more than a 40% increase in crop yield.


85.0%

of the respondents gained hands-on learning experience in farm management practices and enhanced agricultural knowledge and skills.


100.0%

of the beneficiaries of solar lights felt that they enabled the movement of children and women at night without fear.


50.4%

of the respondents started vegetable cultivation after Project Intervention.


83.1%

of the beneficiaries participated in animal health camps, leading to better cattle health and increased milk yields.


80.0%

of the beneficiaries reported a significant reduction in drudgery in obtaining drinking water.

KEY IMPACTS

The "HRIDAY" project has had a multifaceted impact, significantly contributing to socio-economic development and environmental sustainability across various project locations. Agricultural interventions have improved crop yields and promoted sustainable practices. Livestock interventions have enhanced animal health and increased milk production. Skill Development and Micro-enterprises have stabilised incomes, thereby improving socio-economic status. School libraries have fostered a reading culture, leading to better educational outcomes. Improved access to essential services such as water, healthcare, and educational facilities has enhanced living conditions through better infrastructure and resources, creating opportunities for economic growth and employment. The project's outcomes are measurable and visible, resulting in positive changes in health outcomes, educational attainment, economic stability, and environmental stewardship. These impacts are crucial in fostering resilience and prosperity within rural communities.

OECD-DAC RATING

Relevance	● ● ● ● ●	Effectiveness	● ● ● ● ●	Impact	● ● ● ● ●
Coherence	● ● ● ● ●	Efficiency	● ● ● ● ●	Sustainability	● ● ● ● ●

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

3.2 LIFE

IMPLEMENTING AGENCIES:





Vrutti, Manjari Foundation, SeSTA, Sarva Seva Samity Sanstha (4S)



PROJECT BACKGROUND

The LIFE project, supported by LIC Housing Finance Limited (LICHFL), spans various regions of India, emphasising sustainable agriculture, community empowerment, and livelihood enhancement. Activities include vermicomposting, goat rearing, micro-enterprises, and vocational training, targeting rural areas to improve farming techniques, diversify income sources, empower women through SHGs, and enhance economic stability and quality of life in communities.

PROJECT DETAILS

			
Year of Implementation	Project Budget	Total Beneficiaries	Project Location
FY 2020-21 FY 2021-22	₹3.5 crore	557 Individuals	Karnataka, Uttar Pradesh, Assam, Tripura, Bihar

PROJECT ACTIVITIES

The core activities under the project interventions include seed distribution, workshops on crop rotation and intercropping, demonstrations on SRI cultivation, support for backyard poultry, pig, and goat rearing, machinery and training support for women, guidance on water conservation, irrigation, and pest management, market access, mulching, and organic pesticide application.

KEY FINDINGS



96.6%

of respondents saw increased vegetable yields with System of Crop Intensification (SCI), and 52.9% of pig-rearing beneficiaries earned ₹ 5,001 to ₹ 7,500 monthly, indicating significant income growth.



Each beneficiary received 2 goats promoting sustainable livelihoods.



94.9%

of the respondents benefitted from vermicomposting unit installation, reporting improved crop quality by 46.0%



All cattle owners received medicine and vaccination support, resulting in 98.3% reporting improved livestock health. Additionally, 77.5% saw a 20% increase in annual income.

KEY IMPACTS

The "LIFE" project has profoundly impacted the lives of beneficiaries through different interventions across various project locations. The adoption of new agricultural techniques and technologies has significantly increased crop yields and improved the quality of produce, resulting in higher incomes for farmers. The introduction of backyard poultry and vermicomposting units has diversified income sources, enhancing financial stability and food security for families. Additionally, the project has empowered women by providing them with new skills and economic opportunities, contributing to greater gender equality and social inclusion.

OECD-DAC RATING

Relevance	● ● ● ● ●	Effectiveness	● ● ● ● ●	Impact	● ● ● ● ●
Coherence	● ● ● ● ●	Efficiency	● ● ● ● ●	Sustainability	● ● ● ● ●

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

3.3 Swach Vidhyalaya

IMPLEMENTING AGENCIES:





Gramalaya Trust



PROJECT BACKGROUND

Led by Gramalaya and supported by LIC Housing Finance Limited (LICHFL), the Swach Vidyalaya project has transformed school sanitation. Through renovation and construction of toilets equipped with essential amenities, including menstrual hygiene facilities, and running water, the project has eradicated open defecation and improved cleanliness. Educational programs focusing on hygiene and behaviour change have successfully ingrained proper sanitation practices among students. Ongoing efforts aim to sustain these improvements and extend similar initiatives to more schools, fostering better health outcomes and school attendance rates.

PROJECT DETAILS

			
Year of Implementation	Project Budget	Total Beneficiaries	Project Location
FY 2020-21 FY 2021-22	₹ 6.3 crore	22,659 Individuals	Andhra Pradesh, Telangana

PROJECT ACTIVITIES

The core activities under the project interventions include the construction of sanitation facilities, provision of drinking water, promotion of hygiene practices among students, promotion of menstrual hygiene practices, and capacity building for parents, teachers, and local stakeholders.

KEY FINDINGS



100.0%

of the respondents found newly constructed toilets clean and usable and participated in special events promoting hygiene and sanitation awareness.



100.0%

attendance among girl students during menstruation is reported post-intervention.



Respondents were satisfied with the overall hygiene and sanitation facilities in their schools.

KEY IMPACTS

The impact of the Swachh Vidyalaya project extends beyond physical infrastructure improvements. It encompasses broader benefits such as improved health outcomes, enhanced school attendance, and better academic performance. Ultimately, by creating safe and hygienic learning environments, the project contributes significantly to the holistic development and well-being of students, aligning with global goals for quality education and sustainable development.

OECD-DAC RATING

Relevance		Effectiveness		Impact	
Coherence		Efficiency		Sustainability	

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

3.4 SATHI

IMPLEMENTING AGENCIES:





Prayatna



PROJECT BACKGROUND

SATHI- Digitalisation of Government School project, implemented by Prayatna in collaboration with CSR partner LICHFL, aims to digitalise government schools in Muzaffarpur, Bhagalpur, Darbhanga, and Samastipur. This initiative focuses on integrating smart classroom technology to enhance the quality of education, improve student engagement, and foster digital literacy among students and teachers. Through the provision of smart TVs, e-content, and training programs, the project seeks to create a more interactive and effective learning environment, ultimately aiming to uplift the educational standards and overall academic performance in the region.

PROJECT DETAILS

			
Year of Implementation	Project Budget	Total Beneficiaries	Project Location
FY 2021-22	₹ 1,40,16,452/-	69,919 Individuals	Bihar

PROJECT ACTIVITIES

The core activities under the project interventions include the integration of smart classroom technology in Muzaffarpur, Bihar

KEY FINDINGS



93.2%

of students experienced significant improvement in overall academic performance, while 91.3% demonstrated improved digital literacy through smart classroom tools.



95.8%

agreed or strongly agreed that they retained information better than in traditional classrooms.

KEY IMPACTS

The integration of smart classes has led to a noticeable improvement in student engagement, academic performance, and interest in learning. Teachers have also benefited from enhanced teaching methods and the ability to deliver more dynamic and interactive lessons. The use of smart classroom technology has not only transformed the educational experience but also equipped students with vital skills for the future.

OECD-DAC RATING

Relevance		Effectiveness		Impact	
Coherence		Efficiency		Sustainability	

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

3.5 UDHYAM

IMPLEMENTING AGENCIES:





Orion Educational Society
Lok Bharti Education Society



PROJECT BACKGROUND

The UDHYAM project, supported by LIC Housing Finance Limited (LICHFL), aims to enhance employment opportunities for the underprivileged through specialised skill development training. The study conducted during the fiscal year 2024-25 comprehensively assesses the project's impact on community development aspects such as employment rates, income levels, and overall quality of life.

PROJECT DETAILS

			
Year of Implementation	Project Budget	Total Beneficiaries	Project Location
FY 2020-21 FY 2021-22	₹ 3.40 crore	1,650 Individuals	Chhattisgarh, Bihar, Madhya Pradesh

PROJECT ACTIVITIES

The core activities under the project interventions include industry-specific skill training, relevant hands-on training, Soft-skill development, Placement Assistance, Counselling, and Post-placement support.

KEY FINDINGS



All of the respondents (100%) could relate the lessons to actual practical work in their workplace, while 92.4% were highly satisfied with the teaching process.



The majority of them (96.2%) were able to secure a job through support.



All of the respondents (100%) received soft skills training, with 65.7% finding it beneficial to a larger extent.

KEY IMPACTS

The UDHYAM project has significantly impacted the lives of beneficiaries and communities across various project locations. By enhancing employability, fostering economic growth, and contributing to social development, it has ultimately improved the quality of life for its beneficiaries. All beneficiaries now earn between ₹ 10,000 and ₹ 20,000, contributing to their families as well. Through skilling and providing employment opportunities to marginalised youth and vulnerable sections of society, the project has not only improved individual livelihoods but also contributed to broader socio-economic development.

OECD-DAC RATING

Relevance	● ● ● ● ●	Effectiveness	● ● ● ● ●	Impact	● ● ● ● ●
Coherence	● ● ● ● ●	Efficiency	● ● ● ● ●	Sustainability	● ● ● ● ●

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

3.6 CTH

IMPLEMENTING AGENCIES:





Prayatn Sanstha



PROJECT BACKGROUND

In collaboration with LIC Housing Finance Ltd Foundation, Prayatn Sanstha implemented the 'Remedial Education Support to Migrant Children' project to address educational setbacks faced by migrant workers' children during the pandemic and help reintegrate them into formal schooling. The project focused on remedial education and community engagement, rebuilding academic competencies and ensuring enrollment in age-appropriate classes without stigma. Activities included identifying migrant settlements, conducting baseline analyses, training and deploying Shiksha Mitras, establishing remedial education centers, regular assessments, and providing learning materials.





PROJECT DETAILS

			
Year of Implementation	Project Budget	Total Beneficiaries	Project Location
FY 2021-22	₹ 0.85 crore	300 migrant children	Rajasthan, Madhya Pradesh, Gujarat

PROJECT ACTIVITIES

The core activities of the project intervention include Remedial Education Support to Migrant Children through selected Shiksha Mitras, providing teaching materials, formation of Bal Manch and Adult Groups and awareness generation through Theatre-in-Education workshops, and organise IEC activities.

KEY FINDINGS

	72.2% of the beneficiaries participate in Bal Manch meetings every week, which highlights their strong participation.		46.7% of the beneficiaries enjoyed creative activities and games, and 43.3% found learning about their rights enjoyable.
	70.6% of the beneficiaries reported enhanced confidence as the benefit of being part of the program.		72.5% of the parents and 27.5 % of parents, respectively, believed their children's academic performance increased significantly and somewhat.

KEY IMPACTS

The project has had a significant impact on migrant children who are not only experiencing learning loss but also other socio-economic vulnerabilities. The program ensured continuity of education for migrant children who face interruptions due to temporary migration for parental work. This has led to building a safety net for these vulnerable children and a bridge to catching up with school education. The program has also been able to promote safe childhood by addressing reducing child labour, child marriage, and abuse and enhancing child rights.

OECD-DAC RATING

Relevance		Effectiveness		Impact	
Coherence		Efficiency		Sustainability	

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

3.7 Sanjeevani

IMPLEMENTING AGENCIES:

Jubilant Bhartia Foundation



PROJECT BACKGROUND

In collaboration with LIC Housing Finance Ltd Foundation, Jubilant Bhartia Foundation executed the 'Health Aarogya Project (SANJEEVANI)' to provide quality healthcare to 75 rural villages in Uttarakhand, Rajasthan, Assam, Karnataka, and Gujarat. The project offered a Static Health Clinic or a Mobile Medicare Unit to ensure accessible healthcare. It aimed to provide immediate support, integrate patients into existing systems, use technology for inclusive delivery, raise health awareness, and ensure safety for patients and health workers. The project served 94,496 patients through general and specialised camps, delivering crucial healthcare services to underserved communities.

PROJECT DETAILS

Year of Implementation	Project Budget	Total Beneficiaries	Project Location
FY 2021-22	₹ 2.67 crore	21,000 Individuals	Uttarakhand, Gujarat, Assam, Rajasthan, Karnataka

PROJECT ACTIVITIES

The core activities of the project intervention include conducting regular visits to villages, providing medical consultations, and dispensing medicines. Organise weekly health camps, offering free health check-ups and consultations, awareness about preventive healthcare, family planning, and communicable diseases, including digitisation, patient registration and health records for efficient management and tracking.

KEY FINDINGS

	83.5% of beneficiaries received treatment for colds and fever and 65.2% for skin problems, suggesting the demand for the services.		88.8% of beneficiaries find the drugs provided very effective for faster recovery.
	89.5% of beneficiaries prefer to receive treatment for chronic conditions and lifestyle diseases from the intervention.		99.3% of beneficiaries attended health awareness sessions conducted by the intervention, suggesting its high engagement.

KEY IMPACTS

The program's impact can be highlighted in its approach to providing healthcare services directly to vulnerable and underserved populations, either through static health clinics, mobile units, or awareness camps, which address the critical need for accessible and affordable healthcare in rural areas. This proactive approach not only improves health outcomes but also reduces the financial burden on individuals and families, as evidenced by the significant reduction in healthcare expenditures post-intervention.

OECD-DAC RATING

Relevance	● ● ● ● ●	Effectiveness	● ● ● ● ●	Impact	● ● ● ● ●
Coherence	● ● ● ● ●	Efficiency	● ● ● ● ●	Sustainability	● ● ● ● ●

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

3.8 Sujalam

IMPLEMENTING AGENCIES:





Ashoka Trust For Research in Ecology and The Environment (ATREE)




PROJECT BACKGROUND


In collaboration with LIC Housing Finance Ltd Foundation, the Ashoka Trust for Research in Ecology and the Environment implemented the 'Rainwater Harvesting for Improving Water Security in the Kuttanad Region' of Kerala. The project aimed to address fresh drinking water challenges in Kuttanad, known for its inadequate and poor-quality water supply. Covering 10 panchayats and benefiting 3,360 individuals and 840 households, the project began by identifying the problem and forming Rainwater Harvesting Self-Help Groups (RWH SHGs). These groups were trained by experts and constructed up to 20 rainwater harvesting tanks. The project also included behavior change training, and awareness sessions with IEC materials, and involved local government bodies and community participation. This comprehensive approach aimed to promote sustainable water management and improve water security in Kuttanad.


PROJECT DETAILS

			
Year of Implementation	Project Budget	Total Beneficiaries	Project Location
FY 2021-22	₹ 2.02 crore	3,360 Individuals	Kerala

KEY FINDINGS

 **82.3%** of the beneficiaries used Common community taps/hand pumps connected to RWH structures as their primary source of drinking water after the intervention.

 **100.0%** of the participation in the activities of Consultation meetings for the construction of RWH structures, Awareness programs on safe drinking water practices.

 The percentage of respondents who rated the water quality as very good increased from 0.0% to 58.1%, showing improved water quality.

PROJECT ACTIVITIES

The core activities of the project intervention include the installation of RWH structures across selected Panchayats, training of user groups and capacity building of the communities for ownership of the structures, and monitoring of water quality.

KEY IMPACTS

The project has profoundly impacted the lives of rural communities in Kuttanad, who were grappling with a severe deprivation of safe and clean drinking water sources. By directly tackling this critical concern, the initiative has alleviated the immense burden these environmentally vulnerable families bear.

OECD-DAC RATING

Relevance		Effectiveness		Impact	
Coherence		Efficiency		Sustainability	

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

3.9 Social Trailblazer

IMPLEMENTING AGENCIES:





Institute of Rural Management Anand (IRMA)








PROJECT BACKGROUND

The LICHFL – IRMA Social Trailblazer Program, implemented by the Institute of Rural Management Anand, is a year-long initiative to boost social innovation in India, focusing on livelihood and liveability. It aims to empower social entrepreneurs and enterprises with capital assistance, mentorship, and ecosystem support to tackle developmental challenges aligned with the Sustainable Development Goals. The program facilitates problem mapping, stakeholder mapping, and the development of scalable solutions, aiming to create future leaders in social entrepreneurship. Core activities include training sessions, boot camps, and pitch events to incubate and accelerate these enterprises toward their transformational goals.

PROJECT DETAILS

			
Year of Implementation	Project Budget	Total Beneficiaries	Project Location
FY 2021-22	₹ 2.00 crore	19 Start-ups	PAN India

KEY FINDINGS

-  Successfully onboarded 19 targeted start-ups, with an adjustment to fund 11 start-ups instead of the planned 10.
-  Provided equity funding to 8 start-ups and grants to 3 start-ups.
-  Achieved broad geographical coverage across India with start-ups operating in diverse regions, enhancing the program's reach and impact.
-  30% of the total start-ups are led by women co-founders, supporting gender diversity and leadership in the social enterprise sector.
-  Start-ups under the program have attracted attention from various government departments and private investors, opening avenues for future collaborations and funding.

PROJECT ACTIVITIES

The core activities of the project intervention include financial assistance and mentorship to selected Incubators for their entrepreneurship and start-ups.

KEY IMPACTS

The impact of the program is profound, affecting various levels, from individual to national. Start-ups have not only experienced growth but have also contributed to job creation, innovation, and community development. The program's emphasis on sustainability and social impact ensures that the benefits are widespread and long-lasting, enhancing social structures and economic conditions within communities across India.

OECD-DAC RATING

Relevance	● ● ● ● ●	Effectiveness	● ● ● ● ●	Impact	● ● ● ● ●
Coherence	● ● ● ● ●	Efficiency	● ● ● ● ●	Sustainability	● ● ● ● ●

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

3.10 Special Project 1

IMPLEMENTING AGENCIES:





Tata Trusts



PROJECT BACKGROUND

In collaboration with LIC Housing Finance Ltd Foundation, Tata Education Development Trust successfully executed the 'Transforming cancer care in Dibrugarh' to meet the accessible cancer diagnostics needs of families in Dibrugarh, Assam. Assam, particularly, reports a significant number of cancer cases each year, placing immense strain on patients and their families. Currently, access to cancer care is predominantly limited to centrally located apex hospitals, resulting in logistical challenges such as high out-of-pocket costs and extended travel distances for patients from remote areas like Upper Assam. By setting up PET-CT scans in Dibrugarh Cancer Care Centre, Assam, as a pivotal location, this initiative has been able to mitigate these challenges. It has enhanced early detection, diagnosis, and treatment capabilities, thereby improved patient outcomes, and reduced the burden on healthcare facilities. The project successfully served 857 patients by installing and operationalising a state-of-the-art PET-CT scan. This initiative provided access to high-quality diagnostic services for numerous individuals in Dibrugarh Cancer Care Centre, Assam.

PROJECT DETAILS

			
Year of Implementation	Project Budget	Total Beneficiaries	Project Location
FY 2021-22	₹ 4.95 crore	857 Individuals	Assam

KEY FINDINGS



Successfully installed and operationalised advanced PET-CT scan equipment at the Dibrugarh Cancer Centre.



Improved accuracy of cancer diagnosis by identifying primary cancer sites and metastases more precisely.



Enabled clinicians to tailor treatment plans more effectively based on accurate staging and response monitoring.

PROJECT ACTIVITIES

The core activities of the project intervention include procurement and installation of Emission Tomography - Computed Tomography (PET-CT) equipment and training for healthcare professionals for effective utilisation.

KEY IMPACTS

The program has been impactful by addressing a critical gap in local cancer care services. The installation of the PET-CT has reduced the need for exhausting and costly travel by providing timely and precise diagnostics locally. Previously, the concentration of advanced diagnostic services in limited urban centres led to long waiting periods for patients. The availability of the PET-CT scan at Dibrugarh Cancer Care Centre has alleviated this issue by distributing the diagnostic load more evenly across the region.

OECD-DAC RATING

Relevance	● ● ● ● ●	Effectiveness	● ● ● ● ●	Impact	● ● ● ● ●
Coherence	● ● ● ● ●	Efficiency	● ● ● ● ●	Sustainability	● ● ● ● ●

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

3.11 Special Project 2

IMPLEMENTING AGENCIES:


The Akshaya Patra Foundation



PROJECT BACKGROUND

In collaboration with LIC Housing Finance Limited (LICHFL), the Akshaya Patra Foundation operated a successful Mid-Day Meal program in Lucknow and beyond. This initiative provided nutritious meals to underprivileged children, enhancing their health, behaviour, and academic performance. Advanced kitchen facilities ensured food quality, safety, and cost-efficiency, supported by a green fleet for timely meal delivery. Meanwhile, a program implemented by Prayatna, aimed to digitise government schools in using smart classroom technology to improve education quality and digital literacy.

PROJECT DETAILS

			
Year of Implementation	Project Budget	Total Beneficiaries	Project Location
FY 2022-24	₹ 4.9 crore	75,000 Individuals	Rajasthan, Gujarat, Uttar Pradesh, Daman & Diu and Silvassa

PROJECT ACTIVITIES

The core activities under the project interventions include the provision of Mid-day meals through centralised kitchens equipped with advanced technologies like mechanised steam-heated utensils in government schools across Bikaner, Lucknow, Silvassa, and Surat.

KEY FINDINGS



Reduced malnutrition and related health issues were achieved through balanced meals provided under the mid-day meal program.



Improved school attendance and concentration, leading to better academic performance have also been reported.

KEY IMPACTS

The Mid-day Meal Program has had a definite positive impact on students' nutritional intake, leading to improved attendance, active class participation, and better academic outcomes. Cultural sensitivity ensures that meals are well-received, contributing to overall student well-being.

OECD-DAC RATING

Relevance	● ● ● ● ●	Effectiveness	● ● ● ● ●	Impact	● ● ● ● ●
Coherence	● ● ● ● ●	Efficiency	● ● ● ● ●	Sustainability	● ● ● ● ●

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

3.12 Nirnayam

IMPLEMENTING AGENCIES:





Tata Memorial Center



PROJECT BACKGROUND

The LICHFL Nirnayam Project, implemented by Tata Memorial Centre's Advanced Centre for Treatment, Research and Education in Cancer (ACTREC) in Kharghar, Navi Mumbai, addresses the rising demand for specialised cancer treatment in India. The project focuses on equipping the Operation Theatre (OT), Intensive Care Unit (ICU), Post-operative Recovery, and Central Sterilisation Supply Department (CSSD) with advanced medical equipment. This initiative aims to enhance patient care, improve treatment efficiency, and increase the hospital's capacity to treat cancer patients from across India and neighbouring countries, aligning with Sustainable Development Goals (SDGs) to promote evidence-based oncology services, education in cancer care, and innovative cancer research.






PROJECT DETAILS

			
Year of Implementation	Project Budget	Total Beneficiaries	Project Location
FY 2020-21	₹ 5.80 crore	20,000 Individuals	Maharashtra

PROJECT ACTIVITIES

The core activities of the project intervention include the procurement and installation of 183 pieces of advanced medical equipment in OT and ICU.

KEY FINDINGS

	Procurement and installation of advanced technology equipment in OT and ICU.		Enhanced diagnostic and treatment capabilities with advanced equipment, including GI endoscopy and laparoscopy stacks, multipara monitors, and infusion pumps
	Training programs are conducted for staff by equipment vendors and trained doctors.		
	Increased capacity for patient treatment from 5,600 to 40,000 admissions annually.		Increased patient handling efficiency by 80% with user-friendly equipment.

KEY IMPACTS

The project has had a significant impact on cancer care at ACTREC Tata Memorial Centre. It has enhanced diagnostic and treatment capabilities, improved patient outcomes, and increased the hospital's capacity to handle more patients. The qualitative impact is evident from case studies and testimonials, demonstrating improved efficiency in surgeries, better patient monitoring, and overall enhanced quality of care.

OECD-DAC RATING

Relevance	● ● ● ● ●	Effectiveness	● ● ● ● ●	Impact	● ● ● ● ●
Coherence	● ● ● ● ●	Efficiency	● ● ● ● ●	Sustainability	● ● ● ● ●

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

ANNEXURE 5

TO THE BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of,
LIC Housing Finance Limited
Bombay Life Building, 2nd Floor,
45/47, Veer Nariman Road,
Mumbai- 400 001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LIC HOUSING FINANCE LIMITED** having CIN: - **L65922MH1989PLC052257** (hereinafter called the '**the Company**') for the financial year ended on **31st March, 2024** (the "Audit Period").

We have conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our verification of the Company's books, papers, minutes books, forms and returns filed, records provided through virtual data room /physically and other records maintained by the Company;
- (ii) Compliance certificates confirming compliance with corporate laws applicable to the Company given by the Key Managerial Personnel / Senior Managerial Personnel of the Company and taken on record by the Company's Audit Committee / Board of Directors; and
- (iii) Representations made, documents produced and information provided by the Company, its officers, agents and authorised representatives during our conduct of Secretarial Audit

We hereby report that, in our opinion, during the Audit Period covering the financial year ended on 31st March, 2024, the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanisms are in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure-A.

1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS

We further report that:

- 1.1 We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company during the year in terms of the applicable provisions / clauses of:
 - (i) The Companies Act, 2013 (the "Act") and the Rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) The National Housing Bank Act, 1987 and the Guidelines and Circulars issued thereunder from time to time.
 - (v) The Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.
 - (vi) Housing Finance Company Issuance of Non-Convertible Debentures on Private Placements (NHB) Directions, 2014.
 - (vii) 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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
 - (d) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible securities) Regulations, 2021 as amended from time to time.
- (g) Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008
- (h) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time.

*The Company has also maintained a Structured Digital Database ("SDD") pursuant to the requirement of regulation 3 (5) and 3 (6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- (viii) Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India (Secretarial Standards) and notified by the Central Government under Section 118 (10) of the Act which have mandatory application.

1.2 During the period under review:

- (i) The Company has complied with all the applicable provisions of all the aforesaid Acts, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.
- (ii) Generally Complied with the applicable provisions / clauses of:
 - (a) The Secretarial Standards on meetings of Board of Directors (SS-1) and on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above, which are applicable to the meetings of the Board, Committees constituted by the Board held during the year, the 34th Annual General Meeting ("AGM") held on Monday, 28th August, 2023 and the postal ballots conducted by the Company dated 28th April, 2023, 30th June, 2023 and 29th October, 2023.
 - (b) The compliance with the provisions of the Rules made under the Act with regard to participation of Directors through video conference for the Board/Committee meeting(s) held during the year, were verified based on the minutes of the meetings provided by the Company.

1.3 During the audit period under review, provisions of the following Acts /Regulations were not applicable to the Company: -

- (i) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

- (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- (iv) Foreign Exchange Management Act (FEMA), 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments and External Commercial Borrowings to the extend applicable.

1.4 We have also examined, on test-check basis, the relevant documents and records maintained by the Company and provided to us with respect to the following Statutes which is applicable to the Company: -

- a) Tax Laws;
- b) Information Technology Act, 2002;
- c) The Prevention of Money Laundering Act, 2002;
- d) Compliance with Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI);
- e) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

2. BOARD PROCESSES OF THE COMPANY:

We further report that:

2.1 The Board of Directors of the Company as on 31st March, 2024 comprised of:

- (i) One Managing Director – Mr. Tribhuwan Adhikari (DIN: 10229197);
- (ii) Two Non-Executive Nominee Directors – Mr. Siddhartha Mohanty (DIN: 08058830), Mr. Mukkavilli Jagannath (DIN: 10090437);
- (iii) Two Non-Executive Non-Independent Directors – Mr. Koteswara Rao Pottimutyalu (DIN: 06389741), Mr. Akshay Kumar Rout (DIN: 08858134);
- (iv) Eight Non-Executive Independent Directors, including one Woman Independent Director -
Mr. Dharmendra Bhandari (DIN: 00041829),
Mr. Vipin Kumar Kukreja (DIN: 01185834),
Mr. Ameet N. Patel (DIN: 00726197),
Mr. Kashi Prasad Khandelwal (DIN: 00748523),
Mr. Sanjay Kumar Khemani (DIN: 00072812),
Ms. Jagannath Jayanthi (DIN: 09053493),
Mr. Ravi Krishan Takkar (DIN: 07734571),
Mr. Ramesh Lakshman Adige (DIN: 00101276);

2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the year were carried out in compliance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015:

- 1. Appointment of Mr. Siddhartha Mohanty (DIN: 08058830) as Additional Director, Non-Executive on the Board of the Company as Nominee of LIC of India, in accordance with Articles of Association of

the Company who has been appointed as Chairman of the Company in accordance with Article 176 of the Articles of Association of the Company with effect from 5th April, 2023 till the period as decided by LIC of India from time to time, not liable to retire by rotation through postal ballot passed on 28th June, 2023.

2. Appointment of Mr. Jagannath Mukkavilli (DIN: 10090437) as Additional Director, Non-Executive on the Board of the Company as Nominee of LIC of India, in accordance with Articles of Association of the Company with effect from 5th April, 2023 and is hereby appointed as Director (Non-Executive) of the Company for the period as may be decided by LIC of India and Board of the Company, liable to retire by rotation through postal ballot passed on 28th June, 2023.
 3. Change in the designation of Mr. Shri Sanjay Kumar Khemani (DIN:00072812) from Non-Executive Director to Independent Director not liable to retire by rotation until 30th June, 2024 with effect from 6th February, 2023.
 4. Cessation of directorship of Mr. Ashwani Ghai (DIN:09733798) as the Whole Time Director & Chief Operating Officer of the Company with effect from 13th June, 2023.
 5. Appointment of Mr. Tribhuwan Adhikari (DIN: 10229197) was appointed as Additional Director in the capacity of Managing Director & CEO by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee who was regularised at the AGM as the Managing Director & CEO of the Company for such period until which he remains deputed in the Company as a nominee director of LIC of India, subject to a maximum period upto 5 years, from the date of his appointment i.e. 3rd August, 2023.
 6. Reappointment of Shri Akshay Kumar Rout (DIN: 08858134) as a Director, liable to retire by rotation, was approved by the Members of the Company at their AGM pursuant to Section 152 of the Companies Act, 2013.
 7. Appointment of Shri Ramesh Lakshman Adige (DIN: 00101276) as an Independent Director of the Company until 31st August, 2028 appointed as an Independent Director of the company not liable to retire by rotation for a period of 5 years until 31st August, 2028 with effect from 1st September, 2023.
 8. Cessation of directorship of Viswanatha Gowd Yerur (DIN: 09048488) as Managing Director and Chief Executive Officer of the Company with effect from 31st July, 2023.
 9. Cessation of directorship of Mr. Mangalam Ramasubramanian Kumar as Nominee Director of the Company with effect from 13th March, 2023.
- 2.3 Adequate notice(s) with Agenda and the detailed notes to Agenda of at least seven days was given to all the Directors to enable them to plan their schedule for the meetings of the Board and the Committees constituted by the Board, and where the meetings were held at shorter notice, due compliance was ensured, as required under the Act and the Secretarial Standard on meetings of the Board of Directors.
 - 2.4 A system exists for Directors to seek and obtain further information and clarifications on the agenda items before the meetings and to ensure their meaningful participation at the meetings.
 - 2.5 We note from the minutes examined that, at the Board meetings held during the year:
 - (i) Decisions were taken through the majority of the Board; and
 - (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, which were required to be recorded as part of the minutes.

3. COMPLIANCE MECHANISM

There are reasonably adequate systems and processes prevalent in the Company, which are commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

4. SPECIFIC EVENTS / ACTIONS

- 4.1 During the year under review, the following specific events/ actions, having a major bearing on the Company's affairs took place: -

1. The members of the Company at Postal ballot dated 28th June, 2023 approved the following by way of a Special Resolution:
 - a. Amendment in clause 143 (a) of the Articles of Association of the Company.
 - b. Issuance of Redeemable Non-convertible debentures/ or any other instruments, which can be classified as being Tier II capital under the provisions of the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Housing Finance Companies (NHB) Directions, 2010 and the guidelines on private placement of Non-Convertible Debentures (NCDs), for cash either at par, premium or discount (only in case of re-issuance) to the face value, up to an aggregate amount not exceeding ₹ 53,000/- crore (Rupees Fifty Three Thousand Crore only)

- under one or more shelf disclosure document (including any shelf disclosure document as may have already been approved and issued by the Company) and / or under one or more letters of offer as may be issued by the Company, and in one or more series / tranches, during the period commencing from the date of this approval to the date of the 35th Annual General Meeting for FY 2024-25 or the date of exhaustion of the above mentioned limit, whichever is earlier, on a private placement basis and on such terms and conditions as the Board/ or its Committee, may deem fit and appropriate for each series / tranche, as the case may be subject to condition that the total outstanding Non-Convertible Debentures (NCDs) along with other borrowings limits, does not exceed the existing borrowing powers of the Board under Section 180(1)(c) of the Act, i.e., ₹ 4,00,000/- crore (Rupees Four Lakh Crore only), accorded in the 30th Annual General Meeting held on 28th August, 2019.
2. The members of the Company at the 34th AGM have approved the material related party transaction limits with Life Insurance Corporation of India (LIC of India) for an aggregate value not exceeding ₹ 3,850 crore (Rupees Three Thousand Eight Hundred and fifty crore only) during the period FY 2023-24 by way of renewals of extension or modifications of earlier arrangement / transactions.
 3. During the period under review, the Company had received an intimation from the Luxembourg Stock Exchange (LuxSE) on 29th November, 2023 regarding the 'The Bank of New York Mellon SA/NV, Luxembourg Branch which has publicly announced its decision to cease to act as listing agent for securities listed on LuxSE. Thereafter, The Bank of New York Mellon, as depositary terminated the Deposit Agreement, dated 7th September, 2004, between the Company and the Depositary as a result, the existing GDR facility was terminated effective at 5:00 PM (Eastern Time) on 25th March, 2024.
 4. The Board of Directors at its meeting held on 2nd February, 2024 approved the proposal for infusing ₹ 20 crore in LICHFL Care Homes Limited in form of Inter - Corporate Deposit at rate of interest of 9.5% p.a. for a tenure of 3 years.
 5. The Company was in receipt of show cause notice from Reserve Bank of India vide show cause notice no: CO.ENFD.DENBFC.No.S585/02-14-261/2023-24 dated 5th December, 2023, was issued to the company by the Reserve Bank (RBI), calling upon to show cause in writing, as to why the maximum penalty stipulated under section 52A of the National Housing Bank Act, 1987 (NHB Act) should not be imposed on the company for non-compliance with the aforementioned direction issued by RBI, as stated therein. The company submitted its reply to the SCN vide letter dated 22nd December, 2023, additional submissions were made vide letters dated 13th and 18th March, 2024 and proceedings of the personal hearing was conducted on 13th March, 2024. Thereafter the Company was in receipt of letter from Reserve Bank of India (Regulator) vide letter Ref: CO. ENFD.DENBFC.No.S15/02-14-261/2024-25 dated 5th April, 2024, wherein a penalty of ₹ 49,70,000/- (Rupees Forty-Nine Lakh Seventy Thousand only) was levied on LIC Housing Finance Limited, Mumbai (the company) for non-compliance with Parra 80.1 (part) and 85.6 of the RBI Master Directions, which was deposited with the RBI on 19th April, 2024.

For BNP & Associates

Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: 637/2019]

Avinash Bagul

Partner
FCS No.: F5578
COP No.: 19862
UDIN: F005578F000373583

Place: Mumbai
Date: 15th May, 2024

Annexure A to the Secretarial Audit Report for the financial year ended 31st March, 2024

To,
The Members of,
LIC Housing Finance Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have considered compliance related actions taken by the company based on independent legal /professional opinion obtained as being in compliance with law.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Company. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates

Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: 637/2019]

Avinash Bagul

FCS No.: F5578
COP No.: 19862
UDIN: F005578F000373583

Place: Mumbai
Date: 15th May, 2024

ANNEXURE 6

TO THE BOARD'S REPORT

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

Sl. No.	Name of the Subsidiary Company	Reporting period	Reporting currency	Issued, subscribed and paid up Capital	Reserves & surplus	Total assets	Liabilities (excluding share capital & reserves)	Investments	Turnover	Profit/(Loss) before taxation	Tax Expenses / (Credit)	Profit / (Loss) after taxation	Proposed dividend	% of shareholding
1	LICHFL Care Homes Limited	April 2023 - March 2024	INR	50,00,00,000	(41,27,16,000)	93,20,31,000	84,47,46,000	NIL	47,73,039	-10,66,94,000	75812000	(18,25,06,000)	Nil	100
2	LICHFL Financial Services Limited	April 2023 - March 2024	INR	9,50,00,000	99,18,99,000	1,20,97,53,000	12,28,54,000	NIL	66,83,42,000	23,16,59,000	5,99,31,000	17,17,28,000	30%	100
3	LICHFL Asset Management Company Limited	April 2023 - March 2024	INR	9,19,44,000	54,10,32,000	69,84,34,000	6,54,58,000	8,04,70,000	15,82,76,000	9,18,54,000	2,60,72,000	6,57,82,000	30%	94.62
4	LICHFL Trustee Company Private Limited	April 2023 - March 2024	INR	9,00,000	94,25,080	1,04,44,120	1,19,040	1,02,68,750	21,61,870	19,58,160	4,95,160	14,63,000	Nil	100

Part 'B' Associate

1	LIC Mutual Fund Asset Management Company Limited	April 2023 - March 2024	INR	15,39,00,000	2,30,61,08,160	2,69,53,11,330	23,53,03,170	1,32,14,90,080	93,66,53,680	10,97,56,130	-	10,97,56,130	10%	33.52
2	LIC Mutual Fund Trustee Private Limited	April 2023 - March 2024	INR	1,00,000	63,31,410	67,63,490	3,32,080	Nil	50,00,000	32,50,950	8,26,750	24,24,200	Nil	35.30