



DIRECTORS' REPORT

To
The Members,
LICHFL Financial Services Limited

Directors have pleasure in presenting the Eighth Annual Report of your Company together with the audited Financial Statements for the year ended 31st March, 2015.

Financial Results

The Statement of Profit and Loss shows a profit before tax of Rs.378.18 lacs after taking into account all expenses, including depreciation. After considering the provision for income-tax (net of deferred tax) including that of earlier years, the profit after tax is Rs.250.20 lacs.

Particulars	(Rs. in lacs)	
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Profit for the year	250.20	227.82
Less : Appropriation	-	-
Proposed Dividend	95.00	66.50
Tax on Dividend	18.99	11.30
Retained Earnings	2.19	-
Add : Opening Bal of P&L	527.09	377.07
CL. Balance of P&L	661.11	527.09

Dividend

Considering the overall performance during the year 2014-15, your Directors have recommended a dividend of Rs.1.00 per equity share (10 percent) for the year ended 31st March, 2015. The total dividend outgo for the current year would amount to Rs. 113.99 lacs including a dividend distribution tax of Rs 18.99 lacs.

State of Company's Affairs / Performance

The Company earned a total income of Rs.1291.27 lacs for the year under review as against Rs.1198.56 lacs for previous year. Profit before tax and after tax stood at Rs.378.18 lacs and Rs.250.20 lacs respectively for current year as against Rs.346.57 lacs and Rs.227.82 lacs respectively for the previous year. The balance of Profit and Loss Account carried to Balance Sheet by the Company during the current year is Rs.661.11 lacs as compared to Rs.527.09 for the previous year.

The Net worth of the Company as at the close of the current financial year was Rs.16,11,11,630/- as against 14,77,09,710/- for the previous financial year. The variation in the net worth is Rs.1,34,01,920/-.



Geographical reach

At the end of the year 2014-15, your Company has 37 Territory Offices operating across the country. The Company has got five offices in Maharashtra, five in Andhra Pradesh, seven in Tamil Nadu, three in Karnataka, two in Kerala, two in Madhya Pradesh, two in Haryana, two in Rajasthan, two in Telangana, three in Uttar Pradesh, and one each in New Delhi, Odisha, West Bengal, Bihar.

Human Resources

As on 31st March, 2015, the Company is having 21 employees at Corporate office and 274 marketing personnel in the Territory offices across the Country. The Company aims to align HR practices with business goals, motivate people for higher performance and build a competitive working environment. Productive high performing employees are vital to the Company's success. The Board values and appreciates the contribution and commitment of the employees towards achievements of the Company during the year. Apart from fixed salaries and perquisites, we also have in place variable pay and performance-linked incentives which reward outstanding performers who meet certain performance parameters.

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

Product lines

Company is distributing financial products viz. Home Loans, Life Insurance, Mutual Funds, Fixed Deposits, General Insurance, Credit Cards and National Pension System.

Customer base

During the Financial Year 2014-15 the Company acquired 11091 customers through cross selling of multiple financial products.

Auditors

The Directors recommended appointment of M/s. Chokshi & Co. LLP, Chartered Accountants as auditors of the Company for the Financial Year 2014-15.

The Company has received certificate from M/s. Chokshi & Co., Chartered Accountants stating their appointment, if made, will be within the prescribed limits under Section 141 (3) (g) of the Companies Act, 2013.

Directors

Shri. Ajeet Prasad retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment. The Directors recommend his reappointment.

