Investing in Tomorrow,
Financing Small Businesses Today

29th
ANNUAL
REPORT
2023-24

www.iifl.com

About the report

Welcome to the Integrated Annual Report of IIFL Finance Limited. This Report provides a comprehensive overview of our annual financial and operational performance, aligned with our strategic business objectives. Inside, you will find an in-depth look at our operations, achievements, and challenges, along with our approach to risk and opportunity management. We detail our performance across various capital metrics, offering stakeholders a holistic view of our resilience and growth in a dynamic market environment. Join us on our journey towards excellence and sustainable growth.

Our integrated reporting process

Our integrated reporting process is designed to ensure thorough planning, consideration, validation, and approval. The process begins with the planning phase, where we establish reporting frameworks, engage with stakeholders, measure performance, and conduct benchmarking. In the consideration phase, we assess risks and opportunities, define strategic objectives, understand the operating context, and address material matters. Following this, in the validation phase, we perform internal reporting and review by the Board of Directors. Finally, the approval phase involves the sign-off and board approval of the Report.

Our integrated annual report

Period

Produced and published annually, this Report covers our financial year from April 1, 2023 to March 31, 2024. Any subsequent material events up to the date of Q4 board meeting (June 15, 2024) are also included.

Boundary

Report on the primary activities of the Group, including our subsidiaries, joint ventures and other investments where we have financial control and significant influence.

Reporting on Environmental, Social and Governance (ESG Metrics)

Our Integrated Annual Report extends beyond financial reporting to include key ESG performance metrics. Detailed sustainability performance is incorporated in the strategic review and BRSR sections.

Audience and key stakeholders

This Report intends to address the information needs of our stakeholders interested in IIFL Finance's overall performance and our ability to preserve or create value over the short, medium and long term, considering risks and opportunities.

Key stakeholders

- Customers
- Employees
- Governments/Regulators
- Investors/Shareholders
- Communities/NGOs
- Business Partners/Suppliers
- Bankers/Lenders

Integrity

The Board ensures the integrity of our integrated reporting process. It emphasizes the management's evaluation of the efficacy of disclosure controls and procedures through an internal control framework and assessment. It also grants final approval for publication following the completion of the relevant auditing process.

Approach to materiality

The Integrated Annual Report offers a comprehensive overview of our business activities and efforts aimed at fostering enduring value. Furthermore, it explores key factors pivotal to our Company's value generation potential over time, alongside the strategies implemented to mitigate these challenges.

Inside the report

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Investor information

Market capitalization (as on March 31, 2024)	₹ 12,976.46 Crore
CIN	L67100MH1995PLC093797
BSE code	532636
NSE symbol	IIFL
Dividend declared	₹ 4/-

For more investor-related information, please visit:
https://www.iifl.com/finance/overview

Or Scan the QR Code

Disclaimer:

This document contains statements about expected future events and financials of IIFL Finance ('The Company'),, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Our evolving reporting landscape

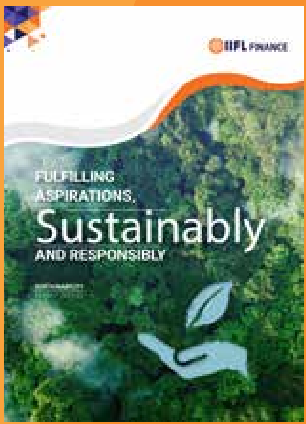
Annual reports

FY 2020-21

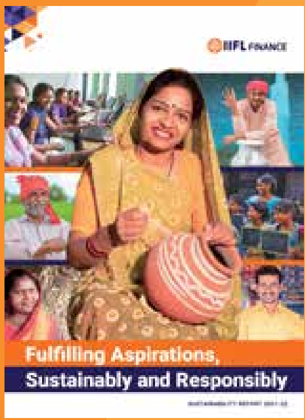
FY 2021-22

FY 2022-23

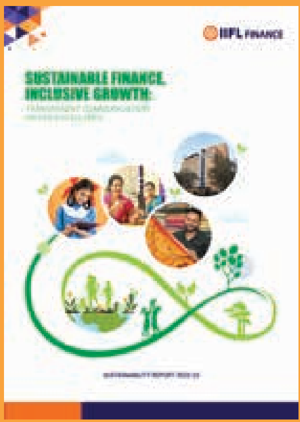
Sustainability reports



FY 2020-21



FY 2021-22



FY 2022-23

Investing in tomorrow, financing small businesses today

India is undergoing a monumental transformation, scaling new heights each year as one of the world's most dynamic economies. This optimism, however, has not fully reached India's grassroots, including entrepreneurs who eagerly await empowerment. At IIFL Finance, we embrace this responsibility wholeheartedly, tirelessly working to bridge the gap. We understand that small businesses are the backbone of our economy. They spark innovation, create jobs, and nurture community growth. Our support is not just about financing; it is about investing in a future that is brighter and more prosperous. By equipping today's entrepreneurs with the right financial tools, we are planting the seeds for a thriving and equitable tomorrow.

We recognize the unique challenges that small businesses face. Our offerings are tailored to help them overcome hurdles, grow steadily, and make significant contributions to the economic landscape. Our commitment to these businesses is unwavering as we strive to foster their growth and resilience. As we move forward, innovation and technology - our guiding stars - synergize to create a path that leads us to break down geographical barriers, reaching the furthest corners of India's hinterland where the underbanked dwell. In everything we do, our focus remains on ensuring seamless customer experiences that close the divide between aspirations and achievements.

In an ever-evolving economic environment, IIFL Finance remains dedicated to nurturing the potential of small businesses. We are here to empower these essential enterprises with the resources they need to succeed. Supporting small businesses is not just our mission --it is our pledge to build a stronger, more sustainable future for India.

Guiding every step of our journey is financial inclusion - the very heartbeat of IIFL Finance. For us, serving the underserved is not just a credo, but a heartfelt commitment to creating a world where no one is left behind.

Thriving on robust performance

Performance

At IIFL Finance, we persistently achieve robust financial performance, characterized by steady growth and resilience. This sustained success reaffirms our position as a leader in the financial services sector.

39,815
Total employees

4,801
Total branches

15,94,934
Total employee training hours

7,86,091
CSR beneficiaries*

Total employees are as on March 31, 2024
Training hours and branches data is for FY 2023-24
** Total beneficiaries from initiatives undertaken by IIFL Foundation for IIFL Finance Ltd. and IIFL Home Finance Ltd, and by IIFL Samasta Finance during FY 2023-24.*

Planet

We undertake several initiatives aimed at preserving our planet to sustain our long-term viability and societal well-being.

₹ 10,249 Crore
Revenue from Operations

₹ 1,974 Crore
Profit after Tax

2.3%
Gross Non Performing Assets

₹ 78,960 Crore
Loan Assets Under Management

People

Our unwavering focus on empowering our employees, customers, business partners and communities, fosters a culture of respect and all-round growth within the organization.

Our Gurugram Office is LEED Gold Certified

23,627
Green housing units funded

10,264 saplings planted
Under the Miyawaki project

About the Company

We, at IIFL Finance, strive to cement our position as one of India's most esteemed financial institutions. With a rich legacy of nearly three decades, we remain committed to empowering our customers with innovative financial solutions tailored to their unique needs. Our comprehensive suite of products and services reflects our resolve to meet the diverse requirements of our extensive clientele. Our customer-centricity truly sets us apart, driving us to continuously evolve and excel all through our journey towards sustained success.

Complementing our financial services, the IIFL Foundation serves as the Corporate Social Responsibility (CSR) arm of the IIFL Group. Since its establishment in 2014, the Foundation has been actively engaged in addressing key societal issues across various domains, collectively referred to as HELP (Health, Education & Environment, Livelihood, and Poverty Alleviation). Through the Foundation, we extend our commitment beyond business, making a positive impact on society and fostering inclusive growth.

Our Vision

To be the most respected financial services company in India. Not necessarily the largest or most profitable.

Core values

Our fundamental principles guide our actions as a moral compass in all our endeavors. FIT - Fairness, Integrity, and Transparency, are the driving principles behind our operations. We collaborate with individuals who align with our professional ethos. We remain steadfast in upholding these values and are willing to forgo any growth opportunities that do not align with them.

F — **Fairness**

Fairness in our transactions with all stakeholders, including employees, customers, communities, regulators, Government, investors, and vendors, bereft of fear or favor

I — **Integrity**

Integrity and honesty of the utmost nature, in letter, in spirit, and in all our dealings with people, internal or external

T — **Transparency**

Transparency in all our dealings with stakeholders, media, investors, and the public at large

Our subsidiaries

Our subsidiaries – IIFL Home Finance Limited, IIFL Samasta Finance Limited, and IIFL Open Fintech Private Limited – strategically position us to advance our primary objective of enhancing our retail lending portfolio across diverse sectors. These include segments, such as Home loans, Secured business loans, and Microfinance loans, enabling us to cater to wide cross sections of clientele.

IIFL Home Finance Limited

IIFL HOME LOAN

IIFL Home Finance Limited is India's leading affordable housing finance company that received registration by the National Housing Bank in 2009. It provides affordable home loans primarily to first-time home buyers from EWS and LIG segments, secured business loans and project loans.

79.59%
(As on March 31, 2024)

Stake of IIFL Finance

IIFL Samasta Finance Limited

IIFL samasta

IIFL Samasta Finance Limited operates as a Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI). Established in March 2008, it offers cost-effective and innovative financial solutions, primarily to women in rural and semi-urban regions.

99.56%
(As on March 31, 2024)

Stake of IIFL Finance

IIFL Open Fintech Private Limited

IIFL Open Fintech Private Limited is a fintech firm, focussed on providing neo-banking solutions to consumers, micro-enterprises, and retail clients. Its offerings include lending, investment, and wealth management services, tailored to specific target demographics. It was incorporated under the Companies Act, 2013 in May 2022.

51.02%
(As on March 31, 2024)

Stake of IIFL Finance

Message from the Chairman

Learning from every crisis, emerging stronger

Dear Stakeholders,

I am pleased to present our Company's Integrated Annual Report for FY 2023-24, highlighting another year of robust and sustainable growth. Before delving deep into our performance, I want to share my views and learnings from the recent regulatory development at our Company. In March 2024, the Reserve Bank of India (RBI) highlighted several material supervisory concerns in our gold loan portfolio and directed our Company to immediately cease and desist from sanctioning or disbursing gold loans, as well as from assigning, securitising, or selling any of its gold loans. The Central Bank said that these supervisory restrictions will be reviewed upon completion of a special audit to be instituted by the RBI. Meanwhile, RBI said that our Company can continue servicing its existing gold loan portfolio through usual collection and recovery processes. Our team has worked swiftly and comprehensively towards addressing all concerns raised by the RBI. We are fully committed to meet all regulatory standards and have implemented necessary remedial measures.

Here, I would like to underline the role played by our Company in widening the ambit of organized lending within the country. Since our inception, we have focused on serving the underserved sections of the society through our diverse range of loan products. Over 80% of our gold loans are used by borrowers for productive purposes, including construction and/or repair of house, education of children, farming and small businesses or service units. We also focus on MSMEs, who are growing rapidly and are employment-oriented, through our digital lending products. Before the RBI order, our Company was adding about 30,000+ customer accounts every day across our vast phygital network. Over the years, we have served over 8 million customers belonging to the bottom of the economic pyramid with 86% of the loans provided to customers with annual income of less than ₹ 3 Lakh and thereby have helped them fulfil their aspirations. Several of these borrowers are now free from the vicious and never-ending cycle of borrowing at exorbitant rates from unregulated moneylenders. The current embargo has slowed down this momentum and there is a risk that some of our gold loan borrowers might reach out to the unorganized lenders for meeting their financial needs. We, however, continue to make strides in all our other businesses supporting the unwavering credit demand of small businesses in India.

As on date, the Special Audit (which commenced on April 23, 2024) has been concluded and we wait for RBI's response thereof. With unflinching resolve, we are determined to navigate this challenge with fairness, transparency, integrity, and utmost importance for compliance and regulations that has always remained the bedrock of our success. We are confident that we will bounce back strongly once the embargo in the gold loan business is lifted while we continue to operate in other businesses.

Coming back to our performance during the year, we continued to excel across all key financial and non-financial metrics, including loan AUM, branch network expansion, employee growth, and digital reach. We solidified our dominant position in the industry. Our performance is yet another testament to our ability to identify opportunities, develop effective strategies, and execute them with precision, driving responsible growth. It also underlines the prudent and disciplined approach we follow while managing our finances.

Favorable macroeconomic environment

India remains a bright spot in the global economic landscape, standing out amidst global vulnerabilities and geopolitical concerns. This resilience stems from a strong domestic demand, combined with a revival in rural consumption, robust investments particularly in infrastructure, and sustained momentum in manufacturing. The strength of the Indian economy is evidenced through the country's real GDP growth in FY 2023-24, which surged by 8.2%, a remarkable feat given the performance of the major global economies. Continued traction in the construction sector, which experienced a double-digit growth, fuelled by strong demand for residential properties, was another key highlight.

India's financial services sector exemplifies the country's economic progress and potential. Rising incomes, a strong Government focus on financial inclusion, and rapid digital adoption are expected to combine and drive the sectoral growth rapidly through 2035. India's digital payments could surpass US$ 1 Trillion by 2030 (Source: Nasscom-Arthur D Little report). The sector's long-term fundamentals are sound, with a vast opportunity landscape for well-run, responsible financial services companies.

NBFCs play a pivotal role in accelerating the pace of financial inclusion in India, providing credit to key and niche sectors of the economy, from infrastructure to the unbanked sections of society. Their integral role in diversifying the Indian financial sector by mobilizing resources and offering loans at affordable rates remains one of the major highlights of India's growth story. By 2023, the NBFC sector registered significant growth, reaching an impressive size of US$ 326 Billion*, symbolizing its growing influence in the financial domain. This robust growth is primarily driven by the increasing demand for specialized financial services, especially from Micro, Small, and Medium Enterprises (MSMEs) that face challenges in securing loans from traditional banking institutions.

Our performance during the year

We stand firm on our commitment to serve the underserved, combined with our emphasis on digitalization. Our persistent focus culminates into enhanced customer experiences, while reinforcing our strong positioning in the market. Additionally, our transparent communication empowers customers to make informed decisions, establishing us as their preferred lender in a competitive marketplace. The trust bestowed upon us by our customers is evidenced through the exceptional performance of all products during the year under review, leading to a 22% increase in our AUMs compared to FY 2022-23. Our focus on quality is depicted in our strong asset quality ratios (GNPA of 2.3%, NNPA of 1.2%). We take pride in our world-class IT infrastructure, which helps us achieve a fine balance while acquiring customers efficiently and serving them seamlessly.

The benefits of our expanding branch network and strategic technological investments over the past two years are now evidently bearing fruit. As one of the select few, we adeptly scaled the bank partnerships model with a keen focus on asset quality, making us preferred partners for Indian banks. Additionally, we persist in playing the role of a major enabler in promoting financial inclusion and transforming our customers' aspirations into achievements.

We are rapidly integrating Environmental, Social, and Governance (ESG) principles across all our operations, creating shared value for all stakeholders. By leveraging our strategic goals of enhancing stakeholder value while maintaining a balance between high growth and sound credit underwriting practices, we are set to maximize on macroeconomic opportunities. Embracing the dual strategy of propelling organic growth and pursuing partnership-driven expansion, we aspire to achieve even greater heights. Our agile and effective strategy, coupled with our scalable business model are key enablers for our future growth.

Concluding thoughts

At this critical juncture, I thank each one of you, for your continued trust and support. Your belief in our capabilities and mission remains our greatest strength. Together, we have overcome numerous challenges so far and have celebrated every success. I extend my heartfelt gratitude for your enduring trust and collective spirit, and I eagerly anticipate navigating this phase together with grace and strength.

Our actions are guided by our commitment to all stakeholders, encompassing customers, employees, lenders, investors and partners. I would like to reiterate our Company's unwavering commitment to remain compliant with the highest standards of RBI regulatory requirements both in letter and in spirit, today and in the future. We are more than just a Company; we are a community serving millions of customers and channelling credit to underserved segments of society. Let us continue to strive towards our shared goals, making a meaningful impact in the lives of those we serve. Your support during this pivotal phase of our journey is invaluable to us.

Best regards,

A. K. Purwar

Chairperson and Non-Executive Director

*https://bfsi.economictimes.indiatimes.com/blog/key-milestones-and-transformations-in-the-nbfc-sector-and-their-potential-implications-for-2024/107018373

Managing Director's communique

Investing in Tomorrow: Financing Small Businesses Today

Dear Stakeholders,

Reflecting on our journey since 1995 fills me with pride as I recognize how far we have come. What began as a small business itself, is now financing millions of small businesses and helping entrepreneurs turn their dreams into reality, contributing to a better tomorrow.

India's Micro, Small, and Medium Enterprises (MSMEs) represent a vast and vital segment of our economy. With over 85 million MSMEs, they form the backbone of India's economic framework. However, there is a significant under-penetration within this segment, especially among the smallest MSMEs, which make up more than 99% of the total and often require funding below a million rupees. Despite their small individual scale, these enterprises collectively have the potential to drive sustained and inclusive economic growth for the nation, and they remain our primary target customers.

At IIFL, we have strategically focused on empowering these small businesses through our core offerings in gold loans and business loans. We estimate that 70-80% of our gold loan customers are small businesses that pledge their gold because they are otherwise ineligible for credit or would face much higher interest rates. Our business loans similarly cater to small enterprises, with an average loan size of less than ₹10 Lakh. Additionally, our financial services are extended through two subsidiaries engaged in microfinance and housing finance. Microfinance supports self-help groups of women running micro-enterprises, while our housing finance subsidiary provides affordable home loans, primarily serving employees or owners of small businesses. Small businesses are, therefore, the backbone of all our core products.

The government and RBI recognize the transformative power of MSMEs in ensuring a better tomorrow for the masses. The focus on MSMEs by policymakers is well-placed, as empowering these small businesses can unlock economic activity that will significantly contribute to India's growth story. However, there is still much work to be done. Currently, MSMEs contribute approximately 30% to India's GDP. In contrast, MSMEs in China and South Korea contribute around 60% and 50% of GDP, respectively. These countries have successfully leveraged their MSME sectors through targeted government policies, financial support, and market reforms, fueling growth and prosperity.

For example, China's "Mass Entrepreneurship and Innovation" strategy provided substantial support to startups and small businesses through tax incentives, access to credit, and infrastructure development. South Korea, on the other hand, built a robust ecosystem for SMEs through the "Creative Economy" initiative, emphasizing innovation, R&D, and technology adoption among small businesses.

India is making significant strides in this direction. Recent policy initiatives by the Government and the Reserve Bank of India (RBI) reflect a strong commitment to bolstering the MSME sector. The introduction of the Emergency Credit Line Guarantee Scheme (ECLGS) during the pandemic provided much-needed liquidity support to MSMEs, enabling them to weather economic challenges. This credit guarantee support has continued post-pandemic through a revised scheme. Besides, Credit Guarantee Fund for Micro Units, provides substantial guarantee for collateral free loans to micro units. Additionally, the RBI's guidelines on restructuring loans for MSMEs and the introduction of the TReDS (Trade Receivables Discounting System) platform are crucial steps toward improving access to finance for small businesses.

At IIFL, we recognize this immense potential and have aligned our strategy accordingly. Our unique *phygital* approach—combining a physical network of branches with digital empowerment—places us in an advantageous position. Along with our subsidiaries, we have built a strong distribution network of 4,800 branches, supported by approximately 40,000 employees who are well-versed in the intricacies of the Indian market. We have always aggressively invested in technology, partnered with innovative fintechs, and continue to do so. Our award-winning technology keeps us ahead of the competition and closer to our customers. Over the last three decades, we have cultivated a deep understanding of our customers' financial needs, with our customer base now exceeding 8 million. Our unique moat, developed over these years, positions us favorably with a business model focused on making credit accessible and affordable for small businesses, well-aligned with national priorities.

India is at the forefront of digital technology and infrastructure, driving the rapid inclusion of small businesses into the formal financial ecosystem. While banks are making efforts to bridge the enormous credit gap, the task is too vast for them to handle alone. Non-Banking Financial Companies (NBFCs) like ours, with our last-mile connectivity to customers, cost-efficient and flexible operations, deep understanding of niche segments and remote geographies, entrepreneurial management, and ability to leverage digital technology, are ideal partners for banks in achieving this mission. As these small businesses grow, they will generate more employment, create more demand, and foster a virtuous cycle of economic growth, ensuring a better standard of living for the next generation. Therefore, I believe as a nation, we can make a great investment in tomorrow by financing small businesses today.

Recently, the RBI imposed restrictions on our gold loan business, including an embargo on new loans but allowing the servicing of our existing portfolio. The RBI's supervisory concerns included deviations in assaying and certifying the purity and net weight of gold, breaches in loan-to-value ratios, cash transactions beyond statutory limits, and non-adherence to standard auction processes. In response, we have undertaken immediate corrective and remedial actions to address these concerns and initiated a comprehensive root cause analysis to prevent any recurrence. We are committed to adhering to the highest standards of compliance, governance, and risk mitigation. We view the RBI's action as an opportunity to strengthen our assurance functions further, including risk management, audit, and compliance frameworks. These efforts will be the backbone of our future growth, ensuring that we emerge stronger and more resilient.

The success of our strategy and the trust we have earned from our stakeholders have been crucial in navigating this path. As we continue to align our efforts with broader national objectives, we remain committed to empowering India's small businesses. By financing these enterprises today, we invest in a more prosperous and inclusive tomorrow for our nation.

In closing, I sincerely thank all our stakeholders—investors, lenders, rating agencies, partners, employees, and customers. Your unwavering support and belief in our vision have been instrumental in our journey. Together, we will continue to build on this foundation, ensuring we play a pivotal role in India's economic growth story.

Best Regards,

Nirmal Jain
Founder and Managing Director

Our products

At IIFL Finance, we extend a comprehensive suite of innovative loan products tailored to our customers' dynamic needs, continuing our journey of financial empowerment. As of March 31, 2024, retail loans contributed nearly 98% of our consolidated loan portfolio, with 67% of these complying with Priority Sector Lending (PSL) requirements. This excluded retail gold loans, which fall outside the purview of Priority Sector Lending.

Loan asset under management mix (%)

(As on March 31, 2024)

Affordable home loans

We are dedicated to making affordable home loans accessible to first-time home buyers across 20 states and union territories of the country. With customer-centricity at the core, we offer housing finance solutions to the economically weaker sections (EWS) and Low Income Group (LIG). Our Jhatpat loan approval process and state-of-the-art technological capabilities set us apart from others in the industry.

₹ 27,438 Crore
Total Assets Under Management (AUM)

₹ 8,522 Crore
Total disbursements

₹ 15.28 Lakh
Onboarding average ticket size

215,695
Women borrowers/co-borrowers served since inception

Gold loans

Our gold loans serve as short-term working capital solutions, fostering financial inclusion for a wide range of customers including vendors, traders, farmers and salaried individuals. Additionally, customers can avail our 'Gold Loan at Home' service, providing a secure and paperless loan experience without the necessity of visiting a branch.

₹ 23,354 Crore
Total Assets Under Management (AUM)

₹ 35,085 Crore
Total disbursements

₹ 0.76 Lakh
Onboarding average ticket size

2,752
Branches

Secured business loans

We assist MSMEs with their financing needs for their business expansion, launching new products, augmenting existing infrastructure and other requirements. This versatile financing solution extends immediate financial assistance whenever necessary.

₹ 8,607 Crore
Total Assets Under Management (AUM)

₹ 3,655 Crore
Total disbursements

₹ 8.05 Lakh
Onboarding average ticket size

51,715
Customers added in FY 2023-24

Digital loans

We offer customized digital loans to both the MSME sector and individuals, providing business loans backed by cash flows. Employing analytical scorecard-based credit underwriting practices, we ensure accuracy and reliability. Leveraging our digital capabilities, we deliver instant approvals and automate the disbursement process. During the year, we started Supply Chain Finance (SCF), a vital financial tool tailored for optimizing working capital within businesses. It serves as a short-term financing solution extended to vendors and dealers, facilitating the enhancement of operational efficiency and liquidity management.

₹ 4,302 Crore
Total Assets Under Management (AUM)

₹ 4,852 Crore
Total disbursements

₹ 1.23 Lakh
Onboarding average ticket size

3,80,824
Customers added in FY 2023-24

Microfinance

Our microfinance loans act as a powerful instrument for fostering asset development and income stability within households and communities. Employing a joint liability group model, our Company offers small-scale micro loans to self-employed women for income-generating endeavors. In addition, we offer credit-linked insurance as part of our commitment to support community welfare.

₹ 13,094 Crore

Total Assets Under Management (AUM)

₹ 11,592 Crore

Total disbursements

100%

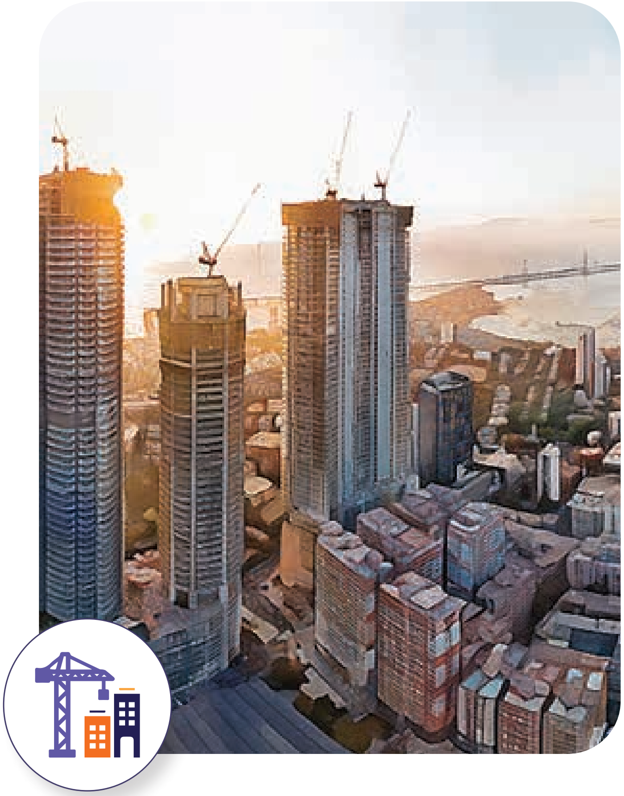
Credit-linked insurance coverage for the applicant

75%

Credit-linked insurance coverage for the husband/co-applicant

1,648

Branches



Construction and real estate

Construction and real estate

We extend Construction and Real Estate (CRE) loans to support the timely completion of projects already funded by us, affordable housing projects finance via HFC; adhering to internal approval processes and in compliance with RBI regulations.

₹ 1,857 Crore

Total Assets Under Management (AUM)

Capital market

We anchor our growth strategy primarily around our core businesses, wherein Loan Against Shares and the capital market portfolio synergize seamlessly.

₹ 308 Crore

Total Assets Under Management (AUM)

Our strengths

Diversified product portfolio catering to a wide customer base

We offer a diverse range of loan products tailored to various customer segments nationwide, including retail borrowers (salaried, self-employed, individuals in the informal sector), High Net Worth Individuals (HNIs), and corporations. This broad spectrum enables us to strategically capitalize on the vast opportunities for credit expansion within these product segments, while reducing dependency on a single segment and serving under banked sections of the economy. Supported by our flourishing phygital network, we effectively re-engage with both existing and prospective customers across all regions of the country.

Our offerings

- Affordable home loans
- Gold loans
- MFI loans
- Digital loans
- Non-core, synergistic loans
- Supply chain finance
- Secured business loans (LAP)

Sustained high asset quality

We maintain low levels of non-performing assets through the implementation of robust credit approval mechanisms, rigorous credit control processes, and comprehensive audit and risk management policies. Additionally, we continuously monitor credit risk, risk concentration, and compliance with Board-approved policies to proactively manage potential challenges.

2.32%
Consolidated Gross NPA

78%
Consolidated Loan AUM secured with collaterals

Diversified funding sources and strong credit profile

Our funding is sourced through a mix of term loans from banks, issue of secured and subordinated redeemable non-convertible debentures on a public and private placement basis, refinancing from all India financial institutions, securitization and direct assignment of our retail portfolio of loans with sufficient availability of working capital facilities from banks.

Our long-standing, mutually beneficial relationships with capital providers (banks, pension funds, foreign institutional investors, etc.) allow us to secure sufficient funding at competitive rates. This, in turn, enable us to have sufficient liquidity to fulfil our borrowing obligations, maintain strong credit ratings and support our growth trajectory, ensuring a margin of safety.

Streamlined, technology driven processes

We drive product innovation, minimize turnaround times, optimize costs, and provide exceptional customer experiences through our technology-driven processes. Our fully digitalized business loan processes, from customer on-boarding to underwriting, disbursements, and collections, garner significant traction. Moreover, we actively collaborate with the fintech ecosystem to continuously improve our platform and enhance customer experiences. We believe technology driven processes will facilitate our swift response to market opportunities and challenges, help monitor processes and performance, and improve our risk management capabilities.

40%
Increase in total app downloads

Strong phygital footprint

We focus on extending our offerings to the underserved segments of society, utilizing our extensive pan-India presence. Our branches play a vital role in supporting our gold loans, home loans, microfinance (MFI), and business loans segments. On the other hand, our digital platforms extend our reach within the home loan, business loan, and MSME loan categories. By implementing advanced technology driven systems for loan applications via our website, portable tablet-based applications and mobile-based applications, we prioritize customer convenience.

4,801
Branches

28
States and union territories

Robust brand equity supported by seasoned management team

We take pride in our reputation among retail, institutional, and corporate clients across the country. Guided by our experienced promoters, we are strategically poised to harness market opportunities and navigate challenges adeptly. Moreover, we leverage the synergies from our group companies to hone our competitive edge. Throughout our growth journey, our senior management and seasoned executives remain the primary drivers, taking us forward with greater momentum.

35 Years
Average experience of board members

23 Years
Average experience of management team

Above data is as on March 31, 2024

Value creation model

Capital inputs

Key SDGs involved

Financial Capital

- ₹ 10,637 Crore — Equity funding
- ₹ 46,699 Crore — Debt funding
- ₹ 57,336 Crore — Capital employed

Physical Capital

- 4,801 — Total branches
- 28 — States and union territories covered

Intellectual Capital

- Complete paperless loan disbursements
- Tie-ups under co-lending, co-origination and business correspondence

Human Capital

- 39,815 — Total workforce

- Performance-linked rewards
- Learning and development
- Employee engagement initiatives

Social and Relationship Capital

- ₹ 31.17 Crore — CSR spends

- Workforce engaged in CSR programs
- Partnership with Government

Natural Capital

- Efficient energy consumption
- Optimum water usage
- Adept waste management

Our business activities

AFFORDABLE HOME LOANS

Small loans for affordable homes, in small towns and suburbs of metros

GOLD LOANS

Secured low-risk short-term loans to neighborhood customers

MICROFINANCE

Focus on self-employed, low-income women groups for micro business loans

Key enablers

- Stringent/High compliance
- Effective risk management
- Advanced technology adoption
- Strong relationships with clientele

Outputs

Products

₹ 8,522 Crore
Home loans disbursed

₹ 35,085 Crore
Gold loans disbursed

₹ 11,592 Crore
Microfinance loans disbursed

₹ 4,852 Crore
Digital loans disbursed

₹ 3,655 Crore
Secured business loans (LAP) disbursed

Outcomes

DIGITAL LOANS

Loans for business backed by cash flows

SECURED BUSINESS LOAN (LAP)

Focus on lending to MSME sector and individuals

NON-CORE, SYNERGISTIC LOANS

Businesses synergistic to group's core businesses

- Expertise in areas of credit and finance
- Work culture
- Talented workforce with specific skill sets

Financial (Consolidated)

₹ 10,490 Crore
Total Income

₹ 1,974 Crore
Profit after Tax

3.4%
Return on Assets

18.4%
Return on Equity

₹ 4,154 Crore
Net Interest Income on on-book assets

Physical

8 Million+
Total customers served

Intellectual

15%
Co-lending as a % of AUM

Human

5,905
Employee additions

15,94,934
Total training hours

Social and Relationship

2,59,500+
Loans to first-time buyers

7,86,091*
CSR beneficiaries

Natural

Savings under IGBC preliminary certified/ certified projects under management

19,716 MWH p.a
Energy savings

18,135 tCO_2e p.a
GHG emissions offset

1,139 ML p.a
Water savings

Total beneficiaries from initiatives undertaken by IIFL Foundation for IIFL Finance Ltd. and IIFL Home Finance Ltd, and by IIFL Samasta Finance during FY 2023-24.

Macro opportunities

Macro opportunities

Underserved retail and MSME sector

The MSME sector exhibits a sizeable credit demand, with less than 15% of the demand being met by formal sources. Potential market size is estimated at ₹ 3.1 Lakh Crore (source: CRISIL). Despite supportive Government initiatives, there remains a significant credit gap that NBFCs can bridge through collaborations with fintechs and advancements in digital technologies.

Our services are tailored to meet the unique needs of this massively underbanked segment of the society, with a robust presence in the rural hinterland of the nation.

Bank-NBFC partnership model

This model presents an opportunity for banks to increase their share of credit to priority sectors. With the rising popularity of this model, regulatory guidelines from the central bank have been issued for banks and NBFCs, aiming to enhance credit accessibility to unserved and underserved sectors of the economy at affordable costs.

We stand out as one of the few NBFCs in India to successfully establish scalable and sustainable partnership arrangements with banks. Our flourishing collaborations with numerous top-tier banks signify their confidence in our asset quality, transparency and execution capability.

Under-penetration of gold loans, housing loans and microfinance

The growth of credit in India serves as a vital indicator of its economic trajectory, prominently showcased in segments like gold loans, microfinance, housing finance, and MSME loans. Capitalizing on their digital prowess, NBFCs have emerged at the forefront of providing doorstep loan services and various gold loan schemes. Moreover, collaborative engagement and partnership ventures between banks and NBFCs are opening up new avenues for growth. Despite these advancements, the gold loans, home loans, MSME loans and microfinance segments in India remain relatively untapped, presenting NBFCs with ample opportunities for expansion.

We harness our established track record of offering gold loans, home loans, MSME and microfinance loans to solidify our brand reputation. Our capacity to navigate challenges, while striking a balance between achieving significant growth, mitigating risks, and enhancing profitability positions us favorably to explore the untapped or under-tapped financing segments.

E-commerce and retail lending

The retail lending scenario in India has undergone a paradigm shift, fuelled by fintech innovations, as individuals increasingly opt for digital platforms for instant loan and financing solutions. This evolution enables NBFCs to provide tailored financing solutions and expand their reach to a broader customer demographic.

We focus on enhancing our digital capabilities, encompassing the creation of proprietary apps, technological platforms, and risk management systems. We strive to utilize technology to enhance efficiency throughout our operations. At the same time, we are actively collaborating with fintechs to strengthen our reach in underpenetrated regions.

Robust working capital demand

Projected upward growth momentum across sectors is expected to drive an increase in the demand for working capital, thereby boosting the need for working capital financing. NBFCs in India are strategically positioned to fulfil this burgeoning demand and play a pivotal role in advancing India's journey towards economic supremacy.

We support the expansion and smooth operation of small and medium-sized enterprises by providing them with a steady stream of credit, tailored to their needs and offered at competitive rates.

Growing digitalization and analytics

Digital advancements have revolutionized the NBFC sector, leading to increased efficiency, cost reduction, and improved financial inclusion. This transformation greatly benefits customers, as NBFCs are now in a position to offer enhanced services and innovative products.

We provide our customers with an end-to-end digital journey, covering every aspect from loan application to servicing and closure. We strive to become their preferred lending partner by offering ease and convenience, along with swift documentation at their doorstep.

Strategy

Capitals	Stakeholders
Financial Capital	Customers
Social and Relationship Capital	Investors/ Shareholders
Intellectual Capital	Employees
Human Capital	Bankers/ Lenders
Physical Capital	Communities/ NGOs
Natural Capital	Government/ Regulators
	Business Partners/Suppliers

Strategy	KPIs	FY 2023-24 performance	Key capitals impacted	Key stakeholders involved
Enhanced shareholder value S1	▫ Strong credit rating ▫ Consistent financial performance ▫ Healthy return ratios ▫ Healthy dividend payout	▫ Short-term rating reaffirmed at 'CRISIL A1+' ▫ ROA: 3.4% ▫ ROE: 18.4%	Financial Capital	Investors/ Shareholders; Government/ Regulators
Growing through fintech partnerships S2	▫ Number of new partnerships in the year ▫ Business generated through partnerships ▫ Customers added through partnerships	**Co-lending as a % of AUM** ▫ Home Loans: 16.9% ▫ Gold Loans: 37.9%	Financial Capital; Social and Relationship Capital; Intellectual Capital	Business Partners/Suppliers; Customers; Government/ Regulators
Maintaining healthy asset quality S3	▫ State-of-the-art systems and processes ▫ Efficient collections team ▫ Superior asset quality ▫ Partnership with fintechs	▫ Gross NPA at 2.3% ▫ Net NPA at 1.2%	Physical Capital; Human Capital; Intellectual Capital	Investors/ Shareholders; Customers; Employees; Government/ Regulators; Bankers/ Lenders
Optimizing branch network S4	▫ New branches added ▫ Branches in tier-I/tier-II/tier-III regions	▫ New branches added: 534 ▫ Gold loan branches in non-metros, semi-urban and rural areas: 75%	Physical Capital; Financial Capital; Social and Relationship Capital; Human Capital	Customers; Employees
Responsible financing S5	▫ Number/growth in new to banking customers ▫ Green housing units funded ▫ Women borrowers	**Women borrowers/Co-borrowers as a % of total** ▫ MFI loans:100% ▫ Home loans: 98%	Social and Relationship Capital; Natural Capital; Human Capital	Business Partners/Suppliers; Customers; Investors/ Shareholders; Government/ Regulators; Employees; Bankers/ Lenders

Strategy	KPIs	FY 2023-24 performance	Key capitals impacted	Key stakeholders involved
Leveraging digital S6	▫ Business generated through digital platforms ▫ Cost efficiencies achieved	▫ 100% digital journey for loan processing		
Maximizing cross-sell opportunities S7	▫ Number of customers with more than 1 IIFL product ▫ Growth in SME loans ▫ % Business generated through cross-selling	▫ Repeat customers in gold loans: 76% ▫ Repeat customers in MFI loans: 37.42 %		

Risk management

At IIFL Finance, we view prudent risk management as an integral aspect of our operations, vital for nurturing sustainable growth. We adopt a comprehensive approach that entails a proactive identification and assessment of various risks across all facets of our business, encompassing financial, operational, regulatory, and reputational domains. Our risk management framework ensures stability and fuels our journey towards enduring success, enriching the experiences of all stakeholders involved.

We diligently monitor and manage potential threats, ensuring resilience in the face of uncertainty, leveraging our robust risk mitigation frameworks. We prioritize adherence to regulatory requirements and best practices, while fostering a culture of risk awareness and accountability throughout the organization.

Embracing the 'Three Lines-of-Defence' framework, we fortify our defences against risks at every level of our organization. The management serves as the first line of defence ensuring compliance with established rules and protocols at the corporate entity level. The risk control and compliance oversight functions, established by management, constitute the second line of defence. Finally, the internal audit/assurance function serves as the third and final line of defence.

IIFL Management

- Contemplation of risks across all functions and operations
- Prompt supervision and risk control

Risk Control and Compliance

- Risk mapping and evaluation across our Company
- Rolling out risk mitigation initiatives, including compliance

Internal Audit

- Independent review of activities across the first two stages
- Conducts internal audit and reports results to Audit Committee

Key developments during the year

Update on RBI order

An inspection of our Company was carried out by the RBI with reference to our financial position as of March 31, 2023, wherein certain supervisory concerns were observed by the RBI in respect to the gold loan portfolio of our Company. Through a press release and order dated March 4, 2024, RBI has directed our Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning/ securitising/selling any of its gold loans. These supervisory restrictions will be reviewed upon completion of a special audit to be instituted by the RBI and after rectification by the Company of the special audit findings and the findings of RBI Inspection, to the satisfaction of RBI. Our Company can, however, continue to service its existing gold loan portfolio through usual collection and recovery processes.

We have taken appropriate steps both at policy as well as process definition level to ensure that the concerns as observed by RBI are duly addressed to its satisfaction. We have strengthened the assaying process and have enhanced transparency by including a Certificate of Purity at the time of disbursement. Moreover, the auction process also has been streamlined and we have started conducting online auctions through an independent agency. Our policies and systems have been updated to restrict cash disbursements within statutory limits when we commence disbursements of gold loans. The special audit directed by the Reserve Bank of India (RBI) commenced on April 23, 2024 and has been concluded on May 27, 2024. We have submitted compliance certificate on all observations.

ICAAP implementation

We have developed an ICAAP policy and framework designed to comprehensively assess a range of risks including credit, market, operational, strategic, legal, compliance, cyber, outsourcing, and liquidity risks. Our approach utilizes both quantitative and qualitative methods to effectively manage potential exposures. Additionally, we have implemented a robust stress testing framework to evaluate capital requirements under various stress scenarios and support strategic capital planning.

Risk categorization and Re-KYC

We have implemented an automated system to calculate Re-KYC due dates and send SMS/email notifications to customers on their respective due dates. Additionally, we have developed a comprehensive Standard Operating Procedure (SOP) that outlines the risk categorization and Re-KYC processes for business teams.

Forward looking ECL model

We have integrated forward-looking macroeconomic factors into our existing Expected Credit Loss (ECL) framework, in accordance with IND AS standards. This enhancement ensures a more accurate and dynamic assessment of credit risk.

Digital lending reports

We possess an automated digital lending enhancement report with comprehensive portfolio quality metrics, including static pool analysis, roll rates and lagged coincidental delinquencies.

Agile risk management with automated triggers

We have increased agility by holding regular portfolio review meetings with the business teams to address issues and suggest improvements. We have also set clear thresholds and automated triggers for breaches to ensure timely intervention, proactive risk management, and early recovery.

Trainings and risk knowledge series

The inaugural 'Risk Knowledge Series' was launched on Moneyversity, marking the first-ever mandatory Last Mile ERM Awareness E-Learning Training program for IIFL Finance and its subsidiaries. Started on November 1, 2023, this initiative aims to equip all employees with essential risk management knowledge.

Bureau reporting

We have automated several advancements in bureau reporting processes, significantly enhancing accuracy and efficiency. Furthermore, we have initiated bureau reporting specifically for gold loans.

Structured legal matters

We have structured legal matters on a risk scale to ensure effective monitoring, faster resolution, better allocation of empanelled lawyers, and timely provisioning and contingency reporting.

Vendor empanelment process

We have defined a comprehensive vendor empanelment process, ensuring adherence to RBI requirements. This includes establishing clear procedures for vendor empanelment and conducting thorough assessments for existing material vendors, categorizing them into different risk buckets. Audit reports are diligently submitted for existing material vendors, ensuring compliance and risk mitigation measures are effectively implemented.

Our risk management matrix

Technology and cybersecurity risk

The risk of disruption, loss, or damage caused by the failure of technology systems or cyberattacks.	The management periodically reviews various technology risks such as identity theft, phishing attacks, ransomware, data leakage, etc. to protect sensitive customer data and ensure business continuity. Our Company has implemented processes, systems, and tools to ensure vigilant monitoring, audit logging, and suspicious activity reporting. Defense in Depth Approach adopted to safeguard information at every layer. The Company implemented tools for mitigating various security risks - privileged identity management to control privilege access, advanced malware detection and protection, end-point encryption, mobile device management, network firewall to protect from cyber-attacks, web application firewall to protect from hacking, Web secure remote access from non-office network, Brand Protection to protect abuse of IIFL Finance Brand, Dark Web Monitoring to monitor the organization information and customer data and secured internet access.

Liquidity and funding risk

The risk of not having sufficient funds to meet operational or financial obligations leading to liquidity and solvency issues.	Our Company has established a Risk Management and Asset Liability Management (ALCO) Committee to regularly review financing policies, systems, controls, and positions. The ALCO Committee monitors liquidity risk fortnightly and monthly through reviews of asset and liability maturities, categorizing and evaluating them for mismatches. Monthly portfolio quality reviews and risk reporting are conducted, and housing finance policies are approved jointly by the CEO, CRO, and policy head with consultation from functional heads. A stress testing mechanism has been established to carry out event-based sensitivity analysis and identify the accounts under stress due to expected market movement.

Credit risk

The risk of default by a borrower or counterparty leading to financial loss to our Company.	We have established a Credit and Investment Committee to evaluate medium to large credit proposals while adhering to product-specific lending regulations. Our Company manages credit risk using credit approval committees, exposure monitoring, and regular risk identification, assessment, and mitigation processes. Monthly portfolio reviews are conducted on financial and non- financial parameters, and credit concentration is monitored continually with a board-approved policy.

Financial Capital

Social and Relationship Capital

Intellectual Capital

Human Capital

Physical Capital

Natural Capital

Operational risk

The risk of loss resulting from inadequate or failed internal processes, people, and systems.	We have established an Operational Risk Management Committee (ORMC), meeting quarterly to review identified risks, root causes, and action tracking reports. Standard Operating Procedures (SOPs) and Risk Control Self- Assessment (RCSAs) are reviewed and signed off annually, and each department appoints a nodal officer responsible for reporting incidents and assisting with corrective actions. Our Company has systems for incident and loss reporting, capturing Risk Control Assessments (RCAs), corrective and preventive actions, responsible persons, and timelines.

Compliance risk

The risk of not complying with applicable laws, regulations, policies, and standards leading to financial loss, reputational damage, and legal liability.	Our Company has a compliance department staffed by experienced professionals in compliance, legal, and audit functions. The department guides businesses on regulatory compliance and monitors regulation implementation for governance and reporting. Business-specific Compliance Manuals, Limit Monitoring Systems, and Anti-Money Laundering (AML)/Know Your Customer (KYC) policies are implemented. Compliance with corporate acts is verified by independent secretarial auditors, and reports and recommendations are considered by the Board.

Market risk

The risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument.	IIFL's exposure to market risk is primarily on account of interest rate risk and foreign exchange risk. We adhere to rigorous policies to monitor market movements and engage actively with stakeholders to stay alert to emerging trends. Our priority is to optimize business outcomes and profitability while maintaining strong business fundamentals.

Climate change risk

Climate change can lead to physical risks (economic losses due to physical damage to property and assets from extreme weather events due to climate change) and transition risks (the process of adjustment to a low-carbon economy and its possible effects on the value of financial assets and liabilities).	Over the past three years, we have been exploring ways in which we can make our branches and offices more efficient while consuming energy/ water and managing wastes. Likewise, our housing finance subsidiary has been lending to green housing units and has been generating awareness around building affordable green homes across the entire value chain – builders, financiers and buyers. At a consolidated level, we have been actively driving awareness around ESG and climate change across our employees, value chain partners and customers. The CSR initiatives of IIFL Foundation and IIFL Samasta have focused on installation of solar panels, solar street lights, across our communities to make them more sustainable. We continue to explore initiatives aimed at making our operations more environment-friendly.

Stakeholder engagement

At IIFL Finance, we attach prime importance to stakeholder engagement, which remains the foundational pillar of our enduring success. We are dedicated to creating meaningful value across the wide spectrum of our stakeholder groups; thus, we stay committed to deepening our bonds and fostering active engagement with them. Whether it our esteemed customers, valued investors, dedicated employees, business partners, regulators or the communities we serve, we prioritize nurturing trust-based relationships with each of them. Their invaluable feedback and perspectives serve as the foundation upon which we propel our strategic decision-making, guiding our path towards enduring success.

Actively involving stakeholders in our Company's operations, initiatives, and growth trajectory enables us to align their interests and foster a sense of ownership and commitment. In turn, it enhances transparency and promotes accountability, equipping us to adapt swiftly to changing market dynamics, mitigate risks, and seize emerging opportunities. By prioritizing stakeholder engagement, we fortify our position as a trusted financial partner, driving sustainable growth and creating enduring value for all stakeholders.

Customers

Needs and expectations

- Bespoke financial products and services
- Competitive interest rates
- Access to physical and digital channels
- Seamless customer service
- Secure transactions
- Fair and responsive grievance redressal mechanism

Engagement mode and frequency

- Ongoing and regular engagement through emails, calls, SMS, WhatsApp, branches and relationship managers
- Social media communication
- Marketing campaigns
- Customer satisfaction surveys

KPIs

- Number of products offered
- Number of loans disbursed
- Number of families supported
- Number of branches
- Number of customers
- Number of customers added in the year

Key capitals impacted

Investors/Shareholders

Needs and expectations

- Ethical business practices and good corporate governance
- Regular dividends
- Sustainable performance and value creation
- ESG integration into strategy and operations
- Transparent reporting and disclosure

Engagement mode and frequency

- Annual and quarterly investor meets/calls
- Investor presentations
- Annual General Meeting
- Investor grievance channels
- Annual report
- Sustainability report

KPIs

- Credit rating
- Assets under Management
- Net profit

Key capitals impacted

Employees

Needs and expectations

- Training and development
- Fair and timely remuneration
- Reward, recognition and appreciation of performance
- Diverse, open, non-discriminatory and safe working environment
- Work-life balance

Engagement mode and frequency

- Town halls
- One-on-one meetings
- Training and development workshops
- Engagement initiatives
- Learning through online modules
- Digital apps for employees and collection officers
- Performance appraisals

KPIs

- Number of training hours
- Awards received
- Diversity in workforce
- Number of appraisals and reviews conducted

Key capitals impacted

Financial Capital
Social and Relationship Capital
Intellectual Capital
Human Capital
Physical Capital
Natural Capital

Communities/ NGOs

Needs and expectations

- Social upliftment
- Enhancing financial literacy
- Community welfare initiatives

Engagement mode and frequency

- Financial inclusion and literacy initiatives
- Regular CSR initiatives
- Focus on health, education, livelihood and poverty alleviation
- Employee volunteering

KPIs

- Number of beneficiaries
- Number of families supported
- Amount spent towards CSR
- Current welfare initiatives in operation

Key capitals impacted

Government/ Regulators

Needs and expectations

- Compliance with laws and regulations
- Ethical business
- Active participation in industry and regulatory working groups

Engagement mode and frequency

- Mandatory regulatory filings
- Periodical submission of business performance
- One-on-one or group meetings
- Written communications

KPIs

- Liquidity ratio
- Number of customer grievances addressed
- Contribution to exchequers

Key capitals impacted

Business Partners/ Suppliers

Needs and expectations

- Uphold fair and ethical procurement and engagement practices

Engagement mode and frequency

- Regular meetings, seminars, and workshops

KPIs

- Timely payments
- Share of procurements from MSMEs

Key capitals impacted

Bankers/ Lenders

Needs and expectations

- Timely servicing of debt
- Sustainable growth
- Transparent and fair reporting & disclosures
- Strong corporate governance practices
- Experienced management team

Engagement mode and frequency

- Continuous engagement with lenders
- Annual lenders' meet

KPIs

- Credit rating
- Healthy operating profit
- Adequate liquidity
- Robust asset quality
- Healthy capitalization
- Controlled leverage

Key capitals impacted

Materiality assessment

At IIFL Finance, we focus on identifying various material aspects that have the potential to influence our organization's capacity to generate value, spanning both short and long-term horizons. These challenges encompass economic, environmental, social, and governance-related elements, impacting our operations, our stakeholders, and the broader community. By navigating these challenges with foresight and responsibility, we contribute positively to the well-being of our stakeholders and society as a whole.

Subsequently, we deploy diverse measures and strategies aimed at mitigating potential risks, while capitalizing on opportunities for sustainable growth. These initiatives embody our commitment to excellence and innovation, encompassing robust risk management frameworks, innovative product offerings, employee engagement initiatives, efficient supply chain management practices, community outreach efforts, and sustainable finance solutions.

During the year under review, we engaged with an external consultant to conduct a detailed materiality assessment exercise for our organization. The objective of this exercise was to enhance sustainability reporting by comprehensively identifying economic, environmental, social, and human rights impacts, in sync with the latest GRI standards.

Our process for material topic determination entailed:

- **Assessing actual and potential impacts:** We thoroughly evaluated our activities and partnerships, including human rights implications, to provide a holistic view of our sustainability footprint.
- **Prioritizing impact reporting:** Identifying and prioritizing impactful issues ensures stakeholders receive pertinent information. Quantitative and qualitative aspects guided significance determination.
- **Stakeholder and expert engagement:** Engaging representatives of all our stakeholders (internal and external), alongside subject matter experts, enabled strengthening of our materiality determination process.

Our materiality process

Identify

material issues that positively or negatively impact our performance and stakeholders through an assessment of key sectoral trends, risks, opportunities and peer benchmarking

Prioritize

materiality issues based on the significance of their impacts through internal stakeholder engagement considering their relative importance to stakeholders and their impact on our business performance

Integrate

these issues into our strategy, develop KPIs and monitor our performance

Material topics

Corporate governance and ethics	Financial inclusion and literacy	Employment practices	Data and customer privacy
Customer satisfaction	Regulatory compliance	Digitalization	Responsible lending
Community development	Risk management	Engagement with business partners	Diversity and Inclusion
Responsible marketing	Customer financial protection	Human rights	Climate change and GHG emissions
Resource management			

Recognizing the dynamic and constantly evolving nature of challenges, we remain committed to monitoring and adapting to changing circumstances. With a pivotal focus on transparency, accountability, and responsible business practices, we shape our materiality assessment approach. Furthermore, we continuously improve our processes and practices to create long-term value for our stakeholders, customers, and society as a whole.

Impact boundary and Sustainable Development Goals (SDGs) alignment

In a watershed moment of global solidarity, the United Nations adopted the 2030 Agenda for Sustainable Development in 2015. This visionary blueprint represents a collective commitment to address the world's most pressing challenges with utmost resolve and innovation. This ambitious agenda revolves around 17 interconnected Sustainable Development Goals (SDGs) and 169 associated indicators.

At IIFL Finance, we embrace the critical significance of championing the Sustainable Development Goals (SDGs) to uphold sustainable progress. We are deeply committed to our role in advancing these transformative objectives, understanding that each stakeholder, ourselves included, holds a vital responsibility in shaping a future that is prosperous and sustainable for both humanity and our precious planet.

Through our daily operations and initiatives dedicated to community advancement and environmental stewardship, we proudly align with 15 of the SDGs. Actively promoting these goals, we uphold our commitment to sustainability and ethical business conduct. We are determined to continue our dedicated efforts towards realizing the SDGs and create positive change in the communities we serve.

Financial Capital | Social and Relationship Capital | Intellectual Capital | Human Capital | Physical Capital | Natural Capital

Customers | Investors/ Shareholders | Employees | Bankers/ Lenders | Communities/ NGOs | Government/ Regulators | Business Partners/Suppliers

Material topic	Significance of the material topic	Impact boundary	Key stakeholders impacted	Linked SDGs	Key capitals impacted
Corporate Governance and Ethics	Upholding the highest ethical standards and corporate governance is essential to instil trust and confidence among our investors and customers.	Within the organization		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
Financial inclusion and literacy	Expanding access to our financial services for underserved individuals and groups, including small businesses and women, is a vital mission of our business.	Within and outside the organization		1 NO POVERTY 10 REDUCED INEQUALITIES	
Employment practices	Implementing fair recruitment and hiring practices, alongside forging a supportive work environment through structured training and performance appraisals, thereby enhancing employee retention.	Within the organization		5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	
Data and Customer privacy	Ensuring the security and confidentiality of customer data is paramount to prevent data misuse.	Within and outside the organization		16 PEACE, JUSTICE AND STRONG INSTITUTIONS 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	
Customer satisfaction	Recognizing and meeting customer needs and expectations by nurturing loyalty and retention, resulting in business growth.	Within and outside the organization		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	
Regulatory compliance	Complying with rules and regulations to foster positive relationships with regulators as well as local and central governments, contributing to sustained goodwill over time.	Within the organization		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	

Material topic	Significance of the material topic	Impact boundary	Key stakeholders impacted	Linked SDGs	Key capitals impacted
Digitalization	Forging strategic partnerships with fintechs, resulting in the substantial widening of our customer base and catering to niche segments, as digitalization continues to fuel innovation in traditional services.	Within and outside the organization			
Responsible lending	Integrating ESG into product offerings helps us expand market access and also reach out to more underserved/vulnerable groups.	Within and outside the organization			
Community development	Staying committed to health, education, livelihood, and poverty alleviation for upholding our social license to operate and foster broader prosperity.	Outside the organization			
Risk management	Balancing risk and return through diligent identification and management of both financial and non-financial risks, ensuring responsible decision-making.	Within the organization			
Engagement with business partners	Applying an ESG perspective to identify and engage with business partners to cultivate long-term value creation.	Within the organization			
Diversity and Inclusion	Fostering diversity and inclusion within our organization not only nurtures innovation, creativity and a positive work culture but also extends our company's reach in terms of talent acquisition.	Within the organization			

Material topic	Significance of the material topic	Impact boundary	Key stakeholders impacted	Linked SDGs	Key capitals impacted
Responsible marketing	Strengthening customer retention through transparent, comprehensive communication and clear branding, ensuring a strong connection with our customers.	Within and outside the organization		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
Customer financial protection	With the rise in digital banking services, consumer financial protection plays a key role in establishing trust, ensure regulatory compliance, and foster financial inclusion. Effective protection measures, including educating customers about financial products and risks, ensure customer loyalty.	Within and outside the organization		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	
Human rights	Upholding human rights through the promotion of equal opportunities, anti-discrimination, and the eradication of child and forced labor is not just a moral imperative but also a legal necessity. Compliance with labor laws is paramount, as any violations can cause severe financial and non-financial implications.	Within and outside the organization		10 REDUCED INEQUALITIES	
Climate change and GHG emissions	Addressing climate risks to mitigate potential challenges and unlock opportunities for efficiency, innovation, and growth. We are dedicated to reducing our carbon footprint in everyday operations.	Within and outside the organization		7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	
Resource management	Prioritizing resource efficiency, aiming to optimize energy, water, paper, and e-waste management, recognizing these as our primary environmental concerns.	Within and outside the organization		12 RESPONSIBLE CONSUMPTION AND PRODUCTION	

IIFL FINANCE

Financial capital

- Customers
- Communities/ NGOs
- Investors/ Shareholders
- Bankers/ Lenders
- Employees
- Government/ Regulators
- Business Partners/Suppliers

Financial capital

At IIFL Finance, we recognize the pivotal role of financial capital in fuelling our growth and driving value creation. It serves as the lifeblood that sustains our performance and operational resilience. Through prudent management of these resources, we seize opportunities for strategic investments, innovate our product offerings, and adapt to evolving market conditions.

Our objective lies in maximizing the efficiency of our capital utilization, leveraging bank partnerships to deliver superior and consistent returns to our stakeholders. Furthermore, we remain firm in maintaining a balanced mix of equity and debt funds, and a healthy capital position, thereby fortifying the resilience of our balance sheet.

Material issues involved	Strategies involved	SDGs involved	Stakeholders involved
▫ Engagement with business partners	S1 S3 S4	8 DECENT WORK AND ECONOMIC GROWTH	

Customer success stories

I operate a mobile and electronics store that serves the residents of our small town on the Konkan coast and the surrounding villages. For the past twenty years, I have evolved my business from a modest repair shop to a comprehensive electronics retailer by closely monitoring consumer trends and demands in the electronics sector. IIFL Finance has played a crucial role in my business's ambitious expansion efforts, offering timely financial support through gold loans. Their transparent dealings, quick processing and helpful staff at the branch have been a delight to work with. I am one of over 8.5 Million happy customers in India who have chosen IIFL Finance as their lender of choice. Together, we are growing our businesses, employing others, supporting our families and contributing to nation-building.

Mr. Abhijeet Raut

September 2021
First loan disbursed

Raigad, Maharashtra
Location

Loans under Management (₹ in Crore)

FY 2023-24	78,960
FY 2022-23	64,638
FY 2021-22	51,210
FY 2020-21	44,688
FY 2019-20	37,951

Income (₹ in Crore)

FY 2023-24	6,516
FY 2022-23	5,225
FY 2021-22	4,041
FY 2020-21	3,348
FY 2019-20	2,554

Profit After Tax (before Non-controlling interest) (₹ in Crore)

FY 2023-24	1,974
FY 2022-23	1,608
FY 2021-22	1,188
FY 2020-21	761
FY 2019-20	503

Return on Equity (%)

FY 2023-24	18.4
FY 2022-23	19.9
FY 2021-22	20.6
FY 2020-21	15.3
FY 2019-20	11.3

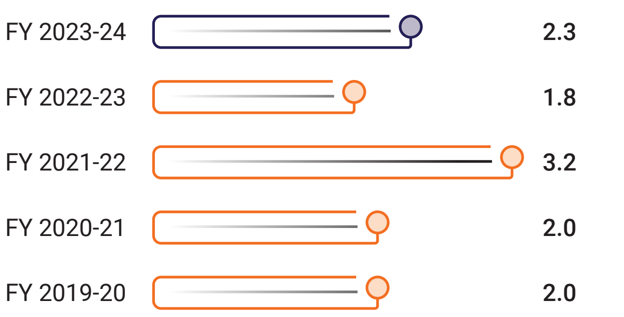
Return on Assets (%)

FY 2023-24	3.4
FY 2022-23	3.3
FY 2021-22	2.7
FY 2020-21	2.0
FY 2019-20	1.5

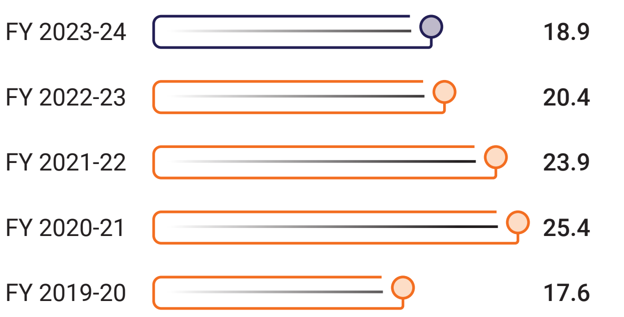
Cost of Funds (%)

FY 2023-24	9.1
FY 2022-23	8.8
FY 2021-22	8.7
FY 2020-21	9.1
FY 2019-20	9.4

Gross Non-Performing Assets (%)



Capital Adequacy Ratio (%)



Economic value distributed

We remain committed to striking a balance and driving sustainable financial growth, while adhering to responsible capital management practices. We cultivate an environment that empowers individuals to enhance their financial well-being and facilitates the expansion of businesses by allocating resources across multiple credit channels. With a diverse retail portfolio, spanning gold loans, home loans, secured business loans (LAP), digital loans, microfinance loans, non-core synergistic loans, we cater comprehensively to varying financing needs, thus, advancing sustainable economic growth and prosperity nationwide.

In FY 2023-24, our Assets Under Management (AUM) experienced substantial growth, reaching ₹ 78,960 Crore, marking a 22% increase compared to FY 2022-23. Furthermore, our consistent five-year Compound Annual Growth Rate (CAGR) of 18% attests to our enduring commitment to sustainable and responsible financial practices over the long term. Our consolidated Net Non Performing Assets stood strong at 1.2% for FY 2022-24, remaining lower consistently through different cycles.

Economic performance

(₹ in Crore)

PARTICULARS	FY 2023-24	FY 2022-23
Direct economic value generated: Revenues	10,490.47	8,447.11
Economic value distributed	8,698.49	**7,012.74**
Operating costs	6,202.54	4,983.29
Employee wages and benefits	1,684.85	1,329.50
Payments to providers of capital (dividends)	182.24	173.63
Payments to the Government (taxes)	597.69	504.97
Community investments (CSR)	31.17	21.35
Economic value retained	**1,791.98**	**1,434.37**

Credit rating

PARTICULARS	MARCH 31, 2024	DECEMBER 31, 2023
Long-term credit rating (CRISIL)	AA/RWD	AA/Positive
Long-term rating (ICRA)	AA/RWN	AA/Stable
Long-term rating (CARE)	AA/RWN	AA/Stable
Long-term rating (India Rating)	AA/RWN	AA/Positive
Long-term rating (Brickwork)	AA/RWN	-

Physical capital

Customers

Communities/ NGOs

Investors/ Shareholders

Bankers/ Lenders

Employees

Government/ Regulators

Business Partners/Suppliers

Physical capital

At IIFL Finance, we leverage the strength of our extensive network, boasting 4,801 strategically positioned branches nationwide. Evolving with the times, we augment our robust physical presence by continuously investing in our branch network, all while keeping a focused eye on technological advancements. Our comprehensive digital services, ranging from customer onboarding to loan disbursement, reflect our customer-centric ethos, delivering a seamless experience to our clientele. Sustaining this momentum, in FY 2023-24, we expanded our footprint by adding 534 new branches across the country.

Our branch network is spread across Tier I/II/III and beyond, catering to the financing needs of the underserved populace in these areas. Our microfinance branches are well entrenched in rural and semi-urban areas as well, effectively serving the relevant customer segment. 99% of microfinance branches and 84% of total branches of IIFL Finance are present in non-metro locations.

Material issues involved	Strategies involved	SDGs involved	Stakeholders involved
▫ Data and customer privacy ▫ Financial inclusion and literacy ▫ Customer satisfaction ▫ Engagement with business partners ▫ Customer financial protection ▫ Digitalization ▫ Resource management	S4 S6 S7	8, 9	

IIFL FINANCE

Customer success stories

Mrs. Rekha

I have achieved remarkable success with my handloom business, thanks to IIFL Samasta's Samruddhi Plus Loan Product. My journey began in October 2021 with a ₹ 35,000 loan, which I wisely invested in my business. My responsible repayment track record led to a second loan of ₹ 60,000, further solidifying my credibility and success. With eligibility for the Samruddhi Plus Loan, I availed ₹ 100,000 to expand my operations, acquiring additional handloom machines and hiring more staff. Now in my third loan cycle, I am delighted with the improved financial management platform provided by Samruddhi Plus. My enhanced financial condition supports my family's dreams and showcases how strategic investments and responsible financial management can lead to significant business and personal success.

October 2021
First loan disbursed

Amingada, Karnataka
Location

Branch security

Given the sensitive nature of our business, particularly gold loans, it is imperative for us to make substantial investments to ensure security of our branches. Our safety features include:

Structural safety

Carefully selecting branch premises based on threat and vulnerability assessments, we additionally safeguard the branches with RCC strong rooms and high-strength theft-resistant safes equipped with retrofitted drawers and dual keys.

Electronic surveillance

State-of-art electronic surveillance systems with remote monitoring and OTP-based vault access, industry-first Artificial Intelligence (AI)-based security solution and interlocking of doors, among others.

Manned guarding

Positioning security guards outside the branch with metal detectors to provide controlled access.

Other security measures

24*7 in-house command and control center to respond to any eventuality and to continuously monitor the health of the entire security ecosystem. Also, GPS is available in each branch.

Procedural security

Having a well-defined security procedure to deter any threat and respond to any untoward situation.

Training and controls

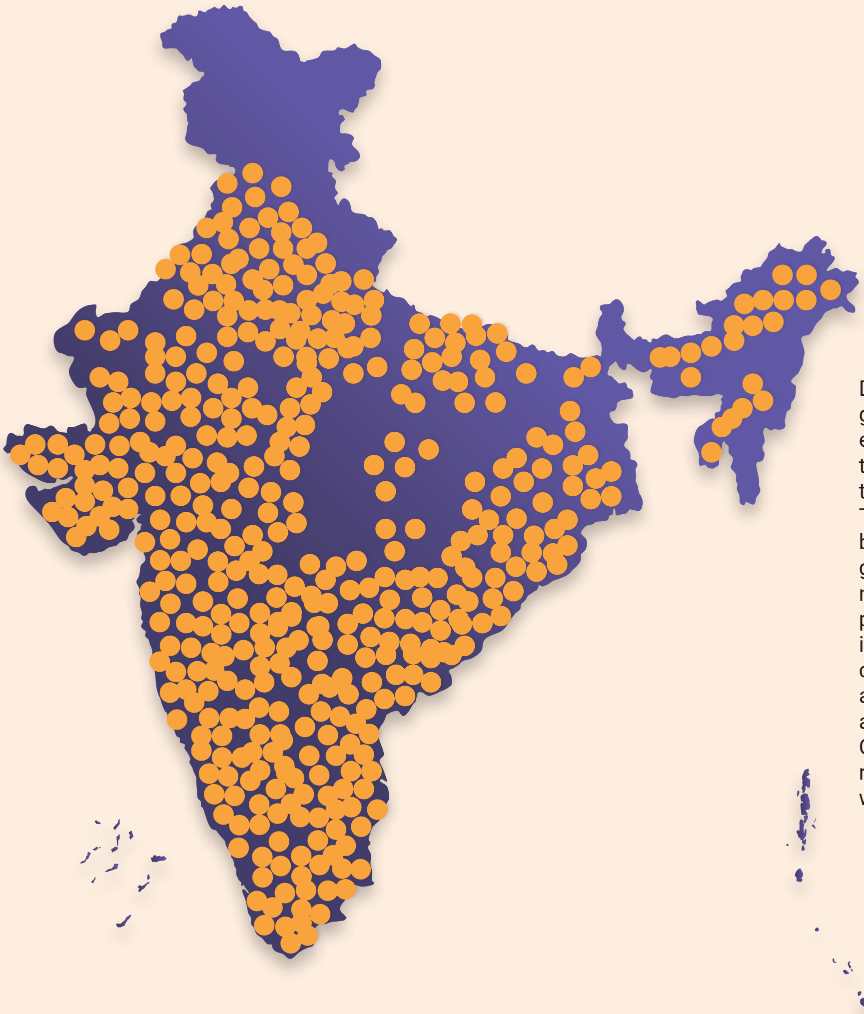
Continuously training the staff through mailers, on-site visits, mock drills and virtual meetings.

Regional split of branches

- NORTH | 22%
- EAST | 21%
- SOUTH | 33%
- WEST | 24%

North: Delhi, Punjab, Haryana, Chandigarh, Rajasthan, Uttar Pradesh, Uttarakhand, Himachal Pradesh
South: Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Puducherry, Kerala
East: West Bengal, Odisha, Bihar, Jharkhand, Chhattisgarh, Assam, Tripura, Arunachal Pradesh
West: Gujarat, Madhya Pradesh, Maharashtra, Goa, Dadra and Nagar Haveli and Daman and Diu

Our pan-India branch presence



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. Our Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. Our Company does not warrant or represent any kind of connection with its accuracy or completeness.

Branch distribution-Top states

- GUJARAT | 11%
- KARNATAKA | 11%
- TAMIL NADU | 9%
- MAHARASHTRA | 8%
- RAJASTHAN | 8%
- WEST BENGAL | 7%
- TELANGANA | 6%
- UTTAR PRADESH | 6%
- ANDHRA PRADESH | 6%
- BIHAR | 5%
- ODISHA | 5%
- OTHERS | 19%

As on March 31, 2024

Data is consolidated for IIFL Finance, IIFL Home Finance and IIFL Samasta Finance

IIFL FINANCE

Intellectual capital

Customers

Communities/ NGOs

Investors/ Shareholders

Bankers/ Lenders

Employees

Government/ Regulators

Business Partners/Suppliers

Intellectual capital

At IIFL Finance, we regard our intellectual capital as a source of competitive advantage, enabling us to drive sustainable growth, enhance customer satisfaction, and deliver superior returns to our investors. Moreover, our adept incorporation of technology into operations ensures seamless and reliable service delivery to our valued clientele. By fortifying our digital infrastructure, we offer unmatched financial services, and sustain our leadership position within the sector, thereby setting us apart from the rest.

We provide a fully digitalized experience, starting with the initial customer interaction through our digital platform. Our services encompass customer onboarding, credit underwriting, loan disbursal, and collection, ensuring a seamless and efficient paperless journey. Repayments are facilitated securely and conveniently through our fintech partnerships, which include collaborations with prominent platform providers such as Paytm, PhonePe, Google Pay, MobiKwik, and BHIM, among others.

Material issues involved	Strategies involved	SDGs involved	Stakeholders involved
Data and customer privacy Digitalization Risk management Customer satisfaction Customer financial protection Engagement with business partners	S2 S6	9	

Customer success stories

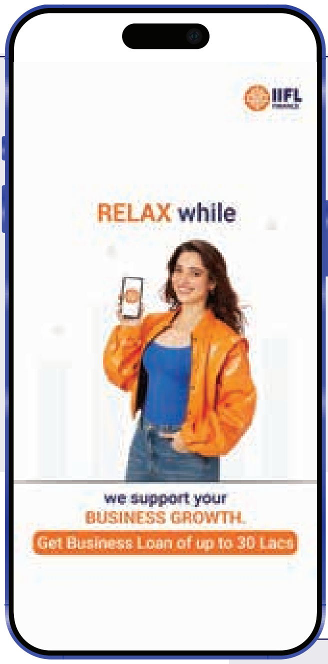
Mr. Vijay Kumar Nair

I began my journey as a humble fresh fish supplier in the Colaba market, serving multiple establishments. However, the unforeseen Covid-19 pandemic-led lockdown brought my business to a standstill. Faced with this challenge, I recognized the imperative for innovation and saw the transformative potential of a frozen food venture. Undeterred by financial hurdles, I embarked on a quest for funding, approaching various financial institutions. In this pursuit, I discovered a beacon of support in IIFL Finance, an entity known for catering to the unbanked and underbanked. IIFL Finance recognized the untapped potential in my vision to establish a frozen food emporium for both retail and wholesale patrons. IIFL Finance offered me a gold loan, which helped turn my entrepreneurial aspirations into reality with Saga Frozen Food Store and Saga Fish Centre. Since the inception of my entrepreneurial journey, I have been a patron of IIFL Finance as it ensures swift processing, courteous treatment and tactful reminders that ensure timely repayments.

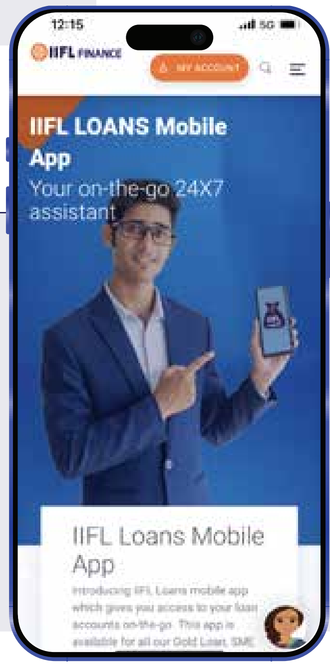
March 2023
First loan disbursed

Mumbai, Maharashtra
Location

IIFL loans app



- Offering seamless account management experience
- Providing assistance to complete the entire loan application process online
- Eliminating the requirement for extensive paperwork



- Enabling a user-friendly platform to access account data
- Facilitating access to various options such as online top-ups, renewal of gold loans, and instant personal loans
- Aiding in faster EMI payments
- Offering increased analysis of customer data

Integrating whatsapp for instant business loans

At IIFL Finance, we revolutionized access to business loans by integrating WhatsApp into our service framework.

Key features

- Simplified customer onboarding
- AI-powered bot
- Utilization of advanced data analytics
- Enhanced fraud detection

Partnering with banks for co-lending, co-origination and business correspondence

Digitalization across portfolio segments

Affordable home loan

We onboarded 100% of home loans through digital platforms during FY 2023-24.

Secured business loan

We utilized our technology-driven phygital infrastructure and robust in-house data analytics capabilities effectively.

Gold loan

We sustained enhancements in our 'Digital Gold Loan' platform, facilitating customers to conveniently access online top-up and renewal options for their gold loans during FY 2023-24.

Microfinance loan

We have fully digitalized our entire loan process across all our product offerings. This comprehensive digital transformation underscores our dedication to operational excellence and exceptional customer experiences.

IT forms the backbone of IIFL Finance, comprising state-of-the-art business applications and robust IT infrastructure setup

In-house software capability

In-house loan origination system, loan management system, and servicing ensure that we have complete control over customer data and the quality of service.

Paperless digital setup

100% tablet-based digital and paperless onboarding journey

Customer-friendly mobile and web application options

Partnerships /collaborations with tech ecosystem

Partnering with and incubating tech startups focused on innovative and new-age use cases to solve traditional problems and improve customer experience.

Gen AI adoption aligned to business strategy

Leveraging image analytics capabilities to intelligently interpret documents and strengthen audits by receiving near-real-time alerts for suspicious ornaments.

Branch security

Leveraging technology for branch security

24*7 surveillance along with OTP/biometric-based based vault access to branch employees

Stable and secure tech infrastructure

Efficient nationwide operations with 24*7 support

Stable and secure tech setup with infra availability close to 100% (excluding scheduled downtime)

Prioritizing cybersecurity with proficient measures

At IIFL Finance, we prioritize information security, exemplified by our endeavor to embrace a Defence-in-Depth approach. This entails implementing stringent security controls across multiple layers, including application, cloud, server, network, database, and endpoint. Our objective is to ensure the protection of both our organizational and client-centric information against potential threats.

Our Cybersecurity Framework undergoes regular evaluations by both the IT Strategy and Information Security Steering Committees to ensure its continued effectiveness. We maintain a vigilant and proactive stance, acknowledging that information security is an ongoing process necessitating continual attention.

Major initiatives

- Aligned our Information & Cybersecurity Policy and processes with applicable regulatory requirements, ISO:27001, ISO:22301 standard and industry best practices
- Implemented continuous monitoring of systems and applications for prompt security incident detection and faster response
- Safeguarded our network with next-generation firewall from internet, with all internet-facing web applications getting protection by a Web Application Firewall
- Deployed DNS Security solution to protect against malicious traffic
- Protected servers and endpoints against ransomware and malware attacks with next generation antivirus
- Ensured that admin access to critical servers is controlled through Privileged Access Management
- Guarded our endpoints with adequate controls to prevent data leakage issues
- Implemented Mobile Device Management (MDM) solution to control mobile tablets for business purposes
- Organized robust Vulnerability Management & Penetration Testing Program (VAPT) with secure code review, application security risk assessment and threat modeling
- Effected e-mail security solutions with the implementation of DMARC for protection against spoofing attacks and e-mail security gateway for protection against malware and phishing attacks
- Regular IT and cybersecurity audits by internal audit team and CERT-In empanelled agencies
- Put in place brand protection and dark web monitoring services to protect the IIFL brand
- Cloud security controls to secure cloud environment against cyber-attacks
- Implemented a robust vendor risk management framework, cloud security controls against cyber-attacks and a strong business continuity management program
- Complementing our proactive defences, we have fortified our cyber resilience with a Cyber Insurance Policy

Key impact areas and achievements

- Deployed 24*7 Security Operations Center (SOC) services for monitoring of systems and applications for robust security incident detection and immediate response
- Sustained ISO:27001 certification for Information Security Management System (ISMS)
- Implemented Cloud Security Posture Management (CSPM) solution for enhanced cloud security
- Implemented Breach Attack Simulation (BAS) Solution to proactively identify and address security gaps
- Effected secure code review tool for enhanced application security
- Put in place Brand Indicators for Message Identification (BIMI) Solution, enhancing e-mail security
- Subscribed to International Cyber Global Threat Intelligence services
- Achieved ISO:22301 certification for Business Continuity Management System (BCMS)

Securing trust: Our advanced technology platform and robust information security empower our customers

Zero cybersecurity incidents and customer data breach in FY 2023-24

- Defense-in-Depth methodology adopted
- IT and security audit by CERT-In empanelled agencies
- Network secured by next generation firewall and other security tools
- 24*7 security monitoring (SOC) for IT systems and applications
- Robust security awareness program for employees and customers
- Robust Business Continuity Management Program in place
- Robust Security Incident Management Response in place

Certifications and accolades

CERTIFIED ISO 27001

CERTIFIED ISO 22301

ISO:27001 and ISO:22301 Certified

RBI - College of Agricultural Banking (CAB), Pune

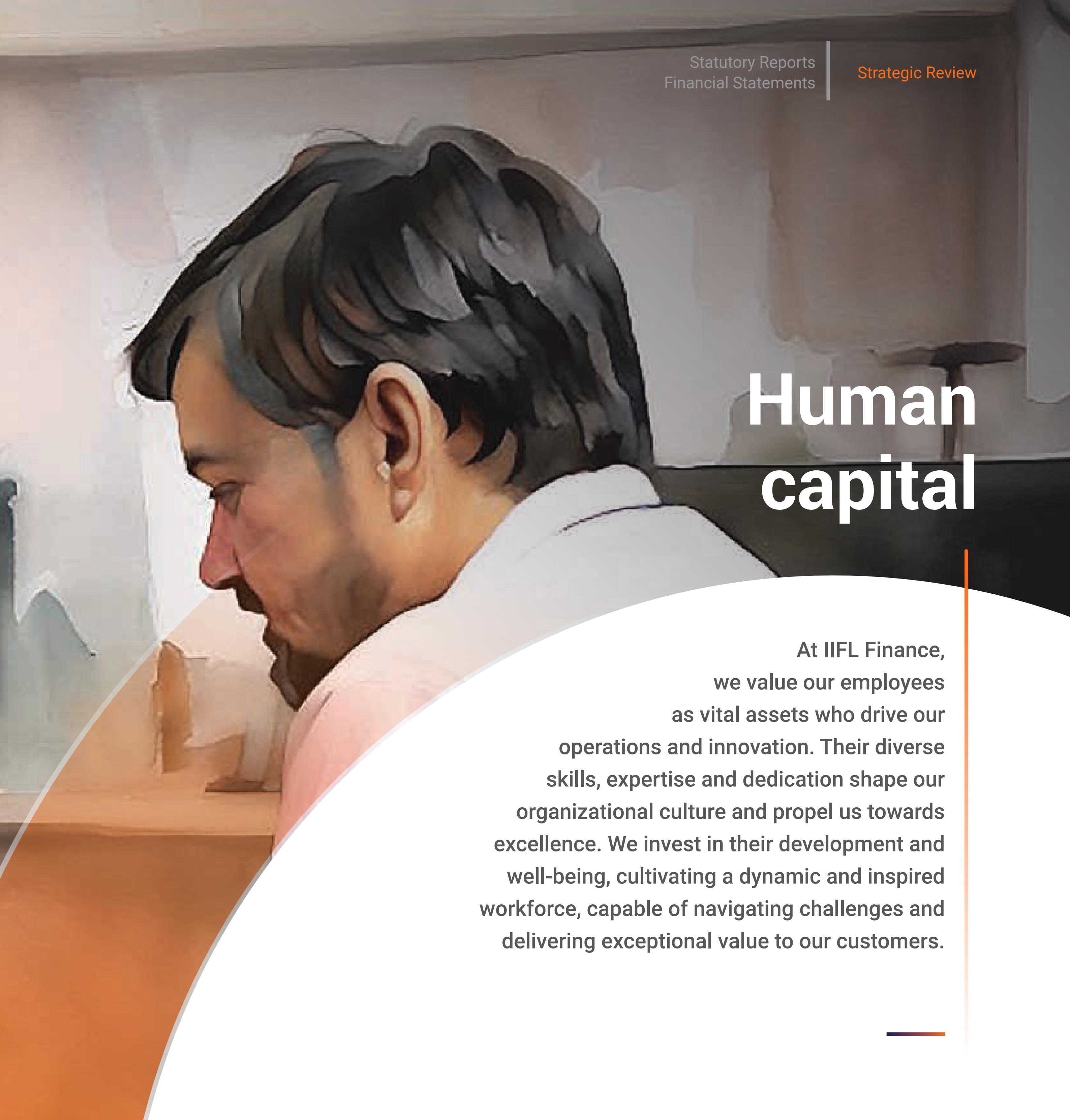
3rd Prize in Case Study Writing Competition

DSCI Excellence Awards

DSCI Excellence Awards 2023 Finalist, Best Security Practices in NBFC

IIFL FINANCE

Human capital



Human capital

At IIFL Finance, we value our employees as vital assets who drive our operations and innovation. Their diverse skills, expertise and dedication shape our organizational culture and propel us towards excellence. We invest in their development and well-being, cultivating a dynamic and inspired workforce, capable of navigating challenges and delivering exceptional value to our customers.

Material issues involved	Strategies involved	SDGs involved	Stakeholders involved
Employment practices Diversity and inclusion Human rights	S4 S7	3 Good Health and Well-being 4 Quality Education 5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities	

Strategizing talent acquisition

Recruitment at IIFL Finance is crucial for our business strategy and talent success. We focus on identifying top talent and investing in future-ready talent pools through initiatives like internships, management trainee programs, and leadership development. Our employer branding showcases our culture and opportunities across diverse channels, including job portals and employee referrals. We leverage AI-enabled tracking systems to automate and enhance the efficiency of our recruitment processes, ensuring a data-driven approach for long-term success.

Our recruitment strategy includes:

- Identifying top talent in the industry
- Creating a future-ready talent pool
- Using varied sourcing channels
- Building and promoting the IIFL brand
- Leveraging technology (including AI-enabled application tracking)

We nurture an entrepreneurial culture centered on the principle of 'Workers Own and Owners Work,' encouraging employees to innovate, create, and think like owners. This mindset fosters growth, propelling both the firm and its employees forward.

Key initiatives to attract and retail talent

I-Ace management program

Strengthens IIFL's brand as a 'Preferred Employer', attracting and retaining the best talent from top B-schools in the country. The program includes a one-year journey with multiple projects and evaluation metrics, enhancing employee experience, ownership, pride and psychological safety.

National apprenticeship program scheme (NAPS)

Provides apprenticeship opportunities to underprivileged individuals across cities, empowering them with mentorship, training, and employment, while offering a pathway to full-time roles. Apprentices are assigned roles and responsibilities similar to those of full-time employees, allowing them to apply their skills in real-world scenarios and gain invaluable hands-on experience.

To further accelerate their growth and development, our firm has implemented a performance-based policy that offers pathways for apprentices to transition into full-time employment roles. By recognizing and rewarding their contributions, we aim to create opportunities for apprentices to secure long-term employment with IIFL.

Through these initiatives, we not only contribute to the socio-economic upliftment of underprivileged communities but also foster a culture of inclusivity, diversity, and equal opportunity within IIFL.

Employee referral program

Encourages loyalty and engagement through successful referrals, fostering a more robust workforce over time.

Employee stock option plan

Offers discounted stock options to instill a sense of ownership among employees and long-term retention across all levels, including frontline staff.

Revised grade and band structure

Aligned grades and designations with market benchmarks, enabling role-based career progression and skill development.

New joiner induction program

Enhances onboarding with programs like - 'First-Time Managers', 'Supervisors as Facilitators', and 'Enabler Program', fostering empathy and organizational integration.

Internal employee engagement survey

Conducted quarterly surveys to gauge employee satisfaction and drive engagement interventions.

Leadership connect sessions

Promoted a culture of active listening through townhalls by business heads, functions heads, and zonal business heads, supplemented by regular employee surveys.

Attractive increments and bonuses

Rolled out competitive increments and bonuses to boost motivation and productivity.

HR Management System (HRMS)

Enhances employee experience and operational efficiency in HR processes.

Training and development programs

Aarambh new joiner induction for gold loan

Aarambh is a structured induction journey for gold loan business, which is aimed at imparting knowledge and skills to make the new joiner business ready. Aarambh journey is divided into two parts:

Aarambh-1: Is an online induction program for new joiners in IIFL Finance's gold loan business. During this stage of the journey, they learn the contextual and functional aspects of the business necessary to operate within an IIFL Finance gold loan branch.

5,867

Employees participated in FY 2023-24

Aarambh-2: This is a 2-day classroom or virtual induction program for new joiners, conducted after completing Aarambh-1. The activities aim to expose learners to a wide variety of situations that may occur in an IIFL Finance gold loan branch and teach them effective ways to handle these situations.

3,557

Employees participated in FY 2023-24

First-time manager program

The 'First-Time Manager Program' is a dynamic leadership initiative focused on instilling an ownership mindset, enhancing emotional intelligence, and nurturing team morale. Tailored for new managers, it equips participants with essential skills for effective leadership through structured learning. Emphasizing ownership and personal responsibility, the program guides individuals in navigating interpersonal relationships with empathy and adaptability. It also covers strategies for building robust team morale, ensuring participants emerge as confident leaders ready to excel in their roles.

1,596

First-time managers participated in FY 2023-24

SAFE Manager program

The SAFE Manager Program is a one-day workshop to empower our Territory Managers in engaging and training their teams for improved performance in loan growth, cross-selling, and people management. Territory Managers learn skills for effective training facilitation, after which they can conduct engaging sessions, and drive business impact. They are provided with specific content which gets delivered by them during the 'Pragati' training initiative. This initiative is aimed at making the managers accountable for developing their team.

96

Territory Managers participated in FY 2023-24

Pragati program

Pragati sessions are designed to encourage ongoing learning and growth at IIFL Finance. In these sessions, Territory Managers who are S.A.F.E certified, facilitate one learning session each month across branches managed by them. This initiative aims to support the professional development of team members and improve overall productivity.

906

Employees were trained by the certified territory managers on the module titled, 'The Art of Referencing' in FY 2023-24

GARV program

We formulated 'GARV-My IIFL My Pride' initiative, aimed at instilling a deep sense of pride and connection among our employees towards our organization. This initiative keeps our workforce updated about the IIFL Group, its subsidiaries, and achievements. Conducted fortnightly in classroom settings across IIFL Finance's gold loan branches, GARV sessions provide employees with insights into the organization's ethos and achievements.

14

Sessions conducted in FY 2023-24

6,033

Average employee participation per session

Branch leadership program

The Branch Leadership Program (BLP) is a strategic initiative aimed at inspiring and engaging branch teams, ensuring compliance, and achieving business objectives. Tailored for Branch Managers, it focuses on enhancing performance in loan growth, cross-selling, operations, and people management. The program empowers managers with essential skills and insights, emphasizing customer service, audit procedures, collections management, leadership, cross-selling, staff management, and retention strategies.

623

Branch Managers participated in FY 2023-24

Skill assessment

Quarterly 'Gold Loan Knowledge Assessment' was conducted to ensure that we proactively identify knowledge gaps and plan interventions to plug the gaps on an ongoing basis. This assessment fosters continuous learning, identifying knowledge gaps, benchmarking performance, supporting strategic goals, and promoting excellence in customer service within gold loan operations.

2

Assessments conducted in FY 2023-24

24,731

Employees participated in FY 2023-24

Leadership development programs

Leaders from IIFL Finance were nominated for external leadership development programs conducted by organizations of eminence, i.e., ET Masterclass and College of Agricultural Banking (Reserve Bank of India). The sessions included Business Transformation Strategy, Unlock Revenue and Growth, Negotiation Skills, Leadership Development Program (LDP) for mid-level officers of NBFCs and Workshop on Managing People and Managing Change. The participants ranged from CXOs to senior leaders from various functions.

4

External sessions in FY 2023-24

27

Employees participated in FY 2023-24

Creating tomorrow's leaders

Our focus on future leaders includes:

- Structured training for new managers, emphasizing team management and emotional intelligence
- Branch Leadership Program empowers Branch Managers to excel in areas such as compliance, customer relations, and team leadership
- Leadership workshops for CXOs and leaders on conflict resolution and digital leadership
- Performance management processes with regular feedback and development planning
- Celebrating leadership qualities through recognition schemes and continuous feedback via quarterly pulse surveys
- Promoting diversity and inclusion to foster innovation and growth aligned with our vision and goals

Enhancing employee health and safety

Employee well-being is central to our values. We conduct numerous initiatives to promote health, safety, and wellness, including partnerships with Your Dost and Manoshala, health webinars, newsletters, and awareness posters. During FY 2023-24, we implemented 21 initiatives focused on health and wellness, ensuring a thriving workplace for our employees.

54
Counseling sessions conducted

8
Wellness newsletters rolled out

800+
Employees participated in the counseling sessions

2,550
Physical awareness posters distributed

Fostering employee engagement

At IIFL Finance, the engagement of our employees is prioritized as we continue to nurture a culture where they take pride in our organization and find ample opportunities to relax and connect with their colleagues. Throughout the year, we curate a host of events and initiatives, from vibrant Diwali celebrations to spirited Independence Day flag hoisting ceremony and patriotic quizzes, each occasion serving to strengthen our sense of community. Moreover, we infuse our workplace with fun games, initiate team-building activities during branch visits, and launch special awareness campaigns to mark significant days. We also promote fitness and camaraderie through regional sports events like cricket tournaments. Additionally, our Positive Vibes engagement activities – a throwback series – showcases memorable moments, fostering employee pride and trust in the brand. Through these comprehensive initiatives, we ensure that our employees feel valued, connected, and energized within the IIFL way of life.

1,157

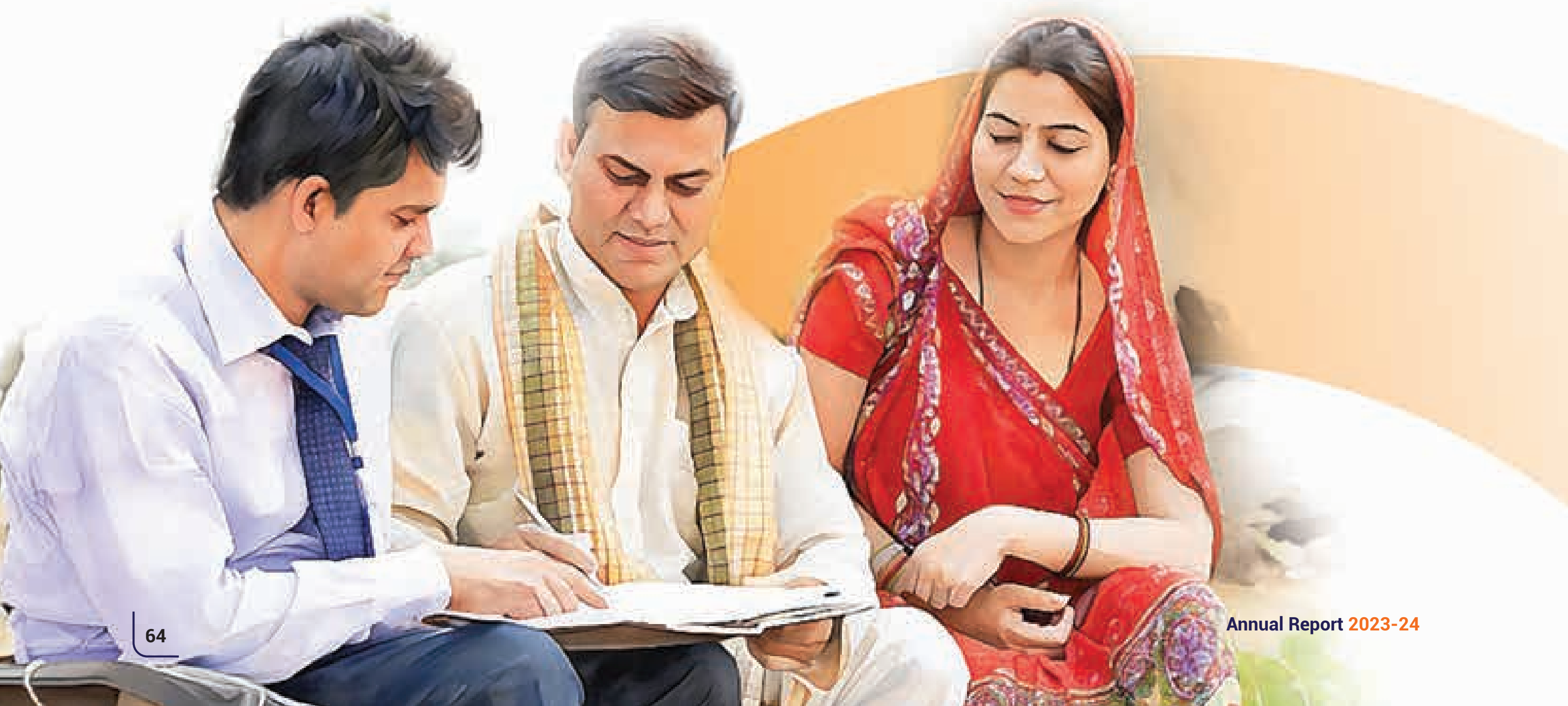
Engagement events organized

1,000+

Employees participated online and offline

IIFL Finance's commitment to being a great place to work is rooted in simple but powerful values - Fairness, Integrity, and Transparency. We believe that fostering an environment of open communication and attentive listening is key. To support this, we have periodic townhalls held by CXOs, business heads, and zonal heads, among others. Leadership communication is facilitated through various forums via a series of live webcasts on Workplace and leadership interaction sessions.

The Leadership Townhall process involves employees asking questions, sharing suggestions through various channels, educating them on updates, recognizing top performers, original ideas, suggestions for process improvement, and implementing actionable ideas. The sessions end with a summary posted on internal Workplace groups, ensuring a feedback loop. The commitment to transparency and employee involvement is evident in Leadership Townhalls.



Our internal engagement activities

Ask Nirmal

A monthly live forum hosted by our MD

Gold loans business - Zonal Heads town halls

Hosting Town Halls in regional languages based on feedback from branch visits, fostering trust and inclusivity by allowing Zonal Heads to interact with employees in their respective regional languages

Facetime with Business Head

Monthly forums, providing clarity on business direction and safety

Facetime with Internal Audit and Operations Head

Addressing questions related to Audit, Vigilance, Branch Operations, etc.

CFO Talk

Quarterly sessions highlighting performance and corporate strategy

Internal engagement campaigns

#IAMIIFL & #DilSeIIFL, aimed at fostering unity and camaraderie amongst branch staff where they stand together with an inspiring message and post it on Workplace, also using it as their status messages on WhatsApp. Our employees used creative tags like 'IAMIIFL' or 'DilSeIIFL', We are One Family, United We Stand.

Pillars of IIFL, videos of success stories of tenured employees

Other employee engagement initiatives

Virtual branch visits, in addition to the regular branch visits (conducted across the year by HR and Sales leadership team), covered all 15,000+ employees in gold loans branches.

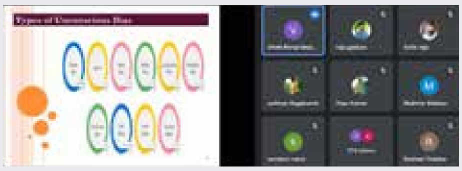
'People Power Hour'- A Pan India HR Team Connect Series: Launched this year, this is an exclusive virtual power packed session for our HR team with the CHRO discussing organizational updates, HR strategies followed by a Recognition & Rewards program

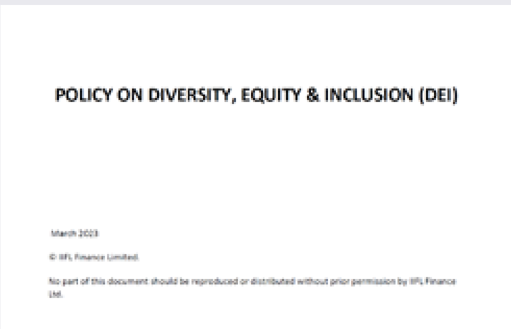
Promoting diversity and inclusion

Our core values of Fairness, Integrity, and Transparency are the foundation of our commitment to Diversity, Equity, and Inclusion (DEI). This commitment materializes through various initiatives designed to create a workplace that embodies these values and embraces diversity in its truest sense. We have a policy in place and uploaded on the internal portal for easy reference to imbibe Diversity & Inclusion among employees.

Some of the key initiatives to drive DEI include:

- A Daycare Policy, with detailed information on where and how employees can avail the daycare services.
- Monthly online workshops are conducted by our vendor partners highlighting the importance of DEI in an organization and how it affects the culture. Topics like Unconscious Bias, Creating Safe Space for All Genders, Achieving Success with Millennials and Gen Z Talent - Generational Diversity are covered. Moreover, 20+ webinars were held during the year.
- A series of around 15 info bytes on DEI is rolled out weekly educating the employees on what DEI is, the importance and why it matters with a few examples and pictorials for easier understanding.




POLICY ON DIVERSITY, EQUITY & INCLUSION (DEI)

March 2023

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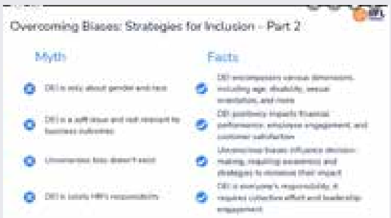
- **Creche facility:** We have partnered with Proeves for childcare management, enrolling children aged 6 months to 10 years, offering flexibility in locations, PAN India presence with a Co-pay Model, easy navigation on a digital platform, and the option to empanel new daycares. A dedicated Single Point of Contact (SPOC) is available for all employee queries. 9,000+ daycares are available for the employees PAN India to choose from.
- **Parenting Groups:** 'The Parenting Circle', 'Cribs and Cradles & Bibs and Burps' are some inclusive and supportive communities on Workplace for all the parents at IIFL Finance. It is a networking tool for all the parents to share experiences, learn and grow together as a part of healthy parenting.
- **Gender diversity sensitization to employees:** Zonal Heads and Zonal HR Heads have been sensitized about diversity hiring and everyone is collectively focused on the same.

We have partnered with India Diversity Forum to foster our commitment to DEI and contribute to shaping India's DEI Landscape with our collective and affirmative actions in this space.




Daycare Benefit Policy

Scope

Introduction and Eligibility

Daycare Benefit

Key HR highlights

Recognized as a Great Place to Work for the sixth time in a row

Ranked as one of the Top 50 India's Best Workplaces in BFSI 2024

Partnered with a leading Human Resource Management System

Initiated GARV-My IIFL My Pride program to instil pride among the employees

Commenced with a revised Grade and Band structure for employees to align as per market benchmarks

Conducted WhatsUp IIFL Internal Pulse survey to gather valuable employee feedback

Promoted internal engagement campaigns such as I AM IIFL and Dil Se IIFL

Encouraged employees to share their success stories through the 'Pillars of IIFL' campaign

Case study

Improving responses to employee feedback

Challenges

Employees faced challenges in keeping up with company events, often because of their attention on branch-specific activities, resulting in missing out on important emails.

Solution

We addressed these challenges by establishing a centralized communication platform using a dedicated WhatsApp Business Account (WABA). This platform, facilitated by the WABA number, is designed to provide employees with seamless access to relevant information.

Implementation

- Procured a dedicated WhatsApp business account
- Created broadcast lists for targeted communication through this platform
- Promoted the WABA number extensively through internal channels
- Sent out regular updates on upcoming events and initiatives through this dedicated platform

Results

Enhanced accessibility:
Significant improvement in accessing relevant information as reported by employees

Improved engagement: Considerable increase in participation in company initiatives, with approximately 98% employees being covered.

Increased satisfaction: Notable enhancement in satisfaction levels among employees, resulting from streamlined communication process.

Conclusion

The successful implementation of the WABA initiative exemplifies our commitment to proactive listening and responsiveness to employee needs. By centralizing communication channels, we enhanced engagement and satisfaction, while fostering greater participation in company initiatives, further strengthening our organizational culture.

IIFL FINANCE

Social and relationship capital

Customers | Communities/ NGOs | Investors/ Shareholders | Bankers/ Lenders | Employees | Government/ Regulators | Business Partners/Suppliers

Social and relationship capital

At IIFL Finance, we prioritize nurturing meaningful relationships with our customers and the wider community. Our products and services empower underserved sections of the society, while our diverse range of initiatives and partnerships, foster positive societal impact. We aim to address societal challenges and contribute to the holistic well-being and development of the community. Whether through educational programs, healthcare initiatives, environmental sustainability efforts, or supporting local businesses, our focus on community upliftment remains unwavering.

Material issues involved	Strategies involved	SDGs involved	Stakeholders involved
Responsible marketing Responsible lending Financial inclusion and literacy Customer satisfaction Customer financial protection Engagement with business partners Human rights Community development	S2 S5 S7	1 No Poverty 3 Good Health and Well-Being 4 Quality Education 5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities 16 Peace, Justice and Strong Institutions 17 Partnerships for the Goals	

Customer success stories

Having grown up in a family of marine fishermen, I decided to venture into pond fishing on my own. Initially, I encountered challenges securing credit through traditional banks. Luckily, two years ago, I learned about IIFL Finance and secured a gold loan to purchase feed and other essential supplies for my farm. Since then, I have expanded my operations to two ponds and have plans for further growth. Thanks to the higher per-unit returns and more stable production, I now earn more than my peers in marine fishing.

Mr. Ranjeet Patil

January 2022
First loan disbursed

Alibaug Taluka, Maharashtra
Location

Mr. Rohan Bhoir

As a resilient entrepreneur in the marine and backwater fishing industry, I rely on IIFL Finance for my credit needs. My journey with IIFL Finance has been transformative, enabling me to specialize and grow my business. Initially, I took modest loans for essential repairs to my aging boat's engine and to purchase feed. Over time, my ambitions grew, and with IIFL Finance's support, I secured a larger loan to acquire a more substantial vessel and expand my fishing operations. The seamless experience and transparent transactions with IIFL Finance have been remarkable. By promoting financial inclusion for individuals like me, IIFL Finance continues to contribute to the growth and prosperity of communities reliant on marine and backwater fishing across the Konkan region.

December 2022
First loan disbursed

Pen, Maharashtra
Location

86% of our customers i.e. **4.4 million** customers, belong to the economically weaker segments earning annual income of less than **₹ 3 Lakh.**

% Customers by annual income buckets (₹)

Income bucket	%
0 to 1 Lakh	7%
1 to 2 Lakh	24%
2 to 3 Lakh	56%
3 to 5 Lakh	10%
5 to 10 Lakh	2%
> 10 Lakh	1%

Cumulative number of active customers (Million)

Income	Million
Upto 1 Lakh	0.3
Upto 2 Lakh	1.5
Upto 3 Lakh	4.4
Upto 5 Lakh	4.9
Upto 10 Lakh	5.0
All	5.1

As on March 31, 2024

Data is for Gold Loans, IIFL Home Finance and IIFL Samasta Finance customers. Annual Income bucket is at individual/household level

% Customers by total outstanding (₹)

0-30,000	38%
30,000-50,000	28%
50,000-75,000	11%
75,000-1 Lakh	4%
1 Lakh-2 Lakh	8%
2 Lakh-5 Lakh	6%
5 Lakh-10 Lakh	3%
10 Lakh+	3%

As on March 31, 2024
Data is consolidated for IIFL Finance, IIFL Home Finance and IIFL Samasta Finance

We cater to marginalized small households (5.3 Million total active customers), with most of them having loans less than **₹ 2 Lakh** and 66% loans being lower than **₹ 50,000**.

Ensuring effective communication with customers

We stay committed to enhance customer experience in every step of the way. Through our innovative approach towards support and communication, we ensure a seamless customer journey with the following prominent interventions.

Introducing WhatsApp Chat Bot

We recently introduced our latest addition to customer support – a WhatsApp Bot, providing real-time assistance to our customers. This innovative feature ensures prompt responses to queries, instant support, and seamless communication through a widely-used messaging platform.

Enhanced IIFL Loans App

We unveiled the revamped IIFL Loans app, now boasting improved user interface, functionality, and overall user experience. This upgraded version empowers users to effortlessly access loan information, manage accounts, and conduct transactions on the go, all from their mobile devices.

Insights from customer surveys

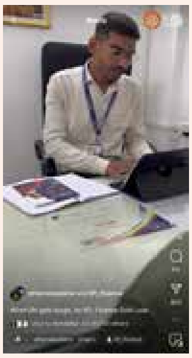
We conduct regular customer surveys, offering us invaluable insights into the customers' needs, preferences, and pain points. This rooted feedback mechanism guides us in enhancing our services and customizing communication strategies to better serve our esteemed customers.

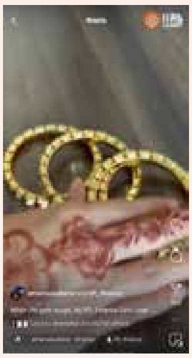
Personalized SMS communication

We deployed SMS as a communication channel to proactively engage with customers. From delivering personalized offers to sending transactional notifications and important updates, these channels facilitate direct and targeted communication, greatly enriching the overall customer experience.

Expanding the social media connect

Influencer collaborations





We joined forces with 50+ local and regional influencers, embracing the influence of digital creators. These partnerships play a crucial role in cultivating genuine rapport and trust within our regional community. Through the credibility and reach enjoyed by these influencers, we successfully amplified brand visibility and nurtured authentic connections with our target audience.

Expanding social media reach

We orchestrated a concerted effort to broaden our social media presence across LinkedIn, Facebook, Instagram, and YouTube. With strategic content curation, engagement strategies, and precise advertising campaigns, we witnessed substantial growth and interaction across these platforms. By maintaining an active profile and consistently delivering enriching content, we have garnered a lively community of followers, thereby magnifying our brand's influence and resonance.

21.7K FY 2023-24 followers | **11.7K** New followers
117% Growth in followers (%)

2.45 Lakh FY 2023-24 followers | **0.19 Lakh** New followers
8.40% Growth in followers (%)

27.7K FY 2023-24 followers | **9.4K** New followers
51.36% Growth in followers (%)

60K FY 2023-24 followers | **54.6K** New followers
1,011.10% Growth in followers (%)

6.3K FY 2023-24 followers | **0.6K** New followers
10.53% Growth in followers (%)

IIFL FINANCE

IIFL Finance's social media handles have been one of the most engaging brands in the BFSI sector

Source: Fan Page Karma

Driving customer convenience

Through our products

Through our services

- Introduced the MOHO App for seamless gold loan closures from home. With just a ticket submission, the customers can enjoy swift closure within 24 hours.
- Elevated convenience with an extensive network of branches nationwide, ensuring easy access to our services across India.

Marketing campaigns in FY 2023-24

Brand awareness campaigns

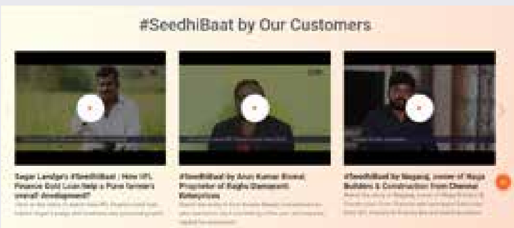
'Sapna aapka. Loan humaara.' campaign

- When a customer seeks a loan, we believe that it is an emotional decision, and not just a functional transaction. Because for our customers, a loan is a way of turning their dreams into reality.
- While customers can get loans from multiple sources, they are at the risk of opting for loans with complex interest rates, hefty charges and low value of the loan.
- But we at IIFL Finance believe in empowering our customers so that they can whole-heartedly pursue their dreams and financial goals.
- We offer the most straightforward, honest and transparent route for our customers to fulfill their dreams. This is also captured in our 360-degree campaign 'Sapna Aapka. Loan Humara.'

#UnlockYourMahashakti

- This multi-channel strategy helps us to engage with and inspire diverse customer segments.
- We seek to establish IIFL Finance as the go-to gold loan provider, leveraging our pinpointed campaign and tailored communication – emphasizing relevance and product benefits.
- Our aim is to empower countless individuals and entrepreneurs, providing them with customized and affordable loan solutions to fulfil their goals and dreams.

Seedhi Baat - Simple, Honest and Direct



- IIFL Finance epitomizes the essence of 'Seedhi Baat' – embodying simplicity, honesty, and directness, forming the core of our customer value proposition.
- Our streamlined loan products, transparent practices, and steadfast dedication to customer connections enables us to deliver financial solutions with utmost clarity and ease.

JITO Ahimsa

- IIFL Finance was honoured to support the IIFL JITO Ahimsa Run on March 31, 2024.
- This global marathon saw participants converging from over 61 locations in India and 16 international locations across 6 continents.
- The event, symbolizing forgiveness, resilience and unity, stressed on the importance of collective efforts in nurturing a more harmonious world and addressing conflicts to promote universal peace.

1.2 Lakh+

Individuals participated in the IIFL JITO Ahimsa Run

Personalized web pages

- IIFL Finance built city-specific pages for Gold Loan and Business Loan in more than 50 cities across the country.
- IIFL Finance also built specific pages based on customer cohorts like Agriculture, Education, Women, MSME Business, etc.
- The creation of personalized web pages helped build trust and foster a localized connect.

Engaging video strategy

- We undertook the development of customized content based on customer education – product types, personal finance, do's and don'ts, myths versus facts, genre like agriculture, SME, etc.
- We drafted testimonials of our valued customers in order to showcase our contribution in transforming their lives.

Lead generation campaigns

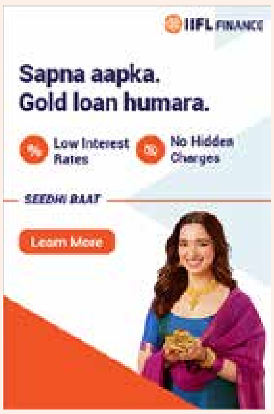
Gold Loan Mela

- Our flagship sales campaign, this time-bound initiative offers customers the opportunity to win substantial prizes such as gold coins and assured gifts with every loan availed during the event.
- The campaign enabled us to widen our customer base, facilitating the addition of a substantial number of new customers.

Gold Loan Mela – new format

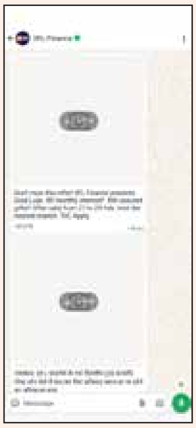
- The new and shorter format (1 day, 2 days or 5 days) of Gold Loan Mela was organized for consistent and continued engagement with consumers.
- The newer format of the fair was conducted in multiple zones and states.

Performance marketing



- We implemented several performance marketing strategies aimed at driving targeted traffic and generating quality leads.
- We reached our target audience, through carefully crafted digital advertising campaigns across various platforms such as Google Ads, Facebook Ads and LinkedIn Ads.
- Our extensive online and offline marketing endeavors allowed us to maximize lead acquisition and conversion opportunities.

SMS/WhatsApp campaigns



- We leverage the ubiquity and effectiveness of SMS and WhatsApp as communication channels.
- Undertook targeted campaigns to engage prospects and nurture leads.
- Personalized messages, promotions, and timely updates were delivered to segmented audiences, driving engagement and encouraging prospects to take desired actions.

Customer retention campaigns

- Implemented numerous strategic initiatives throughout the year to enhance customer satisfaction and enrich their overall experience.
- Among these initiatives was the introduction of Insta Rewardz, a program designed to incentivize customer loyalty and engagement.
- With these campaigns, customers effortlessly accumulated Insta Rewardz points with every interaction, which could then be redeemed for a diverse range of appealing rewards.
- This initiative added tangible value to their experience, while demonstrating our gratitude for their loyalty.

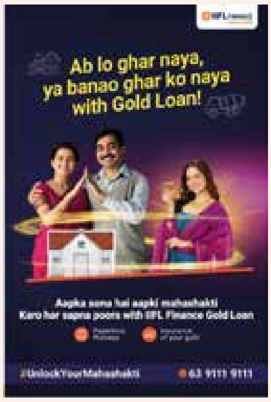
Loyalty program

- Our Insta Rewards is a first-of-its-kind loyalty program in the industry, with a redemption rate of 65%, which is one of the highest in the industry.
- The customers were offered to choose from mobile recharge, bill payments, gift vouchers, deals and 5,000+ merchandizes as rewards.

Referral program

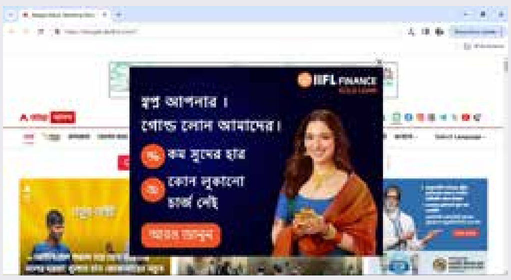
- The program helped to grow our customer base and consistently engage with existing customers.
- Achieved more than 2,000 conversions per day through referrals - one of the highest in the industry.
- The referral program helped with better engagement with customers, keep them in the IIFL fold and further grow the customer base.
- We delivered overall better experience to customers with engagement and rewarding.

Customized data



- We used data analytics and data modelling to create customer profiles.
- This helped to map customer needs efficiently and offer customized services and solutions.
- Data analytics helped to improve engagement with customers.

Digital branding



- This program helped increase presence in various digital marketplaces like payment aggregators, IRCTC, Cred, e-commerce websites, among others.
- We leveraged regional OTT channels for better customer engagement.

Community initiatives: advancing with responsible action

We, at IIFL Finance, firmly embrace Corporate Social Responsibility (CSR), aiming to leave a profound and enduring mark on society. Our CSR initiatives are rooted in the pillars of inclusivity, sustainability, and community development, designed to inspire lasting positive transformation. By collaborating with local stakeholders, NGOs, and government bodies, we aspire to shape a better future for all. Our dedication to CSR reflects our core values and commitment to being a responsible corporate entity.

Our CSR initiatives are centered around five core pillars of development, collectively referred to as HELP: Health, Education & Environment, Livelihood, and Poverty Alleviation, all overseen by the IIFL Foundation. These initiatives quintessentially focus on creating opportunities for the advancement of the girl child and the empowerment of women, particularly those belonging to marginalized and vulnerable communities. Aligning with these objectives enable us to actively contribute to the attainment of several Sustainable Development Goals (SDGs), including Gender Equality (SDG 5), Reduced Inequalities (SDG 10), No Poverty (SDG 1), Quality Education (SDG 4), and Good Health and Well-being (SDG 3).

Health

Education

Environment

Livelihood

Poverty Alleviation

Ensuring effective communication with beneficiaries

IIFL Foundation is dedicated to establish effective communication channels with beneficiaries to ensure the success and sustainability of the projects undertaken. Tailored communication strategies are implemented based on the specific needs of each project. For instance, multi-year programs like 'Sakhiyon ki Baadi', which aims to provide foundational literacy and numeracy skills to out-of-school and never been to school children, especially girls, necessitate regular updates and engagement. On the contrary, infrastructure-focussed projects require consistent but less intensive engagement throughout the project life cycle. However, the IIFL Foundation ensures regular visits and coordination with the concerned authorities to ensure utilization of the infrastructure supported by the Foundation.

Field visits

IIFL Foundation project team conducts regular field visits to project sites to gain first-hand insights into on-ground activities and engage with beneficiaries to address their concerns, if any. These visits are scheduled systematically to cover all assigned projects within a designated time frame. For example, field visits are conducted under the 'Sakhiyon ki Baadi' program, as per agreed schedules, to interact with beneficiaries and assess its effectiveness. Highlighting our commitment at the highest level, IIFL Foundation Director personally attended an annual health check-up camp in Barsana, Uttar Pradesh, to gauge the efficacy of the project, along with skill development program in Kupwara, J&K and Tezu, Arunachal Pradesh. The Director of IIFL Foundation periodically visits the 'Sakhiyon Ki Baadi' program to assess the program's effectiveness.

Periodic meetings

IIFL Foundation, along with its implementing partners, organizes periodic meetings with beneficiaries to discuss project updates and explore opportunities for further improvement.

Printed material

IIFL Foundation shares printed materials with beneficiaries to raise awareness about key issues. For instance, educational magazines are distributed under the 'Sakhiyon ki Baadi' project to impart valuable knowledge to the beneficiaries.

Digital communication

IIFL Foundation regularly disseminates project updates through engaging videos and captivating photos on its social media platforms, aimed at increasing awareness about ongoing initiatives. Additionally, official WhatsApp groups are established to facilitate seamless communication flow among stakeholders.

Our key programs

Sakhiyon ki Baadi, Rajasthan

IIFL Foundation supports Sakhiyon ki Baadi – a specialized program committed to eradicating female illiteracy in Rajasthan by nurturing Foundational Literacy and Numeracy (FLN) skills among girls aged 4 to 14 years.

Strategically located in areas predominantly inhabited by indigenous Scheduled Tribe communities, these centers are focussed on addressing the prevalent issue of girls discontinuing their education or never enrolling in one.

Phulwari (Maa Baadi), Rajasthan

IIFL Foundation partnered with the Tribal Area Development Department, Rajasthan, to upgrade the Maa Baadi centers by installing solar panels to facilitate electricity, digital learning system (TV-based) and provision of an academic mentor to support education of the children aged 5 to 10 years. These children are native to the indigenous tribal communities. Our digital interventions help us in enhancing their learning experience.

Smart shaala, Rajasthan

IIFL Foundation launched its TV-based learning initiative, Smart Shaala across three districts in Rajasthan – Bikaner, Jaipur, and Jodhpur. This ambitious project seeks to combat the challenge of school dropouts and enhance retention rates especially among girl students, by building a strong foundation in Maths and English at the primary level (Grades 1-5) in government schools.

Digital Shaala, Rajasthan

IIFL Foundation extends e-shiksha initiative deploying 50 smart TVs in 25 government schools throughout the Udaipur Rural district. These TV sets are furnished with educational content, including videos aligned with the curriculum, offering new opportunities for students to explore the world of knowledge with digital access and study various subjects.

Home stay host training, Tezu, Arunachal Pradesh

IIFL Foundation offered comprehensive training in home-stay hospitality empowering young individuals with skills and promote Tezu as an attractive tourist destination. This project was executed in collaboration with the National Cadet Corps (NCC), Ministry of Defence, and Ministry of Development of North Eastern Region (MDoNER).

Digital library and digital infra, Rajasthan

IIFL Foundation contributed towards infrastructure development in Rajasthan by setting up digital library, smart classrooms and assembly halls to improve enrolment and retention at Government schools.

Retail sales associate training program, Jammu & Kashmir

A skill development program curated specifically for youths residing at Kupwara, an aspirational district in the Union territory of Jammu & Kashmir. On successful completion of the course, participants receive certification from the Retailers Association's Skill Council of India (RASCI). The program is regularly monitored and supported by the Indian Army officers, who also encourage the youth to pursue the training with commitment.

Exploratory trip for Pri members to Mawlynnong, Meghalaya

IIFL Foundation organized exploratory trips for the Sarpanchs from Rajasthan to visit Meghalaya in order to explore the best practices related to community development through community participation and to explore how to replicate them in the state of Rajasthan.

Administrative support to primary school, Maharashtra

IIFL Foundation provided administrative assistance to ensure uninterrupted education for disadvantaged children.

Entrepreneurship development program, Rajasthan

IIFL Foundation undertook the program to realize the dream of potential talents to become entrepreneurs in the home décor and furnishing sector. Through this initiative, local artisans with talent and passion in the home décor sector were provided with training, mentorship, and resources to kickstart their entrepreneurial journey. By fostering entrepreneurship, the program not only promotes economic growth but also encourages creativity and innovation in the home furnishing industry.

Smart classroom, Rajasthan

IIFL Foundation spearheaded an initiative to bolster digital education by providing essential infrastructure support. This endeavor aims to empower learners with the necessary tools and resources to thrive in the digital age, fostering a brighter future for education.

Training in hospitality (Chef Trade), Jammu & Kashmir

IIFL Foundation orchestrated a comprehensive skill-building initiative centred around hospitality for the youths in Kupwara, an aspirational district in Kashmir. The participants underwent assessment by TATA Strive and the best performers also received an opportunity to intern at TAJ group of Hotels. This was supported and supervised by the Indian Army. The program was meticulously designed to empower local talents, fostering a robust skill set tailored to the hospitality industry's dynamic demands.

Glocalbodh mobile app, Maharashtra

IIFL Foundation successfully deployed the Glocalbodh mobile app, an innovative online platform aimed at enhancing the capabilities of NGOs across Maharashtra. This digital initiative was designed to empower NGOs with cutting-edge tools and resources, fostering their growth and impact within the local communities they serve.

Supporting Manav Shelter Home, Maharashtra

IIFL Foundation ensures comprehensive care program supporting education and nutrition of children under care at a shelter home.

Community radio for children and care givers, Rajasthan

IIFL Foundation supported a community radio based program dedicated to enhance cognitive development of children and promote mental wellbeing of the care-givers. The project focussed on providing informative content aimed at nurturing essential skills for lifelong success.

Financial literacy program, Maharashtra

IIFL Foundation is engaged in the skill development of BFSI sector for underprivileged youth through training sessions on banking and finance topics.

Supporting government hospital, Maharashtra

IIFL Foundation donated non-stress test machines to a government hospital in Mumbai, strengthening its medical infrastructure and advancing healthcare accessibility for all.

Annual medical camps, Uttar Pradesh and Maharashtra

IIFL Foundation orchestrated health check-up camps tailored to the needs of the less fortunate and underprivileged, extending vital medical assistance to those in dire need, offering free-of-cost cataract surgeries, dental treatments and other medical services.

Promoting English and computer education, Rajasthan

IIFL Foundation established two language and computer labs with a focus on English language to enhance the proficiency of students in English language and computer application at government schools in Rajasthan.

Bicycle donation to girls, Maharashtra

The IIFL Foundation donated bicycles to empower girls from scheduled tribe communities to reach distant schools and coaching centres on time, significantly promoting girl child literacy.

Impact stories

A tale of tenacity: Seema's path to education

Seema, a young resident of Salumbar district in Rajasthan, faced a major obstacle on her educational journey when she had to leave school after completing Class 5 due to the lack of an Aadhar card, a crucial requirement for admission. Despite her deep interest in education, Seema's aspirations remained unfulfilled as her parents struggled to obtain the necessary documents for her Aadhar card. However, a Gram Panchayat survey conducted by our team in Seema's village brought her situation to light, leading to her enrollment in the Sakhiyon Ki Baadi center. With the help of Shanu Jain, a teacher from our program and field supervisors, Seema successfully obtained her Aadhar card and was integrated into the education system. Since then, Seema has been attending school diligently, eager to make up for lost time. Her story is a testament to the transformative power of education and the impact of community support.

Our contribution

Dropped out after **Class 5 in 2020**

Enrolled in **Class 7 in 2024**

Transformative education: Lakshmi Kumari Meena's inspiring journey

Lakshmi Kumari Meena, a 10-year-old from a financially struggling farmer family, had never experienced formal education until a serendipitous encounter near the Sakhiyon Ki Baadi center in Bheramangra changed her life's trajectory. With the intervention of our team, Lakshmi rapidly advanced in her studies, mastering Hindi, English and basic Mathematics. Her success inspired her siblings to join Sakhiyon Ki Baadi, fostering a new found enthusiasm for education in her family. Lakshmi's transformation not only brought joy to her family but also illuminated a path out of poverty and illiteracy.

Our contribution

Had never been admitted **to school**

Learned to **read and write in English** along with solving basic Mathematics

Puja Kumari's triumph: From adversity to education

Puja Kumari, a 10-year-old from Nalpada village in Rajasthan, faced financial hardship in her family, which prevented her from accessing education. However, the opening of the Sakhiyon Ki Baadi center in her village brought hope. Through the efforts of Daksha (teacher) Manju Meena, Puja's family was convinced of the importance of education, and Puja was enrolled in the center. With Manju's guidance, Puja made remarkable progress in her studies, mastering reading and writing. Today, Puja is a symbol of hope, showing how initiatives like the Sakhiyon Ki Baadi center can empower communities and break the cycle of poverty through education.

Our contribution

Poverty denied her the **Right to Education**

She dreams to become **a teacher** after completing her education

Empowering communities: Pushpa Meena leads by example

Pushpa Meena, a 25-year-old from Kanpura village, Rajasthan, has defied odds to become a beacon of hope in her community. Joining the Sakhiyon Ki Baadi program, Pushpa established the 'Magdharafala' center, enrolling 30 out-of-school children, including her own. Through the support of IIFL Foundation, Pushpa attended teacher training workshops and subsequently, became financially independent. Today, Pushpa is a proud police officer, a testament to the transformative power of education and the support of IIFL Foundation.

Our contribution

She joined the Sakhiyon Ki Baadi Program when she was **in financial hardship.**

Transformed as a financially independent and **confident police officer**

From Daksha to Cluster Head: Nandu Meena's growth story

Nandu Meena, a 25-year-old woman from Rajasthan's Pratapgarh district, exemplifies the success of the Sakhiyon ki Baadi Program. In 2017, Nandu joined as a Daksha and received intensive training to initiate the 'Bhatkhedi' center in Chotisadri block, enrolling 30 children after conducting a baseline survey.

Thanks to the Sakhiyon Ki Baadi program, Nandu completed her education in B.A., RCIT, and BSTC, and is currently preparing for REET exams. Her hard work paid off when she became the Cluster Head on April 1, 2018. She has since supported her husband, who is also a teacher at the Sakhiyon ki Baadi center 'Biliya Talab', helping to stabilize their financial situation.

Our contribution

Joined the program when her family **was financially struggling**

Completed her education and was **promoted as the Cluster Head**

From shy to confident: Bapu Devi Meena's dreams take flight

Bapu Devi Meena's life took a positive turn when she joined the Sakhiyon Ki Baadi program. Despite facing financial challenges and shouldering household responsibilities from a young age, she persevered in her education. Her journey with the program has been transformative, leading to newfound confidence and financial stability. Today, Bapu is an example of the transformative power of hard work and skill development programs like Sakhiyon Ki Baadi in breaking the cycle of poverty.

Our contribution

She was shy and had a **low level of skills**

She secured a job **as an ANM** in a local hospital

Peer influence: How Priya inspires change

Priya's story is a testament to the power of peer influence. Despite facing poverty and forced labor, Priya harbored a dream of going to school like her village friends. Inspired by her peers, she took the brave step of visiting the Harkafala center to explore joining the Sakhiyon Ki Baadi program. Gradually, she convinced her mother of the importance of education, and Sakhiyon Ki Baadi became a pivotal part of their lives. Today, Priya is a symbol of determination and change in her community, showing that even a young child can inspire change through education.

Our contribution

Going to school and getting educated was **a dream for Priya**

Aspires to be a teacher **to educate others** like her

Illuminating minds: Kamala Meena's transformation with Sakhiyon Ki Baadi program

Kamala Meena's life changed when she joined the Sakhiyon Ki Baadi program in the remote Parsad Cluster of Sarada district. Kamala's parents, involved in manual labor and home-making, initially did not realize the importance of education. As a result, Kamala had discontinued her studies after the ninth grade. However, upon joining the Sakhiyon ki Baadi center, Kamala found encouragement and guidance from Manju Meena, a teacher from our team, who stressed the significance of education. Under Manju's mentorship, Kamala gained admission to the nearby Chanavda Vidyalaya. Despite encountering challenges, Kamala persevered with her studies and achieved a commendable score in her higher secondary examinations. Inspired by Kamala's success, 26 other children have seamlessly integrated into formal schooling. Kamala's journey exemplifies the transformative power of education, offering hope and ambition for a brighter future.

Our contribution

Her parents did not understand the **importance of education**

She scored **76% marks** in her 12^{th} Board examination

Reviving hope: The tale of Kalmi village

Nestled near the Jakham River and the Sitamata Sanctuary, Kalmi Island is a testament to resilience. This isolated community of 45 mud huts, accessible only by boat, had long been neglected, lacking basic amenities like cooking gas and electricity. Education was a distant dream for the 30 children aged 4 to 14 in Kalmi, with no primary-level school nearby. However, youth Sohanlal Meena, pursuing his B.Ed., brought hope. An initial survey led to the establishment of Sakhiyon Ki Baadi 'Kalmi' on New Year's Day in 2023. Despite challenges, teacher Bhawar Lal Meena's dedication shines. Rowing for 30 minutes and walking for 15 more, Bhawar Lal, a skilled teacher, brought learning to the village. His innovative methods have transformed education, with children thriving under his guidance. The village experienced a historic moment on January 26, 2023, as the national flag fluttered for the first time in 75 years on this small island. Through IIFL Foundation's efforts, Kalmi now embraces unity, joy, and a newfound pride. Hope blossoms anew, promising a brighter future for generations to come.

Our contribution

The island was overlooked **by public representatives**

We transformed the future of the children thereby **providing regular classes**

Other initiatives

IIFL Samasta Finance, our subsidiary, undertook the following key CSR activities during the year under review

Financial literacy and inclusion

- Our financial literacy program educates women, youth, and farmers in underserved communities on financial concepts, empowering them to make informed decisions and access banking services.
- We have trained over 30,000 women, focusing on villages in UP, Bihar, Rajasthan and West Bengal.

Livestock development program

- We are operating 25 Livestock Development Centers in Bihar, Karnataka and Rajasthan, whereby we provide essential cattle health services to farmers, including artificial insemination and veterinary care.
- This initiative has benefitted more than 20,000 farmers, enhancing livestock productivity and welfare.

Promoting women micro-entrepreneurs

- We work with rural women in Bihar and Tamil Nadu, training them in various entrepreneurial activities to enhance sustainable income.
- More than 800 women have been trained, enabling them to start their businesses and access market linkages.

Natural capital

Natural capital

At IIFL Finance, we acknowledge the critical importance of natural capital, particularly in today's pivotal juncture where the focus on preserving our environment is at its peak. Excelling in today's dynamic business environment, we recognize that nature preservation is no longer merely a topic for discussion, but a fundamental pillar of sustainability. The global shift towards prioritizing the protection of natural resources continues to surge, and IIFL Finance is wholeheartedly committed to spearheading this vital cause.

Material issues involved	Strategies involved	SDGs involved	Stakeholders involved
▫ Responsible lending ▫ Community development ▫ Climate change and GHG emissions ▫ Resource management	S4 S5	11 Sustainable cities and communities 12 Responsible consumption and production 13 Climate action	

Customer success stories

Ms. Sonali Pawar

"My family and I have been part of the artisan community known for idol making for decades. Our family business, Shri Ganesh Kala Kendra, has been creating beautiful idols, primarily of Lord Ganesha, for the past thirty years. We employ 20-30 permanent and seasonal artisans, supporting a small local economy. Being conscious of ecology and climate change, over 90% of the idols produced at our workshop are eco-friendly. My family and I have greatly benefitted from IIFL Finance's timely support in the form of gold loans. We typically take out a gold loan a few months before the annual Ganpati festival when orders peak, and urgent credit is needed. The easy processing and quick disbursal process have been a tremendous help for us. We repay the loan just before the festival and proudly wear our family jewellery during the celebrations. IIFL Finance has been an essential part of our success story and that of millions of others across 25 States and Four Union Territories in India."

December 2018
First loan disbursed

Raigad, Maharashtra
Location

Our sustainability initiatives are intricately linked with our environmental objectives. These endeavors are aimed at reaffirming our dedication to the careful and conscientious utilization of natural resources, ensuring their efficacy for the well-being of both current and future generations. We also work closely with our communities to drive awareness about sustainability – especially with builders and developers, among others. During the year under review, we undertook the initiative to commence with the collection of data for Scope 3 emissions which comprises emissions on account of business travel, capital goods purchased and paper/IT products procured, among others. We also organized awareness programs for our employees focused on environmental sustainability practices, highlighting the importance of reducing our Company's environmental impact.

Humara Kutumb

Building on the success of the flagship Kutumb initiative, we have transitioned to a more grassroots level of direct engagement with the launch of Humara Kutumb, marking Phase II of our objectives. In this phase, our focus shifts from discussions to direct community engagement. The primary objective is to assist communities in creating affordable and sustainable houses, reflecting a pragmatic and field-based approach to implementing the insights gained from the Kutumb sessions and underscoring our commitment to driving real-world impact.

The project delves deeper into the green affordable housing ecosystem at the local level, extending beyond the group housing sector to the self-built construction segment, with its unique complexities. The program structure and components include:

- Empowering homeowners and the green building value chain ecosystem
- Comprehensive training and capacity-building components
- Demo houses

Through Humara Kutumb, we aim to bring tangible improvements to communities by applying the knowledge and strategies developed during the initial Kutumb initiative, thereby fostering sustainable development from the ground up.

Green value partners (GVP)

IIFL Home Finance has formed an in-house technical team called the 'Green Value Partner (GVP)', dedicated to guiding developers on the journey towards environmentally sustainable construction practices and navigating the complex terrain of certification processes for their projects. The main goal of this endeavor is to promote the widespread development of eco-friendly buildings in India by providing developers with assistance in certification, documentation, and auditing related to green building design and construction.

1,139 ML p.a.
Water savings

19,716 MWH p.a.
Energy savings

18,135 tCO_2e p.a.
GHG emission offset

Energy and emissions management

We, at IIFL Finance, put in place a dual strategy to optimize our energy consumption. Firstly, we replaced energy-intensive lighting with energy efficient alternatives, thereby reducing our indirect energy usage. Additionally, we introduced initiatives aimed at fostering behavioral changes among our employees, encouraging them to conscientiously manage their day-to-day environmental impact. During the year, IIFL Samasta, our subsidiary, installed solar panels at its head office guest house. In FY 2022-23, our Gurugram office building installed solar panels and received the LEED Gold certificate. We adopted renewable energy in our Hubtown office, Mumbai through the Tata Green Tariff scheme. We started procuring green energy from select power utilities in our Mumbai offices and are now exploring more options on this front. We have also installed automatic switches and sensors in unmanned areas to optimize energy consumption.

We have implemented energy efficient alternatives such as LED (Light Emitting Diode) technology across all our branches, including Regional Offices (RO), Zonal Offices (ZO) and the Head Office. This transition to LED lighting has significantly reduced our energy consumption and carbon emissions.

In FY 2023-24, IIFL Home Finance collaborated with BluSmart Mobility, (an Indian ride-sharing company, headquartered in Gurugram, India) for its employee commute. BluSmart is India's first all-electric shared smart mobility platform which received the Verra accreditation on carbon emissions in July 2022.

Our environment initiatives also extend to our communities. In its endeavor to support 'Mission LIFE - Lifestyle for Environment', the IIFL Foundation launched Miyawaki project under its GROW mandate to create green and inclusive space for the community, with plantation of more than 10,000 indigenous plants. Similarly, the IIFL Foundation has been supporting gardens at Juhu and Andheri to promote environmental stability. During the year under review, IIFL Samasta planted more than 2,300 samplings in the cities of Bangalore, Kolkata, Patna, Varanasi and Ranchi. These tree plantation programs aim to promote greenery and combat the hazards of pollution in cities. In the long run, this initiative will help rejuvenate the entire region with a greener environment and resilient trees that can withstand natural calamities.

Through IIFL Samasta, we have installed solar power home lighting solutions in 84 households. The solar street lights in rural communities have brought tangible benefits by providing lighting solutions during night-time. This has not only improved safety and security but also enhanced the quality of life for residents, particularly in areas with limited access to electricity.

Paper consumption reduction

We rolled out bamboo-based tissue papers (BECO) in our Hubtown office, Mumbai in March 2024 with the objective to replace paper-based tissue papers; banners in office were used for employee awareness towards reducing paper consumption. We adopted various technologies for paperless recruitment processes, eliminated the need for paper-based documentation and reduced our paper consumption. Additionally, employee onboarding processes for bulk hiring were conducted online, further minimizing our environmental footprint. Digitalization of paper-based processes is an ongoing process for onboarding our customers which help reduce paper waste.

Water recycling

We attach highest importance to optimizing water resources, revering the role of water in nurturing life. Our registered office boasts a rainwater harvesting system, which recycles wastewater for tasks such as flushing and watering plants.

A sewage treatment plant is located at the IIFL Home Finance headquarters in Gurugram where treated water is used for cleaning and landscaping. In addition, we are maintaining the softeners and treating the water that will be utilized for cooling towers, cleaning and rest rooms. In addition, we have aerators installed, which contribute to a decrease in water usage. Installing chambers prevents the soil from entering inside the drainage. A rainwater harvesting system is also operational at our Gurugram office.

Waste management

We guarantee proper disposal and recycling of e-waste generated within our organization by forging effective partnerships with authorized vendors. Moreover, our thorough waste management program precisely tracks waste generation, aiding us in selecting suitable disposal methods. Our steadfast commitment to waste reduction reflects our dedication to minimizing environmental impact and nurturing a cleaner, more sustainable future. We have stopped the usage of small Bisleri bottles at our branches and corporate offices during the year; the branches have been informed to use glass as an option. The usage of single-use plastic has been reduced and all the electronic waste is disposed through e-waste vendors. During the year, we conducted a camp for collecting e-waste from employees for safe disposal across four of our offices in Mumbai. This camp was conducted in partnership with a reputed vendor. Moving forward, we will continue to explore possibilities of conducting such events across our other office locations in the future. Such initiatives help us deepen awareness among our workforce about environment-friendly activities.

Governance

At IIFL Finance, we hold an unflinching commitment to governance practices that embody transparency, accountability, and ethical integrity across every facet of our endeavors. Guided by our Board of Directors, comprising experienced and independent leaders, we navigate the strategic landscape of our Company, anchored firmly to our mission and values. Furthermore, we maintain a diverse Board composition, fostering a culture of impartiality and robust decision-making. Committed to adhering to regulatory standards and best practices, we continuously review and enhance our governance framework to mitigate risks and safeguard the interests of our stakeholders.

Material issues involved	Strategies involved	SDGs involved
Corporate governance and ethics Regulatory compliance	S1	16

The Chairperson of the Board serves as a Non-Executive Non-Independent Director, with the majority of the Board consisting of Non-Executive Directors including 4 Independent Directors. Notably, there are no familial ties among any of our Directors, which ensures impartiality and objectivity in our decision-making processes.

9 Board Members

4 Independent Directors, including 1 Woman Independent Director

3 Non-Executive Non-Independent Directors

2 Executive Directors

Board's responsibilities

Corporate governance
Ensuring that our Company adheres to ethical standards, transparency and accountability in its operations.

Strategic planning
Participating in the development and approval of our Company's strategic objectives and plans.

Risk management
Identifying and managing risks that could impact our Company's performance, financial stability or reputation.

Financial oversight
Monitoring financial performance, approving budgets and ensuring accurate financial reporting.

Compliance
Ensuring compliance with legal and regulatory requirements, including those of the Companies Act, SEBI regulations, RBI and other applicable laws.

Appointment and oversight of management
Appointing, evaluating, and compensating senior management personnel, while overseeing the management's performance.

Stakeholder relations
Engaging with shareholders, regulators, employees and other stakeholders to address their concerns and ensure effective communication.

Board committees
Establishing and overseeing various Board committees to focus on specific areas of governance and oversight.

Monitoring and evaluation
Assessing the Board's own performance at regular intervals as well as that of the management to ensure effective governance and decision-making.

The Board Committees

Audit Committee	IT Strategy Committee	ESG Committee
Nomination and Remuneration Committee	Stakeholders Relationship Committee	Asset Liability Management Committee
CSR Committee	Risk Management Committee	Customer Service Committee

Business ethics and compliance

We frame our policies and guidelines to serve as a roadmap for daily activities, providing direction to our employees and stakeholders on adhering to our principles of ethics, transparency, and sustainability. We acknowledge the risks associated with fraud, bribery, and money laundering in the financial services sector and maintain a zero-tolerance stance against such financial crimes. Our commitment to ethical behavior and compliance with laws and regulations is evident in our Anti-Corruption Policy, Whistle-blower Policy, Vigilance Policy, and other relevant policies.

Eliminating corruption incidences

We have put in place an Anti-Bribery and Anti-Corruption Policy to combat bribery and corruption and conduct our business with honesty and integrity. We remain dedicated to conducting ourselves professionally, fairly, and ethically in all our endeavors, upholding a zero-tolerance stance towards bribery and corruption, regardless of location. Moreover, we are committed to implementing robust systems to counter bribery and corruption effectively. This policy extends to all employees, including Directors, officers, shareholders, and third-party representatives such as agents and consultants, irrespective of their location, function, or grade.

Ensuring Board diversity

We have established a Board Diversity Policy to promote diversity in the composition of our Board. This policy outlines our commitment to fostering diversity in thought, experience, knowledge, perspective, and gender representation on the Board, all in compliance with applicable laws and regulations. The primary aim of this policy is to recognize the significance of a diverse Board in leveraging the unique skills and experiences of its members for the collective benefit of the organization. By embracing diversity, we aim to cultivate a dynamic framework that integrates a wide array of perspectives relevant to our business, enhancing decision-making processes and driving overall success.

Our key policies

Fair Practices Code	Exposure Policy	Anti-Money Laundering Policy & KYC Documentation Policy	Policy on Fit and Proper Determination of Director	Policy on Demand Loan
Interest Rate Policy	Outsourcing Policy	Grievance Redressal Policy under RBI Directions	NPA Provisioning Policy	Anti-Corruption Policy
Information Technology Policy	Code of Conduct for Employee and Insiders	Nomination & Remuneration Policy	CSR Policy	Vigil Mechanism/ Whistleblower Policy
Policy on Related Party Transaction	Information & Cybersecurity Policy	Business Continuity Management (BCM) Policy	Archival Policy	Policy for Determination of Materiality of Information or Event
Dividend Distribution Policy	Policy on Determining Material Subsidiary	Board Diversity Policy	Legal Policy	ESG Policy

- Policy on Transfer of Unclaimed amounts to Escrow Accounts & Claim thereof by Investors
- Code of Conduct for Board of Directors and the Senior Management Personnel

Board of Directors

Mr. Arun Kumar Purwar

Mr. Arun Kumar Purwar is the Chairperson & Non-Executive Director of IIFL Finance. He also serves as Chairman & Independent Director of Jindal Panther Cement as well as ERoute Technologies Pvt. Ltd. He is as an Independent Director in companies across diverse sectors like Finance, Pharma, Media, Engineering consultancy, Investment Banking, Fintech sectors. He also acts as an advisor to Mizuho Securities, Japan. He was Chairman of the State Bank of India (SBI) from 2002 to 2006 and Chairman of the Indian Bank Association during 2005 to 2006. He has previously held positions such as Managing Director of State Bank of Patiala and was also associated in the setting up of SBI Life. Post his retirement from SBI, he was associated with a leading industry house in setting up the first healthcare-focused private equity fund as well as a non-banking finance company focused on funding real estate projects as well as educational institutions. He has won a number of awards, including the CEO of the Year Award from the Institute of Technology and Management (2004), 'Outstanding Achiever of the Year' Award from the Indian Banks' Association (2004) and 'Finance Man of the Year' Award by the Bombay Management Association in 2006.

Mr. Nirmal Jain

Mr. Nirmal Jain is the Promoter and Managing Director on the Board of the Company. He founded IIFL Group in 1995. Under his visionary leadership, IIFL Group has grown to become one of the leading financial services players in post liberalized India with a combined market capitalization of USD 5.1 billion serving over 14 million diverse customers in wealth & asset management, consumer lending, securities trading & discount broking spaces. With an impeccable track record of governance and growth, the Group has attracted marquee investors and won accolades internationally. He has been a pioneer in technology led disruptions in financial services space creating new standards in securities trading, consumer finance, wealth and asset management. He is also one of the leading proponents of financial inclusion and financial literacy in India.

He holds a PGDM (Post Graduate Diploma in Management) from Indian Institute of Management, Ahmedabad (IIMA) and is a rank holder Chartered Accountant and Cost Accountant. He started his career in 1989 with Hindustan Unilever Limited and founded IIFL Group as an independent equity research company in 1995. He has close to three decades of experience spearheading diverse businesses in the financial services sector.

Mr. R. Venkataraman

Mr. R Venkataraman is the Co-Promoter and Joint Managing Director on the Board of the Company. He holds a Post Graduate Diploma in Management from Indian Institute of Management (IIM), Bangalore, and a Bachelor in Electronics and Electrical Communications Engineering from IIT, Kharagpur. He joined IIFL Group in 1999. He has been contributing immensely in the establishment of various businesses and spearheading key initiatives of IIFL Group over the past 25 years. He has previously held senior managerial positions at ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with J P Morgan of USA and Barclays - BZW. He worked as an Assistant Vice President with GE Capital Services India Limited in their private equity division. He has varied experience of more than 33 years in the financial services sector.

Mr. Nilesh Vikamsey[1]

Mr. Nilesh Vikamsey holds a senior partner position at kkc & associates llp, an esteemed Chartered Accountants firm with an 86-year legacy. He serves as a committee member for prestigious organisations such as the Indo American Chamber of Commerce, Bombay Chartered Accountants' Society (BCAS), and the Chamber of Tax Consultants (CTC). Additionally, Mr. Vikamsey holds trustee positions in organisations such as the 'Sayagyi U Ba Khin' Memorial Trust (Vipassana International Academy, Igatpuri) and several educational trusts in Mumbai. Currently, he serves on prominent committees including the Advisory Committee on Mutual Funds & Corporate Governance, Committee of Securities and Exchange Board of India (SEBI), the Risk Management Committee of Central Depository Services (India) Limited (CDSL), and the Expert Advisory Committee of the Institute of Chartered Accountants of India (ICAI). He was also a member of the International Auditing and Assurance Standards Board (IAASB) Reference Group for Audits of Less Complex Entities. A highly sought-after speaker and chairman, Mr. Vikamsey frequently participates in various seminars, meetings, and lectures organized by committees, regional councils, branches, and study circles of ICAI, Bankers Training College of the RBI, Comptroller & Auditor General of India (C&AG), and other esteemed organizations.

Mr. Vijay Kumar Chopra[2]

Mr. Vijay Kumar Chopra is a fellow member of the Institute of Chartered Accountants of India. He served as a whole-time member of SEBI for two years. Prior to his tenure at SEBI, he had a distinguished career in banking spanning 37 years, during which he held several senior positions. Notable among his achievements are his roles as the Chairman & Managing Director at Corporation Bank and SIDBI, as well as his three-year tenure as an Executive Director at the Oriental Bank of Commerce. He also served in various capacities at the Central Bank of India for a total of 31 years.

Mr. Chandran Ratnaswami[3]

Mr. Chandran Ratnaswami served as a Non-Executive Director of our Company. He holds the positions of Chief Executive Officer and Director at Fairfax India Holdings Corporation, a company listed on the Toronto Stock Exchange. He is also a Senior Managing Director of Hamblin Watsa Investment Counsel Limited, a wholly owned investment management company of Fairfax Financial Holdings Limited. Mr. Ratnaswami is a member of the Boards of various organisations, including Chemplast Sanmar Limited, Sanmar Engineering Services Limited, Quess Corp Limited, Bangalore International Airport Limited, National Commodities Management Services Limited, Go Digit General Insurance Limited, Thomas Cook (India) Limited, Fairbridge Capital Private Limited in India, Zoomer Media, Fairfax India Holdings Corporation in Canada, Thai Reinsurance in Thailand, and Fairfirst Insurance Limited in Sri Lanka. He holds a Bachelor's degree in Civil Engineering from IIT Madras, India, and an MBA from University of Toronto, Canada.

[1]Completion of tenure w.e.f. March 31, 2024
[2]Completion of tenure w.e.f. May 20, 2024
[3]Resignation w.e.f. May 10, 2024

Ms. Geeta Mathur

Ms. Geeta Mathur, a Chartered Accountant, has worked as a banker both on the asset side and risk side and with large corporate treasuries and investor relations. She started her career with ICICI, where she worked for over 10 years in the field of project, corporate and structured finance as well represented ICICI on the Board of reputed companies such as Eicher Motors, Siel Limited among others. She has worked in various capacities in large organisations such as IBM and Emaar MGF across areas of Corporate Finance, Treasury, Risk Management and Investor Relations. She currently serves as an independent director in various large organisations across manufacturing and services such as Motherson Sumi Wiring India Limited, Infoedge Ltd and NIIT Ltd. She also co-chairs the India chapter of Women Corporate Directors Foundation, a global membership organization and community of women corporate directors with a mission to foster a powerful, trusted community of influential women corporate directors. She is a graduate in Commerce from the Shriram College of Commerce, Delhi University and did her articleship with the Price Waterhouse while pursuing her Chartered Accountancy.

Mr. Ramakrishnan Subramanian

Mr. Ramakrishnan Subramanian is a Chartered Accountant, Cost Accountant and holds a Masters degree in Commerce. He has served several leading Banks, FIs in leadership roles since 1990 in India and abroad. He has also served as a Boards member of ING Vysya Bank and Shriram Capital, Shriram Transport, Shriram City Union, in the past apart from having done senior Executive roles such as CEO, MD, Country Head, Asia Regional head roles in domestic and international banks. He is currently engaged as a Sr. Advisor, Operating Partner, Consultant with PE, VC, FIs and Fintech in India. Within financial sector services, his deep expertise and experience are in Retail Financing – Mortgage, LAP, Personal Loans, Business Loans, SME, LAS, Gold, Auto, CV/CE, Securitisation. He has worked in senior capacities involving Strategy, Board, Governance coupled with strong track record on execution across functions covering Channels, Product, Pricing, Portfolio management, Funding, Credit policy, Credit underwriting, Collections management of large Universal banks, Non-Banking Financial Companies ('NBFCs') and Fintech.

Mr. T S Ramakrishnan

Prior to taking over as the MD & CEO of LIC Mutual Fund, he was General Manager at LIC Housing Finance Ltd, one of the largest housing finance companies in India. Mr. Ramakrishnan started his career as a direct recruit officer with LIC of India in 1988 and has risen through the ranks to this position. In a career spanning over three decades in the corporation, Mr. Ramakrishnan has made his mark in the areas of training, Marketing and Pension & Group business. He has served as Regional Head of Pension & Group business of LIC's South Central Zone. He was the Senior Divisional Manager In-charge of Delhi Division. He has also had a stint as Vice Principal in Zonal Training Centre. Mr. Ramakrishnan holds a B.Com (Hons) degree from the University of Delhi and a Post Graduate Diploma in Management. He is a Fellow of the Insurance Institute of India. He also holds a Diploma in Health Insurance. He was also on the Board of AMFI (Association of Mutual Funds in India).

Mr. Bijou Kurien[4]

Mr. Bijou Kurien is a well-respected consumer leader with over 40 years of experience in building brands, businesses and creating organizations. He has been associated with marquee brands in the fastmoving consumer products, consumer durables and retail industry in India. After receiving his MBA from XLRI Jamshedpur, he joined Hindustan Unilever as a Management Trainee in 1981. During his successful tenure of over six years, he served across various sales and marketing roles. Later, he moved to Titan, India's largest manufacturer and marketer of watches and jewelry. He also created India's largest exclusive brand retail chains. He joined Reliance Industries as the President & CEO of their ambitious Retail venture — Reliance Retail. Currently, he is a member of the Strategic Advisory Board of Premji Invest. He is also serving as an Independent Director on several listed and unlisted companies. Additionally, he advises select consumer product companies and mentors a few start-ups. Mr. Bijou has been associated with the India Retail Forum & Retailers Association of India and has significantly contributed to its development. In addition, he is the Mentor of the FICCI National Retail Committee, member of the Advisory Council of the RAI and Governing boards of various academic institutions.

Mr. Nihar Niranjan Jambusaria[5]

Mr. Nihar Niranjan Jambusaria is a Member of the Institute of Chartered Accountants of India (ICAI). His illustrious career includes serving as the President and Vice President of the ICAI for the year 2021-22 and 2020-21, respectively. Since 1984, Mr. Jambusaria has been a senior partner at N. N. Jambusaria & Co., Chartered Accountants. His consultancy services extend to the renowned Reliance group and various organizations in the private and public sectors. He specializes in Direct Tax, International Tax, Mergers & Acquisitions, FEMA, and Business Restructuring.

Previously, Mr. Jambusaria held the position of Senior Vice President at Reliance Industries Ltd. from 2011 to April 2020. His contributions to the field extend beyond the corporate realm. Mr. Jambusaria has served as a Member of the Government Accounting Standards Advisory Board (GASAB) and the Audit Advisory Board of the Comptroller and Auditor General (CAG), highlighting his commitment to excellence and professionalism in the accounting industry.

Mr. Gopalakrishnan Soundarajan[6]

Mr. Gopalakrishnan Soundarajan is the Chief Operating Officer at Fairfax India Holdings Corporation and the Managing Director at Hamblin Watsa Investment Counsel Ltd. Prior to this, he was the Chief Investment Officer of ICICI Lombard, the largest private sector property and casualty insurance company in India. He held the position of head of investments at ICICI Lombard from 2001 to 2018 and was a member of the investment committee. He holds a Bachelor of Commerce degree from the University of Madras, is a member of the Institute of Chartered Accountants of India and is a Qualified Chartered Financial Analyst ("CFA") and Member of the CFA Institute in the United States. He serves on the board of directors of Fairfax India Holdings Corporation, FIH Mauritius Investments Ltd, FIH Private Investments Ltd, 10955230 Canada Inc., Bangalore International Airport Ltd, Quess Corp Ltd, Thomas Cook (India) Ltd, Anchorage Infrastructure Investments Holdings Ltd, Go Digit Life Insurance Limited and Primary Real Estate Investment Fund.

[4] Appointed as Independent Director w.e.f. March 13, 2024

[5] Appointed as Independent Director w.e.f March 13, 2024

[6] Appointed as a Non-Executive Non-Independent Director w.e.f. May 11, 2024.

Management Team

Mr. Nirmal Jain
Managing Director

Mr. R Venkataraman
Joint Managing Director

Mr. Kapish Jain
Group Chief Financial Officer

Mr. Abhiram Bhattacharjee
Chief Operating Officer

Mr. Monu Ratra
Executive Director &
CEO- IIFL Home Finance

Mr. Saurabh Kumar
Business Head- Gold Loan

Mr. Pranav Dholakia
Chief Risk Officer

Mr. Venkatesh N
Managing Director-
IIFL Samasta Finance

Mr. Bharat Aggarwal
Business Head-
Unsecured Lending

Ms. Richa Chatterjee
Chief Human Resource Officer

Mr. Gaurav Sharma
Chief Technology Officer

Mr. Mayank Sharma
Head-Audit

Mr. Amlan Singh
Head- Operations and Customer Service

Mr. Manav Verma
Chief Marketing Officer

Mr. Shubham Khare
Head - Legal

Ms. Kirti Timmanagoudar
Head - Co-Lending & Strategic Alliances

Mr. Rahul Bolia
Vice President-Gold Loan

Mr. Mahesh Mimani
Head - Resolutions

Mr. Govind Modani
Head- Treasury

Mr. Sourav Mishra
Head - Corporate Communication

Ms. Mauli Agarwal
Company Secretary & Compliance Officer

Mr. Shivalingam Pillai
Chief Compliance Officer

Mr. Sameer Gadve
Chief Information Security Officer

Above data is as on June 15, 2024

Awards and recognition

IIFL Finance was recognized as 'Iconic Brand' by The Economic Times in 2023

IIFL Finance received the 'Best NBFC of the Year' award at NBFC Leadership Awards 2023

IIFL Finance received 'Best Customer Experience Strategy' Award at NBFC Leadership Awards 2023

- IIFL Finance received 'Best Sustainability Initiative' Award at World Brand Congress Awards in 2023
- IIFL Finance received 'Best Lending Tech' Award at World Brand Congress Awards in 2023
- IIFL Finance received 'Most Innovative Fintech Product' Award for Business Loans at National Fintech Leadership Award
- IIFL Finance received 'Marketing Campaign of the Year' for 'Sapna Aapka Loan Humaara Campaign' at Global Brand Excellence Awards in 2023

IIFL Foundation's Director wins several awards

Mrs. Madhu Jain, Director, IIFL Foundation, was honored with the 'Social Innovation Entrepreneur Award' at the National CSR Leadership Awards during the year under review for her contributions to the CSR initiatives, including those undertaken by IIFL Finance. Additionally, she was recognized as one of 'Asia's 100 Women Power Leaders 2023' by White Page. Furthermore, she was decorated with the prestigious title of 'Most Iconic Women Personality of the Year' at Atal Achievement Awards.

Corporate information

Board of directors

Mr. Arun Kumar Purwar
Chairperson & Non-Executive Director

Mr. Nirmal Bhanwarlal Jain
Managing Director

Mr. R Venkataraman
Joint Managing Director

Ms. Geeta Mathur
Independent Director

Mr. Ramakrishnan Subramanian
Independent Director

Mr. Gopalakrishnan Soundarajan
Non-Executive Director

Mr. T S Ramakrishnan
Non-Executive Nominee Director

Mr. Bijou Kurien
Independent Director

Mr. Nihar Niranjan Jambusaria
Independent Director

Committees of board composition

Nomination and Remuneration Committee

Mr. Nihar Niranjan Jambusaria,
Chairperson

Mr. Bijou Kurien,
Member

Mr. Arun Kumar Purwar,
Member

Stakeholders Relationship Committee

Mr. Bijou Kurien,
Chairperson

Mr. Arun Kumar Purwar,
Member

Mr. R Venkataraman,
Member

Corporate Social Responsibility Committee

Mr. Bijou Kurien,
Chairperson

Mr. Nihar Niranjan Jambusaria,
Member

Mr. R Venkataraman,
Member

Asset Liability Management Committee

Mr. R Venkataraman,
Chairperson

Mr. Arun Kumar Purwar,
Member

Mr. Ramakrishnan Subramanian,
Member

Mr. Kapish Jain,
Member

Mr. Pranav Dholakia,
Member

Mr. Govind Modani,
Member

IT Strategy Committee

Mr. Bijou Kurien,
Chairperson

Mr. Arun Kumar Purwar,
Member

Ms. Geeta Mathur,
Member

Mr. Ramakrishnan Subramanian,
Member

Mr. Pranav Dholakia,
Member

Mr. Gaurav Sharma,
Member

Mr. Prashant Ahire,
Member

Audit Committee

Mr. Nihar Niranjan Jambusaria,
Chairperson

Mr. Arun Kumar Purwar,
Member

Mr. Ramakrishnan Subramanian,
Member

Ms. Geeta Mathur,
Member

Risk Management Committee

Ms. Geeta Mathur,
Chairperson

Mr. R. Venkataraman,
Member

Mr. Nihar Niranjan Jambusaria
Member

Mr. Ramakrishnan Subramanian,
Member

Mr. Pranav Dholakia,
Member

ESG Committee

Ms. Geeta Mathur,
Chairperson

Mr. Arun Kumar Purwar,
Member

Mr. R Venkataraman,
Member

Mr. Nihar Niranjan Jambusaria,
Member

Ms. Madhu Jain,
Member

Mr. Pranav Dholakia,
Member

Mr. Kapish Jain,
Member

Customer Service Committee

Mr. Nihar Niranjan Jambusaria,
Chairperson

Mr. Bijou Kurien,
Member

Mr. R Venkataraman,
Member

Chief financial officer

Mr. Kapish Jain

Company secretary & compliance officer

Ms. Mauli Agarwal

Statutory auditors

M/s. Chhajed & Doshi and
M/s. Sharp & Tannan Associates
(Joint Statutory Auditors-For
IIFL Finance Limited)

M/s. Suresh Surana & Associates LLP
M/s. S.R. Batliboi & Associates LLP
(Joint Statutory Auditors-For
IIFL Home Finance Limited)

M/s. Brahmayya & Co
(For IIFL Samasta Finance Limited)

Registrar and share transfer agent

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S Marg,
Gandhi Nagar, Vikhroli (West),
Mumbai – 400 083

Debenture trustees

Catalyst Trusteeship Limited

GDA House, 1st Floor, Plot No.
85 S. No. 94 & 95,
Bhusari Colony (right), Kothrud,
Pune - 411038,
Phone No- 0224922 0555
Email- complianceCTL-Mumbai@ctltrustee.com
Website- www.catalysttrustee.com

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate, Mumbai - 400001
Phone No- +91 224080 7001
Email- itsl@idbitrustee.com
Website- www.idbitrustee.com

Vardhman Trusteeship Private Limited

3rd FLOOR, ROOM NO - 156,LYONS RANGE,
TURNER MORRISON HOUSE, Counsil House Street. Kolkata – 700-001
Email - corporate@vardhmantrustee.com
Website - https://vardhmantrustee.com/

Beacon Trusteeship Limited

Address: 4C & D, Siddhivinayak Chambers,
Opp. MIG Cricket Club, Gandhi Nagar,
Bandra (East), Mumbai – 400 051
Tel: 022 - 26558759
E-mail: compliance@beacontrustee.co.in
Website: http://beacontrustee.co.in/

Vistra ITCL (India) Limited

6th Floor, The IL&FS Financial Center
Plot No. C–22, G Block, BKC
Bandra (East), Mumbai - 400051
Phone No: +91 22 69300000
Email: VistraITCL.Support@vistra.com
Website- www.vistraitcl.com

Registered office

IIFL House, Sun Infotech Park, Road No. 16V,
Plot No. B-23, Thane Industrial Area,
Wagle Estate, Thane – 400 604

Corporate office

802, 8th Floor, Hubtown Solaris,
N. S. Phadke Marg, Vijay Nagar,
Andheri (East), Mumbai – 400 069

List of bankers of the company & its subsidiaries

Axis Bank Limited
Bandhan Bank
Bank Of Baroda
Bank Of India
Bank Of Maharashtra
Canara Bank
Central Bank Of India
DBS Bank India Limited
DCB Bank Ltd.
Deutsche Bank A.G.
Dhanlakshmi Bank
Federal Bank Limited
HDFC Bank Limited
Hong Kong and Shanghai Banking Corporation Limited
ICICI Bank Ltd.
IDBI Bank
IDFC First Bank
Indian Bank
Indian Overseas Bank
Jana Small Finance Bank
Karnataka Bank
Karur Vysya Bank
Kookmin Bank
Kotak Mahindra Bank
Mizuho Bank Limited
Odhisha Gramin Bank
Punjab National Bank
Punjab Sind Bank
RBL Bank Limited
Shinhan Bank
Standard Chartered Bank
State Bank Of India
State Bank of Mauritius
Suryoday Small Finance Bank Limited
UCO Bank
Ujjivan Small Finance Bank
Union Bank of India
Uthkarsh Small Finance Bank
Woori Bank
YES Bank Ltd.

Note: The above Corporate Information is as on the date of this Annual Report.

DIRECTORS' REPORT

Dear Members,

The Board of Directors (the "Board") are pleased to present the Twenty-Ninth Annual Report of IIFL Finance Limited (the "Company") together with the Audited Financial Statements for the Financial Year ended March 31, 2024. The Company is registered with the Reserve Bank of India ("RBI") as a Non-Deposit Taking Systematically Important ("NDSI") Non-Banking Financial Company in Middle Layer ("NBFC-ML") under RBI's Scale Based Regulatory Framework for NBFCs ("RBI SBR Direction").

1. FINANCIAL RESULTS

A summary of the financial performance of your Company and its subsidiaries, for the Financial Year ended March 31, 2024, is as under:

(₹ in Crore)

Name of the Company	Revenue	Profit After Tax
IIFL Finance Limited	4,604.43	584.78
IIFL Home Finance Limited ("HFC")*	3,121.02	1,016.55
IIFL Samasta Finance Limited ("Samasta")	2,733.10	503.04
IIFL Open Fintech Private Limited ("IIFL Open")	1.01	1.79

* includes IIHFL Sales Limited, step down subsidiary of HFC.

Your Company's Consolidated and Standalone financial performance during Financial Year 2023-24, as compared with that of the previous Financial Year 2022-23, is summarized below:

(₹ in Crore)

Particulars	Consolidated		Standalone	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Gross total income	10,490.47	8,447.30	4,649.43	4,088.69
Profit before Finance Cost, depreciation, share of loss of Joint Venture, exceptional items and taxation	6,635.64	5,487.13	2,582.09	2,623.45
Finance Cost	3,882.91	3,222.02	1,717.21	1,455.96
Depreciation	180.82	152.59	134.90	124.77
Profit before share of loss of Joint Venture, exceptional items and tax	2,571.91	2,112.52	729.98	1,042.72
Share of loss from Joint Venture	-	-	-	-
Profit before exceptional items and tax	2,571.91	2,112.52	729.98	1,042.72
Exceptional items	-	-	-	-
Profit before tax	2,571.91	2,112.52	729.98	1,042.72
Taxation				
- Current tax	610.57	362.70	188.91	117.53
- Deferred tax	(10.48)	144.68	(41.45)	119.70
- Short or (excess) provision for income tax relating to previous years	(2.40)	(2.41)	(2.26)	-
Net profit for the year	1,974.22	1,607.55	584.78	805.49
Other Comprehensive Income / (loss)	(17.30)	32.19	(7.94)	20.82
Total Comprehensive Income	1,956.92	1,639.74	576.84	826.31
Total Comprehensive Income before Non Controlling interest	1,956.92	1,639.74	-	-
Attributable to:				
Owners of the Company	1,747.77	1,534.01	-	-
Non-controlling interests	209.15	105.73	-	-
Less: Appropriations				
Dividend	(182.24)	(173.63)	(152.59)	(152.09)
Transfer to/ from Other Reserves	(422.59)	(344.61)	(116.96)	(161.11)
Change in Minority	(0.22)	(287.07)	-	-
Add: Balance brought forward from the previous year	3,024.86	2,297.68	1,379.31	866.20
Balance to be carried forward	**4,167.58**	**3,024.86**	**1,686.60**	**1,379.31**

Note: Previous period's figures have been regrouped/rearranged wherever necessary.

DIRECTORS' REPORT (Contd.)

Transfer to Reserve

Under Section 45-IC (1) of RBI Act, 1934, Non-Banking Financial Companies ("NBFCs") are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, during the year under review, your Company transferred the below mentioned amount to Special Reserves under Section 45-IC (1) of the said Act, 1934, and to the General Reserve out of the Retained Earnings.

(₹ in Crore)

Particulars	Consolidated	Standalone
	FY 2023-24	FY 2023-24
Special Reserve during the year (Pursuant to Section 45-IC (1) of the Reserve Bank of India Act, 1934)	217.19	116.96
Special Reserve during the year (Pursuant to Section 29C (1) of National Housing Bank Act, 1987)	205.40	-
General Reserve during the year	(0.45)	(0.45)

2. REVIEW OF BUSINESS AND OPERATIONS AND STATE OF AFFAIRS OF YOUR COMPANY AND OUTLOOK

Details of business, operations and state of affairs of your Company is provided in the Management Discussion and Analysis Report. Refer pages 184-200 of the Report.

3. MACROECONOMIC OVERVIEW

Details on macroeconomic overview of your Company is provided in the Management Discussion and Analysis Report. Refer pages 184-200 of the Report.

4. DIVIDEND

During the year under review, the Board declared and paid an interim dividend of ₹ 4 per equity share (200%) (i.e. 2 times of the Face Value of ₹ 2 per equity share) in accordance with the Dividend Distribution Policy of the Company. This led to an outgo of ₹ 152.59 Crore (including tax deducted at source). The Board recommend that the said interim dividend be considered as final.

In terms of the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board has adopted a Dividend Distribution Policy which is annexed as "**Annexure I**" to this Report and is available on the website of your Company at https://storage.googleapis.com/iifl-finance-storage/files/2022-07/Dividend_distribution_policy_27072022.pdf

5. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

In accordance with the applicable provisions of the Companies Act, 2013 (the "Act") read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed/unpaid dividends/interest and principal amount on Non-Convertible Debentures ("NCDs") are required to be transferred by the Company to IEPF Authority within a period of thirty (30) days of expiry of seven (7) years.

During the year under review, your Company has transferred ₹ 16,59,371 on March 06, 2024 being the unclaimed dividend amount, pertaining to interim dividend declared for the FY 2016-17 and has also transferred the unclaimed interest and principal amount on NCDs of ₹ 70,46,859, to the IEPF.

The shares on which dividend has not been claimed by the Members for seven (7) consecutive years shall be transferred to demat account of the IEPF Authority within thirty (30) days of expiry of the said period. Accordingly, various steps are being taken on an ongoing basis to reach out to the Members, through email and other means, whose shares are due to be transferred to IEPF. In addition, your Company also published the notice in the leading newspapers in English and Regional Language having wide circulation to inform them about the said transfer to IEPF.

During the year under review, your Company has transferred 2,354 equity shares as per Corporate Action letters dated March 30, 2024, and April 09, 2024 to IEPF Authority in accordance with the above provisions.

In compliance with the SEBI Circular No. SEBI/HO/DDHS/DDHS-RAC-1/P/ CIR/2023/176 dated November 08, 2023, for dealing with unclaimed amounts in respect of listed Non-Convertible Securities and manner of claiming such amounts by investors, the Company has formulated a procedural framework for dealing with unclaimed interest and redemption amounts lying with the Company having listed Non-Convertible Securities and manner of claiming such amounts by the investors. The Company has also formulated a policy specifying the process to be followed by investors for claiming their unclaimed amounts and the same is available on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2024-03/IEPF_Policy.pdf.

6. KEY INITIATIVES/DEVELOPMENTS

a. Public Issue of Non-Convertible Debentures

During the year under review, your Company raised through Public Issue of Secured, Redeemable NCDs an amount aggregating to ₹ 452.09 Crore. These NCDs are listed and traded on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

Additionally, during the year under review, Samasta raised through Public Issue of Secured, Redeemable NCDs an amount aggregating to ₹ 512 Crore. These NCDs are listed and traded on BSE.

b. Issuance of Non-Convertible Debentures on a Private Placement basis

During the year under review, your Company raised through Private Placement of NCDs an amount aggregating to ₹ 660 Crore. These NCDs are listed and traded on NSE. Out of the said NCDs, your Company has raised an amount aggregating to ₹ 500 Crore from Fairfax Group.

Additionally, during the year under review, HFC raised ₹ 1,140 Crore through Private Placement of Redeemable NCDs which includes ₹ 820 Crore raised from the International Finance Corporation ("IFC"), a private sector arm of the World Bank Group, and Samasta raised ₹ 547 Crore through Private Placement of Redeemable NCDs. The said Privately Placed NCDs issued by HFC are listed and traded on NSE except for the NCDs allotted to IFC; while NCDs issued by Samasta are listed and traded on BSE.

c. Bank Refinance

During the year under review, National Bank for Agriculture and Rural Development ("NABARD") refinanced ₹ 500 Crore to your Company, under the refinance facility.

Additionally, HFC had availed ₹ 2,500 Crore of refinance facility from National Housing Bank ("NHB") under various refinance schemes, while Small Industries Development Bank of India ("SIDBI"), NABARD and Micro Units Developments & Refinance Agency Limited ("MUDRA") refinanced ₹ 300 Crore, ₹ 350 Crore and ₹ 150 Crore, respectively, to Samasta.

d. Funds raised by way of other Borrowings

During the year under review, your Company raised ₹ 5,419 Crore through term loans from various banks. Additionally, HFC and Samasta raised ₹ 2,893 Crore and ₹ 4,516 Crore respectively, through term loans from various banks and financial institutions.

e. Additional investment in Samasta

During the year under review, your Company invested in the rights issue of equity shares of Samasta for an amount of ₹ 199.99 Crore in November 2023. After the aforesaid investment, your Company's holding in Samasta stood at 99.56% as on March 31, 2024.

f. Fully repaid maiden dollar bonds

Your Company which is one of India's largest retail-focused NBFC raised US$400 Million through MTN programme during February 2020 and your Company fully repaid its maiden dollar bonds due in April 2023 along with interest. This is a demonstration of strong treasury management capabilities and financial strength of your Company. This has also established a strong track record of your Company in international bond market.

g. Secured US$225 Million in long-term funding through ECB route

During the year under review, your Company secured US$225 Million in long-term funding through External Commercial Borrowing ("ECB") route from Foreign and Domestic Banks namely, the Hongkong and Shanghai Banking Corporation Limited - (Gift City), Union Bank of India (Sydney), Bank of Baroda - (Gift City) and Mizuho Bank (Singapore).

The Japanese Yen ("JPY") equivalent US$50 Million, secured by your Company from Mizuho Bank is an inaugural JPY denominated facility for your Company. The funds were raised at a fairly competitive pricing over Tokyo Overnight Average Rate ("TONAR").

h. Fund raising by the way of Right Issue

During the year under review, your Company proposed to raise funds for amount not

DIRECTORS' REPORT (Contd.)

exceeding ₹ 1,500 Crore by way of issue of equity shares on a rights basis ("Rights Issue") from its existing eligible shareholders as on the record date, in accordance with applicable provisions of the Act, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time and other applicable laws.

Further to the decision, after close of the financial year, your Company made an allotment of 4,23,94,270 fully paid-up equity shares of face value of ₹ 2 each of the Company on May 17, 2024, for cash at a price of ₹ 300 per equity share (including a premium of ₹ 298 per equity share) for an amount aggregating to ₹ 1,271.83 Crore (oversubscribed by 1.35 times) on a rights basis to the eligible equity shareholders of the Company.

i. Awards and Recognitions

During the year under review, following awards and accolades were conferred by reputable organizations:

- Your Company received the Economic Times 'Iconic Brand' recognition;
- Your Company received 'Excellence in Governance-2024 Award' at the Nation Wide Award by Business Mint;
- Your Company received 'Best NBFC of the Year Award' at NBFC Leadership Awards 2023;
- Your Company received award for 'Best Customer Experience Strategy' at NBFC Leadership Awards 2023;
- Samasta received 'Best Microfinance Company of the Year Award' at NBFC Leadership Awards 2023;
- Your Company received award for 'Best Financial Inclusion Initiative' at the National Awards for Excellence;
- Your Company received 'Best Gold Loan Company of the Year Award' at NBFC Leadership Awards 2023;
- Your Company received 'Marketing Campaign of the Year Award' for 'Sapna Aapka Loan Humaara' campaign at NBFC Leadership Awards 2023;
- IIFL Fintech Fund received 'Best Early-Stage Fintech Fund of the Year Award' at National Awards for Excellence;
- India Infoline Foundation ("IIFL Foundation") received 'Outstanding Contribution to the Cause of Education Award' at National CSR Leadership Awards;
- Mrs. Madhu Jain, Director, IIFL Foundation received 'Social Innovation Entrepreneur Award' at National CSR Leadership Awards;
- Mrs. Madhu Jain, Director, IIFL Foundation was listed among 'Asia's 100 Women Power Leaders 2023' by White Page ;
- Best Early-Stage Fintech Fund of the Year - IIFL Fintech Fund at National Awards for Excellence;
- Mrs. Madhu Jain was recognized as the 'Most Iconic Women Personality' of the Year at Atal Achievement Awards; and
- Your Company has received the award for building cash flow and GST data-based unsecured business loan products for MSMEs at SamvAAd - an account aggregator community event along with FinBox and Finvu (Cookiejar Technologies). The event was hosted by Sahamati - driving Open Finance with Account Aggregator.

7. CORPORATE SOCIAL RESPONSIBILITY ("CSR") INITIATIVES

The CSR Committee of the Board has formulated and recommended to the Board a CSR Policy indicating the CSR activities which can be undertaken by your Company. The Board approved the CSR Policy which is available on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2023-07/CSR%20policy_IIFL%20Finance.pdf

IIFL group has set-up IIFL Foundation, a Section 8 Company incorporated under the Act which acts as the principal arm to undertake CSR initiatives on behalf of your Company and its subsidiaries. IIFL Foundation through its CSR initiatives addresses 5 thematic areas **– Health, Education and Environment, Livelihood & Poverty Alleviation**, collectively – **HELP.**

As per Rule 4(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, IIFL Foundation has registered itself with the Central Government by filing the e-Form CSR-1 with the Registrar of Companies.

IIFL Foundation has identified focus areas for CSR initiatives which includes:

- Building foundational literacy and numeracy among females from marginalized communities of Rajasthan, through flagship programme 'Sakhiyon ki Baadi', which has an overall reach across 5 districts with 460 learning centres

- Development of Digital Library for students at Rajkumari Ratnavati Girls' School in Jaisalmer, Rajasthan, with a donation of 50 Android tablets
- Infrastructure development and academic support to Maa Bari Centres at Rajasthan
- Construction of an Assembly Hall at Government Senior Secondary School, Madar, Udaipur
- An exploratory trip for 22 Members of Panchayati Raj Institutions (Sarpanchs) from Rajasthan, to Mawlynnong village in Meghalaya
- Maintenance of a public place – Garden, at Mumbai, Maharashtra
- Support to a Primary School in Kandivali, Mumbai, for education of children from financially weaker group residing in slums
- Digital Shaala programme in 25 Government Schools having installed 50 smart TVs upgraded with educational content
- A unique mentoring programme for skill building of native artisans from Rajasthan in Home Decor space
- Renewal of license (content) of Smart Boards at 9 Government schools in Rajasthan, valid for period of 3 years
- Installed an Interactive Flat Panel (IFP) learning system at Vidya Niketan School, Rajsamand, Rajasthan
- Skill development programme in Hospitality Training (Chef Trade) and Market related Retail Associate Training curated specifically for youths residing at Kupwara (Aspirational) district in Kashmir, with support of Indian Army
- Homestay Host Training, a skill development programme for youths at Tezu, Arunachal Pradesh, with support of the National Cadet Corp (NCC) - India, under the Ministry of Defence
- Development of mobile application and a year-long training programme for capacity building of 50 NGOs from Maharashtra
- Support for Education and Nutrition of boys at Shelter Home in Mumbai, Maharashtra
- Smart Shala programme to promote Academic Learning of Teachers and Students at Government schools in Jodhpur, Bikaner & Jaipur
- Initiative for improving learning and mental well-being outcomes for young children and caregivers through community radio in Jhunjhunu district of Rajasthan
- A programme in Banking & Finance, offering skill based training to youths belonging to the lower income households in Mumbai
- Donated Non-stress Test machines to Department of Obstetrics and Gynecology at KEM Hospital, Parel, Mumbai, Maharashtra
- Medical Camp at Barsana, District Mathura in Uttar Pradesh, offering free of cost Cataract Operations, Dental Checkups, Treatments and Surgeries
- Medical Camp at Pandharpur, District Solapur in Maharashtra, offering free of cost treatment to thousands of pilgrims visiting in month of July 2023
- Construction of an Assembly Hall at Govt. Senior Secondary School, Parsad, District – Udaipur, Rajasthan
- Initiated an English Language Lab and Computer Lab at 3 Government schools in Rajsamand District, Rajasthan, to improve learning outcomes of the students
- Donated classroom furniture to Mahatma Gandhi Government School, Sisarwada, Pali, Rajasthan
- Donated 50 bicycles to girl students at Zilla Parishad School, Dahanu, Palghar, to promote enrollment and retention of girls at the school
- Support for Higher Education of children of commercial sex workers at Mumbai, Maharashtra
- Appointment of Academic mentor at 2 Government schools in Udaipur district of Rajasthan

During the year under review, your Company deployed 2% of its average net profits of the preceding three financial years (computed as per the relevant provisions of the Act) on CSR projects, utilizing the required amount on various social development activities. The details thereof are mentioned in the CSR Annual Report, attached as **"Annexure II"** to this report. Refer pages 127-130 of this Report.

Further, during the year under review, impact assessment was not applicable to the Company. However, an impact assessment of the Sakhiyon ki Baadi programme was conducted by IIFL Foundation through an independent agency using the OECD-DAC and SRoI Methodology.

DIRECTORS' REPORT (Contd.)

8. SHARE CAPITAL

During the year under review, the total paid up equity share capital of the Company increased from ₹ 76,08,60,778 to ₹ 76,30,96,870 pursuant to allotment of 11,18,046 equity shares of ₹ 2 each under Employee Stock Option Scheme(s) of the Company to eligible employees and the said equity shares rank pari passu with the existing equity shares.

The movement of share capital is as under:

(in ₹)

Particulars	No. of equity shares allotted	Cumulative outstanding share capital (no. of equity shares with face value of ₹ 2 each)
Share Capital at the beginning of the year	-	76,08,60,778
Allotment of shares to employees on May 27, 2023 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme	1,39,051	76,11,38,880
Allotment of shares to employees on July 27, 2023 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme	2,94,401	76,17,27,682
Allotment of shares to employees on September 18, 2023 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme	2,71,488	76,22,70,658
Allotment of shares to employees on November 10, 2023 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme	1,85,986	76,26,42,630
Allotment of shares to employees on January 09, 2024 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme	1,61,790	76,29,66,210
Allotment of shares to employees on March 06, 2024 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme	65,330	76,30,96,870

Further, post closure of the financial year, 60,383 equity shares were allotted to employees on April 30, 2024 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme. Further, your Company has allotted 4,23,94,270 equity shares on Rights basis on May 17, 2024 to the eligible shareholders. Pursuant to the aforesaid allotments, the paid-up equity share capital of your Company stands increased to ₹ 84,80,06,176.

9. SECURITIZATION/ASSIGNMENT OF LOAN PORTFOLIO

During the year under review, your Company (consolidated) as an originator, has undertaken securitization transactions of total book value of loan assets amounting to ₹ 333.33 Crore and Direct Assignment transactions of total book value of loan assets amounting to ₹ 15,655.06 Crore.

10. FINANCIAL LIQUIDITY

The Consolidated cash and cash equivalent of your Company as on March 31, 2024, stood at ₹ 2,469.87 Crore vis-à-vis ₹ 3,632.13 Crore in the previous year. Your Company's working capital management is robust and involves a well-organized process which facilitates continuous monitoring and control over receivables, inventories and other parameters.

11. INTERNAL CONTROL SYSTEMS

Internal audit and its adequacy:

The scope and authority of the internal audit function is well defined, and to maintain independence and objectivity in its functions, the internal audit function reports directly to the Audit Committee of the Board. At the beginning of each financial year, an annual Risk-Based Internal Audit ("RBIA") plan is rolled out post approval by the Audit Committee of the Board. The audit plan aims to evaluate the efficacy and adequacy of the internal control system(s) and compliance(s) thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. The internal audit function, consisting of professionally qualified accountants, engineers, fraud risk and information technology specialists, is adequately skilled and resourced to deliver audit assurances at highest levels. Based on the reports of the internal audit function, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Internal Controls over Financial Reporting:

Your Board is of the opinion that internal financial controls with reference to the financial statements were tested and reported adequate and operating effectively. The internal financial controls are commensurate with the size, scale and complexity of operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. Your Company has put in place robust policies and procedures, which inter alia, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records, prevention and detection of frauds and errors.

12. EMPLOYEES STOCK OPTION SCHEMES:

Your Company has in force the following Schemes:

(a) IIFL Finance Employee Stock Option Plan 2008 ("ESOP Scheme 2008")

(b) IIFL Finance Employee Stock Option Plan 2020 – Merger Scheme ("ESOP Scheme 2020")

During the year under review, your Company granted 35,00,000 stock options to the employees under the ESOP Scheme 2008.

Further, during the year under review 2,31,402 stock options granted under ESOP Scheme 2008 got lapsed and the same were added back to the pool, which can be used for further grant; and 40,731 granted under ESOP Scheme 2020 got lapsed and the same are not available for further grant.

The aggregate number of stock options outstanding as on March 31, 2024, stands at 40,80,321 stock options under ESOP Scheme 2008 and 16,71,891 stock options under ESOP Scheme 2020.

The ESOP Scheme of your Company was amended by the Board of Directors of your Company at its meeting held on April 26, 2023, to align the same with the amendments made under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEBSE Regulations"). Accordingly, approval of the Members to amend ESOP Scheme 2008 in terms of the SBEBSE Regulations was received in the 28th Annual General Meeting ("AGM") of your Company held on July 31, 2023.

A certificate from the Secretarial Auditor of your Company confirming that the IIFL Finance Employee Stock Option Plan 2008 ("ESOP Scheme 2008") and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme ("ESOP Scheme 2020") has been implemented in accordance with the applicable Regulations will be available for inspection by Members through electronic means. Members can request the same by sending an email to shareholders@iifl.com till the AGM.

The relevant disclosures pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the SBEBSE Regulations are uploaded on the website of the Company i.e. www.iifl.com and the same would be available for inspection by Members through electronic means.

The relevant disclosures in terms of Ind AS 102, relating to share based payment, forms part of note no. 40 of the Standalone Financial Statements and note no. 40 of the Consolidated Financial Statements of the Company.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans given, investments made, guarantees given and security provided, if any, are covered under the provisions of Section 186 of the Act and are given in the Note no. 8, 9 and 39 of the Standalone Financial Statements.

14. SUBSIDIARY COMPANIES

As on March 31, 2024, your Company has three (3) subsidiaries, one (1) step down subsidiary as below.

- IIFL Home Finance Limited, Subsidiary Company
- IIFL Samasta Finance Limited, Subsidiary Company
- IIFL Open Fintech Private Limited, Subsidiary Company
- IIHFL Sales Limited, Step-down Subsidiary Company

The Company does not have any Associate(s)/Joint Venture(s).

DIRECTORS' REPORT (Contd.)

Pursuant to Regulation 16 of the Listing Regulations, HFC and Samasta are the Material Subsidiaries of the Company for FY 2023-24 and shall continue to be the Material Subsidiaries of your Company during FY 2024-25 for compliance with Listing Regulations. In accordance with the terms of Regulation 24(1) of the Listing Regulations, Mr. Arun Kumar Purwar, an Independent Director on the Board of your Company till March 31, 2024, also served as an Independent Director on the Board of HFC till March 31, 2024 and was succeeded by Mr. Ramakrishnan Subramanian who was appointed as an Additional Independent Director on the Board of HFC w.e.f. April 01, 2024.

Further, Mr. Nihar Niranjan Jambusaria, an Independent Director on the Board of your Company, also serves as an Independent Director on the Board of Samasta w.e.f. April 24, 2024. The Policy on Determining Material Subsidiary is available on the Company's website at https://storage.googleapis.com/iifl-finance-storage/files/2023-09/Policy_on_determining_Material_Subsidiary_04092023.pdf. Pursuant to the Act, read with applicable Rules framed thereunder, the Listing Regulations and applicable Ind AS, the Board at their Meeting held on June 15, 2024, approved the Audited Standalone Financial Statements of your Company for the financial year ended March 31, 2024 and the Audited Consolidated Financial Statements of your Company and its subsidiaries, for the financial year ended March 31, 2024. In accordance with Section 129 of the Act, the said Audited Financial Statements form part of this Report. The Company's Financial Statements including the accounts of its subsidiaries which forms part of this Report has been prepared in accordance with the Act and Ind AS 110.

A report on the performance and financial position of each of the subsidiaries of your Company, as per the Act is provided in the prescribed Form AOC-1 as an Annexure to the Consolidated Financial Statements and hence not repeated here for the sake of brevity.

The Audited Financial Statements of the subsidiaries of your Company for the financial year ended March 31, 2024, are available on the website of the Company at www.iifl.com. The Members may download the aforesaid documents from the Company's website or may write to the Company for obtaining a copy of the same. Further, the aforesaid documents shall also be available for inspection by the Members at the registered office/corporate office of the Company, during business hours on working days and through electronic mode. Members can also request the same by sending an email to shareholders@iifl.com till the AGM.

15. CAPITAL ADEQUACY

As on March 31 2024, the Capital to Risk Assets Ratio ("CRAR") of your Company was 18.85% which is well above the minimum requirement of 15% CRAR prescribed by the RBI.

Out of the above, Tier I capital adequacy ratio stood at 12.56% and Tier II capital adequacy ratio stood at 6.29% respectively.

16. ANTI- BRIBERY AND ANTI-CORRUPTION POLICY

Your Company has an Anti-Bribery and Anti-Corruption Policy ("Policy") on combating bribery and corruption and to conduct Company's business in an honest and ethical manner. Your Company takes a zero-tolerance approach to bribery, corruption and other forms of unlawful payment (including gifts, hospitality, etc.) and are committed to act professionally, fairly and with integrity in all our dealings wherever we operate. Your Company is also committed towards implementing and enforcing effective systems to counter bribery and corruption. The Policy prohibits offering, promising, giving or authorizing others to give anything in excess of a certain value, either directly or indirectly, to any person or entity, thereby setting out Company's standards on bribery and other forms of unlawful payments.

The policy provides information and guiding principles to prevent any activity or conduct relating to bribery, facilitation payments or corruption and to guide employees to act professionally, fairly and with utmost integrity in all their business dealings and relationships, wherever they operate.

The Policy requires that the Company do not engage in bribery or corruption in any form and explicitly mentions that the Company will not pay or procure payment of a bribe or unlawful fee to encourage the performance of a task or one which is intended or likely to compromise the integrity of another. The Company will not accept any payment, gift or inducement from a third party which is intended to compromise Company's integrity.

The Company has designated Chief Anti Corruption Officer wherein any person can report the cases of Anti-Bribery and Anti-Corruption at anticorruption@iifl.com. The Policy is also available on the Company's website at https://www.iifl.com/finance/anti-corruption-policy.

DIRECTORS' REPORT (Contd.)

17. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In accordance with Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report ("BRSR") is attached as part of the this Report. Refer pages 201-243 of the Report. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, the reasonable assurance of the BRSR Core and ESG disclosures for the value chain are not applicable to the Company for FY 2023-24.

18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with Regulation 34 of the Listing Regulations and RBI SBR Directions, the Management Discussion and Analysis Report is attached as part of this Report. Refer pages 184-200 of the Report.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment to the Company and devote adequate time to meetings. In terms of requirement of the Listing Regulations, the Board has identified core skills, expertise and competencies required in the context of the Company's business for effective functioning, which are detailed in the Corporate Governance Report. The Board meets at regular intervals to discuss and decide on Company/business policy and strategy, apart from other Board matters. The Board exhibits strong operational oversight with regular business presentations of meetings. The Board is of the opinion that the Independent Directors of the Company have the required integrity, expertise, experience and proficiency.

Appointment and Cessation of Directors and Key Managerial Personnel

On recommendation of Nomination and Remuneration Committee ("NRC"), the Board had appointed Directors and Key Managerial Personnels. Further, the Board had taken note of the resignation/cessation of Directors and Key Managerial Personnels.

a. Appointment:

Mr. T S Ramakrishnan (DIN: 09515616) was appointed as an Additional Non-Executive Nominee Director of the Company w.e.f. October 26, 2023 and the same was regularized by the way of resolution passed through postal ballot on December 05, 2023.

Mr. Bijou Kurien (DIN: 01802995) and Mr. Nihar Niranjan Jambusaria (DIN: 01808733) were appointed as an Additional (Independent) Directors of the Company w.e.f. March 13, 2024 and the same was regularized by the way of resolution passed through postal ballot on June 10, 2024.

Mr. Arun Kumar Purwar (DIN: 00026383) was appointed as the Chairperson and Additional Non-Executive Director of the Company w.e.f April 01, 2024 and the same was regularized by the way of resolution passed through postal ballot on June 10, 2024.

Post the closure of financial year, Mr. Gopalakrishnan Soundarajan (DIN: 05242795) was appointed as an Additional Non-Executive Non-Independent Director w.e.f May 11, 2024 and the same was regularized by the way of resolution passed through postal ballot on June 10, 2024.

Ms. Rupal Jain was appointed as the Company Secretary & Compliance Officer and as a Key Managerial Personnel ("KMP") of the Company w.e.f. July 01, 2023.

Ms. Mauli Agarwal was appointed as the Company Secretary & Compliance Officer and as a KMP of the Company w.e.f. March 13, 2024.

b. Completion of Term and Retire by Rotation:

Mr. Arun Kumar Purwar (DIN: 00026383), Chairperson and Independent Director of the Company and Mr. Nilesh Shivji Vikamsey (DIN: 00031213) Independent Director of the Company, completed their second consecutive five-year term of directorship as Independent Director of the Company w.e.f. March 31, 2024, pursuant to the provisions of the Act, and Listing Regulations. The Board placed on record it's appreciation for their valuable contribution made by them as member of the Board.

Mr. Vijay Kumar Chopra (DIN: 02103940) completed his first term as an Independent Director of the Company on May 20, 2024, and consequently ceased to be an Independent Director of the Company w.e.f. May 20, 2024.

In terms of Section 152 of the Act read with Article 157 of the Articles of Association of the Company, Mr. Nirmal Jain (DIN: 00010535), is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment. The Board of Directors at its meeting held on June 15, 2024, approved and recommended the same for the approval of the Members at the ensuing AGM of the Company.

DIRECTORS' REPORT (Contd.)

c. **Cessation:**

Post the closure of financial year, Mr. Chandran Ratnaswami (DIN: 00109215) resigned from the position of Non-Executive Director of the Company w.e.f. May 10, 2024, close of business hours, pursuant to attaining the age of 75 years on May 11, 2024.

Ms. Sneha Patwardhan and Ms. Rupal Jain resigned from the position of Company Secretary & Compliance Officer and as a KMP of the Company w.e.f. July 01, 2023 and March 13, 2024, respectively. The Board placed on record its appreciation for their valuable contributions during their tenure and wished them the very best in their future endeavors.

20. MEETING OF DIRECTORS & COMMITTEES AND BOARD EFFECTIVENESS

➢ **Board of Directors:**

During the year under review, the Board of Directors met twelve (12) times to discuss and approve various matters including financials, appointment of auditor, declaration of dividend, review of audit reports and other Board matters. For further details, please refer to the report on Corporate Governance forming part to this Report.

➢ **Committees of the Board:**

During the year under review, in accordance with the applicable provisions of the Act, Listing Regulations and RBI SBR Directions, the Board of Directors constituted the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee ("CSR Committee")
- Stakeholders Relationship Committee
- Risk Management Committee
- Asset Liability Management Committee
- IT Strategy Committee

The Board of Directors have set up various committees, delegated powers and assigned roles and responsibilities with well documented terms of reference for each committee. All the Committees are chaired by an Independent Director except Asset Liability Management Committee which is chaired by Mr. R Venkataraman, Joint Managing Director pursuant to RBI circular dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

The Chairperson of respective Committees report to the Chairperson of the Board who is a Non-Executive Director and apprise the Board about the key highlights and decisions taken by the Committees.

The details inter alia including the composition, terms of reference and meetings held during the year under review of the aforesaid Committees are provided in the Corporate Governance Report, which forms part of this Report.

Besides the aforesaid Committees, the Board of Directors of the Company have constituted Committees comprising of Senior Management Personnel for day-to-day operations of the Company viz. Finance Committee, Group Credit Committee, Credit Committee, Environment Social and Governance Committee, to name a few.

➢ **Board Effectiveness**

- **Familiarization Program for the Independent Directors:**

  Details of the Familiarization Programme are provided in the Corporate Governance Report forming part of this Report and are also available on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2024-05/Familiarization_Programme_of_ID_13052024.pdf

- **Board Evaluation and Outcome**

  The evaluation process, manner and performance criteria for Independent Directors in which the evaluation has been carried out is explained in the Corporate Governance Report forming part of this Report.

- **Declaration by Independent Directors**

  Your Company has received necessary declarations from each Independent Director of the Company, pursuant to the provisions of section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, stating that they meet the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

The above declarations were placed before the Board and in the opinion of the Board, all the Independent Directors fulfil the conditions specified under the Act and the Listing Regulations and are Independent to the Management and that there has been no change in the circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact the ability to discharge their duties with an objective of independent judgment and without any external influence.

All the Independent Directors of the Company have registered themselves on the Independent Directors' Databank mandated by the Indian Institute of Corporate Affairs as per the requirements of Rule 6 of the Companies(Appointment and Qualifications of Directors) Rules, 2014.

- **Fit and Proper Criteria & Code of Conduct**

  Your Company has received undertaking and declaration from each Director on fit and proper criteria in terms of the provisions of RBI SBR Directions. The Board of Directors have confirmed that all existing Directors are fit and proper to continue to hold the appointment as Directors on the Board, as reviewed and recommended by the Nomination and Remuneration Committee on fit and proper criteria under RBI SBR Directions.

  All the Directors of the Company have affirmed compliance with the Code of Conduct of the Company. The Declaration of the same is provided in the Corporate Governance Report which forms part of this Report.

- **Board Diversity**

  Your Company recognizes and embraces the importance of a diverse Board in its success. Your Company believes that a truly diverse Board will leverage difference in thought, perspective, knowledge, skills, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race, gender that will help us retain our competitive advantage. The Policy adopted by the Board sets out its approach to diversity. The Policy is available on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2022-07/Board_Diversity_Policy_27072022.pdf

- **Remuneration Policy and criteria for selection of candidates for appointment of Directors**

  Your Company has in place policy for remuneration of Directors and Key Managerial Personnel along with a well-defined criteria for the selection of candidates for appointment on the said positions, duly approved by the Board of Directors.

  The Nomination and Remuneration Policy is also available on the website of the Company at

  https://storage.googleapis.com/iifl-finance-storage/files/2024-04/Nomination_and_Remuneration_Policy_26042024.pdf

- **Succession Planning**

  Your Company has in place a succession planning framework for Directors and Key Managerial Personnel to address anticipated, as well as unscheduled changes in leadership for continuity and smooth functioning of the Company.

21. RISK MANAGEMENT

Your Company has a well-defined comprehensive Enterprise Risk Management ("ERM") Framework in place and a robust organizational structure to identify, assess, measure and monitor risks and strengthen controls to mitigate risks. Your Company has established procedures to periodically place before the Risk Management Committee and the Board of Directors, the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks. ERM has been adopted by the Company which uses defined Key Risk Indicators based on quantitative and qualitative factors. A two-dimensional quantitative Heat Map has been implemented, which enables the Management to have a comprehensive view of various identified risk areas based on their probability and impact. Your Company have initiated adequate Risk training and awareness programmes. The composition, terms of reference and powers of the Risk Management Committee are in conformity with the requirements of Regulation 21 of the Listing

DIRECTORS' REPORT (Contd.)

Regulations and RBI SBR Direction and the same has been provided in the Corporate Governance Report. The Risk Management Committee is authorized to monitor and review overall risk management plan including liquidity risk and is also empowered, inter alia, to review and recommend to the Board the modifications to the Risk Management Policy. The ERM Policy is approved by the Board of Directors and inter alia, includes identification of risks, including strategic, financial, credit, market, liquidity, security, compliance, fraud, reputation, technology, cyber, outsourcing, people/conduct, collection, ESG, business which in the opinion of the Board may threaten the existence of your Company.

22. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Your Company has put in place a Policy for Related Party Transactions ("RPT Policy"), as amended from time to time. The Policy provides for identification of Related Party Transactions ("RPT"), necessary approvals from the Audit Committee/Board/Members, reporting and disclosure requirements in compliance with the provisions of the Act and Listing Regulations. The said Policy can be accessed on the website of the Company at

https://storage.googleapis.com/iifl-finance-storage/files/2022-07/Policy_on_Related_Party_Transactions_27072022.pdf

All contracts or arrangements executed by your Company during the year under review with related parties were on arm's length basis and in the ordinary course of business. Hence, the disclosure of RPTs as required under Section 134(3)(h) of the Act, 2013 in Form AOC-2 is not applicable to your Company.

All such RPTs were placed before the Audit Committee/Board/Members for their approval, wherever applicable. The Audit Committee reviews all RPTs on a quarterly basis.

You may refer to note no.44 of the Standalone Financial Statements and note no. 42 of the Consolidated Financial Statements respectively, which contain related party disclosures.

Your Company has obtained the Member's approval on Material RPTs in the last AGM held on July 31, 2023 for financial year 2023-24.

Considering your Company being an NBFC-ML and its nature of business and operations, your Company will continue entering into various RPTs in the ordinary course of business and accordingly your Company has sought approval from Members for Material RPTs and details of the same are available in the Notice convening the AGM of the Company.

23. ANNUAL RETURN

Pursuant to Section 92(3) of the Act and the Rules framed thereunder, as amended from time to time, the Annual Return of the Company for the financial year ended March 31, 2024 in the prescribed Form MGT-7 is available on the website of the Company i.e.www.iifl.com.

24. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The material changes and commitments affecting the financial position of your Company, which had occurred between the end of the Financial Year of your Company to which the financial statements relate and the date of this Report are mentioned in point no. 6(h) and 37 of this report.

25. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on energy conservation, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, are provided in **"Annexure – III"** to this Report. Refer pages 131-133 of this Report.

26. WHISTLE BLOWER POLICY/VIGIL MECHANISM

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, your Company has adopted a Whistle Blower Policy/Vigil Mechanism and has established the necessary vigil mechanism for Directors and Employees of the Company to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Company has disclosed the policy on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2021-03/IIFL_WhistleBlower_VigilancePolicy_2020.pdf

27. CREDIT RATING

Your Company's financial discipline and prudence is reflected in the strong credit ratings prescribed by rating agencies. The following credit ratings were assigned to your Company as on March 31, 2024.

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Rating Agency	Product	Rating as on March 31, 2024	Rating as on March 31, 2023
CARE	Non-Convertible Debentures	CARE AA (RWD)	CARE AA / Stable
	Long Term Bank Facilities	CARE AA (RWD)	CARE AA / Stable
	Subordinate Debt	CARE AA (RWD)	CARE AA / Stable
ICRA Limited	Non-Convertible Debentures	[ICRA] AA; placed on Rating Watch with Negative Implications	[ICRA]AA (Stable)
	Commercial Paper	[ICRA] A1+	[ICRA]A1+
	Subordinate Debt	[ICRA] AA; placed on Rating Watch with Negative Implications	[ICRA]AA (Stable)
	Long Term Bank Lines	[ICRA] AA; placed on Rating Watch with Negative Implications	[ICRA]AA (Stable)
	Long Term Principle Protected Equity Linked Debenture	PP-MLD [ICRA] AA; placed on Rating Watch with Negative Implications	PP-MLD[ICRA] AA (Stable)
	Long Term Principle Protected Market Linked Debenture	PP-MLD [ICRA] AA; placed on Rating Watch with Negative Implications	PP-MLD[ICRA] AA (Stable)
	Commercial Paper (IPO financing)	[ICRA] A1+	[ICRA]A1+
CRISIL Limited	Non-Convertible Debentures	CRISIL AA/ Watch Developing	CRISIL AA/Stable
	Subordinate Debt	Withdrawn	CRISIL AA/Stable
	Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA/ Watch Developing	CRISIL PP-MLD AAr/Stable
	Commercial Paper (IPO financing)	CRISIL A1+	CRISIL A1+
	Commercial Paper	CRISIL A1+	CRISIL A1+
	Total Bank Loan Facilities Rated (Long Term Rating)	CRISIL AA/ Watch Developing	CRISIL AA/Stable
Brickwork Ratings	Non-Convertible Debentures (Public Issue)	BWR AA+/Rating Watch with Negative Implications	BWR AA+ Negative
	Non-Convertible Debentures	BWR AA+/Rating Watch with Negative Implications	BWR AA+ Negative
	Secured Non-Convertible Debentures	Withdrawn	BWR AA+ Negative
Moody's	Corporate Family Rating (CFR)	Withdrawn	B2 / Stable
	Long term foreign and local-currency senior secured ratings to US$ 1 Billion Medium Term Note (MTN) program.	Withdrawn	B2 / Stable
Fitch	Senior secured notes issued under US$ 1 Billion Medium Term Note (MTN) Programme	Withdrawn	B+ / Stable
	Senior secured notes issued under US$ 400 Million bond	Withdrawn	B+ / Stable
India Rating	NCDs	IND AA/ Rating Watch with Negative Implications	N.A.
	Perpetual Debt (tier 1 instrument)	IND AA/ Rating Watch with Negative Implications	N.A.

DIRECTORS' REPORT (Contd.)

28. PREVENTION OF SEXUAL HARASSMENT

Your Company recognizes its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination. In Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has put in place a Policy on prevention of Sexual Harassment of Women at workplace and has duly constituted an Internal Complaints Committee under the same.

The Company also provides for mandatory online training on prevention of sexual harassment for every new joinee, as well as all employees on an annual basis.

The details of complaints received during the year 2023-24 pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in the Corporate Governance Report.

29. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **"Annexure –IV"** to this report. Refer pages 134-135 of this Report.

Further, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits as set out in the Rule 5(2) and other details as mentioned in Rule 5(3) of the aforesaid Rules, forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid information.

The said information is available for inspection by the Members and any Member interested in obtaining a copy thereof, may write to the Company at shareholders@iifl.com.

Your Company has Mr. Nirmal Jain and Mr. R Venkataraman serving as Managing Director and Joint Managing Director, respectively. As per their terms of appointment, Mr. Nirmal Jain, does not draw any commission or remuneration from any subsidiary company. Further, Mr. R. Venkataraman served as the Managing Director of IIFL Securities Limited, another group company, and his entire remuneration for FY 2023–24 was paid by IIFL Securities Limited. He does not draw any commission or remuneration from any subsidiary company. Hence, no disclosure as required under Section 197(14) of the Act has been made.

30. STATUTORY AUDITORS

Pursuant to the RBI Circular No. RBI/2021-22/25 Ref. No. DoS. CO. ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ("RBI Guidelines"), the statutory audit of the entities with asset size of ₹ 15,000 Crore and above, as at the end of previous year, should be conducted under joint audit of a minimum of two audit firms. Accordingly, based on recommendation of the Audit Committee and approval of the Board of Directors at their respective meetings held on July 27, 2021, the appointment of M/s. Chhajed & Doshi, Chartered Accountants (Firm Registration Number 101794W) as the Joint Statutory Auditor was recommeded for approval of the Members of the Company. Subsequently, the Members at the Extra Ordinary General Meeting of the Company held on September 30, 2021, approved the appointment of M/s. Chhajed & Doshi as the Joint Statutory Auditor for a continuous period of three (3) years with effect from FY 2021-22 till and including FY 2023-24.

Further, pursuant to the completion of the term of M/s. V Sankar Aiyar & Co, Chartered Accountants, the Board of Directors of the Company at their meeting held on April 26, 2023, based on the recommendation of the Audit Committee, recommended the appointment of M/s. Sharp & Tannan Associates, Chartered Accountant (Firm Registration Number 109983W) as the Joint Statutory Auditor of the Company. Subsequently, the Members at the AGM held on July 31, 2023 approved the said appointment of M/s. Sharp & Tannan Associates for a period of 3 (three) years i.e from the conclusion of the 28th AGM held on July 31, 2023, till the conclusion of the 31st AGM to be held in the year 2026.

M/s. Chhajed & Doshi and M/s. Sharp & Tannan Associates have also confirmed that they hold a valid peer review certificate as prescribed under Listing Regulations. The Joint Statutory Auditors have confirmed that they continue to satisfy the eligibility norms and independence criteria as prescribed by RBI guidelines and the Act.

Further, pursuant to the completion of the term of M/s. Chhajed & Doshi, Chartered Accountants, the Board of Directors at its meeting held on June 15, 2024, based on the recommendation of the Audit Committee, recommended the appointment of M/s. G. M. Kapadia & Co., Chartered Accountant (Firm

Registration Number:104767W) as the Joint Statutory Auditor of the Company for the approval of the Members at the ensuing AGM for a period of 3 (three) years i.e. from the conclusion of the ensuing 29th AGM till the conclusion of the 32nd AGM to be held in the year 2027 at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Board and the Auditor.

Appropriate resolution seeking Members' approval for the appointment of M/s. G. M. Kapadia & Co., Chartered Accountant as the Joint Statutory Auditor of the Company is appearing in the Notice convening the ensuing AGM of the Company.

The Audit for FY 2023-24 was conducted by M/s. Chhajed & Doshi and M/s. Sharp & Tannan Associates, Joint Statutory Auditors of the Company and that there are no qualifications, reservations, adverse remarks or disclaimers made by the Joint Statutory Auditors in their Audit Report. The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Act. The Joint Statutory Auditors' Report is enclosed with the financial statements in this Report.

31. SECRETARIAL AUDIT

The Board of Directors appointed M/s. Nilesh Shah & Associates, Practicing Company Secretaries to conduct Secretarial Audit of the Company for FY 2023-24. The Secretarial Auditor had conducted the audit and their report was placed before the Board. The report of the Secretarial Auditor is annexed herewith as **"Annexure – V"** to this report. Refer pages 136-139 of this Report. There are no qualifications or observations in the Report.

Pursuant to Regulation 24A of the Listing Regulations, a listed company is required to annex a secretarial audit report of its material unlisted subsidiary to its Directors Report. The Secretarial Audit Reports of the material subsidiaries of the Company i.e. HFC and Samasta for FY 2023-24 is annexed herewith as "**Annexure – VI"** & **"Annexure- VII"** respectively. Refer pages 140-148 of this Report.

32. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Joint Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

33. RBI DIRECTIONS

Our Company endeavours to adhere fully to the directions, circulars, notifications, and guidelines issued by the RBI applicable to NBFC-MLs, as specified under the RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. The management and the Board has taken serious note of the deviations identified in the RBI Order, and since taken the corrective action to ensure complete compliance in letter and spirit with RBI's regulations. The Company has strengthened its systems, processes, MIS, compliance and management teams to prevent recurrence of such lapses and ensure fool-proof continuous compliance.

The Company has systems in place to ensure compliance with the applicable provisions of the Foreign Exchange Management Act, 1999, and its amendments.

- **Scale Based Regulation**

  The Scale Based Regulations ("SBR") were notified by the Reserve Bank of India ("RBI") vide its circular dated October 22, 2021, effective from October 01, 2022. Pursuant to the Scale Based Regulations, the RBI has classified your Company as NBFC in Middle Layer ("ML"). Your Company has ensured full compliance with various requirements prescribed under RBI SBR Direction for NBFC-ML within the specified timelines including adopting policy for enhanced regulatory framework, Internal Capital Adequacy Assessment Process Policy (ICAAP), complying with large exposure norms, setting limits for sensitive sector exposure, etc.

- **Chief Compliance Officer**

  In compliance with RBI SBR Direction, the Board has appointed a Chief Compliance Officer to oversee the compliances as applicable to your Company and has also adopted a Compliance Policy in compliance with RBI SBR Direction.

- **Internal Ombudsman**

  Your Company has appointed an Internal Ombudsman ("IO") in compliance with the Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 issued on December 29, 2023. A Report on number of complaints escalated to IO and status of disposal of such complaints during the period under review is being placed before the Board for its review in compliance with the aforesaid RBI Directions.

DIRECTORS' REPORT (Contd.)

34. CORPORATE GOVERNANCE

Your Company is committed to maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements set out by the Securities and Exchange Board of India. We have been implementing best Corporate Governance practices as recognized globally.

The report on Corporate Governance, as stipulated under the Listing Regulations and the RBI SBR Direction, forms an integral part of this report. The requisite certificate from M/s. Nilesh Shah & Associates, Practicing Company Secretaries, certifying compliance with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations forms part of this Report.

Our Company complies with all RBI-prescribed norms, including the Fair Practices Code, Anti Money Laundering, and Know Your Customer Guidelines.

35. COMPLIANCE WITH THE SECRETARIAL STANDARDS

The Board affirms that your Company has complied with the applicable and mandatory Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India.

36. DEPOSITS

During the period under review, your Company did not accept/renew any deposits within the meaning of Section 73 of the Act and the Rules made thereunder and RBI SBR Direction.

37. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

An inspection of our Company was carried out by the RBI based on our financial position as of March 31, 2023. The RBI identified several material supervisory concerns in our gold loan portfolio, including:

- Significant disbursals of loan amounts in cash far exceeding the statutory limit.
- Non-adherence to the standard auction process.
- Significant deviations in assaying and certifying the purity and net weight of gold at both the time of loan sanction and auction upon default and consequent breaches in the Loan-to-Value ratio.
- Lack of transparency in charges levied on customer accounts.

Following a press release and order dated March 04, 2024, the RBI directed our Company to immediately cease and desist from sanctioning or disbursing gold loans, as well as from assigning, securitising, or selling any of its gold loans. These supervisory restrictions will be reviewed upon completion of a special audit to be instituted by the RBI and will be lifted after rectification by the Company of the special audit findings and the findings of RBI Inspection, to the satisfaction of RBI. Meanwhile, the Company can continue servicing its existing gold loan portfolio through usual collection and recovery processes. The Special Audit commenced on April 23, 2024, and since then been concluded. The above mentioned does not affect the going concern status of the Company, as we continue to operate in other business areas and maintain a valid NBFC license.

38. DISCLOSURE REQUIREMENT BY LARGE CORPORATES

As per SEBI Circular dated October 19, 2023, your Company was identified as Large Corporate in the previous financial year and thus it had to raise minimum 25% of its qualified borrowings by way of issuance of debt securities in the subsequent financial years. Accordingly, it has raised ₹ 1,112.09 Crore by way of issuance of debt instruments in the Capital Market out of the total long term borrowings of ₹ 7,339.44 Crore during FY 2023-24. As Capital Market condition was muted for raising long term debt securities during FY 2023-24, your Company was unable to raise the required long term debt securities.

Your Company shall positively comply with the said requirements in the subsequent financial years.

39. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Act and to the best of their knowledge and belief and according to the information and explanation obtained by your Directors, your Directors hereby confirm that:

a) in the preparation of the annual accounts, the applicable Indian Accounting Standards had been followed and there were no material departures;

b) 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 at the end of the Financial Year and of the profit of the Company for that year;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 were operating effectively; 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.

40. GENERAL

Your Directors state that during FY 2023-24:

(i) the Company has not issued equity shares with differential rights as to dividend, voting or otherwise;

(ii) the Company has not issued any sweat equity shares during the year;

(iii) the Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the Rules framed there under;

(iv) there is no change in nature of business of the Company during the year;

(v) the Company has not defaulted in repayment of loans from banks and financial institutions;

(vi) there were no delays or defaults in payment of interest/principal of any of its debt securities;

(vii) the Company had not made any application under the Insolvency and Bankruptcy Code, 2016 (the "Code"). As at March 31, 2024, no applications have been filed or are pending under the Code. No proceeding is pending against the Company under the Code.

(viii) there was no instance of one-time settlement with any bank or financial institution.

(ix) the details of Debenture Trustees of the Company are as follows:

Particulars	Catalyst Trusteeship Limited	IDBI Trusteeship Services Limited*	Vardhman Trusteeship Private Limited
Address	GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (right), Kothrud, Pune– 411038	Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai- 400001	The Capital, 412A, Bandra Kurla Complex, Bandra East, Mumbai 400051
Contact Details	+912249220555	+912240807001	+912240140832
Email	complianceCTL-Mumbai@ctltrustee.com	itsl@idbitrustee.com	Corporate@vardhmantrustee.com
Website	www.catalysttrustee.com	www.idbitrustee.com	www.vardhmantrustee.com

* All ISINs under IDBI Trusteeship Services Limited matured during the FY 2023-24.

41. APPRECIATION

Your Directors place on record their sincere appreciation for the assistance and guidance provided by the Reserve Bank of India, the Ministry of Corporate Affairs, the Securities and Exchange Board of India, Government and other regulatory Authorities, Stock Exchanges, Depositories, Registrar and Share Transfer Agent, and Other Statutory Bodies for their assistance, cooperation and encouragement and continued support extended to the Company.

DIRECTORS' REPORT (Contd.)

Your Directors also gratefully acknowledge all stakeholders of the Company viz. customers, Members, investors, dealers, vendors, bankers and other business partners for the excellent support received from them during the year. Our employees are instrumental in helping the Company scale new heights, year after year. Their commitment and contribution is deeply acknowledged. Your involvement as Members is also greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board

Arun Kumar Purwar
Chairperson & Non-Executive Director
(DIN: 00026383)

Date: June 15, 2024
Place: Mumbai

ANNEXURE – I TO DIRECTORS' REPORT

IIFL FINANCE LIMITED - DIVIDEND DISTRIBUTION POLICY

Purpose & Scope

IIFL Finance Limited has in place Board approved dividend Policy covering the Company and the Subsidiaries as adopted on March 01, 2011. SEBI has recently mandated vide Notification dated July 08, 2016 that top 500 Companies (in terms of market capitalization) need to have a Dividend Distribution Policy in place.

Accordingly, this Policy is to put into place the norms for the determination and declaration of dividend on equity capital by IIFL Finance Limited and its subsidiaries. While considering distribution and payment of dividend, the Company will ensure compliance with all the applicable provisions of the law including provisions of the Companies Act, SEBI, RBI, NHB and Income Tax Rules and Regulations etc related thereto.

Factors/ parameters that would be considered while declaring Dividend

I. The financial parameters that shall be considered while declaring dividend

While considering the total dividend at Holding Company and at each of the Subsidiaries the following will be taken into account:

a. The business plan and actual performance, the capital requirements, free cash flow, debt equity ratio (considering new capital, ESOPs, retained earnings, minimum net worth requirements as per respective regulatory requirements etc.)

b. Adequacy of profits including the accumulated balance in Profit & Loss account and

c. Taxes on dividend.

The Board may consider a higher distribution with adequate justification or on special occasions.

II. The circumstances under which the shareholders:

i. May expect dividend:

a. Surplus in Profit & loss (P&L) Statement

b. Profits in any Financial Year are more than 10% of the equity capital of the Company

ii. May not expect dividend:

a. If there are losses as per P&L Statement (including accumulated balance in P&L account)

b. Profit in the any Financial Year is less than 10% of the equity capital.

c. If the total income from business/PAT from its ordinary activities in any Financial Year declines by more than 75% from the previous year.

d. If the business is seriously affected and visibility is uncertain.

III. Internal and external factors that shall be considered for declaration of dividend:

i. Internal Factors:

a. Projected investment in business/new business

b. Projected investments in Subsidiaries/ Associates in the year and next year.

c. Networth/Capital adequacy as required under respective Regulatory requirements.

ii. External Factors:

i. State of Economy/Industry/business

ii. Statutory Taxes/levies – Changes in income tax rates, DDT etc

IV. The retained earnings shall be utilized for:

i. Proposed Capital expenditure

ii. Investments/acquisitions

iii. General corporate purposes including contingencies

iv. Capital restructuring

V. Parameters that shall be adopted with regard to various classes of shares:

The Company has only one class of equity shareholders at present.

Periodicity of distribution

On a yearly basis, the Holding and Subsidiary Companies may distribute by way of Interim Dividend/s a substantial portion of the total dividend of the Company. The balance portion will be declared by way of final dividend considering the full year's accounts and will be paid after the approval of shareholders at the Annual General Meeting of the Company.

Disclosures

a. This policy will be made available on the Company's website.

b. The policy will also be disclosed in the Company's annual report

Pursuant to RBI Direction DOR. ACC. REC. No. 23.21.02.067/2021-22 dated June 24, 2021 the following directions are being included in the existing dividend policy of the Company -

1. The Board of Directors of the Company shall, while considering the proposals for dividend, take into account the following aspects:

(a) Supervisory findings of the Reserve Bank (National Housing Bank (NHB) for HFCs) on divergence in classification and provisioning for Non-Performing Assets (NPAs).

ANNEXURE – I TO DIRECTORS' REPORT (Contd.)

(b) Qualifications in the Auditors' Report to the financial statements; and

(c) Long term growth plans of the NBFC.

The Board shall ensure that the total dividend proposed for the financial year does not exceed the ceilings specified in the guidelines prescribed by RBI.

Eligibility criteria

2. Company will comply with the following minimum prudential requirements to be eligible to declare dividend:

Table 1: Declaration of Dividend: Minimum Prudential Requirements

S. No.	Parameter	Requirement
1.	Capital Adequacy	(a) NBFCs (other than Standalone Primary Dealers) shall have met the applicable regulatory capital requirement as per Annex I for each of the last three financial years including the financial year for which the dividend is proposed. (b) Standalone Primary Dealers (SPDs) should have maintained a minimum CRAR of 20 per cent for the financial year (all the four quarters) for which dividend is proposed.
2.	Net NPA	The net NPA ratio shall be less than 6 per cent in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared.
3.	Other criteria	(a) NBFCs shall comply with the provisions of Section 45 IC of the Reserve Bank of India Act, 1934. (b) NBFCs shall be compliant with the prevailing regulations/guidelines issued by the Reserve Bank. The Reserve Bank or the NHB (for HFCs) shall not have placed any explicit restrictions on declaration of dividend.

Quantum of Dividend Payable

3. NBFCs eligible to declare dividend as per paragraph 2 above, may pay dividend, subject to the following:

(a) The Dividend Payout Ratio is the ratio between the amount of the dividend payable in a year and the net profit as per the audited financial statements for the financial year for which the dividend is proposed.

(b) Proposed dividend shall include both dividend on equity shares and compulsorily convertible preference shares eligible for inclusion in Tier 1 Capital.

(c) In case the net profit for the relevant period includes any exceptional and/or extraordinary profits/ income or the financial statements are qualified (including 'emphasis of matter') by the statutory auditor that indicates an overstatement of net profit, the same shall be reduced from net profits while determining the Dividend Payout Ratio.

(d) The ceilings on dividend payout ratios for NBFCs eligible to declare dividend are as under:

Table 2: Ceilings on Dividend Payout Ratio

Sl. No.	Type of NBFC	Maximum Dividend Payout Ratio (percentage)
1.	NBFCs that do not accept public funds and do not have any customer interface	No ceiling specified
2.	Core Investment Company	60
3.	Standalone Primary Dealers	60
4.	Other NBFCs	50

(e) The Reserve Bank shall not entertain any request for ad-hoc dispensation on declaration of dividend.

4. A NBFC (other than SPD) which does not meet the applicable prudential requirement prescribed in Paragraph 2 above for each of the last three financial years, may be eligible to declare dividend, subject to a cap of 10 percent on the dividend payout ratio, provided the NBFC complies with the following conditions:

(a) meets the applicable capital adequacy requirement in the financial year for which it proposes to pay dividend; and

(b) has net NPA of less than 4 per cent as at the close of the financial year.

ANNEXURE – I TO DIRECTORS' REPORT (Contd.)

Reporting System

5. NBFC-D, NBFC-ND-SI, HFC & CIC declaring dividend shall report details of dividend declared during the financial year as per the format prescribed in Annex 2. The report shall be furnished within a fortnight after declaration of dividend to the Regional Office of the Department of Supervision of the Reserve Bank/ Department of Supervision of NHB, under whose jurisdiction it is registered.

Amendments to the Policy

The Board shall review and amend this Policy as and when required. Any subsequent amendment/modification in the regulation and/or other applicable laws in this regard shall automatically apply to this policy.

ANNEX 1: APPLICABLE REGULATORY CAPITAL REQUIREMENTS AS AT THE DATE OF ISSUANCE OF THE CIRCULAR (REFER PARAGRAPH 2 OF POLICY)

The table below enumerates the applicable capital requirements for Systemically important (NBFC-NDSI) as applicable on the date of the issuance of the circular. These are subject to change in future and therefore while declaring dividend, the requirements applicable to the period under consideration need to be considered.

S. No.	NBFC category	Capital requirements	Reference
1.	Deposit taking (NBFC-D) and systemically important (NBFC-NDSI) (includes all IFCs but excluding MFI and NBFC- Infrastructure Debt Funds (IDF))	(a) Every applicable NBFC shall maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. (b) The Tier I capital in respect of applicable NBFCs (other than NBFC-MFI and IDF-NBFC), at any point of time, shall not be less 10 per cent. (c) Applicable NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50 percent or more of their financial assets) shall maintain a minimum Tier I capital of 12 percent.	Paragraph 6 of Master Direction - Non-Banking Financial Company Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

ANNEX 2: REPORTING FORMAT FOR NBFCS/HFCS DECLARING DIVIDEND

(Refer paragraph 5 of policy, to be furnished within a fortnight after declaration of dividend to the Regional Office of the Department of Supervision of the Reserve Bank/ Department of Supervision of National Housing Bank, under whose jurisdiction the NBFC is registered.)

Details of dividend declared during the financial year

Name of the NBFC –

Accounting period *	Net profit for the accounting period (₹ Crore)	Rate of dividend (per cent)	Amount of dividend (₹ Crore)	Dividend Pay out ratio (per cent)

* quarter or half year or year ended as the case may be

ANNEXURE – II TO DIRECTORS' REPORT

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES OF IIFL FINANCE LIMITED FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

IIFL Finance Limited ("the Company" or "IIFL Finance") ensures that its activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The Company strongly believes that Corporate Social Responsibility ("CSR") initiatives help to promote inclusive growth and equitable development.

The CSR Policy and activities of the Company are steered by the same values that guide the business of the Company. It can be summarized in one acronym – **FIT**, which stands for:

- **Fairness** in all our transactions
- **Integrity** and Honesty in letter, in spirit and in all our dealings with people
- **Transparency** in all our dealings

By applying these values to the CSR activities, the Company undertakes initiatives that create sustainable growth and empower underprivileged sections of the society.

The focus areas prioritized by the Company in its CSR strategy are guided by the philosophy of **HELP** (Health, Education & Environment, Livelihood and Poverty Alleviation). The CSR activities of the Company are executed by India Infoline Foundation (generally referred as "IIFL Foundation"), the Implementing Agency. In line with its philosophy, the Company had undertaken the following activities during FY 2023-24:

- Building foundational literacy and numeracy among females from marginalized communities of Rajasthan, through flagship programme 'Sakhiyon ki Baadi', which has an oveall reach across 5 districts with 460 learning centers;
- Setting up of a digital laboratory at the Rajkumari Ratnavati Girls' School in Jaisalmer, Rajasthan, with a donation 50 Android tablets loaded with educational content and curated applications for learning;
- Upgrading Maa Bari learning centers by introducing Solar Panels (to facilitate Electricity) and Smart TVs for learning. Along with provision of academic mentor and academic training for teachers;
- Construction of an Assembly Hall over 2400 square feet of area, for students and the community at Government High Senior Secondary School, Madar, Udaipur, for improving enrollment and retention of students;
- Conducted an exploratory trip for 22 members of Panchayati Raj Institutions (Sarpanchs) from Rajasthan, to Mawlynnong village in Meghalaya, which is renowned as the cleanest village in Asia, for adoption of best practices for community development;
- Maintenance of a public place - Garden, at Mumbai, Maharashtra;
- Support to a Primary School in Kandivali, Mumbai, for education of children from financially weaker group residing in slums;
- Digital Shaala programme in Government Schools through 50 television sets upgraded with educational content to improve students learning experience, in the grade 6th to 8th, especially for girls from 10-16 years of age;
- Supported an unique mentoring program spanning over 3 months, for skill building of native artisans from 15 cultural entrepreneurs in Home Decor space;
- Supported renewal of license (content) of Smart Boards (Projector based) at 9 Government schools in Rajasthan, valid for period of 3 years;
- Installed an Interactive Flat Panel (IFP) learning system at Vidya Niketan School, Rajsamand, Rajasthan. The system allows students to access interactive AV learning material for class 1st to 10th;
- Skill development programmes in Hospitality Training (Chef Trade) and Market related Retail Associate Training curated specifically for youths residing at Kupwara (Aspirational) district in Kashmir. The programme is supported by Indian Army;
- Homestay Host Training, a skill development programme for youths at Tezu, Arunachal Pradesh, to offer livelihood to the native population and help promote tourism. The project is supported by the National Cadet Corp (NCC) - India, under the Ministry of Defence;

ANNEXURE – II TO DIRECTORS' REPORT (Contd.)

- Development of mobile application and a year long training programme for capacity building of 50 Non Governmental Organizations (NGOs) operational in Maharashtra;
- Support for Education and Nutrition of boys at Shelter Home in Mumbai, Maharashtra;
- Smart Shala programme to promote Academic Learning of Teachers and Students at Government schools in Jodhpur, Bikaner & Jaipur. Through this programme we engage with 1.11 Lakh students and 4,793 teachers from 1,505 Government schools;
- Supported an initiative for improving learning and mental well being outcomes for young children and caregivers through community radio in Jhunjhunu district of Rajasthan;
- Initiated a programme in Banking & Finance, offering skill based training to students belonging to the lower income households in Mumbai. The programme is preparing 30 youths for establishing a career in BFSI sector, along with internship opportunities;
- Donated NST machines (Non-stress Test) to Department of Obstetrics and Gynecology at KEM Hospital, Parel, Mumbai, Maharashtra;
- Medical Camp at Barsana, District Mathura in Uttar Pradesh, offering free of cost Cataract Operations, Dental Checkups, Treatments and Surgeries;
- Medical Camp at Pandharpur, District Solapur in Maharashtra, offering free of cost treatment to thousands of pilgrims visiting in month of July 2023;
- Construction of an Assembly Hall at Govt. Senior Secondary School, Parsad, District - Udaipur, Rajasthan;
- Initiated an English Language Lab and Computer Lab at 3 Government schools in Rajsamand District, Rajasthan, to improve learning outcomes of the students;
- Donated classroom furniture to Mahatma Gandhi Government School, Sisarwada, Pali, Rajasthan, to the Primary, upper primary and senior classes, to promote enrollment and retention of students;
- Donated 50 bicycles to girl students at Zilla Parishad School, Dahanu, Palghar, to promote enrollment and retention of girls at the school;
- Support for Higher Education of children of commercial sex workers, Mumbai, Maharashtra;
- Appointment of Academic mentor at 2 Government schools in Udaipur district of Rajasthan.

2. COMPOSITION OF CSR COMMITTEE:

The Company has constituted a CSR Committee of the Board that fulfils all requirements of Section 135 of the Companies Act, 2013 (the "Act"). The members constituting the Committee as on March 31, 2024 have been listed below:

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.	Mr. Vijay Kumar Chopra	Chairperson (Independent Director)	2	2
2.	Mr. R Venkataraman	Member (Joint Managing Director)	2	2
3.	Mr. Nilesh Vikamsey	Member (Independent Director)	2	1

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:

Composition of the CSR committee mentioned above is available on the website of the Company i.e. - https://www.iifl.com/finance/investor-relations/corporate-governance?redirect=menu-bar

CSR policy is available on the website of the Company i.e. https://storage.googleapis.com/iifl-finance-storage/files/2023-07/CSR%20policy_IIFL%20Finance.pdf

Details of CSR projects is available on the website of the Company i.e. https://www.iifl.com/finance/iifl-foundation

ANNEXURE – II TO DIRECTORS' REPORT (Contd.)

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE:

Not Applicable

5.

Sl. No.	Particulars	Amount (in ₹)
a.	Average net profit of the Company as per sub-section (5) of section 135	5,45,73,27,451.00
b.	Two percent of average net profit of the Company as per sub-section (5) of section 135	10,91,46,549.00
c.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	NIL
d.	Amount required to be set-off for the financial year, if any	NIL
e.	Total CSR obligation for the financial year [(b)+(c)-(d)]	10,91,46,549.00

6. a. **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** 9,30,04,449.00

b. **Amount spent in Administrative overheads:** NIL

c. **Amount spent on Impact Assessment, if applicable:** NIL

d. **Total amount spent for the Financial Year [(a)+(b)+(c)]:** 9,30,04,449.00

e. **CSR amount spent or unspent for the Financial Year.**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount (in ₹)	Date of transfer
9,30,04,449.00	1,60,89,437.00	April 29, 2024	PM CARES Fund	52,663.00	June 04, 2024

f. **Excess amount for set-off, if any: NIL**

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	10,91,46,549.00
(ii)	Total amount spent for the Financial Year	9,30,04,449.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(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

7. 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 ₹)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	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 ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 2020-21	-	-	-	-	-	-	-
2	FY 2021-22	2,46,00,000.00	NIL	2,46,00,000.00*	NIL	-	NIL	-
3	FY 2022-23	-	-	-	-	-	-	-

* The said unspent amount was spent in FY 2022-23 towards CSR activities.

ANNEXURE – II TO DIRECTORS' REPORT (Contd.)

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

Yes

Number of Capital assets created/ acquired: 5

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

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 (in ₹)	Details of Entity/ Authority/ Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Interactive Flat Panel - View Sonic 65" Smart TV (HSN Code: 84714190)	313301	October 01, 2023	1,08,560.00	N/A	Vidya Niketan School, Nathdwara	Vidya Niketan School, Mobe Garh, Nathuwas, Nathdwara, District – Rajsamand.
2	85 Nos. Set of Desk and Seat	306103	December 01, 2023	1,99,500.00	N/A	Mahatma Gandhi Govt school, Sisarwada. (Nic Code: 214149)	Mahatma Gandhi Govt school, Sisarwada, District – Pali
3	50 Nos. of Bicycles	401602	October 26, 2023	2,27,500.00	N/A	Zilla Parishad school, Saravali, Patilpada.	Zila Parishad School, Saravali, Patilpada, Tehsil- Dahanu, District Palghar, Maharashtra.
4	50 Nos. Android Tablets and Charging Unit	345001	November 10, 2023	10,65,000.00	N/A	The Rajkumari Ratnavati Girls School, Salkha.	The Rajkumari Ratnavati Girls School, Salkha, District – Jaisalmer, Rajasthan.
5	6 Nos. Non-Stress Test (NST) machines to Obstetrics and Gynaecology Department	400012	September 12, 2023	14,51,000.00	N/A	KEM Hospital	KEM Hospital, Acharya Donde Marg, Department of Gastroenterology, Parel, Mumbai – 400012.

9. 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 unspent amount of ₹ 1,60,89,437.00 relates to ongoing projects and is planned to be utilized over a period of three years as stipulated under the Act. An amount of ₹ 52,663.00 remained unutilized from a project (other than ongoing), as the objective of the project was met well within the allocated budget. This unutilised amount was transferred to the PM CARES Fund on June 04, 2024, within 6 months from end of the financial year in accordance with the provisions of the Companies Act, 2013.

For **IIFL Finance Limited**

Mr. Bijou Kurien
Chairperson, CSR Committee
Independent Director
(DIN: 01802995)

Mr. R. Venkataraman
Member, CSR Committee
Joint Managing Director
(DIN: 00011919)

Date: June 15, 2024
Place: Mumbai

ANNEXURE – III TO DIRECTORS' REPORT

INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND INNOVATION AND FOREIGN EXCHANGE EARNINGS/OUTGO FORMING PART OF THE DIRECTORS' REPORT IN TERMS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013.

Conservation of Energy:

The Company is engaged in providing financial services and, as such, it's operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by the Company such as:

- Installation of sensor-based lights in common areas;
- Installation of capacitors to save power;
- Introduction of Tablets in branches;
- Installation of Light Emitting Diode ("LED") lights for new branches;
- Creating environmental awareness by way of distributing the information in electronic/digital form;
- Shutting off all lights, when not in use;
- Installation of access-based network printers to control printing, thereby saving paper;
- Use of Green power in Corporate office;
- Installation of Solar panel in one premise; and
- Installation of rain harvesting system in 2 premises.

The Management frequently puts circulars on the corporate intranet, workplace for its employees, educating them on ways and means to conserve electricity and other natural resources and ensures strict compliance of the same.

Technology Absorption and Innovation:

Information Technology ("IT") serves as the fundamental driving force behind our Company's growth and serves as the bedrock of our organization. It operates strategically, leveraging industry-standard applications and a robust infrastructure to streamline operations, enhancing productivity, efficiency, and delivering a top-notch experience to our customers. With our secure information systems and stringent controls in place, we efficiently manage nationwide operations, effectively target customers, and monitor and mitigate risks. Our commitment to technology investment remains steadfast, ensuring a competitive edge and scalability. Digitalization and analytics are primary areas of focus, enhancing agility, availability, and relevance. Additionally, prioritising data and cyber security is imperative for our organization.

Highlights of the current year (Technology):

➢ Setting up of Digital Innovation Centre in Bengaluru:
  - Established a Digital Innovation Centre in Bengaluru, equipped with engineering, analytics, and generative AI capabilities.
  - Developed an in-house Loan Onboarding System (IDOL) for unsecured loans with HTBL and partnership functionality, achieving a 99% adoption rate across DSAs (Direct Sales Agents) and the underwriting team.
  - IdolBOT operational for Business Loans, enhancing customer engagement and services efficiency, leading to improved satisfaction & conversion rates (Personal Loan Bot on hold).
  - AskPanda Bot launched, an AI-driven Chabot optimizing sales structures.
  - Conversational Bots for Chat/Voice activated using Azure OPEN AI platform.

➢ Strengthening of Our Cloud Infrastructure and Operations:
  - DevOps implemented resulting in streamlining development and operations for swift and reliable software delivery with infrastructure-as-code adoption and immutable Infrastructure Deployment.
  - SRE Monitoring and Response enhanced with service dependency mapping, zero incident framework adoption, and incident response playbook development.
  - Successful adaptation of Chaos Monkey/Chaos Studio within Chaos Test, enhancing system resilience and reliability through simulated failures.
  - Scale Set and Web App deployments completed, ensuring automatic scaling of computing enhanced scalability and cost efficiency.

➢ Gold Loan:
  - Gold Loan LMS introduced rebate, pre-auction, penal charge, auction, and post-auction modules for improved auction management.
  - Approval Module launched for Channel Management App, streamlining partner sales with enhanced leadership focus, CRM integration for quicker approvals, and efficient collections.
  - Campaign Management App which skilfully manages and optimizes marketing campaigns, enhancing engagement strategies and improving customer attribution, leading to efficient lead management and better conversions has gone

ANNEXURE – III TO DIRECTORS' REPORT (Contd.)

Live with SME Dedupe. Unified engagement via Clever Tap integration is work in progress.

- Acquisition and Servicing features of Loans App now live, offering comprehensive loan servicing for seamless customer experience.
- CRM Platform upgraded live with lead and campaign management tools.

Overview of the Information & Cyber Security practices:

The organization's comprehensive Information & Cyber Security Framework supported by ISO standards and regulatory requirements characterizes our unwavering commitment to safeguard our information assets, data, and reputation against the ever-evolving threat landscape.

The organization is certified under ISO 27001 (ISMS) and ISO 22301 (BCMS) standards, boasts a comprehensive suite of information security & business continuity management controls meticulously designed at multiple layers to fortify our digital defences.

At the heart of our security infrastructure lies a robust arsenal of technologies including Next-Generation Firewalls (NGFW) and Web Application Firewalls (WAF), ensuring granular control over network traffic and safeguarding against a plethora of cyber threats. Next Generation Anti-Virus i.e. Endpoint Detection and Response (EDR) solution stand guard over our digital assets, facilitating real-time monitoring, investigation, and remediation.

Security solutions like Privileged Access Management (PAM) enforce stringent access controls for mitigating insider threats and ensuring the principle of least privilege is upheld across critical systems. Our Vulnerability Assessment and Penetration Testing (VAPT) and Application Security (AppSec) program regularly examines our systems and applications for identifying and remedying vulnerabilities before they can be exploited by malicious actors. Furthermore, Breach Attack Simulations serve as a litmus test for our cyber incident response capabilities that simulate real-world cyber-attacks to uncover vulnerabilities and enhance our readiness and resilience.

To strengthen our human firewall, we conduct regular user awareness programs including phishing simulations, educating employees on cybersecurity best practices and evaluating their resilience against social engineering attacks. Our security extends beyond the surface web, with dedicated monitoring of the dark web and brand impersonation attempts to safeguard our reputation and sensitive information.

In the realm of email security, our Email Gateway Security and DMARC solutions act as a safeguard against phishing, spoofing, and malware-laden emails. Additionally, the adoption of Brand Indicators for Message Identification (BIMI) enhances the authenticity of our email communications for mitigating the risk of phishing and spoofing attacks.

Our 24*7 Security Operations Centre (SOC) stands as a vigilant guardian for monitoring of security events in near real-time that helps swift detection and mitigation of threats. Cloud Security Posture Management solutions further strengthens our digital perimeter, ensuring the secure configuration and compliance of our cloud environments.

Complementing our proactive defences, we have fortified our cyber resilience with a Cyber Insurance Policy, that can provide financial protection and support in the event of a security breach.

Highlights of the current year (Information & Cyber Security):

- The Company successfully sustained ISO27001 Certification for Information Security Management System (ISMS).
- The Company implemented Cloud Security Posture Management (CSPM) Solution for enhanced Cloud Security.
- Breach Attack Simulation (BAS) Solution implemented to proactively identify and address security gaps.
- Implemented Secure Code Review Tool for enhanced Application Security.
- Implemented Brand Indicators for Message Identification (BIMI) Solution for enhancing Email Security.
- Subscribed to International Cyber Global Threat Intelligence services.
- Implemented 24x7 Security Operations Centre (SOC) Services for monitoring of systems and applications for robust Security Incident detection and immediate response.
- Achieved ISO22301 Certification for Business Continuity Management System (BCMS).

Foreign Exchange Earnings/Outgo of the Standalone Company:

a) The foreign exchange earnings: Nil

b) The foreign exchange expenditure: ₹ 410.45 Crore

ANNEXURE – III TO DIRECTORS' REPORT (Contd.)

Research and Development (R&D):

The Company is engaged in finance and financial services and so there were no activities in the nature of research and development involved in the business.

Amount of expenditure incurred on **R&D**:

Particulars	March 31, 2024	March 31, 2023
Capital	Nil	Nil
Revenue	Nil	Nil

For **IIFL Finance Limited**

Arun Kumar Purwar
Chairperson & Non-Executive Director
(DIN: 00026383)

Date: June 15, 2024
Place: Mumbai

ANNEXURE – IV TO DIRECTORS' REPORT

THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS IN TERMS OF SUB-SECTION 12 OF SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH SUB-RULE 1 OF RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Sr. No.	Requirement	Disclosures	
I	The ratio of the remuneration of each Director to the median remuneration of the employees for the Financial Year	Managing Director – Mr. Nirmal Jain	327.71
		Joint Managing Director – Mr. R Venkataraman[1]	N.A.
		Non-Executive Director(s) [2]	
		Mr. Nilesh Vikamsey	Nil
		Ms. Geeta Mathur	Nil
		Mr. Arun Kumar Purwar	Nil
		Mr. Chandran Ratnaswami	Nil
		Mr. Vijay Kumar Chopra	Nil
		Mr. T S Ramakrishnan	Nil
		Mr. Ramakrishnan Subramanian	Nil
		Mr. Nihar Niranjan Jambusaria	Nil
		Mr. Bijou Kurien	Nil
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the Financial Year	Managing Director	20%
		Joint Managing Director	N.A.
		Chief Financial Officer	33%
		Company Secretary	
		Ms. Sneha Patwardhan[3]	N.A.
		Ms. Rupal Jain[3]	N.A.
		Ms. Mauli Agarwal[3]	N.A.
		Non-Executive Director(s)	
		Mr. Nilesh Vikamsey	Nil
		Ms. Geeta Mathur	Nil
		Mr. Arun Kumar Purwar	Nil
		Mr. Chandran Ratnaswami	Nil
		Mr. Vijay Kumar Chopra	Nil
		Mr. T S Ramakrishnan	Nil
		Mr. Ramakrishnan Subramanian	Nil
		Mr. Nihar Niranjan Jambusaria	Nil
		Mr. Bijou Kurien	Nil
III	The percentage increase in the median remuneration of employees in the Financial Year	The median remuneration of the employees in the Financial Year was increased by 12%. The calculation of percentage of increase in Median Remuneration is done based on comparable employees. For this, the employees who were not eligible for any increment have been excluded.	
IV	The number of permanent employees on the rolls of the Company	The Company had 14,829 employees on the rolls as on March 31, 2024.	

ANNEXURE – IV TO DIRECTORS' REPORT (Contd.)

Sr. No.	Requirement	Disclosures
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last 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	Not Applicable to the Company as all the employees are under Managerial Role.
VI	Affirmation that the remuneration is as per the remuneration Policy of the Company	Yes, it is confirmed.

[1] Mr. R Venkataraman served as the Chairperson and Managing Director of IIFL Securities Limited, another group Company, and his entire remuneration for FY 2023-24 was paid by IIFL Securities Limited. Post the closure of financial year, his tenure as Managing Director expired on May 14, 2024, and effective May 15, 2024, he continues to serve as the Chairperson & Non-Executive Director on the Board of IIFL Securities Limited.

[2] Sitting fees is not forming part of calculation of remuneration.

[3] Ms. Sneha Patwardhan resigned from the position of Company Secretary w.e.f. July 1, 2023. Ms. Rupal Jain was appointed as Company Secretary w.e.f. July 1, 2023, and resigned from the position of Company Secretary w.e.f. March 13, 2024. Ms. Mauli Agarwal was appointed as Company Secretary w.e.f. March 13, 2024.

For IIFL Finance Limited

Arun Kumar Purwar
Chairperson & Non-Executive Director
(DIN: 00026383)

Date: June 15, 2024
Place: Mumbai

ANNEXURE – V TO DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
IIFL Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane – 400 604

Dear Sir / Madam,

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2024 according to the provisions of:

(i) The Companies Act, 2013 and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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

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

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

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

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (to the extent applicable);

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

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

   (g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

   (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(vi) Provisions of Reserve Bank of India Act, 1934 and Regulations / Guidelines issued by Reserve Bank of India from time to time as applicable to Non-deposit accepting NBFCs.

We have verified systems and mechanism which is in place and followed by the Company to ensure Compliance of these specifically applicable Laws mentioned at serial no. v and vi (in addition to the above mentioned Laws (i to iv) and applicable to the Company) and we have also relied on

ANNEXURE – V TO DIRECTORS' REPORT (Contd.)

the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

We have also examined compliance with the applicable clauses of:

(a) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

(b) Uniform Listing Agreement(s) entered with stock exchanges.

We further Report that, during the year, it was not mandatory on the part of the Company to comply with the following Regulations / Guidelines:

(a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(b) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018;

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has substantially complied with the provisions of the above mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have no material observation of instances of non-compliance in respect of the same.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.

We also report that adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and shorter notice in case of urgency and a system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officers, we herewith report that majority decisions are carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, following event / action have taken place having major bearing on the Company's affairs:

I. Reserve Bank of India (RBI) in their inspection of the Company has observed certain material supervisory concerns in the gold loan portfolio of the company, including serious deviations in assaying and certifying purity and net weight of the gold at the time of sanction of loans and at the time of auction upon default; breaches in Loan-to-Value ratio; significant disbursal and collection of loan amount in cash far in excess of the statutory limit; non-adherence to the standard auction process; and lack of transparency in charges being levied to customer accounts, etc. These practices, apart from being regulatory violations, also significantly and adversely impact the interest of the customers. Subsequently, RBI in their press release and order dated March 04, 2024 has directed the Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning/ securitising/ selling any of its gold loans. However, RBI in the aforesaid press release directed that the Company can continue to service its existing gold loan portfolio through usual collection and recovery processes. Further post completion of the financial year under review, pursuant to above mentioned press release / order, Special Audit as directed by the RBI has commenced w.e.f April 23, 2024 and the same has been concluded.

II. Private Placement of Secured / Unsecured, Redeemable / Subordinated Non-Convertible Debentures / Non-Convertible Market Linked Debentures

1. During the year ended March 31, 2024, the Company has allotted 12,500 Secured, Redeemable, Non-Convertible Debentures of Face Value of ₹ 1,00,000 (Rupees One Lakh only) each aggregating to ₹ 1,25,00,00,000 (Rupees One Hundred & Twenty Five Crores only) under Series D23 on April 06, 2023.

2. The Company has allotted 35 Unsecured Subordinated Redeemable Non-Convertible Debentures of Face Value of ₹ 1,00,00,000 (Rupees One Crore only) each

ANNEXURE – V TO DIRECTORS' REPORT (Contd.)

aggregating to ₹ 35,00,00,000 (Rupees Thirty-Five Crores only) under Series D24 on May 08, 2023.

3. The Company has allotted 50,000 Secured Redeemable Non-Convertible Debentures of Face Value of ₹ 1,00,000 (Rupees One Lakh only) aggregating to ₹ 5,00,00,00,000 (Rupees Five Hundred Crores Only) under Series D25 on March 20, 2024.

III. Public Issue of Secured, Redeemable, Non-Convertible Debentures:

1. During the year ended March 31, 2024, the Company has allotted by the way of public issue 45,20,853 Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000/- (Rupees One Thousand only) each aggregating to ₹ 4,52,08,53,000 (Rupees Four Hundred and Fifty-Two Crores Eight Lakhs and Fifty-Three Thousand only) on June 28, 2023.

Signature:
Name: Rakesh Achhpal
(Partner)

For Nilesh Shah & Associates
Company Secretaries
ACS: 54525
C.P.: 20438
Peer Review No. 698/2020

Date: June 15, 2024
Place: Mumbai
UDIN: A054525F000577102

Note: This Report is to be read along with attached Letter provided as ***"Annexure - A".***

ANNEXURE – V TO DIRECTORS' REPORT (Contd.)

'ANNEXURE A'

To
The Members,
IIFL Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane – 400 604

Dear Sir / Madam,

Sub: Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and we rely on Auditors Independent Assessment on the same.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of process followed by the Company to ensure adequate Compliance.
6. The 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.

Signature:
Name: Rakesh Achhpal
(Partner)

For Nilesh Shah & Associates
Company Secretaries
ACS: 54525
C.P.: 20438
Peer Review No. 698/2020

Date: June 15, 2024
Place: Mumbai
UDIN: A054525F000577102

ANNEXURE – VI TO DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
IIFL Home Finance Limited
(CIN: U65993MH2006PLC166475)
IIFL House, Sun Infotech Park, Road No. 16V,
Plot No. B-23, MIDC, Thane Industrial Area,
Wagle Estate, Thane, Maharashtra - 400604

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and in adherence to good corporate practices by **IIFL Home Finance Limited** (hereinafter referred to as **"the Company"**), having its Registered Office at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B - 23, MIDC, Thane Industrial Area, Wagle Estate Thane, Maharashtra - 400 604 and Corporate Office at Plot No. 98, Udyog Vihar, Phase IV, Gurgaon, Haryana - 122 015. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification, of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering financial year ended **March 31, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions 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. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of compliances relating to Foreign Direct Investment. However, during the period under review, there were no transactions for Overseas Direct Investment and External Commercial Borrowings.

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

(a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; [**Not applicable since the shares of the Company are not listed on any stock exchange during the period under review**];

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

(c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; [**Not applicable since the shares of the Company are not listed on any stock exchange during the period under review**];

(d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **[The Company has introduced Employee Stock Option Plan. However, being a Debt listed Company, the regulations are not applicable since the shares of the Company are not listed on any stock exchange];**

(e) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;

(f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of the securities issued;

(g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; [**Not applicable since the shares of the Company are not listed on any stock exchange during the period under review**];

(h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; [**Not applicable since the shares of the Company are not listed on any stock exchange during the period under review**].

ANNEXURE – VI TO DIRECTORS' REPORT (Contd.)

VI. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:

1. The National Housing Bank Act, 1987.
2. Non-Banking Financial Company–Housing Finance Company (Reserve Bank) Directions, 2021.
3. Guidelines on 'Know Your Customer' and 'Anti Money Laundering Measures' for HFCs.
4. The IRDAI (Registration of Corporate Agents) Regulations, 2015.

For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable, Labour Laws & other General Laws.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the Statutory Auditor and other designated professionals.

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

1. Secretarial Standards with respect to Meetings of Board of Directors (SS- 1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India. However, the stricter applicability of the Secretarial Standards is to be observed by the Company.
2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015 ("SEBI Listing Regulations") to the extent applicable.
3. General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs to hold Extra-Ordinary General Meetings/ Annual General Meetings through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The following changes took place in the composition of the Board of Directors during the period which were carried out in compliance with the provisions of the Act/SEBI LODR, 2015 except as stated below.
- Adequate notices were given to all directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were sent generally seven days in advance to all the directors except where the meetings were held at a shorter notice. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meetings of the Board and Committees of the Board, duly signed by the Chairman, all the decisions of the Board were adequately passed and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the Company has generally complied with the provisions of Regulation 3(5) and 3(6) of SEBI (Prohibition of Insider Trading Regulations), 2015 with respect to maintenance of Structural Digital Database to the extent applicable.

As per the records, the Company has filed returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities except for few discrepancies in filing of certain forms.

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

We further report that during the audit period the Company has undertaken following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above :-

1. Mr. Kranti Sinha (DIN: 00001643) has stepped down from the Board as Independent Director of the Company with effect from August 8, 2023 and due to the same, composition of the Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee was affected for few days.
2. Mr. Mathew Joseph (DIN: 01033802) has been appointed as an Additional Director (Independent Director) on the Board of the Company with effect from October 31, 2023. Further, his appointment was

ANNEXURE – VI TO DIRECTORS' REPORT (Contd.)

confirmed by the Shareholders in an Extra Ordinary General Meeting ("EGM") held on January 30, 2024.

3. Mr. Srinivasan Sridhar (DIN: 00004272) and Mr. Arun Kumar Purwar (DIN: 00026383) have completed their respective tenure as Independent Directors on March 31, 2024. Further, Mr. Srinivasan Sridhar, is appointed as an Additional Director (Non-Executive Director) of the Company with effect from April 01, 2024.
4. Mr. Ramakrishnan Subramanian (DIN: 02192747) has been appointed as an Additional Director (Independent Director) by the Board of Directors with effect from April 01, 2024.
5. Mr. Gaurav Seth was appointed as Chief Financial Officer with effect from October 17, 2023 as his earlier incumbent Mr. Amit Gupta was re- designated as Head Finance of the Company on account of internal re- structuring in the senior management of the Company.
6. The Company has approved the appointment of M/s. S. R. Batliboi & Associates LLP (ICAI Firm Registration No. 101049W/ E300004) as one of the Joint Statutory Auditors to hold office for a period of 3 (three) years from Financial Year 2023-24 to Financial Year 2025-26 in an Annual General Meeting held on June 29, 2023 on account of completion of tenure of earlier incumbent.
7. The members of the Company had approved amendments in the IIFL- HFL ESOP PLAN-2022 (herein after referred as "ESOP Plan") by way of passing a Special Resolution in the Annual General Meeting held on June 29, 2023.
8. The Company has altered its Articles of Association by passing a Special Resolution in the Annual General Meeting held on June 29, 2023.
9. The Board of Directors have accorded their approval to raise funds and to offer, Secured /Unsecured/ Listed/ Unlisted/ Rated/ Unrated / Non- Convertible/ Market Linked/ Subordinated Debt/ Perpetual Debentures/ Fixed Maturity Debentures, aggregating to ₹ 5,000/- Crore (Indian Rupees Five Thousand Crores) on private placement basis during the financial year 2024-25, in one or more tranches.
10. The Board of Directors have accorded their approval for making investment in RMBS Development Company Limited (a "proposed new Company") up to INR 35,00,00,000/- (Indian Rupees Thirty Five Crores only) in one or more tranches.
11. The Company has allotted 32,000 (Thirty Two Thousand) Secured Redeemable Non-Convertible Debentures (SNCDs) of INR 1,00,000/- each (Indian Rupees One Lakh each) for cash at par aggregating to INR 320,00,00,000/- (Indian Rupees Three Hundred and Twenty Crore only) and 8,200 (Eighty Two Hundred) Secured Redeemable Non-Convertible Debentures (SNCDs) of INR 10,00,000/- each (Indian Rupees Ten Lakh each) for cash at par aggregating to INR 820,00,00,000/- (Indian Rupees Eight Hundred and Twenty Crore only) on private placement basis on May 23, 2023 and August 18, 2023 respectively.
12. The Company has declared an interim dividend @ INR 55/- per share on January 15, 2024 in compliance with the applicable provisions stated in the Act.

For RMG & Associates
Company Secretaries
Peer Review No. 734/2020
Firm Registration No. P2001DE016100

CS Sachin Khurana
Partner
FCS:10098; C.P. No.:13212

Place: New Delhi
Date: May 06, 2024
UDIN:F010098F000315161

Note: *This report is to be read with* ***'Annexure'*** *attached herewith and forms an integral part of this report*

ANNEXURE – VI TO DIRECTORS' REPORT (Contd.)

'ANNEXURE'

To,
The Members
IIFL Home Finance Limited
(CIN: U65993MH2006PLC166475)
IIFL House, Sun Infotech Park, Road No. 16V,
Plot No. B-23, MIDC, Thane Industrial Area,
Wagle Estate, Thane, Maharashtra - 400604

Our Secretarial Audit Report for the financial year ended March 31, 2024 is to be read along with this letter:

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The 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.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have conducted online verification & examination of records, as facilitated by the Company, for the purpose of issuing this Report.

For RMG & Associates
Company Secretaries
Peer Review No. 734/2020
Firm Registration No. P2001DE016100

CS Sachin Khurana
Partner
FCS:10098; C.P. No.:13212

Place: New Delhi
Date: May 06, 2024
UDIN:F010098F000315161

ANNEXURE – VII TO DIRECTORS' REPORT

FORM NO. MR-3

Secretarial Audit Report

For the Financial Year ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013, Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
IIFL Samasta Finance Limited
110/3, Lalbagh Main Road,
Krishnappa Layout,
Bengaluru- 560027
Karnataka, India

We have conducted the Secretarial Audit of the compliance of specific applicable statutory provisions and the adherence to good corporate practices by **IIFL Samasta Finance Limited** (hereinafter called "Company") bearing CIN U65191KA1995PLC057884. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024,** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on **March 31, 2024** and made available to us, according to the provisions 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) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investments and External Commercial Borrowings.

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

a) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (hereinafter referred as 'SEBI (LODR) 2015').

c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable during the audit period)**.

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

e) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR 2018') [notified by the Securities and Exchange Board of India (**'SEBI'**) on September 11, 2018, which came into effect on November 10, 2018, thereby rescinding and repealing the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**'ICDR 2009'**)] **(Not applicable during the audit period).**

f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable during the audit period).**

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the client **(Not applicable during the audit period).**

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable during the audit period).**

i) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 **(Not applicable during the audit period)** and

ANNEXURE – VII TO DIRECTORS' REPORT (Contd.)

(vi) We also verified the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (Updated as on March 21, 2024) issued by the Reserve Bank of India along with other Notifications, Guidelines, Circulars, Directions.

(vii) Insurance Regulatory and Development Authority Act, 1999 and Rules and regulations made thereunder.

(viii) The Listing Agreements entered into by the Company with Bombay Stock Exchange(s) and National Stock Exchanges w.r.t. Debt listing.

(ix) The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

(x) The Reserve Bank of India Act, 1934.

(xi) The Prevention of Money Laundering Act, 2002 and Rules framed there under.

(xii) Secretarial Standards and Auditing Standards issued by The Institute of Company Secretaries of India.

During the period under review, based on the explanations and representations made by the Management, the Company has complied with the provisions of the Companies Act, 2013, NBFC Regulations, SEBI Act and the corresponding Rules, Regulations, Guidelines, Secretarial Standards etc., as mentioned above and has filed all the form and returns, with the Registrar of Companies and other respective Regulators within the prescribed time or in case of delay, filing has been made with the requisite additional fee/fine.

We further report that the,

1. Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Further, during the period under review, the Board has appointed Mr. Govinda Rajulu Chintala (DIN: 03622371) and Mr. Kalengada Mandanna Nanaiah (DIN: 01276050) as an additional directors (independent) and Mr. Venkataraman Rajamani (DIN: 00011919) appointed as an additional director (Non-Executive) in the board meeting held on February 8, 2024.

   Further, Mr. Seshadri Badrinarayanan (DIN: 00507371), Mr. Vikraman Ampalakkat (DIN: 01978341) and Mr. Ramanathan Annamalai (DIN: 02645247) retired as an independent director of the company with the effect from March 31, 2024.

2. During the period under review and as confirmed by the Management, the company has paid the commission to the Independent Directors, who are retired, by passing an Ordinary Resolution at the Extra Ordinary General Meeting held on March 13, 2024, which is not exceeding 1% of the net profits of the Company as computed in accordance with the provisions of the Companies Act, 2013 and the said Commission is paid in addition to the sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors and/or Committees thereof and the company has made necessary intimation to the stock exchanges, with delay.

3. Adequate notice has been given to all the directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and necessary approvals were obtained wherever it was applicable to call the meeting at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

4. Decisions at the Board Meeting, as represented by the Management, were taken unanimously. We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that, during the audit period, the Company had the following events which had bearing on the Company's affairs, in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. During the period under review, the Company has allotted following Securities on Private Placement Basis:

   i. 15000 Listed, subordinated unsecured redeemable Non-Convertible Debentures (NCD's) face value (FV) of ₹ 1,00,000/- each (Rupees One Lakh Only), with total allotment amounting to ₹ 150,00,00,000 (Rupees One Hundred and Fifty Crores Only) allotted on May 18, 2023.

   ii. 15,000 Listed, senior secured redeemable non-convertible debentures (NCD's) Face Value of INR.1,00,000/- (Rupees One Lakh Only) Each, with total allotment amounting to INR.150,00,00,000/- (Indian Rupees One Hundred and Fifty Crores only) allotted on May 26, 2023.

ANNEXURE – VII TO DIRECTORS' REPORT (Contd.)

iii. 10,000 Listed, Subordinated Redeemable Non-Convertible Debentures (NCD's) Face Value of INR.1,00,000/- (Rupees One Lakh Only) each, with total allotment amounting to INR.100,00,00,000/- (Indian Rupees One Hundred Crores only) allotted on June 13, 2023.

iv. 5,000 Senior, Unsecured Rated, Listed, Fully Paid, Redeemable, Taxable, Non-Convertible Debentures (NCD's) Face Value of INR.1,00,000/- (Rupees One Lakh Only) Each, with total allotment amounting to INR. 50,00,00,000/- (Indian Rupees Fifty Crores only) allotted on February 29, 2024.

v. 9,700 Rated, Listed, Subordinated, Unsecured, Transferable, Redeemable Non-Convertible Debentures ("NCDs" or "Debentures") on a Private Placement basis face Value of INR.1,00,000/- (Rupees One Lakh Only) Each, with total allotment amounting to INR.97,00,00,000/- (Indian Ninety Seven Crores only) allotted on March 07, 2024.

2. During the period under review, the Company has allotted 7,47,94,315 (Seven Crores Forty Seven lakhs Ninety Four thousand Three Hundred and Fifteen only) Equity Shares of face value ₹ 10 each issued at a premium of ₹ 16.74 per equity share at total price of ₹ 26.74/- per share for an amount ₹ 199,99,99,983 Crores (Indian Rupees one hundred and ninety nine Crores ninety nine lakhs ninety nine thousand nine hundred and eighty three Only) through right issue basis on November 15, 2023.

3. During the period under review, the Company has allotted secured, redeemable, non-convertible debentures of face value ₹ 1,000 each ("NCDs" or "Debentures"), for an amount up to ₹ 200 crore ("Base Issue Size") with an option to retain oversubscription of up to ₹ 800 Crores, aggregating up to ₹ 1,000 Crores ("Tranche I Issue") which is within the shelf limit of ₹ 2,000 Crores ("Shelf Limit"), and allotment of 51,20,168 NCDs of Face Value of ₹ 1,000 each aggregating up to ₹ 512,01,68,000 through public issue on December 21, 2023.

4. The company has passed following special resolutions to increase in borrowing limits of the company:

   a. On August 30, 2023, existing limit of ₹ 12,000 Crores (Rupees Twelve Thousand Crores Only) was increased to ₹ 15,000 Crores (Rupees Fifteen Thousand Crores Only)

   b. On January 24, 2024, existing limit of ₹ 15,000 Crores (Rupees Fifteen Thousand Crores Only) was increased to ₹ 20,000 Crores (Rupees Twenty Thousand Crores Only)

5. The company has passed special resolution at the Extra Ordinary General Meeting held on January 24, 2024 to issue, offer and allot Secured/ Unsecured/ Listed/ Unlisted/ Rated/ Unrated/ Non –Convertible/ Market Linked/ Subordinated Debt/ Perpetual Debentures/ Fixed Maturity Debentures or any other securities of the Company shall not at any time exceed an amount of ₹ 4,000 Crores (Rupees Four Thousand Crores only) on private placement basis in one or more tranches.

6. The Company has declared Interim Dividend of ₹ 0.25 per equity shares to all the registered shareholders as on the record date i.e., December 31, 2023 at the Board Meeting held on January 15, 2024. However, the company has deposited the dividend amount to a separate Bank Account after 5 days from the date of declaration of dividend with a delay of 3 days.

7. During the period under review, the Company has passed a resolution for increasing the authorized share capital of the Company from the existing ₹ 7,00,00,00,000 (Rupees Seven Hundred Crores Only) consisting of Equity Share Capital divided into 69,80,00,000 (Sixty-Nine Crore Eighty Lakh Only) Equity shares of ₹ 10 each and 20,00,000 (Twenty Lakh Only) Preference shares of ₹ 10 each which is further divided into 1,45,000 (One Lakh Forty Five Thousand Only) Redeemable Non-Convertible Cumulative Preference Shares of ₹ 10 each aggregating to ₹ 14,50,000 (Rupees Fourteen Lakh and Fifty Thousand Only) and 18,55,000 (Eighteen Lakh Fifty-Five Thousand Only) Preference Shares of ₹ 10 each aggregating to ₹ 1,85,50,000 (Rupees One Crore Eighty-Five Lakh and Fifty Thousand Only) to the revised authorized capital of ₹ 1000,00,00,000 (Rupees Thousand Crores Only) consisting of Equity share Capital divided into 99,80,00,000 (Ninety-Nine Crore Eighty Lakh Only) Equity shares of ₹ 10 each and 20,00,000 (Twenty Lakh Only) Preference shares of ₹ 10 each which is further divided into 1,45,000 (One Lakh Forty Five Thousand Only) Redeemable Non-Convertible Cumulative Preference Shares of ₹ 10 each aggregating to ₹ 14,50,000 (Rupees Fourteen Lakh and Fifty Thousand Only) and 18,55,000 (Eighteen Lakh Fifty-Five Thousand Only) Preference Shares of ₹ 10 each aggregating to ₹ 1,85,50,000 (Rupees One Crore Eighty-Five Lakh and Fifty Thousand Only).

8. During the period under review, the company has passed the special resolution to alter and include the object clause No.6 of the Memorandum of Association (MoA) and alter the Article of Association (AoA) of the Company to include the clause No.91 of the AoA at the Annual general Meeting held on July 27, 2023.

ANNEXURE – VII TO DIRECTORS' REPORT (Contd.)

9. During the period under review, the company has passed the special resolution at the Annual General Meeting held on July 27, 2023 to reappoint Ms. Malini B. Eden as an Independent Non-Executive Director of the Company to hold office for second consecutive term of three years with effect from July 15, 2023.

10. The Company has granted a total number of 1,52,96,920 options under the Employee Stock Option Scheme during the one year, which is more than one percent of the issued capital. However, the Company has confirmed that none of the identified employee was granted options with more than one percent of the issued capital.

For KMH & Associates
Company Secretaries
FRN P2020KR079900

Date: April 24, 2024
Place: Bengaluru
UDIN: A037474F000230359

Krishnamurthy Hegde
Partner
ACS No: 37474| COP No: 20126

Note: This report is to be read with the letter of even date which is annexed as Annexure and forms an integral part of this report.

ANNEXURE – VII TO DIRECTORS' REPORT (Contd.)

'ANNEXURE'

To,
The Members,
IIFL Samasta Finance Limited
110/3, Lalbagh Main Road,
Krishnappa Layout,
Bengaluru- 560027
Karnataka, India

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

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

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

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

(4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

(5) The Management is responsible for compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards, etc., Our examination was limited to the verification of procedures on test basis.

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

For KMH & Associates
Company Secretaries
FRN P2020KR079900

Date: April 24, 2024
Place: Bengaluru
UDIN: A037474F000230359

Krishnamurthy Hegde
Partner
ACS No: 37474| COP No: 20126

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report relating to the financial year ended March 31, 2024 has been prepared in compliance with Regulation 34 read with Schedule V of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof ("Listing Regulations"). The report containing the details of Corporate Governance of IIFL Finance Limited ("Company") is as follows:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company follows the highest standards of governance and disclosure. Over the years, it has strengthened the corporate governance philosophy and have institutionalized a robust mechanism of corporate governance. The governance framework enshrines ethical and responsible conduct of business to create lasting stakeholder value. The governance framework and philosophy of the Company is inspired by ethics, values and culture of professionalism. Your Company endeavors to imbibe the 'best practices' that are adhered to in the realm of corporate governance. Across the day-to-day operations of the Company, it conforms to complete fairness, integrity and transparency which remain it's guiding principles.

Fairness- Your Company practices fair play and integrity in it's transactions with all stakeholders, both within and outside the organization. Your Company conducts itself in the most equitable manner.

Transparency- For your Company, transparency is key to healthy, self-sustaining growth and promotes self-enforcing checks and balances. It also fosters deep and long-standing trust among the stakeholders. It strives to demonstrate the highest levels of transparency over and above statutory requirements through accurate and prompt disclosures.

Accountability- For your Company, accountability is about holding itself firmly responsible for what it believes in and for delivering what it has promised. Your Company ensures this by promoting a mindset of end-to-end ownership throughout the organization. By means of openness and transparency, it considers itself accountable to all it's stakeholders including the employees, shareholders, vendors, government agencies, society, business partners and supply chain participants.

Your Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company to achieve its vision of being the most respected Company in the financial services space in India. Since inception, the Promoters have demonstrated exemplary track record of governance and utmost integrity. Your Company is in compliance with the requirements of the Companies Act, 2013 ("the Act"), Listing Regulations and Corporate Governance and Disclosure norms for Non-Banking Financial Companies issued by the Reserve Bank of India ("RBI") vide Chapter XI of Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("RBI SBR Direction"). Your Company's stringent Employee Code of Conduct Policy and Whistle Blower Policy have helped it move ahead in it's pursuit of excellence in corporate governance. Your Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report trading by Insiders and has adopted Internal Guidelines on Corporate Governance in compliance with RBI SBR Direction.

The Board of Directors ("Board") consists of Independent Directors, who are highly respected for their professional integrity as well as rich financial and banking experience and expertise. Your Board remains at the top of the governance pyramid as a custodian of trust with the employees at the base. The Corporate Governance framework of the Company is based on an effective and Independent Board, separation of the Board's supervisory role from the Senior Management team and constitution and functioning of Board Committees, as required under applicable laws.

Key pillars of Company's Corporate Governance philosophy:

- Effective and clear governance structure with a diverse Board, its Committees and Senior Management.
- Fairness, Integrity and Transparency.
- Clear demarcated roles of Chairperson and Managing Director.
- Separate Board-level Environment, Social and Governance Committee to sharpen focus on Environment, Social and Governance (ESG) matters.
- Public disclosures of Sustainability Report.
- A blend of Independent and Non-Executive Directors in Audit and Nomination and Remuneration Committee.
- Executive compensation is subject to Malus/ Clawback arrangements.

CORPORATE GOVERNANCE REPORT (Contd.)

- Separate charter and strategy to promote diversity and inclusion across our workforce.
- Annual Investor and Analyst Day.
- Compliance with all relevant laws in both form and substance.
- Complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in guiding strategies.
- Board governance through specialized sub-committees in the areas of Audit, Risk Management, IT Strategy, Nomination and Remuneration, Environment, Social and Governance, Corporate Social Responsibility, Stakeholders Relationship, etc.
- Well-defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization.
- Transparent procedures, practices and decisions based on adequate information.
- Accurate, uniform and timely dissemination of disclosures of corporate, financials and operational information to all stakeholders.
- Oversight of the Company's business strategy, major developments and key activities.

Corporate Governance Framework

Board of Directors

Ensures that long-term interests of stakeholders are being served.
Provides strategic direction, evaluates overall performance and maintains oversight.

⇩

Audit Committee	Nomination and Remuneration Committee ("NRC")	Stakeholders Relationship Committee ("SRC")	Corporate Social Responsibility Committee ("CSR")	Risk Management Committee ("RMC")	Asset Liability Management Committee ("ALCO")	Environment, Social and Governance Committee ("ESG")	IT Strategy Committee	Customer Service Committee	Information Security Committee	IT Steering Committee

⇩

Core Management Team

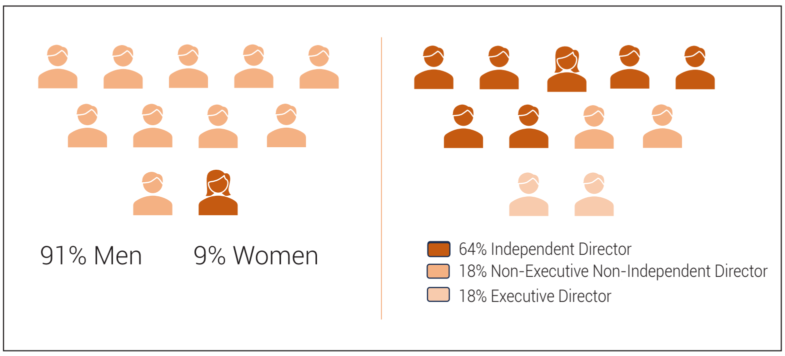
Ensures effective implementation of decisions taken by the Board across all functions and teams.
Provides progress updates to Board and Board Committees regularly.

2. BOARD OF DIRECTORS

(a) Composition of the Board of Directors:

The Board of Directors is the apex body constituted by its members, for overseeing the Company's overall functioning. It provides strategic direction, leadership and guidance to the Company's management as also monitors

Board Composition as on March 31, 2024



CORPORATE GOVERNANCE REPORT (Contd.)

the performance of the Company with the objective of creating long-term value for the Company's stakeholders.

During the year under review, the composition of the Board was in conformity with Regulation 17 of the Listing Regulations read together with Sections 149 and 152 of the Act and rules framed thereunder.

As on March 31, 2024, the Board of the Company consisted of eleven (11) Directors. The Chairperson of the Board was a Non-Executive Independent Director, and the majority of the Board comprised of Non-Executive Independent Directors. None of the Directors of the Company are related to each other. The composition of the Board as on March 31, 2024 is as follows:

Category	Name of the Director
Chairperson & Independent Director	Mr. Arun Kumar Purwar[1]
Executive Director- Managing Director & Promoter	Mr. Nirmal Jain
Executive Director- Joint Managing Director & Promoter	Mr. R Venkataraman
Independent Directors	Mr. Vijay Kumar Chopra[2]
	Mr. Nilesh Shivji Vikamsey[3]
	Ms. Geeta Mathur
	Mr. Ramakrishnan Subramanian
Non-Executive Director	Mr. Chandran Ratnaswami[4]
Non- Executive Nominee Director	Mr. Tritala Subramanian Ramakrishnan[5]
Additional (Independent) Director	Mr. Nihar Niranjan Jambusaria[6]
	Mr. Bijou Kurien[6]

[1] Completion of the second consecutive term as an Independent Director on March 31, 2024. He was appointed as Chairperson and Additional Non-Executive Director w.e.f. April 01, 2024 and his appointment was regularized by the Members through Postal Ballot, w.e.f. June 10, 2024.

[2] Completed his first term as an Independent Director of the Company w.e.f. May 20, 2024 and consequently ceased to be Independent Director of the Company.

[3] Completion of the second consecutive term as an Independent Director w.e.f. March 31, 2024.

[4] Resignation as a Non-Executive Director of the Company w.e.f. May 10, 2024 due to attaining the age of 75 years.

[5] Appointed as an Additional Non-Executive Nominee Director w.e.f. October 26, 2023 and his appointment was regularized by the Members through Postal Ballot w.e.f. December 05, 2023.

[6] Appointed as Additional Independent Directors w.e.f. March 13, 2024 and their appointment was regularized by the Members through Postal Ballot w.e.f. June 10, 2024.

The brief profile of the present Directors on the Board of the Company is available on the website of the Company https://www.iifl.com/finance/investor-relations/corporate-governance?redirect=menu-bar.

(b) Matrix chart of core skills/expertise/competencies of the Board:

The Board has adopted a policy on Board Diversity. The Board represents a confluence of diverse backgrounds with skills, experience and expertise. For the purpose of Board composition, diversity includes, but is not limited to, educational and functional background, industry experience, geography, age, insider status, gender and ethnicity. The skills and backgrounds collectively represented on the Board reflect the diverse nature of the business environment in which your Company operates. The Board reviews its composition, skills and diversity from time to time to ensure that it remains aligned with the statutory as well as business requirements.

Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations, a matrix chart setting out the core skills/expertise/competence of the Board is as follows:

Sr. No.	Skills/Expertise/Competence	Mr. Arun Kumar Purwar	Mr. Nirmal Jain	Mr. R Venkataraman	Mr. Vijay Kumar Chopra	Mr. Nilesh Shivji Vikamsey	Ms. Geeta Mathur	Mr. Ramakrishnan Subramanian	Mr. Chandran Ratnaswami	Mr. Tritala Subramanian Ramakrishnan	Mr. Nihar Jambusaria	Mr. Bijou Kurien
1.	Knowledge of sector	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	Accounting and Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.	Corporate Governance & Compliances	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4.	Marketing experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	Strategy development and implementation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6.	Information Technology	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7.	Stakeholders relationship	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8.	Risk Management system	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9.	Senior Management Experience/Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

(c) Board Meetings and Directorship/Committee Membership(s) of Directors:

During the year under review, twelve (12) Board Meetings were held on the following dates:

April 26, 2023	June 05, 2023	June 30, 2023	July 27, 2023	September 18, 2023
October 18, 2023	January 17, 2024	February 20, 2024	March 05, 2024	March 07, 2024
March 13, 2024	March 26, 2024			

In terms of the provisions of Regulation 26(1) of the Listing Regulations, no Director on the Board of the Company is a Member of more than ten (10) specified Committees and Chairperson in more than five (5) specified Committees in which they are Directors, across all the Indian Public Limited Companies, except Private Limited Companies, Foreign Companies, High Value Debt Listed Entities and Companies incorporated under Section 8 of the Act.

In compliance with Section 165(1) of the Act, none of the Directors hold directorship in more than 20 Indian Companies with more than 10 Public Limited Companies. In terms of the provisions of Regulation 17A of the Listing Regulations, none of the Independent Directors serve as an Independent Director in more than seven (7) equity listed entities. None of the Whole Time Director/Managing Director serve as an Independent Director in more than three (3) equity listed entities. Further, none of the Independent Directors serve as an Non-Independent Director of any Company on the Board of which any Non-Independent Director is an Independent Director.

The Policy on fit and proper criteria is in place for ascertaining the fit and proper criteria of the Directors at the time of appointment and on a continuing basis by the Nomination and Remuneration Committee to ensure 'fit and proper' status of proposed/existing Directors. The policy on the fit and proper criteria is in line with RBI SBR Direction as amended from time to time.

Your Company has received necessary disclosures from all the Directors regarding Committee positions held by them in other Companies. The table below gives the details of the names of the members of the Board, their category, their attendance at the Board Meetings held during the year under review and at the last Annual General

CORPORATE GOVERNANCE REPORT (Contd.)

Meeting ("AGM"), their Directorship, Committee Membership and Chairpersonship in Indian Companies as on March 31, 2024:

Name of the Director	Date of original appointment	Category	Number of Board Meetings entitled to attend	Number of Board Meetings attended	Attendance at last AGM	Directorship in Indian Companies (including the Company)[1]	Membership of Committees (including the Company)[2]	
							Member[3]	Chair person
Mr. Arun Kumar Purwar (DIN: 00026383)	March 10, 2008	Chairperson & Independent Director	12	12	Yes	9	3	2
Mr. Nirmal Jain (DIN: 00010535)	October 18, 1995	Promoter-Managing Director	12	12	Yes	4	0	0
Mr. R Venkataraman (DIN: 00011919)	July 05, 1999	Promoter-Joint Managing Director	12	12	Yes	6	4	1
Mr. Nilesh Shivji Vikamsey (DIN: 00031213)	February 11, 2005	Independent Director	12	12	Yes	10	10	5
Ms. Geeta Mathur (DIN: 02139552)	September 18, 2014	Independent Director	12	12	Yes	12	10	5
Mr. Vijay Kumar Chopra (DIN: 02103940)	May 21, 2019	Independent Director	12	12	Yes	4	2	0
Mr. Ramakrishnan Subramanian (DIN: 02192747)	September 06, 2021	Independent Director	12	12	Yes	3	1	0
Mr. Chandran Ratnaswami (DIN: 00109215)	May 15, 2012	Non-Executive Director	12	6	No	10	4	0
Mr. Tritala Subramanian Ramakrishnan (DIN: 09515616)	October 26, 2023	Non- Executive Nominee Director	6	5	No	1	0	0
Mr. Nihar Niranjan Jambusaria (DIN: 01808733)	March 13, 2024	Additional (Independent) Director	1	1	No	4	0	0
Mr. Bijou Kurien (DIN: 01802995)	March 13, 2024	Additional (Independent) Director	1	1	No	15	6	2

1 Excludes directorship in section 8 Companies of the Act.

2 The membership count includes the count in which the Director is a Chairperson.

3 The Committees considered for the above purpose are those prescribed in the Listing Regulations viz. Audit Committee and Stakeholders Relationship Committee.

Note: No recommendation of any Committee which is mandatorily required to have Board approval in FY 2023-24 was rejected/not accepted by the Board.

Details of changes in composition of Board during FY 2022-23 and FY 2023-24:

Details of change in composition of the Board during the year under review and previous year i.e., from April 01, 2022 to March 31, 2024 are as follows:

Sr. No.	Name of the Director	Category of Directorship	Nature of change	Effective date
1.	Mr. Nirmal Jain	Managing Director	Appointment	April 01, 2022

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Sr. No.	Name of the Director	Category of Directorship	Nature of change	Effective date
2.	Mr. R Venkataraman	Joint Managing Director	Change in Designation	April 01, 2022
3.	Mr. Vibhore Sharma	Independent Director	Resignation	August 31, 2022
4.	Mr. Tritala Subramanian Ramakrishnan	Non-Executive Nominee Director	Appointment	October 26, 2023
5.	Mr. Nihar Niranajan Jambusaria	Additional (Independent) Director	Appointment	March 13, 2024
6.	Mr. Bijou Kurien	Additional (Independent) Director	Appointment	March 13, 2024
7.	Mr. Nilesh Shivji Vikamsey	Independent Director	Retirement (Completion of second consecutive term of directorship)	March 31, 2024
8.	Mr. Arun Kumar Purwar	Independent Director	Retirement (Completion of second consecutive term of directorship)	March 31, 2024

The below table provides details of the name of the directors, the name of the equity listed entities where they are directors and directorship as on March 31, 2024:

Name of the Director	Name of the Equity Listed Entity	Category of Directorship
Mr. Arun Kumar Purwar	Alkem Laboratories Limited	Independent Director
	Balaji Telefilms Limited	Independent Director
Mr. Nirmal Jain	360 One WAM Limited (Formerly known as IIFL Wealth Management Limited)	Non-Executive Director
Mr. R Venkataraman	360 One WAM Limited (Formerly known as IIFL Wealth Management Limited)	Non-Executive Director
	IIFL Securities Limited	Chairperson & Managing Director
Mr. Nilesh Shivji Vikamsey	Thejo Engineering Limited	Independent Director
	Allcargo Logistics Limited	Independent Director
	Thomas Cook (India) Limited	Independent Director
	PNB Housing Finance Limited	Independent Director
	360 One WAM Limited (Formerly known as IIFL Wealth Management Limited)	Chairperson & Independent Director
	Allcargo Gati Limited	Independent Director
Ms. Geeta Mathur	Motherson Sumi Wiring India Limited*	Independent Director
	NIIT Limited*	Independent Director
	360 One WAM Limited (Formerly known as IIFL Wealth Management Limited)	Independent Director
	Info Edge (India) Limited	Independent Director
	OnMobile Global Limited	Independent Director
	Healthcare Global Enterprises Limited	Independent Director
Mr. Vijay Kumar Chopra	Nil	Nil
Mr. Ramakrishnan Subramanian	Nil	Nil
Mr. Chandran Ratnaswami	Thomas Cook (India) Limited	Non-Executive Director
	Quess Corp Limited	Non-Executive Director
	Chemplast Sanmar Limited	Non-Executive Director
Mr. Tritala Subramanian Ramakrishnan	Nil	Nil
Mr. Nihar Niranjan Jambusaria	Nil	Nil
Mr. Bijou Kurien	Timex Group India Limited*	Independent Director
	Renaissance Global Limited	Independent Director
	LTIMindtree Limited	Independent Director
	Brigade Enterprise Limited	Independent Director

* Completed term of Directorship on March 31, 2024.

CORPORATE GOVERNANCE REPORT (Contd.)

The matters generally placed before the Board, inter-alia, includes:

➢ **Finance Matters**

- Quarterly/Annual consolidated and standalone results and financial statements of the Company;
- Recommendation of Dividend;
- Quarterly details of foreign exchange exposures and hedging;
- Quarterly details on Loans/Inter-Corporate Deposits given, Investments made, Guarantees given or securities provided;
- Half-yearly details of Internal Financial Controls.

➢ **Statutory and Governance Matters**

- Materially important show cause, demand, prosecution notices and penalty notices, if any;
- Any issue which involves possible public or product liability claims of substantial nature;
- Corporate Social Responsibility related matters;
- Appointment and remuneration to Directors, Key Managerial Personnel ("KMP") and Senior Management Personnel ("SMP");
- Quarterly compliance certificate with exceptions, if any, of regulatory or statutory compliances;
- Overseeing risk management framework of the Company;
- Appointment of Joint Statutory Auditors;
- Minutes of meetings of the Board and its committees along with the minutes of its subsidiaries and resolutions passed by circulation;
- Approval of policies as statutorily required and recommended by the Board Committees;
- Approval for re-constitution of Committees of Board and amendment to the terms of reference;
- Significant transactions or arrangements by subsidiary companies;
- Statutory disclosures received from the Directors and Senior Management;
- Performance evaluation of the Board, its Committees and each Director;
- Quarterly review of related party transactions and other related matters;
- Quarterly review of Complaints, if any, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Quarterly details on frauds monitoring system;
- Noting of various returns/reports filed with the Regulatory Authorities/Stock Exchanges;
- Annual review of the Internal Audit Report/Action Taken Report provided by the Registrar and Share Transfer Agent.

➢ **Strategic Matters**

- Reviewing and guiding the corporate strategy;
- Details of any acquisition or collaboration agreement;
- Sale of investment, subsidiaries or assets which are material in nature.

➢ **Operational Matters**

- Business performance along with performance of subsidiaries;
- Annual operating plans and capital budgets;
- Regular business/function updates;
- Noting of RBI Inspection Report under Section 45N of the RBI Act, 1934;
- Change in signatories for various operational matters;
- Noting of quarterly report on customer grievance redressal;
- Quarterly update on Material Legal cases;
- Annual review/adoption/modification of Company Policies.

(d) Board Level Performance Evaluation:

In compliance with the provisions of the Act, the Listing Regulations, guidance note issued by SEBI on Board Evaluation and global best practices, your Company has a structured framework – process and questionnaires for the performance evaluation of the Board, its Committees and individual Directors including the Chairperson, Managing Director and Joint Managing Director, keeping in view the Board priorities and best practices. This performance evaluation is carried out annually on the basis of a structured questionnaire on performance criteria. During the year, the Directors participated in the evaluation process which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairperson, Managing Director and Joint Managing Director. The results of evaluation were discussed in the Independent Directors' meeting held on March 26, 2024, and the Board expressed its satisfaction with the evaluation process. The observations made during the evaluation process were noted and based on the outcome of the evaluation and feedback of the Directors, the Board and the Management agreed on various action points to be implemented in subsequent meetings.

The criteria for performance evaluation are as under:

For Chairperson:

The criteria for evaluation of Chairperson, inter alia, includes his leadership, his ability to conduct meetings, ability to elicit inputs from all the members, ability to table and openly discuss challenging matters, attendance at meetings, assistance to Board in formulating policies and setting standards, accessibility, ability to analyze strategic situations, ability to project positive image of the Company, compliance with regulatory requirements, impartial in conducting discussions, sufficiently committed to the Board, ability to keep shareholders' interest in mind during discussions and decisions.

For Executive Directors:

The criteria for evaluation of Executive Directors, inter alia, includes their ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance and participation at meetings, integrate quality and re-engineering, capitalize on opportunities created by economic and technological changes, provide assistance to the Board in formulating policies and setting standards and following them, accessibility, ability to analyze strategic situations, ability to project positive image of the Company, compliance with regulatory requirements, handling critical situations concerning the Company.

For Non-Executive Directors (including Independent Directors):

The criteria for evaluation of Non-Executive Directors, inter alia, includes attendance at the meetings, study of agenda, active and constructive participation and contribution in discussions on strategy, in Committees of the Board, exercise of skills and diligence with due and reasonable care to bring independent judgment to the Board, ability to bring in best practices from experience and adherence to the Code of Conduct.

For Board as a whole:

The criteria for evaluation of the Board, inter alia, includes composition and diversity, induction program, teamwork, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members of the Board, proper mix of competencies and enough experience to conduct affairs effectively.

Committees of the Board:

The criteria for evaluation of the Committees of the Board, inter alia, includes effectiveness in fulfilling functions assigned by the Board, appropriateness of structure of various Committees, level of frequency and adequacy of meetings, meaningful and comprehensive discussion and effectiveness of the recommendations of Committees and contribution thereof to the decisions of the Board.

(e) Separate meetings of the Independent Directors:

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out its own annual performance evaluation, the Directors individually including Independent Directors based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the NRC .

In compliance with the provisions of section 149(8) read with schedule IV of the Act and Regulation 25(3) of the Listing Regulations, a seperate meeting of Independent Directors of the Company was held on March 26, 2024, inter alia, to discuss the following:

CORPORATE GOVERNANCE REPORT (Contd.)

- To review the performance of Non-Independent Directors, the various Committees of the Board and the Board as a whole;
- To review the performance of the Chairperson;
- To assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon the conclusion of the meeting, the Independent Directors expressed their overall satisfaction over the performance of the other Directors and the Board as a whole and a few suggestions were discussed with the Promoter Directors. They also expressed their satisfaction over the quality, quantity and timeliness of flow of information between the Company's management and the Board/Committees of the Board from time to time and performance of Chairperson of the Company.

(f) Familiarization program for Independent Directors:

Pursuant to Regulation 25(7) of the Listing Regulations, your Company has put in place a Familiarization Program for Independent Directors to familiarize them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates, its business model, etc. The same may be accessed on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2024-05/Familiarization_Programme_of_ID_13052024.pdf.

Further, there is a detailed quarterly discussion and presentation on the review of operations of the Company and the regulatory updates impacting the business which helps the Director familiarize himself/herself with the Company, its business, and the regulatory framework in which the Company operates.

(g) Meetings of the Board/Committee:

- **Frequency**: The Board meets at least once a quarter to review the quarterly financial results and other agenda items. A minimum of four meetings of the Board are held in a calendar year with a maximum gap of 120 days between two consecutive meetings. The Audit Committee meets at least four times a year with a maximum gap of 120 days between two consecutive meetings, the NRC meets at least once a year, the SRC meets at least once a year and the RMC meets at least twice a year with a maximum gap between two consecutive meetings as may be prescribed. The calendar for the Board and Committee meetings is fixed in advance for the entire year, whenever necessary additional meetings are held. In case of business exigencies or matter of urgency, resolutions are passed by circulation, as permitted by law, which are noted at the subsequent Board/Committee Meeting.
- **Board/Committee Meeting Location:** The location of the Board/Committee Meetings is informed well in advance to all the Directors. Each Director is expected to attend the Board/Committee Meetings. In accordance with the statutory provisions, exemptions and relaxations provided by Ministry of Corporate Affairs, all Board/ Committee Meetings during FY 2023-24 were held in physical mode except few which were held through video conferencing.
- **Notice and Agenda distributed in advance**: The Board/Committee Members are presented with detailed notes along with the agenda papers which are circulated well in advance of the Meeting. Your Company has implemented an app-based e-meeting system accessible through secured iPads provided to the Directors. The agenda, presentation, notes and minutes are made available to the Board and Committee Members. The Company Secretary in consultation with the Chairperson of the Board/Committees sets the Agenda for the Board/Committees Meetings. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the Meeting. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.
- **Presentations by Management**: The Board/Committees is given presentations, wherever practicable covering finance, sales, marketing, major business segments

and operations of the Company, business opportunities, business strategy, risk management practices and operating performance of the Company while taking on record the financial results of the Company.

- **Access to officers and employees**: The Directors are provided free access to officers and employees of the Company. Whenever any need arises, the Board/Committee Members are at liberty to summon the personnel whose presence and expertise would help the Board/Committee to have a full understanding of the issues being considered.

(h) Information Supplied to the Board/Committees:

Among others, information supplied to the Board/ Committees in terms of Part A of Schedule II of the Listing Regulations includes:

- Annual Budget and updates thereof.
- Quarterly, half yearly and annual results of the Company as per the format prescribed in the Listing Regulations.
- Minutes of the Meetings of the Board and all other Committees of the Board.
- The information on recruitment and remuneration of senior management below the Board level, including the appointment or removal, if any, of Chief Financial Officer and Company Secretary and Compliance Officer.
- Status of important/material litigations.
- Show cause, demand, prosecution and penalty notices, if any, which are materially important.
- Any material default in financial obligations to and by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards royalty, goodwill, brand equity or intellectual property.
- Any significant development in Human Resources/Industrial Relations front, as and when it occurs.
- Sale of investments, subsidiaries, assets which are material in nature and not in the normal course of business.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders' service, such as non-payment of dividends, delay in share transfer, if any, and other steps taken by the Company to rectify instances of non-compliances, if any.

(i) Minutes of the Meetings:

The draft minutes of the proceedings of the Board/Committee Meetings are circulated to the members of the Board/Committees. Comments and suggestions, if any received from the Board/ Committee members are incorporated in the minutes, in consultation with the Chairperson of the Board/Committee. The minutes are confirmed by the Directors/members and signed by the Chairperson of such meeting at any time before the next meeting is held or by the Chairperson of the next Board/Committee Meeting. The summary of the minutes of the Committee meetings is placed at the Board Meeting on a quarterly basis for perusal and noting of the Board.

(j) Post meeting follow-up mechanism:

Your Company has an effective post meeting follow-up review and reporting process for the decisions taken/suggestions provided by the Board and Committee(s) thereof. The important decisions taken/suggestions provided at the Board/Committee Meetings, which call for actions to be taken, are promptly initiated and wherever required, communicated to the concerned departments/divisions for their further action. The Action Taken Report is placed at the immediately succeeding meeting of the Board/Committee for information and review by the Board/Committee.

(k) Confirmation of Independence:

The maximum tenure of the Independent Directors is in compliance with the Act and Listing Regulations. All the Independent Directors have confirmed that they meet the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing

CORPORATE GOVERNANCE REPORT (Contd.)

Regulations and have submitted the declaration under Section 149(7) of the Act. Based on the disclosures received from the Independent Directors, it is hereby confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and Listing Regulations and are independent of the management and are also in compliance with the limit on Independent Directorship of listed companies as prescribed under Regulation 17A of the Listing Regulations.

3. BOARD COMMITTEES

In terms of the Act, Listing Regulations and RBI SBR Direction, the Board has constituted various sub-committees with specific terms of reference for the purpose of supporting the Board's work. The composition of the Committees along with their terms of reference as on March 31, 2024, is as under:

a) Audit Committee:

The Audit Committee is constituted in accordance with the Act, Listing Regulations and RBI SBR Direction. It comprises of four (4) Independent Directors as on March 31, 2024, as follows:

Name of the Member	Category of Member	Designation
Mr. Nilesh Shivji Vikamsey	Independent Director	Chairperson
Ms. Geeta Mathur	Independent Director	Member
Mr. Ramakrishnan Subramanian	Independent Director	Member
Mr. Arun Kumar Purwar	Independent Director	Member

All the Members of the Audit Committee are financially literate and possess thorough knowledge of the financial service industry.

During the year under review, there was no change in the constitution of the Audit Committee. The composition of the Audit Committee is in conformity with the applicable provisions of the Act and Listing Regulations.

The scope of the Audit Committee includes the references made under Regulation 18 read with Part C of Schedule II of the Listing Regulations as well as Section 177 and other applicable provisions of the Act and RBI SBR Direction. The broad terms of reference of the Audit Committee are:

(i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

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

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

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

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

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

c) Major accounting entries involving estimates based on the exercise of judgment by the management;

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

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

f) Disclosure of any Related Party Transactions;

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

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

(vi) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(vii) Review and monitor the auditor's independence and performance, and effectiveness of the audit process;

(viii) Approval or any subsequent modification of transactions of the Company with related parties;

(ix) Scrutiny of inter-corporate loans and investments;

(x) Valuation of undertakings or assets of the Company, wherever it is necessary;

(xi) Evaluation of internal financial controls and risk management systems;

(xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

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

(xiv) Discussion with internal auditors of any significant findings and follow up thereon;

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

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

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

(xviii) To review the functioning of the Whistle Blower Mechanism;

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

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

(xxi) Reviewing the utilization of loans and/or advances from/investment by the Company in its subsidiaries exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances/investments;

(xxii) Reviewing the following information:

a) Management discussion and analysis of financial condition and results of operations;

b) Management letters/letters of internal control weaknesses issued by the statutory auditors;

c) Internal audit reports relating to internal control weaknesses;

d) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

e) Statement of deviations:

i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).

ii. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

(xxiii) Consider and comment on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

(xxiv) Responsibility under Risk Based Internal Audit pursuant to RBI Circular dated February 03, 2021:

a) Primarily responsible for overseeing the IA function

b) Approve RBIA Policy defining purpose, authority & responsibility with

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demarcating roles & responsibilities for IA & Risk Management function

c) Approve RBIA plan ensuring coverage of all risks with defined timelines

d) Review of audit function at least annually

e) Promote use of new audit technologies /tools

f) Periodic review of the RBIA policy

g) Developing an effective audit function for providing quality assurance on the internal control mechanism

h) Understanding the risk assessment methodology and approving the audit plan

i) Ensuring the adequate audit coverage to monitor compliance with policies and procedures

j) Approving the audit charter

k) Receiving the audit reports and deliberating on action plans to enhance the internal control environment

l) Discussing status of (key) open issues from the previous audits and remediation action steps taken by the management

m) Assessing the performance of IAF. The AC should also periodically assess the performance of risk-based internal audits for their reliability, accuracy and objectivity

n) Review the findings identified in the RBI Inspection report and other regulatory inspections(SEBI/Audit/Exchange Audit) and follow up on corrective actions

o) Review the key findings in the monthly Concurrent Audit Reports

p) Review the key audit findings with the entity Audit Committees; analyze potential impact and remediation plans

q) To formulate and maintain a quality assurance and improvement program that covers all aspects of the internal audit function

During the year under review, the Audit Committee of the Company met eleven (11) times, as below:

April 25, 2023*	June 05, 2023	July 26, 2023#	September 18, 2023
October 18, 2023	November 28, 2023	January 17, 2024	February 20, 2024
February 22, 2024	March 05, 2024	March 13, 2024	

* This meeting was adjourned to April 26, 2023.

This meeting was adjourned to July 27, 2023.

The requisite quorum was present at both original and adjourned meetings. The gap between two consecutive Audit Committee meetings was not more than 120 days.

The constitution of the Audit Committee and details of attendance of each member of the Committee at the aforesaid meeting(s) of the Committee are as follows:

Name of the Member	Member of Committee since	Designation	Category	No. of committee meetings entitled to attend [1]	No. of committee meetings attended[1]
Mr. Nilesh Shivji Vikamsey	11/02/2005	Chairperson	Independent Director	11	11
Ms. Geeta Mathur	05/05/2016	Member	Independent Director	11	11
Mr. Ramakrishnan Subramanian	28/04/2022	Member	Independent Director	11	11
Mr. Arun Kumar Purwar	28/04/2022	Member	Independent Director	11	11

[1] Including both original and adjourned meetings.

Audit Committee meetings are attended by the Chief Financial Officer of the Company and representatives of Statutory Auditors and Internal Auditors, if required. The Company Secretary acts as the Secretary to the Audit Committee.

The Chairperson of the Audit Committee was present at the last AGM of the Company held on July 31, 2023.

During the year under review, the Audit Committee reviewed the internal control put in place to ensure that the accounts of your Company are properly maintained and are in accordance with the prevailing Laws and Regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the Internal Control system of the Company.

Your Company has an Internal Audit Department co-sourced with professional firms of Chartered Accountants. The Internal Auditor reports directly to the Audit Committee of the Board.

During the year under review, the Committee met and discussed various matters including financials, internal and statutory audit report. During the year under review, the Board of Directors of the Company accepted all the recommendations of the Audit Committee.

b) Nomination and Remuneration Committee:

The NRC is constituted in accordance with the Act, Listing Regulations and RBI SBR Direction. It comprises of three (3) Independent Directors as on March 31, 2024, as follows:

Name of the Member	Category of Member	Designation
Mr. Vijay Kumar Chopra	Independent Director	Chairperson
Mr. Nilesh Shivji Vikamsey	Independent Director	Member
Mr. Arun Kumar Purwar	Independent Director	Member

During the year under review, there was no change in the composition of the NRC. The composition of the NRC is in conformity with the applicable provision of the Act, Listing Regulations and RBI SBR Direction.

The scope of the NRC includes the references made under Regulation 19 read with Part D of Schedule II of the Listing Regulations as well as Section 178 and other applicable provisions of the Act besides other terms that may be referred by the Board and RBI SBR Direction. The broad terms of reference of NRC are:

(i) Succession planning of the Board and Senior Management Employees;

(ii) Identifying and selection of candidates for appointment as Directors/Independent Directors based on certain laid down criteria;

(iii) Identifying potential individuals for appointment as Key Managerial Personnel and other Senior Management positions;

(iv) Formulate, review and implement from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration;

(v) Review the performance of the Board and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, it also ensures that the relationship of remuneration to performance is clear, that the performance meets the appropriate performance benchmarks and the remuneration involves a balance between fixed and incentive pay, reflecting the short- term and long- term objectives of the Company;

(vi) Devising a policy on diversity of Board of Directors;

(vii) Administer, monitor and formulate detailed terms and conditions of the employees' stock option scheme;

(viii) Recommend to the Board, all remuneration, in whatever form, payable to Senior Management;

(ix) Ensure 'fit and proper' status of proposed/ existing directors as per RBI guidelines and that there is no conflict of interest in appointment of Directors on Board of the Company, KMP's and Senior Management;

(x) Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director, at the time of every appointment of Independent Director. For the purpose of identifying suitable candidates;

    a. may use the services of an external agencies, if required;

    b. may consider candidates from a wide range of backgrounds, having due regard to diversity; and

    c. may consider the time commitments of the candidates.

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(xi) Ensure that the compensation levels of Key Managerial Personnel and Senior Management are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process.

During the year under review, NRC met eight (8) times, as below:

April 25, 2023	June 30, 2023	July 27, 2023	August 04, 2023	October 18, 2023
January 05, 2024	March 13, 2024	March 26, 2024		

The requisite quorum was present at the meetings.

The constitution of the NRC and details of attendance of each Member of the Committee at the aforesaid Meeting(s) of the Committee are as follows:

Name of the Member	Member of Committee since	Designation	Category	No. of committee meetings entitled to attend	No. of committee meetings attended
Mr. Vijay Kumar Chopra	21/05/2019	Chairperson	Independent Director	8	8
Mr. Nilesh Shivji Vikamsey	11/02/2005	Member	Independent Director	8	8
Mr. Arun Kumar Purwar	19/11/2010	Member	Independent Director	8	8

During the year under review, the NRC also approved matters relating to grant/allotment of stock option(s), through circular resolutions. The Company Secretary acts as the Secretary to the NRC.

The Chairperson of the NRC was present at the last AGM of the Company held on July 31, 2023.

The Board has approved the Nomination and Remuneration Policy of the Company, which sets out the guiding principles for the appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The same may be accessed on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2024-02/Nomination_and_Remuneration_Policy_30062023_finance.pdf.

(a) Details of remuneration paid to Directors during FY 2023-24 and details of shares and convertible instruments held by Directors as on March 31, 2024 are as follows:

Name of the Director	Designation	Salary and perquisites	Commission	Sitting Fees	Contribution to PF and other funds, Gratuity	Stock options	No. of shares and convertible instruments held in the Company
Mr. Arun Kumar Purwar	Chairperson & Independent Director	-	-	28,50,000	-	-	95,000
Mr. Nirmal Jain	Managing Director	11,09,05,200	-	-	-	-	4,77,19,154
Mr. R Venkataraman	Joint Managing Director	-	-	-	-	-	109,84,432
Mr. Nilesh Shivji Vikamsey	Independent Director	-	-	28,20,000	-	-	1,65,000
Ms. Geeta Mathur	Independent Director	-	-	25,80,000	-	-	-
Mr. Vijay Kumar Chopra	Independent Director	-	-	16,90,000	-	-	-
Mr. Ramakrishnan Subramanian	Independent Director	-	-	27,30,000	-	-	-
Mr. Chandran Ratnaswami	Non-Executive Director	-	-	-	-	-	-
Mr. Tritala Subramanian Ramakrishnan	Non- Executive Nominee Director	-	-	4,00,000	-	-	-
Mr. Bijou Kurien	Additional Independent Director		-	2,00,000			
Mr. Nihar Jambusaria	Additional Independent Director		-	2,00,000			

The term of office of the Managing Director and Joint Managing Director is for five (5) years from the date of their respective appointments. This employment shall be deemed to be terminated on the occurrence of death, expiration

CORPORATE GOVERNANCE REPORT (Contd.)

of tenure, permanent disability or resignation, the notice period of which is as per the Company's policy.

In the event of termination for any reasons specified above, except expiration of tenure and resignation, they or their nominee shall be entitled to receive a lump sum severance payment, a sum equal to five (5) times of the annual salary.

(b) Remuneration to Non-Executive Directors including Independent Directors and criteria thereof:

The Non-Executive Directors including Independent Directors are paid remuneration by way of sitting fees, commission and other expenses (travelling, boarding and lodging incurred for attending the Board/Committee meetings).

During the year under review, the Non-Executive Directors including Independent Directors were paid sitting fees of ₹ 1,00,000 per meeting for attending Board and Audit Committee Meetings, ₹ 30,000 per meeting for other Committee Meetings except Corporate Social Responsibility Committee, plus reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them.

Apart from the above, Non-Executive Directors including Independent Directors, of the Company (i.e., Directors other than the Managing Director and/or Whole Time Directors) are eligible for a commission as approved by the Members of the Company at the AGM held on June 30, 2021. The amount of the commission is based on the overall financial performance of the Company and the Board.

Pursuant to the provisions of Section 149(9) of the Act and Regulation 17(6)(d) of the Listing Regulations, an Independent Director shall not be entitled to any stock option. In compliance with the above provisions, your Company has not granted any employee stock options to any of the Directors. There are no pecuniary relationships or transactions of the Non-Executive Directors with the Company apart from dividends, sitting fees and commission as mentioned above.

In terms of provisions of Regulation 25(10) of the Listing Regulations, the Listed Entity shall undertake Directors and Officers insurance for all their Independent Directors. In compliance with the above provision, the Company has obtained a Directors and Officers Liabilities Insurance Policy covering all Directors and Officers of the Company in respect of any legal action that might be initiated against any of them.

c) Stakeholders Relationship Committee:

The SRC is constituted in accordance with the Act and Listing Regulations. It comprises of two (2) Independent Directors and one (1) Executive Director as on March 31, 2024, as follows:

Name of the Member	Category of Member	Designation
Mr. Arun Kumar Purwar	Independent Director	Chairperson
Mr. Vijay Kumar Chopra	Independent Director	Member
Mr. R Venkataraman	Executive Director	Member

During the year under review, there was no change in the composition of the SRC. The composition of the SRC is in conformity with the applicable provisions of the Act and Listing Regulations.

The scope of the SRC includes the references made under Regulation 20 read with Part D of Schedule II of the Listing Regulations as well as Section 178 and other applicable provisions of the Act besides the other terms that may be referred by the Board. The broad terms of the SRC are as follows:

i) Approval of transfer/transmission of shares/ debentures and such other securities as may be issued by the Company from time to time;

ii) Approval to issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;

iii) Approval to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/ certificates relating to other securities;

iv) Approval to issue and allot Rights Issue/ Bonus Issue pursuant to a Rights Issue/ Bonus Issue made by the Company, subject to such approvals as may be required;

v) To approve and monitor the dematerialization of shares/debentures/other securities and all matters incidental or related thereto;

CORPORATE GOVERNANCE REPORT (Contd.)

vi) Monitoring expeditious redressal of investors/stakeholders grievances;

vii) Review of measures taken for effective exercise of voting rights by shareholders;

viii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

ix) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend/warrants/annual reports/statutory notices by the shareholders of the Company;

x) All other matters incidental or related to shares, debentures, and other securities of the Company.

In compliance with the SEBI Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, the Company has registered itself under Online Dispute Resolution Portal. During the year under review, no complaints were received by the Company from equity shareholders, whereas seven (7) complaints were received from non-convertible debenture holders (investors) including complaints received through SEBI's SCORES portal. Complaints were redressed to the satisfaction of the investors. The details of the Complaints are as follows:

Sr. No.	Particulars	No. of Complaints
1.	Investor complaints pending at the beginning of the year	0
2.	Investor complaints received during the year	7
3.	Investor complaints disposed off during the year	7
4.	Investor complaints remaining unresolved at the end of the year	0

No pledge has been created over the equity shares held by the Promoters as on March 31, 2024 and a declaration under Regulation 31(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 was provided by the Promoter & Promoter Group to the Audit Committee and Stock Exchanges.

The Chairperson of the SRC was present at the last AGM of the Company held on July 31, 2023.

During the year under review, the SRC met one (1) time on May 16, 2023. The requisite quorum was present at the meeting.

The constitution of the SRC and details of attendance of each member of the Committee at the aforesaid Meeting(s) of the Committee are as follows:

Name of the Member	Member of Committee since	Designation	Category	No. of committee meetings held	No. of committee meetings attended
Mr. Arun Kumar Purwar	06/12/2017	Chairperson	Independent Director	1	1
Mr. Vijay Kumar Chopra	06/05/2021	Member	Independent Director	1	1
Mr. R Venkataraman	27/01/2005	Member	Executive Director	1	0

The Company Secretary acts as Secretary to the SRC.

The name, designation, address and contact details of the Company Secretary & Compliance Officer of the Company are as under:

Name and Designation:	Ms. Mauli Agarwal, Company Secretary & Compliance Officer
Corporate Office Address:	802, 8th Floor, Hubtown Solaris, N. S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai – 400069.
Contact Details:	Tel: +91 22 6788 1000; Fax: +91 22 6788 1010 E-mail: csteam@iifl.com

Complaints or queries relating to the shares and/or debentures can be forwarded to the Company's Registrar and Share Transfer Agent – Link Intime India Private Limited at https://liiplweb.linkintime.co.in/rnthelpdesk/Service_Request.html.

d) Corporate Social Responsibility Committee:

The CSR Committee is constituted in accordance with provisions of Section 135 of the Companies Act, 2013. It comprises of two (2) Independent Directors and one (1) Executive Director as on March 31, 2024 as follows:

Name of the Member	Category of Member	Designation
Mr. Vijay Kumar Chopra	Independent Director	Chairperson
Mr. Nilesh Shivji Vikamsey	Independent Director	Member
Mr. R Venkataraman	Executive Director	Member

During the year under review there was no change in the constitution of the CSR Committee. The composition of CSR Committee is in confirmity with the applicable provisions of the Act.

The terms of reference of the CSR Committee are as follows:

i. To review the existing CSR Policy indicating activities to be undertaken as specified in Schedule VII of the Companies Act, 2013. The CSR Policy of the Company may be accessed on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2023-07/CSR%20policy_IIFL%20Finance.pdf.

ii. To provide guidance on various CSR activities and to monitor the same.

During the year under review, the CSR Committee met two (2) times, as below:

April 25, 2023	March 21, 2024

The requisite quorum was present at the meetings.

The constitution of the CSR Committee and details of attendance of each Member of the Committee at the aforesaid Meeting(s) of Committee are given below:

Name of the Member	Member of Committee since	Designation	Category	No. of committee meetings held	No. of committee meetings attended
Mr. Vijay Kumar Chopra	28/04/2022	Chairperson	Independent Director	2	2
Mr. Nilesh Shivji Vikamsey	29/03/2014	Member	Independent Director	2	1
Mr. R Venkataraman	29/03/2014	Member	Executive Director	2	2

The Company Secretary acts as the Secretary to the CSR Committee.

e) Risk Management Committee:

The RMC is constituted in accordance with Listing Regulations and RBI SBR Direction. It comprises of three (3) Independent Directors, one (1) Executive Director and Chief Risk Officer as on March 31, 2024 as follows:

Name of the Member	Category of Member	Designation
Ms. Geeta Mathur	Independent Director	Chairperson
Mr. Nilesh Shivji Vikamsey	Independent Director	Member
Mr. Ramakrishnan Subramanian	Independent Director	Member
Mr. R Venkataraman	Executive Director	Member
Mr. Pranav Dholakia	Chief Risk Officer	Member

During the year under review, the RMC was re-constituted on July 27, 2023, by the Board. The composition of RMC is in confirmity with the applicable provisions of the Act.

The scope of the RMC includes the references made under Regulation 21 read with Part D of Schedule II of the Listing Regulations besides the other terms that may be referred by the Board and RBI SBR Direction. The broad terms of reference of the RMC are as follows:

i. Reviewing risks including cyber security and evaluating the treatment including initiating mitigation actions;

ii. To monitor and review the overall risk management plan of the Company including liquidity risk;

iii. To ensure there is an embedded, robust process in place throughout the Company to identify, assess, mitigate and report business risks with clear lines of ownership;

CORPORATE GOVERNANCE REPORT (Contd.)

iv. To drive and co-ordinate risk management process covering all areas of risk (including operational, strategic, financial, commercial, regulatory, reputational etc.);

v. To ensure that the business risk strategy and management processes comply with applicable regulatory requirements and corporate governance principles;

vi. To ensure that the business risk management principles and processes are widely understood across the Company through adequate induction, training and awareness programs;

vii. To periodically monitor and review the Company's key business risks and risk mitigation plans, and advise the Board of business risks which could materially impact the Company's delivery of its business plans, strategy, and reputation, if left untreated;

viii. To monitor external developments in the business environment which may have an adverse impact on Company's risk profile, and make recommendations, as appropriate;

ix. To sponsor specialist reviews of key risk areas as appropriate;

x. To report to the Board on key risks, risk management performance and the effectiveness of internal controls;

xi. To constitute operating risk management committee and delegate such powers to it as may be deemed necessary;

xii. To formulate a detailed risk management policy which shall include:

a) A framework for identification of internal and external risks specifically faced by the company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

b) Measures for risk mitigation including systems and processes for internal control of identified risks.

c) Business continuity plan.

xiii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

xiv. To monitor and oversee the implementation of the risk management policy, including evaluating the adequacy of risk management systems;

xv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

xvi. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

xvii. To review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any.

xviii. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it required.

xix. Any other matter as may be mandated/ referred by the Authority/Board.

During the year under review, the RMC of the Company met five (5) times, as below:

April 25, 2023	May 16, 2023	July 27, 2023
November 28, 2023	February 22, 2024	

The requisite quorum was present at the meetings.

The constitution of the RMC and details of attendance of each Member of the Committee at the aforesaid Meeting(s) of the Committee are given below:

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Name of the Member	Member of Committee since	Designation	Category	No. of committee meetings entitled to attend	No. of committee meetings attended
Ms. Geeta Mathur	28/05/2020	Chairperson	Independent Director	5	5
Mr. Nilesh Shivji Vikamsey	21/10/2014	Member	Independent Director	5	5
Mr. Ramakrishnan Subramanian	28/04/2022	Member	Independent Director	5	5
Mr. R Venkataraman	19/06/2020	Member	Executive Director	5	4
Mr. Sanjeev Srivastava[1]	03/11/2020	Member	Chief Risk Officer	3	3
Mr. Pranav Dholakia[2]	27/07/2023	Member	Chief Risk Officer	2	2

[1] Ceased to be a Member of the Committee w.e.f. July 27, 2023.

[2] Appointed as a Member of the Committee w.e.f. July 27, 2023.

The Company Secretary acts as the Secretary to the RMC.

f) Asset Liability and Management Committee:

The ALCO is constituted in accordance with RBI SBR Direction. It comprises of three (3) Independent Directors, one (1) Executive Director, Chief Financial Officer, Chief Risk Officer and Head - Treasury as on March 31, 2024, as follows:

Name of the Member	Category of Member	Designation
Mr. R Venkataraman	Executive Director	Chairperson
Mr. Arun Kumar Purwar	Independent Director	Member
Mr. Vijay Kumar Chopra	Independent Director	Member
Mr. Ramakrishnan Subramanian	Independent Director	Member
Mr. Kapish Jain	Chief Financial Officer	Member
Mr. Pranav Dholakia	Chief Risk Officer	Member
Mr. Govind Modani	Head – Treasury	Member

During the year under review, the ALCO was re-constituted on July 27, 2023 by the Board. The composition of ALCO is in confirmity with the RBI SBR Direction.

The scope of the ALCO includes the references made under RBI SBR Direction. The broad terms of reference of the ALCO are as follows:

i. Ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives;

ii. Prepare forecasts (simulations) showing the effects of various possible changes in market conditions related to the balance sheet and recommend the action needed to adhere to Company's internal limits;

iii. Ensure that the Company operates within the limits/parameters set by the Board;

iv. ALCO would also articulate the current interest rate view of the Company and base its decisions for future business strategy on this view;

v. Measuring and managing liquidity needs and ensuring the Company's ability to meet its liabilities as they become due, liquidity management can reduce the probability of an adverse situation developing;

vi. Present to the Board statement of assets and liabilities;

vii. Update Board on various assets and securitization of mortgage loans, commercial vehicle and gold loans;

viii. Recommending the Board about the viable source of finance to cater to the fund requirements of the Company;

ix. Any other matter as may be mandated/referred by the Authority/Board.

During the year under review, the ALCO of our Company met four (4) times, as below:

May 16, 2023	August 16, 2023	December 07, 2023	February 13, 2024

The requisite quorum was present at the meetings.

CORPORATE GOVERNANCE REPORT (Contd.)

The constitution of the ALCO and details of attendance of each Member of the Committee at the aforesaid Meeting(s) of Committee are given below:

Name of the Member	Member of Committee since	Designation	Category	No. of committee meetings held	No. of committee meetings attended
Mr. R Venkataraman	12/03/2020	Chairperson	Executive Director	4	1
Mr. Arun Kumar Purwar	28/04/2022	Member	Independent Director	4	4
Mr. Vijay Kumar Chopra	12/03/2020	Member	Independent Director	4	4
Mr. Ramakrishnan Subramanian	28/04/2022	Member	Independent Director	4	4
Mr. Sanjeev Srivastava[1]	29/01/2021	Member	Chief Risk Officer	1	1
Mr. Govind Modani	29/01/2021	Member	Head - Treasury	4	4
Mr. Kapish Jain	26/10/2022	Member	Chief Financial Officer	4	2
Mr. Pranav Dholakia[2]	27/07/2023	Member	Chief Risk Officer	3	3

1 Ceased to be a Member of the Committee w.e.f. July 27, 2023.

2 Appointed as a Member of the Committee w.e.f. July 27, 2023.

The Company Secretary acts as the Secretary to the ALCO.

g) IT Strategy Committee:

The ITSC is constituted in accordance with RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices. It comprises of four (4) Independent Directors, Chief Technology Officer, Chief Risk Officer, Chief Information Security Officer, Head - PMO & Service Delivery & Chief Compliance Officer, as on March 31, 2024, as follows:

Name of the Member	Category of Member	Designation
Mr. Arun Kumar Purwar	Independent Director	Chairperson
Mr. Nilesh Vikamsey	Independent Director	Member
Ms. Geeta Mathur	Independent Director	Member
Mr. Ramakrishnan Subramanian	Independent Director	Member
Mr. Gaurav Sharma	Chief Technology Officer	Member
Mr. Shanker Ramrakhiani	Chief Information Security Officer	Member
Mr. Pranav Dholakia	Chief Risk Officer	Member
Mr. Prashant Ahire	Head - PMO & Service Delivery	Member
Ms. Mauli Agarwal*	Chief Compliance Officer	Member

*Re-designated as Company Secretary & Compliance Officer w.e.f. March 13, 2024.

The scope of the ITSC includes the references made under RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices. The broad terms of reference of the ITSC are as follows:

i. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

ii. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

iii. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

iv. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

v. Ensuring proper balance of IT investments for sustaining the NBFC's growth and becoming aware about exposure towards IT risks and controls;

vi. Instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end-to-end manner;

CORPORATE GOVERNANCE REPORT (Contd.)

vii. Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;

viii. Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;

ix. Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;

x. Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;

xi. Periodically reviewing the effectiveness of policies and procedures;

xii. Communicating significant risks in outsourcing to the the NBFC's Board on a periodic basis;

xiii. Ensuring an independent review and audit in accordance with approved policies and procedures;

xiv. Ensuring that contingency plans have been developed and tested adequately;

xv. Ensuring that the business continuity preparedness is not adversely compromised on account of outsourcing;

xvi. To work in partnership with other Board committees and Senior Management to provide inputs to them. It will also carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance;

xvii. Any other matter as may be mandated/referred by the Authority/Board.

During the year under review, the ITSC met two (2) times, as below:

July 14, 2023	January 10, 2024

The requisite quorum was present at the meetings.

The constitution of the ITSC and details of attendance of each Member of the Committee at the aforesaid Meeting(s) of Committee are given below:

Name of the Members	Member of Committee since	Designation	Category	No. of committee meetings held	No. of committee meetings attended
Mr. Arun Kumar Purwar	28/04/2022	Chairperson	Independent Director	2	2
Mr. Nilesh Shivji Vikamsey	12/03/2020	Member	Independent Director	2	1
Ms. Geeta Mathur	29/01/2021	Member	Independent Director	2	1
Mr. Ramakrishnan Subramanian	28/04/2022	Member	Independent Director	2	2
Mr. Mitesh Vora[1]	27/01/2022	Member	Head IT Infrastructure & Cyber Security	1	1
Mr. Aditya Sisodia[2]	12/03/2020	Member	Leader NBFC Applications	1	0
Mr. Sanjeev Srivastava[3]	29/01/2021	Member	Chief Risk Officer	1	1
Mr. Shanker Ramrakhiani	06/05/2021	Member	Chief Information Security Officer (CISO)	2	2
Mr. Gaurav Sharma	27/07/2022	Member	Chief Technology Officer (CTO)	2	2
Mr. Pranav Dholakia	27/07/2023	Member	Chief Risk Officer	2	1
Mr. Prashant Ahire	17/01/2024	Member	Head - PMO & Service Delivery	0	0
Ms. Mauli Agarwal	20/01/2024	Member	Chief Compliance Officer	0	0

[1] Ceased to be a Member of the Committee w.e.f. January 17, 2024.

[2] Ceased to be a Member of the Committee w.e.f. July 27, 2023.

[3] Ceased to be a Member of the Committee w.e.f. July 27, 2023.

The Company Secretary acts as the Secretary to the ITSC.

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4. SENIOR MANAGEMENT

a) Particulars of Senior Management Personnel as on March 31, 2024:

Sr. No.	Name	Designation
1.	Kapish Jain	Chief Financial Officer
2.	Abhiram Bhattacharjee	Chief Operating Officer
3.	Pranav Dholakia	Chief Risk Officer
4.	Shivalingam Arumugam Pillai	Chief Compliance Officer
5.	Mauli Agarwal	Company Secretary & Compliance Officer
6.	Mayank Sharma	Head - Audit & Controls
7.	Saurabh Kumar	Business Head - Gold Loans
8.	Bharat Aggarwal	Business Head - Unsecured Lending
9.	Richa Chatterjee	Chief Human Resource Officer
10.	Gaurav Sharma	Chief Technology Officer
11.	Manav Verma	Chief Marketing Officer
12.	Mahesh Mimani	Head Resolutions
13.	Kirti Timmanagoudar	Head- Co- Lending & Strategic Alliances
14.	Amlan Narendra Singh	Head of Operations & Customer Service
15.	Sourav Mishra	Head Corporate Communication

b) Changes in Senior Management since the close of previous financial year:

Sr. No.	Name	Capacity	Nature of change	Effective date
1.	Sneha Amit Patwardhan	Company Secretary	Resignation	July 01, 2023
2.	Rupal Jain	Company Secretary	Appointment	July 01, 2023
3.	Sanjeev Srivastava	Chief Risk Officer	Resignation	July 27, 2023
4.	Pranav Dholakia	Chief Risk Officer	Appointment	July 27, 2023
5.	Mauli Agarwal	Chief Compliance Officer	Appointment	July 27, 2023
6.	Jyoti Ashish Joshi	National Sales Head - Business Loans	Resignation	October 16, 2023
7.	Abhiram Bhattacharjee	Chief of Staff	Appointment	October 18, 2023
8.	Nishith Doshi	Head - Legal	Resignation	January 12, 2024
9.	Abhiram Bhattacharjee	Chief Operating Officer	Re-designation	March 13, 2024
10.	Mauli Agarwal	Chief Compliance Officer	Resignation	March 13, 2024
11.	Shivalingam Arumugam Pillai	Chief Compliance Officer	Appointment	March 13, 2024
12.	Rupal Jain	Company Secretary	Resignation	March 13, 2024
13.	Mauli Agarwal	Company Secretary	Appointment	March 13, 2024

5. PERIODIC REVIEW OF COMPLIANCES OF ALL APPLICABLE LAWS

Your Company follows a system whereby all the Acts, Rules and Regulations applicable to the Company are identified and compliance with such Acts, Rules and Regulations are monitored by dedicated teams on a regular basis. Verification of the compliance with the major Acts, Rules and Regulations is carried out by suitable external auditors/lawyers/consultants and their reports and implementation of their observations are reported to the Board/Audit Committee. In addition, the audit and verification plan and actual status thereof is reviewed by the Board/Audit Committee periodically. A consolidated compliance certificate based on the compliance status received from the Company and its respective subsidiaries/associates in respect of various Acts, Laws, Rules, and Regulations applicable to the Company is placed before the Board on a regular basis for review. Necessary reports are also submitted to the various regulatory authorities as per the requirements, from time to time.

CORPORATE GOVERNANCE REPORT (Contd.)

6. GENERAL BODY MEETINGS

a) AGM

The following table gives the details of the last three AGMs of the Company:

Date of AGM	Mode/Venue	Time	Special Resolutions passed
July 31, 2023	Through Video Conferencing Deemed Venue: Registered office	11:00 a.m.	1. To approve an offer or invitation to subscribe to non-convertible debentures on private placement basis. 2. To amend the Employee Stock Option Plan - 2008.
July 08, 2022	Through Video Conferencing Deemed Venue: Registered office	2:00 p.m.	1. To approve an offer or invitation to subscribe to non-convertible debentures on private placement basis.
June 30, 2021	Through Video Conferencing Deemed Venue: Registered office	2:00 p.m.	1. To approve an offer or invitation to subscribe to non-convertible debentures on private placement basis. 2. To approve increase in investment limits for Non-Resident Indians and Overseas Citizens of India.

b) POSTAL BALLOT

During the year under review, one special resolution was passed through Postal Ballot, details of which are as follows:

Sr. No.	Resolution passed	Particulars	Voting percentage of shareholders participated	
1.	To raise capital by way of qualified institutions placement to eligible investors through issue of securities.		Favor (%)	Against (%)
		Promoter and Promoter Group	100.00	0.00
		Public Institutions	99.69	0.30
		Public Non-Institutions	99.9994	0.0006

Details of Scrutinizer: Nilesh Shah & Associates (Membership no. FCS 4554), (CP no. 2631)

Date of Scrutinizer's Report: December 05, 2023

Date of passing the resolution: December 05, 2023

The scrutinizer's report for the above postal ballot has been placed on the Company's website and can be accessed at: https://www.bseindia.com/xml-data/corpfiling/AttachHis/eb177455-7cfc-4245-98ec-6e677db4f7b8.pdf and is also placed at the registered office of the Company. The resolution mentioned above was passed by the shareholders with the requisite majority in favor of the Company.

Procedure for Postal Ballot:

The postal ballot was carried out as per the provisions of the section 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

Details of special resolution proposed to be transacted through Postal Ballot:

As on the date of this report, no special resolution is proposed to be conducted through postal ballot.

c) EXTRA ORDINARY GENERAL MEETING

During the year under review, no Extra Ordinary General Meeting of the Company was held.

7. DISCLOSURES

(i) Disclosure on significant Related Party Transactions that may have potential conflict with the interest of the Company at large:

Your Company has put in place a Policy for Related Party Transactions ("RPTs") which has been approved by the Board. The Policy provides for the identification of RPTs, necessary approvals by the Audit Committee/Board/Shareholders, reporting and disclosure requirements in compliance with the Act and Listing Regulations.

All transactions executed by the Company during the Financial Year with related parties were on arm's length basis and in the ordinary course of business. All such RPTs were placed before the Audit Committee for its approval, wherever applicable.

CORPORATE GOVERNANCE REPORT (Contd.)

During the year under review, the Company has not entered into any material contract(s)/arrangement(s)/transaction(s) with related parties, which could be considered material in accordance with the Listing Regulations, sub-section (1) of Section 188 of the Act and the Policy of the Company on materiality of RPTs. The Policy on the materiality of RPTs and dealing with RPTs as approved by the Board may be accessed on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2022-07/Policy_on_Related_Party_Transactions_27072022.pdf. Refer Note no. 44 of the Standalone Financial Statements which contains related party disclosures.

(ii) Details of non-compliance:

Strictures/penalties were imposed on your Company by the RBI, Stock Exchanges, SEBI or any other statutory/regulatory authority on any matter related to the Securities markets during the last three Financial Years as mentioned below:

The Reserve Bank of India on March 04, 2024, in exercise of its powers under Section 45L(1)(b) of the Reserve Bank of India Act, 1934, directed the Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning/securitizing/selling any of our gold loans. The Company can, however, continue to service its existing gold loan portfolio through usual collection and recovery processes.

(iii) Vigil Mechanism/Whistle Blower Policy:

In compliance with the provisions of Section 177(9) of the Act and Regulation 22 of the Listing Regulations, the Company has adopted a Vigil Mechanism/Whistle Blower Policy and has established the necessary vigil mechanism for employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguard against victimization of Whistle Blowers who avails such a mechanism and also provides access to the Chairperson of Audit Committee. None of the Whistle Blowers have been denied access to the Audit Committee. The said Policy as approved by the Board may be accessed on the website of the Company i.e. https://storage.googleapis.com/iifl-finance-storage/files/2021-03/IIFL_WhistleBlower_VigilancePolicy_2020.pdf.

(iv) Prevention of Insider Trading:

Pursuant to the provisions of Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), your Company has formulated and adopted Code of Conduct under PIT Regulations incorporating the requirements in accordance with the PIT Regulations, clarifications and circulars and the same are updated as and when required.

All Designated Persons of the Company are covered under the Code, which provides, inter alia, for periodical disclosures and obtaining pre-clearance for trading in the securities of your Company. Your Company has in place, a tracking mechanism for monitoring trade in the securities of the Company by Designated Persons identified under the Code of Conduct under PIT Regulations. Further, a Structured Digital Database is maintained, which contains the names and other particulars as prescribed, of the persons covered under the Code of Conduct under PIT Regulations.

Your Company periodically circulates informatory e-mails, enables screen savers along with the FAQs on Insider Trading Code, Do's and Don'ts etc. to the employees (including new employees) to familiarize them with the provisions of the Code. Your Company also conducts frequent workshops/training sessions to educate and sensitize the employees/Designated Persons. In terms of the provisions of Regulation 8 of the PIT Regulations, the Board has also adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI") which also includes details of the Company's policy for determination on 'legitimate purposes' as per the requirements of the PIT Regulations and is available on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2022-07/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_Unpublished_Price_Sensitive_Information_27072022.pdf.

Ms. Mauli Agarwal, Company Secretary of the Company is designated as the "Compliance Officer" under the Code of Conduct as prescribed by PIT Regulations.

(v) Compliance with Mandatory and Non-Mandatory Provisions:

Your Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed under Regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations to the extent applicable to the Company.

The status on the compliance with the non-mandatory recommendations under Part E of Schedule II of the Listing Regulations are as under:

- Chairperson of the Board is Non-Executive Non-Independent Director and not related to the Managing Director of the Company.
- A clear distinction exists between the roles and duties of the Chairperson and those of the Managing Director.
- The Internal Auditor has direct access to the Audit Committee;
- Unmodified audit opinions/reports;
- Your Company follows a robust process of communicating with the stakeholders, which has been explained under "Means of Communication to the stakeholders".

(vi) Disclosure of accounting treatment:

There was no deviation in following the treatments prescribed in any of the Indian Accounting Standards ("Ind AS") in the preparation of the financial statements of the Company.

8. MEANS OF COMMUNICATION TO THE STAKEHOLDERS

Your Company, as and when required, communicates with its stakeholders through multiple channels of communication including the following:

- Dissemination of information on the Stock Exchanges;
- Investor presentations;
- Press/Media releases;
- Annual reports;
- Investor/analysts calls, conferences and meets;
- Uploading relevant information on the Company's website.

Financial Results:

The quarterly and annual financial results of the Company are published in widely circulated English newspapers viz. "Financial Express", "The Free Press Journal" and vernacular newspaper "Navshakti". Your Company also regularly makes presentations to investment analysts in Analysts meets and Institutional Investors meets held from time to time, transcripts of which are uploaded on the website of the Company at www.iifl.com. The schedule of Analyst meets/Institutional Investors meets are also informed to the public through the Stock Exchanges.

Annual Report:

Pursuant to the Ministry of Corporate Affairs and SEBI Circulars, the Annual Report containing the Notice of AGM was sent through mail to all the stakeholders.

Press/Media Release & Investor/Analyst Call:

Your Company organizes earnings call with analysts and investors on the next day of the announcement of results. The audio clips and transcript of these earnings call are uploaded on the website of the Company. Presentations made to institutional investors and financial analysts on the financial results are submitted to the stock exchanges and also uploaded on the website of the Company.

Disclosures:

The Company informs BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") about all price sensitive matters or such other matters which are material and of relevance to the stakeholders of the Company and the same are also displayed on the website of the Company.

The Board has approved a policy for determining the materiality of events for the purpose of making disclosures to the Stock Exchanges. The Managing Director, Joint Managing Director, Chief Financial Officer and the Company Secretary and Compliance Officer of the Company are empowered to determine the materiality of the information for the purpose of making a disclosure to the Stock Exchanges.

All the disclosures made to the Stock Exchanges are also available on the website of the Company at https://www.iifl.com/finance/investor-relations/newsroom.

Your Company's website contains a separate section namely "Investor Relations" at https://www.iifl.com/finance/investor-relations/overview, where stakeholder related information is available and stakeholders can access the information as required to be disseminated on the website of the Company pursuant to Regulation 46 & 62 of the Listing Regulations.

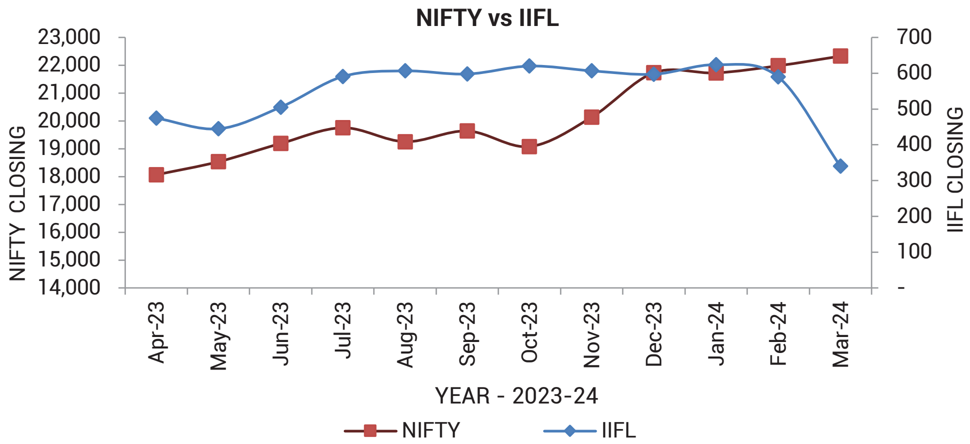
CORPORATE GOVERNANCE REPORT (Contd.)

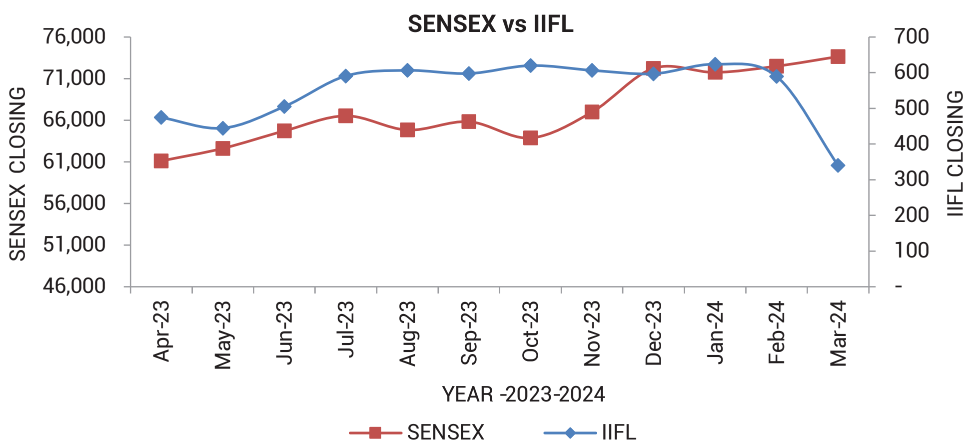
9. GENERAL SHAREHOLDERS' INFORMATION

1.	**AGM**	Monday, September 30, 2024 at 11:30 a.m. The Company is conducting the AGM through Video Conferencing/Other Audio-Visual means.
2.	**Financial Year**	The Financial Year of the Company comprises of period of 12 months from April 01 to March 31.
3.	**Book closure date**	Tuesday, September 24, 2024 to Monday, September 30, 2024 (both days inclusive)
4.	**Interim dividend**	During FY 2023-24, the Company had declared an interim dividend of ₹ 4/- per Equity Share on January 17, 2024 and the same was paid on February 06, 2024, after deducting tax at source at applicable rates.
5.	**Listing of equity shares on Stock Exchanges**	**1. NSE** Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400 051 **2. BSE** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Note - The NCDs issued to Public are listed on BSE and NSE and the privately placed NCDs are listed on NSE and/or BSE. Your Company has paid the annual listing fees for the financial year 2023-24 to the Stock Exchanges. None of the securities of the Company have been suspended for trading at any point of time during the year.
6.	**Stock code**	**NSE** – IIFL **BSE** – 532636
7.	**Stock market data**	Table below gives the monthly high and low price of shares traded at BSE and NSE for the financial year 2023-24. **Stock Performance V/s S&P BSE Sensex and NSE Nifty** The chart below plots the monthly closing price of the Company versus the BSE - Sensex and NSE - S&P CNX Nifty for the year ended March 31, 2024.

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April, 2023	487.95	446.75	4,68,052	487.75	446.40	75,29,006
May, 2023	487.00	432.20	7,26,931	488.00	432.15	1,44,70,307
June, 2023	524.65	440.05	13,43,847	524.45	440.10	2,19,87,127
July, 2023	595.75	497.50	5,32,464	595.70	497.50	1,55,43,720
August, 2023	633.45	554.05	5,29,732	625.00	555.75	1,09,88,300
September, 2023	648.00	570.15	3,62,771	648.50	570.50	1,02,89,161
October, 2023	704.20	582.15	13,67,598	703.40	582.25	1,38,09,282
November, 2023	644.75	578.00	4,83,371	645.00	578.00	70,93,212
December, 2023	673.00	551.00	2,88,44,466	672.95	552.25	4,53,74,905
January, 2024	669.95	588.35	10,95,192	670.00	587.75	2,17,11,343
February, 2024	633.80	563.00	5,27,601	634.00	561.45	1,28,39,674
March, 2024	633.95	313.25	65,11,234	626.00	313.25	6,61,15,895

CORPORATE GOVERNANCE REPORT (Contd.)





8.	**Demat ISIN numbers in National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for equity shares**	ISIN - INE530B01024
9.	**Registrar & Share Transfer Agent**	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park, LBS Marg, Gandhi Nagar, Vikhroli West, Mumbai- 400083. Tel: 022-49186000 Email: rnt.helpdesk@linkintime.co.in/bonds.helpdesk@linkintime.co.in
10.	**Share transfer system**	Your Company's shares are compulsorily traded including transfer in dematerialized form and are available for trading with both the depositories i.e. NSDL and CDSL. The Board has delegated the authority for approval of transmission, transposition and issue of duplicate share certificate etc., to the SRC. The SRC meets as and when required to consider & approve the above matters.
11.	**Dematerialization of shares**	As on March 31, 2024, 99.94% of the paid-up share capital of the Company was in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form through CDSL and NSDL as per notifications issued by SEBI from time to time.

CORPORATE GOVERNANCE REPORT (Contd.)

12.	**Address for correspondence**	**Link Intime India Private Limited** Contact Person: Mr. Jay Prakash, VP Tel: (+91) 8108116767 C-101, 1st Floor, 247 Park, LBS Marg, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra-400083. To raise an email query following is the link: https://liiplweb.linkintime.co.in/rnthelpdesk/Service_Request.html. **Company Secretary & Compliance Officer** Ms. Mauli Agarwal, Company Secretary and Compliance Officer 802, 8th Floor, Hubtown Solaris, N. S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai – 400069. Tel: (91-22) 6788 1000 Email: shareholders@iifl.com
13.	**Outstanding Global Depository Receipts ("GDRs")/American Depository Receipts ("ADRs")/Warrants or any convertible instruments, conversion date and likely impact on equity**	Your Company does not have any outstanding GDRs/ADRs/Warrants as on date. Your Company has outstanding unexercised ESOPs (vested or not vested) of 57,52,212 stock options as on March 31, 2024 under its various ESOP plans which may be exercised by the grantees as per the vesting period. Each option granted is convertible into one equity share of the Company. Upon exercise of options by grantees, the paid-up share capital of the Company will increase accordingly.
14.	**Credit Rating**	The list of all the credit ratings issued by the credit rating agencies for all instruments has been provided in the Directors' Report.
15.	**Plant Location**	Not Applicable
16.	**Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**	Your Company actively monitors the foreign exchange movements and takes forward/options covers as appropriate to reduce the risks associated with transactions in foreign currencies. Your Company has not taken any exposure in commodity hedging activities.

10. SHAREHOLDING PATTERN

The shareholding pattern and Categories of Equity Shareholders as on March 31, 2024, are as below:

Category	Number of equity shares held	Percentage of holding
Clearing Members	73,399	0.02
Other Bodies Corporate	95,12,340	2.49
Directors	2,60,000	0.07
Foreign Company	5,76,41,445	15.11
Hindu Undivided Family	16,65,152	0.44
Mutual Funds	2,42,45,855	6.35
Banks	307	0.00
Foreign Nationals	-	-
Non-Resident Indians	2,08,20,625	5.46
Persons Acting In Concert	45,68,904	1.20
Public	4,88,81,470	12.81
Promoters	8,99,78,586	23.58
Trusts	77,450	0.02

CORPORATE GOVERNANCE REPORT (Contd.)

Category	Number of equity shares held	Percentage of holding
Insurance Companies	21,13,380	0.55
Body Corporate – Limited Liability Partnership	12,48,126	0.33
Foreign Portfolio Investors (Corporate) – I	9,42,30,372	24.70
Foreign Portfolio Investors (Corporate & Individual) – II	1,69,32,652	4.44
Foreign Portfolio Investors – III	-	
Alternate Investment Funds	64,59,716	1.69
NBFCs registered with RBI	38,981	0.01
Investor Education And Protection Fund	50,836	0.01
Directors and their relatives (excluding independent Directors and nominee Directors)	27,48,839	0.72
Grand Total	**38,15,48,435**	**100**

11. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024

The distribution of shareholders as on March 31, 2024, is as follows:

Sr. No.	Number of Shares Held	No. of Shareholders	Percentage of Total Shareholders	Total Shares	Percentage of Total Shares
1.	1 to 500	1,39,187	91.33	1,00,42,706	2.63
2.	501 to 1,000	7,321	4.80	53,69,106	1.41
3.	1,001 to 2,000	2,812	1.85	41,00,989	1.07
4.	2,001 to 3,000	890	0.58	22,61,997	0.60
5.	3,001 to 4,000	423	0.28	15,04,696	0.39
6.	4,001 to 5,000	345	0.23	16,07,902	0.42
7.	5,001 to 10,000	581	0.38	42,50,389	1.11
8.	10,001 to **********	839	0.55	35,24,10,650	92.36
Total		**1,52,398**	**100**	**38,15,48,435**	**100**

12. PROCEEDS FROM PUBLIC ISSUES, PREFERENTIAL ISSUE AND QUALIFIED INSTITUTIONAL PLACEMENT

Money raised through the Public Issue of NCDs has been utilized for the purposes, as disclosed in the Prospectus, for which it was raised and there has been no deviation as on date in the utilization of the money so raised. Your Company has not raised funds by issue of equity shares either on preferential basis or through qualified institutional placement during financial year 2023-24. Therefore, there are no details to be disclosed as per Regulation 32(7A) of Listing Regulations.

13. DETAILS OF MATERIAL SUBSIDIARIES OF THE COMPANY

Name of material subsidiary	Date of incorporation	Place of incorporation	Name and date of appointment of the Statutory Auditors
IIFL Home Finance Limited	December 26, 2006	Mumbai	M/s. S.R. Batliboi & Associates LLP Date of Appointment: June 29, 2023 M/s. Suresh Surana & Associates LLP Date of Appointment: September 30, 2021
IIFL Samasta Finance Limited	August 09, 1995	Bangalore	M/s. Brahmayya & Co Date of Appointment: June 30, 2022

The Audit Committee reviews the financial statements including particulars of investments made by all the unlisted subsidiary companies.

Your Company has a system of placing the minutes of the Board/Audit Committee and statements of all the significant transactions/developments of all the unlisted subsidiary companies at the meeting of Board of Directors of the Company.

CORPORATE GOVERNANCE REPORT (Contd.)

The policy for determining 'material' subsidiaries as approved by the Board can be accessed on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2023-09/Policy_on_determining_Material_Subsidiary_04092023.pdf.

14. CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER CERTIFICATE

The Certificate required under provisions of Regulation 17(8) of the Listing Regulations duly signed by the Managing Director, Joint Managing Director and Chief Financial Officer was submitted to the Board and the same is annexed to this Report. Refer page 183 of the Report.

15. PREVENTION OF SEXUAL HARASSMENT

Your Company recognizes its responsibility and is committed towards creating a respectful and safe working environment for women, free from sexual harassment and discrimination. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has put in place a comprehensive policy on prevention of Sexual Harassment of Women at Workplace. Your Company has 'zero-tolerance' approach towards any act of sexual harassment. In compliance with Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, the Internal Complaints Committee has been constituted. All complaints are investigated and conducted in an impartial manner and the investigation reports and recommendations are forwarded to the Chief Human Resources Officer for action. A quarterly summary report is also placed before the Audit Committee as well as the Board. The details of Internal Complaints Committee members have been prominently displayed across all offices in publicly accessible areas. Further, awareness and training sessions about the Prevention of Sexual Harassment at workplace are conducted for all employees, including our associates.

The following complaints were reported pursuant to section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 for the FY 2023-24:

a) Number of complaints received during the year: 06

b) Number of complaints disposed of during the year: 04

c) Number of cases pending as at end of the year: 02 *

d) Number of workshops or awareness program against sexual harassment carried out: 02 per year

e) Nature of action taken by the employer or district officer: Asked to leave, Black Marks issued, Warning Letters Issued (3 types of actions taken)

*includes one (1) ongoing and one (1) reopened case.

16. TOTAL FEES TO STATUTORY AUDITORS

Total fees for all the services paid by your Company and its subsidiaries, on a consolidated basis, to the Joint Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors is a part, are as follows:

Particulars	Amount (₹ in Crore)
Audit Fees	0.55
Certification/other services*	0.30
Out of Pocket Expenses	0.03
Total	**0.88**

* During the year under review of the Company has paid ₹ 0.25 Crore to the Auditors towards certification pertaining to Public Issue of NCDs and the same has been amortized over the tenure of the borrowings.

17. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Your Company has obtained the certificate from M/s. Nilesh Shah & Associates, Practicing Company Secretary required under the Listing Regulations confirming that none of the Directors on Board of the Company as on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI/MCA or any such other statutory authority and is annexed as **Annexure I** to this Report in terms of the provisions of Part C of Schedule V of the Listing Regulations. Refer page 181 of the Report.

18. CERTIFICATE ON CORPORATE GOVERNANCE

Our Company has received a certificate received from the Secretarial Auditor of the Company, M/s. Nilesh Shah & Associates, Practicing Company Secretary, certifying compliance with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations is annexed as **Annexure II** to this Report in terms of the provisions of Part E of Schedule V of the Listing Regulations. Refer page 182 of the Report.

CORPORATE GOVERNANCE REPORT (Contd.)

19. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

As on March 31, 2024, no equity shares of your Company are held in demat suspense account.

20. LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT

There are no loans and advances in the nature of loans to firms/companies in which directors are interested.

21. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

There are no such agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity.

22. DISCLOSURE OF COMPLIANCE

Your Company has complied with all the disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) of the Listing Regulations.

23. CODE OF CONDUCT

In compliance with Regulations 17(5) and 26(3) of the Listing Regulations, your Company has adopted a Code of Conduct for the Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2023-02/Code_of_Conduct_2023.pdf.

The Senior Management of your Company has made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large. All the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct during the financial year under review and a declaration to that effect signed by the Chairperson of the Company forms a part of this Report and is annexed as **Annexure III** to this report. Refer page 183 of the Report.

For IIFL Finance Limited

Arun Kumar Purwar
Chairperson & Non-Executive Director
(DIN: 00026383)

Place: Mumbai
Date: June 15, 2024

ANNEXURE I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
IIFL Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane – 400 604.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **IIFL Finance Limited**, having CIN: **L67100MH1995PLC093797** and having registered office situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and carried by us and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2024** have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of the Director	DIN	Date of Appointment in Company
1.	Nirmal Jain	00010535	18/10/1995
2.	R Venkataraman	00011919	05/07/1999
3.	Arun Kumar Purwar	00026383	10/03/2008
4.	Nilesh Vikamsey	00031213	11/02/2005
5.	Chandran Ratnaswami	00109215	15/05/2012
6.	Vijay Kumar Chopra	02103940	21/05/2019
7.	Geeta Mathur	02139552	18/09/2014
8.	Ramakrishnan Subramanian	02192747	06/09/2021
9.	Tritala Ramakrishnan	09515616	26/10/2023
10.	Bijou Kurien	01802995	13/03/2024
11.	Nihar Jambusaria	01808733	13/03/2024

Ensuring the eligibility of the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature:-

Name:- Nilesh Shah
For:- Nilesh Shah & Associates

Date: June 15, 2024
Place: Mumbai
UDIN: F004554F000576831

FCS : 4554
C.P. : 2631
Peer Review No. 698/2020

ANNEXURE II

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
IIFL Finance Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by **IIFL Finance Limited** ('the Company'), for the financial year ended on **March 31, 2024**, as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

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

For Nilesh Shah & Associates
Company Secretaries

Nilesh Shah
Partner
FCS: 4554
C.P.: 2631
Peer Review No. 698/2020

Place: Mumbai
Date: June 15, 2024
UDIN: F004554F000576840

ANNEXURE III

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Board of Directors
IIFL Finance Limited

We hereby certify that;

(a) We have reviewed the financial statements and the cash flow statement of IIFL Finance Limited for the year ended March 31, 2024 and to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting. We have not come across any deficiencies in the design or operation of such internal controls.

(d) We have indicated to the Auditors and the Audit Committee:

(i) Significant changes in internal control over financial reporting during the year;

(ii) That there are no significant changes in accounting policies during the year;

(iii) That there are no instances of significant fraud of which we have become aware.

Nirmal Jain
Managing Director
DIN: 00010535

R Venkataraman
Joint Managing Director
DIN: 00011919

Kapish Jain
Chief Financial Officer

Place: Mumbai
Date: June 15, 2024

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and the Senior Management and the same is available on the Company website. I confirm that the Company has in respect of Financial Year ended March 31, 2024, received from the Board Members and Senior Management of the Company, declaration of compliance with the Code of Conduct as applicable to them.

For IIFL Finance Limited

Arun Kumar Purwar
Chairperson & Non-Executive Director
DIN: 00026383

Place: Mumbai
Date: June 15, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

Global economic growth in 2023 exceeded expectations despite significant interest rate hikes by central banks aimed at curbing inflation. According to the International Monetary Fund (IMF), global inflation is projected to gradually decline from 6.8% in 2023 to 5.9% in 2024, and further to 4.5% by 2025. Consumers in developed nations utilized pandemic savings, bolstering economic momentum. The global economy expanded by 3.2% in 2023, with similar growth anticipated through 2024 and 2025. However, several risks remain, including the lagging effects of monetary tightening, reduced fiscal support due to high government debt, persistent inflation above pre-pandemic levels, geopolitical tensions, and lower productivity growth.

INDIAN ECONOMY: OVERVIEW

The Indian economy continued its upward trajectory as the fastest-growing major economy in the world in FY 2023-24. India improved its position significantly in the ease of doing business index, attracting substantial investments from multinational corporations. Initiatives such as the Production Linked Incentive (PLI) and Make in India are yielding positive results. India is benefiting from the 'China+1' strategy amid growing geopolitical concerns about China. Enhancements in physical and digital infrastructure are driving productivity gains, and the financial sector is effectively using technology to expand its reach, evidenced by a significant increase in the number of fintech companies.

India's external position remains strong, with a Current Account Deficit (CAD) of just 0.7% of GDP in FY 2023-24. Foreign exchange reserves stood at US$ 646 Billion, covering almost 100% of India's external debt. The inclusion of Indian sovereign bonds in global indices is expected to boost reserves and reduce the cost of capital. Fiscal deficit for FY 2023-24 was 5.8% of the GDP, below the target of 5.9%, with further fiscal consolidation expected in FY 2024-25 (target of 5.1%).

REAL GDP GROWTH

The Indian economy was estimated to have grown by 8.2% in FY 2023-24, up from 7.0% in FY 2022-23. This growth was driven by India's demographic dividend, ongoing digital and regulatory advancements, and infrastructure development. Despite global headwinds and geopolitical tensions, monetary policy easing in the second half of FY 2024-25 is expected to stimulate business investment and household spending. Government investment is projected to remain robust. However, challenges such as poverty eradication, climate change mitigation, reducing income and wealth inequality require substantial fiscal efforts.

(**Source:** https://www.mospi.gov.in/sites/default/files/ press_release/PressNoteGDP31052024.pdf)

INFLATION

India successfully reduced inflation closer to the Reserve Bank of India (RBI) target of 4%. The RBI maintained a pause on rate hikes, keeping the benchmark repo rate unchanged at 6.50% since February 2023. Headline CPI inflation fell to 4.85% in March 2024 from 7.44% in July 2023, primarily due to decreases in non-food and beverage items. However, food inflation remained problematic, averaging 7% during FY 2023-24. Forecasted above-normal monsoons may help reduce food inflation in FY 2024-25. Core inflation (excluding food, fuel, and energy) is stable at around 3%. The RBI has projected retail inflation to average 4.5% in FY 2024-25, with quarterly estimates of 4.9% in Q1, 3.8% in Q2, 4.6% in Q3, and 4.5% in Q4.

(**Source**:https://www.mospi.gov.in/sites/default/files/press_release/CPI_PR_13may24.pdf

https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=22435#I2)

CAPITAL EXPENDITURE

India's capital expenditure (capex) has tripled over the past four years, significantly aiding economic growth and employment generation. The Interim Budget for FY 2024-25 announced a 17% increase in capex outlay, amounting to ₹ 11.11 Trillion, which constitutes 3.4% of GDP. The government allocated ₹ 1.3 Trillion towards 50-year interest-free loans to states to bolster their capital expenditures. In FY 2023-24, approximately 12,300 kms of national highways were constructed, averaging 34 kms per day. The Airports Authority of India (AAI) operationalized several integrated terminal buildings, enhancing passenger amenities and boosting local economies.

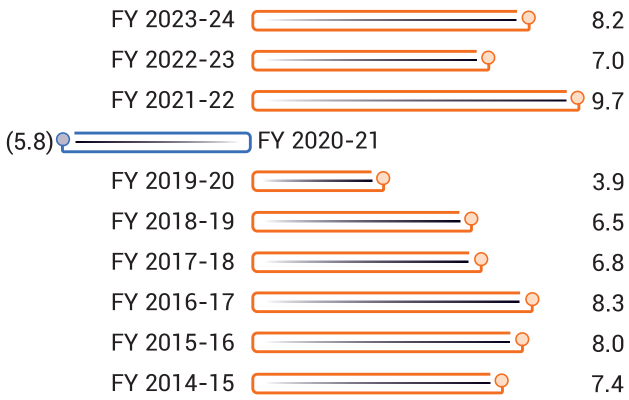
(**Source:**https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2001136#:~:text=The%20Finance%20and%20Corporate%20Affairs,per%20cent%20of%20the%20GDP

https://timesofindia.indiatimes.com/india/national-highways-construction-touched-34-km-per-day-in-2023-24/articleshow/108990468.cms

https://www.thehindu.com/news/cities/Tiruchirapalli/new-terminal-building-of-tiruchi-airport-likely-to-become-operational-by-mid-june/article68221348.ece)

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

India's real GDP growth (%)



QUARTERLY ANALYSIS

First quarter: India's GDP grew by 8.2% year-on-year (YoY) in Q1 FY 2023-24, led by a 10.7% increase in the services sector and a 6% rise in the industrial sector. Investment growth was robust, and India's GDP growth during the quarter outpaced major economies like the US, the UK, China, Japan, and Germany.

(**Source:** https://www.india-briefing.com/news/indias-q1-fy-2024-gdp-growth-reaches-7-8-outpaces-major-economies-29443.html/)

Second quarter: The economy expanded by 8.1% YoY in Q2 FY 2023-24, driven by increased government capital spending, a robust manufacturing sector, expansion in construction (owing to the infrastructure and real estate investments) and positive economic sentiment. The share of private consumption in the GDP declined and the share of investments increased significantly, as reflected in the Gross Fixed Capital Formation (GFCF). Despite the slowdown in private consumption, which is a key driver of economic growth, investments continued to gain momentum.

(**Source:** https://www.forbesindia.com/article/explainers/gdp-india/85337/1#:~:text=In%20the%20Q2%20FY24%2C%20the,global%20risk%20and%20unexpected%20factors)

Third quarter: The economy grew by 8.6% YoY in Q3 FY 2023-24, with strong growth in the manufacturing sector (11.5% YoY) and expansion of the construction sector (9.6% YoY). Public administration, defence, and other services also showed substantial growth of 7.5%. Private consumption rose by 4% YoY, while government expenditure contracted by 3.2%. Investments recorded an uptick of 9.7% YoY.

(**Source:**https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2010409#:~:text=The%20Prime%20Minister%2C%20Shri%20Narendra,and%20create%20a%20Viksit%20Bharat)

Fourth quarter: The economy grew by 7.8% YoY in Q4 FY 2023-24. Manufacturing activities were robust, and the construction-related and investment segments performed well. Private consumption remained muted, with investment being the key driver of growth.

(**Source:** https://www.mospi.gov.in/sites/default/files/press_release/PressNoteGDP31052024.pdf)

OUTLOOK

The Indian economy benefits from a stable government, demographic dividend, favorable macroeconomics, and rising domestic demand. Sound balance sheets of banks and corporates, coupled with supply chain normalization and government capital expenditure, foster a conducive environment for private capital expenditure revival. Government revenues are buoyant, owing to strong GST and Direct Tax collections, giving it enough room for continued capital expenditure, while simultaneously making progress towards fiscal consolidation. Moreover, India's emphasis on reducing logistical costs is crucial for its aspiration to emerge as a key player in the global supply chains. The RBI forecasts a real GDP growth of 7.2% in FY 2024-25, with quarterly growth rates of 7.3% in Q1, 7.2% in Q2, 7.3% in Q3, and 7.2% in Q4. Improving global trade and increased integration into global supply chains will support net external demand. However, geopolitical tensions, financial market volatility, and geo-economic fragmentation pose risks to the outlook.

(**Source:** https://www.india-briefing.com/news/indias-economy-in-2023-a-year-end-review-30561.html/)

INDUSTRY OVERVIEW

The NBFC industry

Non-Banking Financial Companies (NBFCs) are pivotal in providing finance to a substantial portion of the population, including SMEs and economically underserved or unserved borrowers such as women borrowers, first-time home buyers, facilitating their transition into the organized credit segment from the unorganized money lenders. NBFCs address diverse financial needs with speed and efficiency, leveraging their extensive geographical coverage, understanding of varied financial requirements, on-ground presence for effective credit underwriting, and rapid turnaround times. They continue to play a vital role in advancing financial inclusion by facilitating MSME growth and self-employment opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Following the emergence and growth of numerous players with diverse business models, the sector has registered significant growth. The Indian financial services sector has transformed with growing digital payment penetration, smartphones, mobile internet, digital authentication (e-KYC), and consent-based information sharing (account aggregators).

NBFCs are increasingly embracing digitalization to enhance operational efficiency, customer experience, cost optimization, and regulatory compliance. Technologies such as cloud computing, low-code/no-code platforms, data lakes, and Artificial Intelligence (AI) drive new customer acquisition, cross-selling opportunities, application modernization, data transparency, and robust information security.

India's household credit-to-GDP ratio of 36% (2022) is significantly lower than the 50-110% for other countries (48% for emerging markets), having declined by 6 percentage points since the Global Financial Crisis. There is substantial potential to improve credit penetration levels for retail and MSME credit in India, with NBFCs playing a crucial role. Despite MSMEs contributing ~30% to India's GDP, only ~21% of their credit needs are met by formal finance. India has over 70 Million MSMEs, with a total credit demand of ₹ 117 Trillion and a substantial credit gap of ₹ 92 Trillion. NBFCs are well-positioned to tap into this opportunity with their ability to assess informal and irregular cash flows of MSMEs, distribution expansion through fintech collaborations, and advancements in digital technologies. NBFCs can meet credit demands of these sectors through their wide array of products, including equipment financing, hire purchase and leasing, mortgage financing (LAP), and gold loans. Moreover, they demonstrate versatility by expanding into newer segments such as consumer durable finance.

Regulatory and policy support, such as the Pradhan Mantri Mudra Yojana (PMMY), UPI platforms, account aggregators and bill discounting platforms like TReDS, GeM, and the Open Network for Digital Commerce (ONDC), will aid in improving financial inclusion.

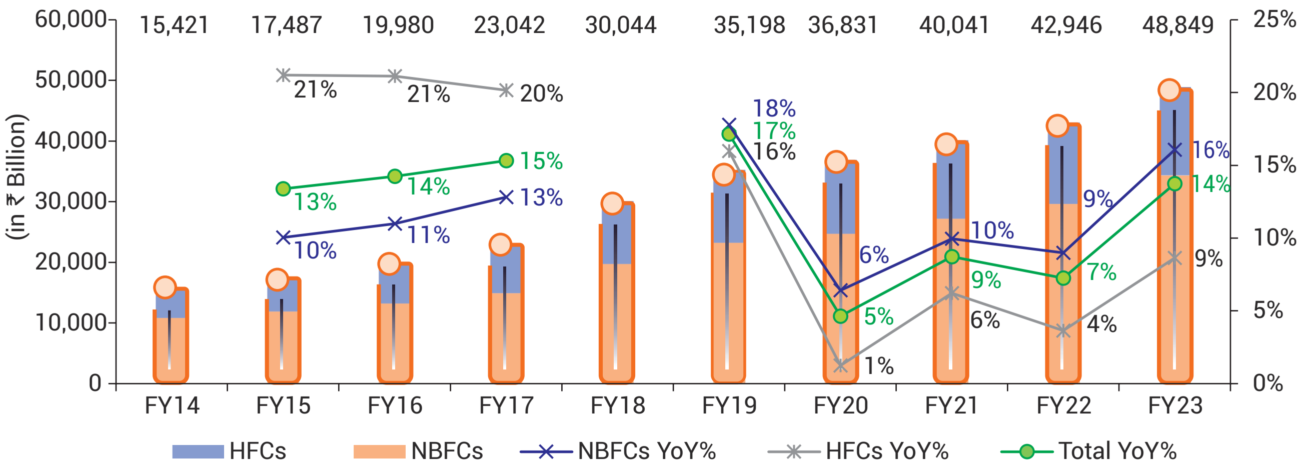
(**Source:** https://www.livemint.com/industry/banking/banks-nbfcs-meet-less-than-15-of-msme-credit-demand-11671035294728.html ,

https://www.sebi.gov.in/filings/public-issues/nov-2023/fedbank-financial-services-limited-rhp_79210.html

https://www.pwc.in/assets/pdfs/pioneers-of-change-building-resilient-nbfcs-final.pdf)

According to RBI data as of September 2023, the outstanding credit of NBFCs stood at ₹ 37 Trillion, expanding at a 16% CAGR from ₹ 30 Trillion in March 2022. This growth was led by retail segment that clocked in a 27% CAGR from FY 2021-22 to Q2 FY 2023-24. NBFCs are expected to grow their loan books at a healthy pace, contributing to India's growth to become the third-largest economy by the end of the decade.

NBFC and HFC industry AUM



Source: RBI and NHB; Note: The AUM for FY 2017-18 has been restated by RBI.

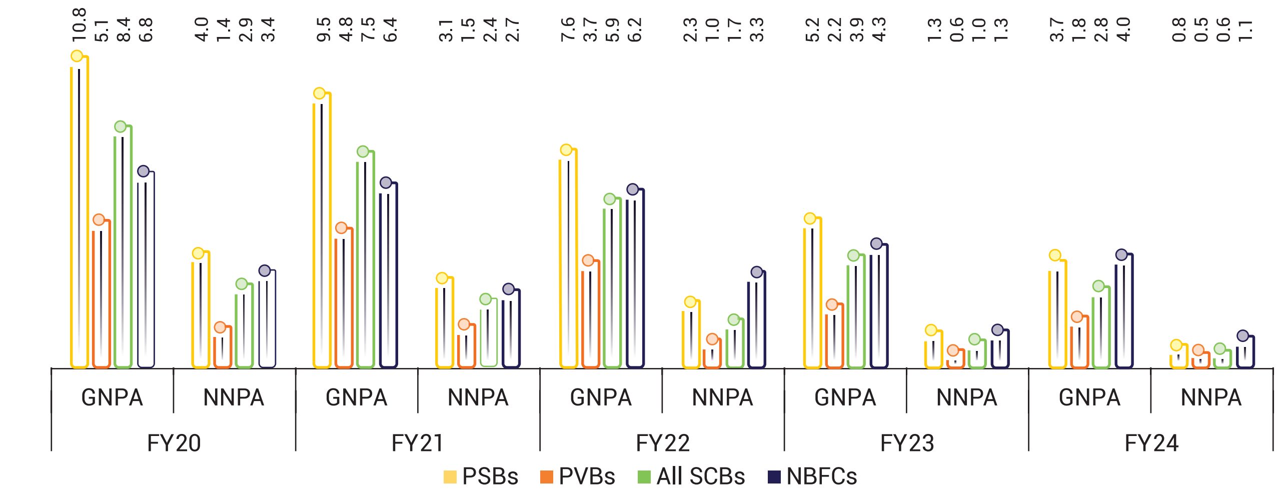
MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Asset quality

Asset quality for NBFCs continued to improve, with the Gross Non-Performing Assets (GNPA) ratio and Net Non-Performing Assets (NNPA) ratio falling to multi-year lows of 4.0% and 1.1%, respectively. Scheduled Commercial Banks (SCBs) also saw improvements, with GNPA and NNPA ratios falling to 2.8% and 0.6%, respectively, as of March 2024. The special mention accounts-2 (SMA-2) ratio, a leading indicator of asset quality, shows relatively low levels of future impairment.

(**Source:** https://rbidocs.rbi.org.in/rdocs//PublicationReport/Pdfs/0FSRJUN2024_270620242B95CB128D1847A3A-CAB5B5A4BEBF0DF.PDF)

Asset quality trend (%)

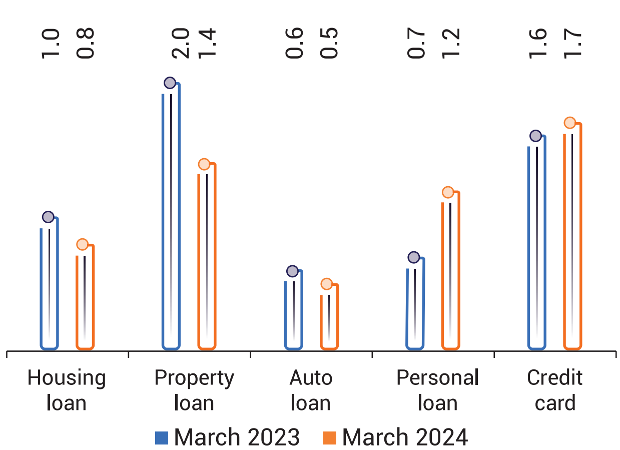


(**Source :** https://rbidocs.rbi.org.in/rdocs//PublicationReport/Pdfs/0FSRJUN2024_270620242B95CB128D1847A3A-CAB5B5A4BEBF0DF.PDF)

Asset-class wise GNPA and NNPA ratios

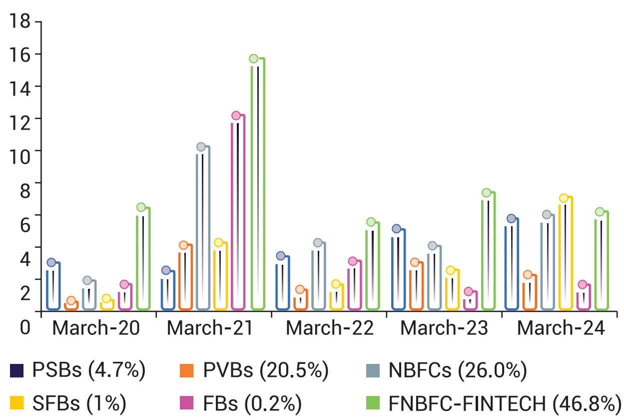
Overall asset quality of outstanding consumer credit improved, except in case of personal loans whereas asset quality of credit cards broadly remained the same. However, there remain pockets of concern where we need to be cautious of emerging asset quality stress. Delinquency levels (90+ DPD) among borrowers with personal loans below ₹ 50,000 remain high. In particular, NBFC-fintech lenders, who have the highest share in sanctioned and outstanding amounts, also have the second highest delinquency levels, only below that of small finance banks. Besides, vintage delinquency remained relatively high in personal loans at 8.2%, apart from the fact that half of the borrowers in this segment have three live loans at the time of origination and more than one-third of the borrowers have availed 3+ loans in the last six months.

Consumer credit - Delinquency level (%)



(**Source:** https://rbidocs.rbi.org.in/rdocs//PublicationReport/Pdfs/0FSRJUN2024_270620242B95CB128D1847A3A-CAB5B5A4BEBF0DF.PDF)

Delinquency levels - Personal loans (below ₹ 50,000) (%)



Note: The number in the parenthesis indicate a cohorts's share in outstanding amount for personal loans below ₹ 50,000 as on March 31, 2024.

(**Source:** TransUnion CIBIL)

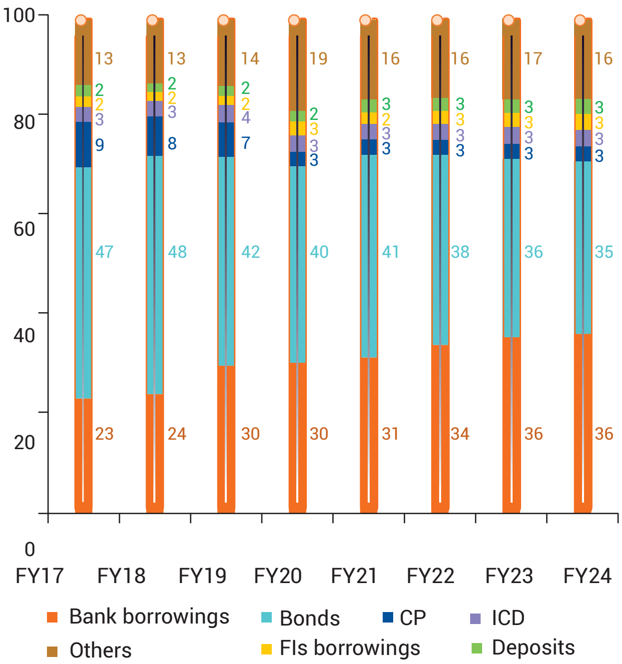
MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Liquidity and borrowing updates

Following the IL&FS crisis in 2018, NBFCs' access to capital markets (both bonds and CPs) was impacted, leading them to tap ECBs, banks, and securitization routes to fund robust credit demand. The share of bonds and CPs in NBFCs' borrowing mix declined to 38% from 56% in FY 2017-18. Bank loans to NBFCs grew at a 17% CAGR over the last five years, with the share in the mix rising to 37%. The RBI increased risk weights on bank loans to NBFCs by 25 ppt in November 2023, excluding PSL-eligible loans. This led to a slowdown in bank lending to NBFCs, reducing banks' exposure to NBFCs. However, NBFCs that predominantly originate Priority Sector Lending (PSL) assets provide significant liquidity, by supplying banks with the necessary assets to meet their regulatory PSL requirements. This mutual arrangement benefits NBFCs by offering a steady liquidity source, enabling them to expand lending operations, while helping banks efficiently fulfil their PSL obligations.

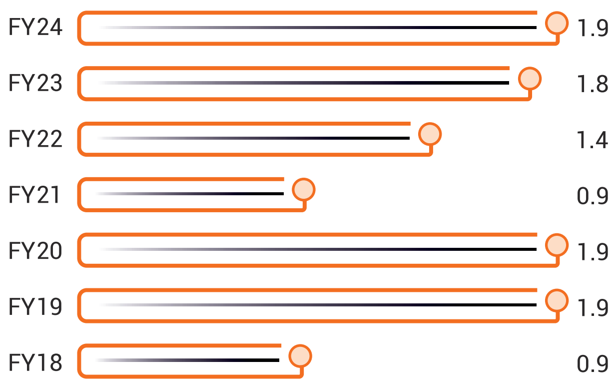
Securitization remains a major funding source for NBFCs, clocking in a 28% CAGR over the last three years (FY 2021-24), reaching pre-COVID levels. Collaborative co-lending models with fintech partners offer innovative financing solutions, and venture capital injections provide essential equity support. These funding avenues highlight the sector's adaptability and sustained financial resilience.

Liability mix of NBFCs (%)



(**Source:** https://rbidocs.rbi.org.in/rdocs//PublicationReport/Pdfs/0FSRJUN2024_270620242B95CB128D1847A3ACAB5B5A4BEBF0DF.PDF)

Securitization (₹ Trillion)



Source: https://www.crisilratings.com/en/home/newsroom/press-releases/2024/04/securitisation-volume-scales-peak-of-rs-1-9-lakh-crore.html

Outlook for NBFCs

NBFCs are poised to play a pivotal role in India's growth trajectory by facilitating formalized credit penetration among underserved populations, aligning with broader policy initiatives. As customer expectations rise and digital business models proliferate, existing NBFCs must overhaul their operations while new entrants reassess market-entry strategies. Robust risk management and governance frameworks are crucial for industry players as they expand lending operations.

In FY 2024-25, AUM growth for NBFCs is expected to moderate to 15-17% range from approximately 18% in FY 2023-24. This moderation is primarily attributed to regulatory measures aimed at unsecured loan growth, reducing interconnectedness between banks and NBFCs by moderating bank lending to NBFCs and as benefit of low base effect prevalent in FY 2023-24 wanes. While the asset quality outlook remains stable for most NBFCs, there is a need for vigilant monitoring with regard to unsecured loans and microfinance loans.

(**Source:** https://www.linkedin.com/pulse/nbfcs-aum-grow-14-17-fy25-sustained-credit-demand-report-ulz3c)

Housing finance

Housing stands as a fundamental necessity in every economy, serving as a key indicator of growth and societal well-being. Its development not only contributes to economic growth but also acts as a catalyst for economic advancement, given its stimulating effect on various sectors including construction and infrastructure. The development of housing fosters demand for supporting industries and facilitates the creation of employment opportunities, thus signifying economic prosperity.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

The affordable housing finance segment holds the largest share of India's housing finance sector. Most of its customers reside in non-formal Tier-2 and Tier-3 cities and are new to credit facilities. These customers typically have low informal incomes and are often self-employed without formal income documentation. Affordable housing finance companies (AHFCs) are set to witness an estimated 29% growth in FY 2023-24. This momentum is driven by various factors, including a smaller base compared to traditional banks and major housing finance entities, expertise in reaching underserved market segments and effective credit risk assessment.

Over the past two years, the diminished share of priority sector lending-compliant home loans within the overall banking sector portfolio has led to substantial developments in the sector. This shift has opened new opportunities for affordable housing finance companies to expand their portfolios through co-lending agreements or direct assignment transactions, thereby enhancing market presence and expansion. The sector witnessed improvements in collection efficiency and strategic write-offs, which strengthened the asset quality metrics for affordable housing finance companies. The Gross Non-Performing Assets (GNPA) ratio stabilized at around 1.2% as FY 2023-24 concluded. The sector's capital structure remained robust, supported by solid internal accruals, with a gearing ratio approximately 2.9x as of March 31, 2024. AHFCs achieved strong profitability through improved net interest margins and controlled credit costs, despite increased operating expenses due to branch expansion.

The future of affordable housing finance in India looks promising, with continued government support and rising demand from the lower and middle-income segments. Innovations in financial technology (FinTech) are also expected to play a significant role in improving access to credit, enhancing customer experience, and streamlining operations for affordable housing finance companies.

(**Source:** https://www.thehindu.com/real-estate/the-growing-challenges-of-affordable-housing-in-india/article67895595.ece#:~:text=Shrinking%20share%20of%20affordable%20housing,the%20same%20period%20in%202022)

Impact of urbanization on the real estate sector

India's urban landscape is undergoing rapid transformation, witnessing a significant influx of individuals relocating to urban areas and cities in recent years. This trend is anticipated to persist, as projections from the UN indicate an addition of over 400 Million people to the population by 2050, positioning India as one of the fastest urbanizing nations globally. By 2030, over 60% of the country's GDP is expected to be generated by the urban population, underscoring the significance of rural-urban migration. Highlighting the impact on residential sector, projections suggest that it will reach a market size of US$ 1 Trillion in India by 2030, driven by increasing incomes and urbanization. With the continuous influx of individuals into cities, the demand for homes and residential real estate is expected to continue rising. Additionally, it is estimated that India will need to invest US$ 4.5 Trillion in infrastructure by 2040 to keep pace with urbanization. (**Source:** https://www.track2realty.track2media.com/us20-trillion-infra-investment-needed-across-asia-2030-colliers/)

Government initiatives supporting the housing finance sector

The Indian Government has acknowledged the need for affordable housing and implemented numerous initiatives and policies to address this challenge.

Pradhan Mantri Awas Yojana (PMAY)

PMAY stands as a flagship affordable housing initiative by the Indian Government, aimed at achieving housing for all, with particular emphasis on Economically Weaker Section (EWS) and Low-Income Group (LIG). It provides financial assistance, including interest subsidies to eligible beneficiaries to make homeownership more affordable. The scheme is instrumental in alleviating the housing shortage and fostering inclusive urban development.

National Housing Bank (NHB)

NHB serves as the primary financial authority for housing in India. It plays a pivotal role in regulating and supervising housing finance companies, while also extending refinancing assistance to these institutions. Moreover, NHB also fosters the development of a robust and efficient housing finance market across the country. Through its initiatives, NHB endeavors to ensure the availability of affordable housing finance options through a well-regulated sector.

Housing and Urban Development Corporation (HUDCO)

HUDCO, a government-owned financial institution, is dedicated to financing housing and urban infrastructure projects. It plays a crucial role in supporting affordable housing initiatives and urban development programs. HUDCO extends loans and grants to state governments, agencies, and organizations involved in affordable housing projects, contributing to the expansion of affordable housing options nationwide.

City and Industrial Development Corporation (CIDCO)

CIDCO is a prominent Government agency in India, dedicated to urban planning and development. It plays a key role in facilitating urban infrastructure and housing projects, with particular emphasis on Maharashtra. CIDCO's initiatives contribute to the proliferation of affordable housing options and inclusive urban development. These efforts align closely with the overarching objective of providing accessible housing to all segments of society.

Outlook

The demand for affordable housing in India is poised to surge owing to rapid urbanization, increasing incomes, and a substantial population of low-income households. According to industry projections, the potential market size for urban affordable housing in India is expected to expand by approximately 1.5 times, from an estimated 25 Million households in 2010 to 38 Million by 2030. However, the sector faces several hurdles, including limited financing avenues for developers, escalating construction expenses, and a scarcity of affordable land parcels. To tackle these challenges, developers are adopting strategies such as leveraging pre-fabrication techniques and forging partnerships with public-private entities and other stakeholders. The underpenetrated home loan market in India presents significant opportunities for banks, HFCs, and NBFCs. This market is experiencing a steady growth, registering a CAGR of 15%. Factors such as population growth, urbanization, increasing incomes, and Government initiatives like PMAY and interest subsidies are driving the demand for home loans in the country.

Government policies like the Pradhan Mantri Awas Yojana (PMAY) have propelled this sector forward by providing subsidies and incentives to developers and buyers alike. Collaboration between the Government and private sector is expected to further shape the market as they address the housing needs of a growing population. Fintech companies have a crucial role to play in this landscape by offering accessible and affordable financing solutions for prospective home buyers. (**Source:** https://www.businesstoday.in/personal-finance/top-story/story/affordable-housing-market-in-india-is-valued-at-300-billion-basic-home-loans-founder-atul-monga-407440-2023-11-28, https://www.propacity.in/blog/affordable-housing-in-india/)

Gold loan

Gold has always held a significant cultural and economic value in India, embodying not only financial security, but also social status and cultural heritage. Indian households own a vast amount of gold –27,000 tons – accounting for 14% of the global gold market. Gold is evolving as an instrument for borrowers, especially MSME and individuals, to manage their working capital needs, with only 20% of the total gold account being pledged till now. It remains one of the most secure and flexible mediums to meet short-term cash emergencies. There is room for significant growth in the segment with 65% of the market currently being served by unorganized lenders. Whereas, the Organized Gold Loan market consists of banks (both public and private), small finance banks, cooperative banks, NBFCs, and Nidhi companies. However, organized players such as banks and NBFCs are constantly expediting their processes, offering attractive interest rates and shorter turnaround times to increase their market share in this sector.

NBFCs' growth for gold loans remain highly influenced by change in the prices of the precious metal. In FY 2023-24, gold prices in India experienced a notable increase of more than 20% YoY. The goal loan market in India stood at ₹ 2.4 Trillion in 2024 with the share of NBFCs at 59% (RBI trends and progress). Specialized gold loan NBFCs have steadily expanded their market share through aggressive investments in branding, promotional activities, and geographical expansion. These strategic investments have bolstered their brand recognition and geographic footprint, enabling them to capture a significant share of new customers entering the market. Furthermore, these NBFCs have honed their competitive edge in areas such as expedited loan processing, precise gold valuation, secure storage, and efficient auctioning processes — further sharpening their competitive edge.

Outlook

The gold loan market in India has undergone significant evolution, emerging as a crucial element of the country's financial landscape. The combination of cultural significance, accessibility and competitive interest rates has spurred remarkable growth. As on September 2023, gold loan NBFCs held a dominant market share of 59%, with banks accounting for the remainder. As India's economy continues to expand, the gold loan market is poised to play a pivotal role in extending credit to millions of individuals and furthering the nation's financial-inclusion objectives. Expectations are high for significant growth in the Indian gold loan market, driven by changing attitudes in urban areas and cities towards availing gold loans. Moreover, the increasing penetration of gold-loan providers, banks, NBFCs, and other accessible financial institutions is expected to further fuel the market growth through 2025. Specialized gold loan NBFCs are expected to play a major role in driving AUM growth, due to their focused approach and new technology initiatives that enable customers to transact online with ease.

(**Source:** https://www.financialexpress.com/business/banking-finance-banks-to-get-upper-hand-in-gold-loan-market-3435643/, https://www.thehindubusinessline.com/money-and-banking/gold-loan-nbfcs-maintain-market-share-despite-competition-from-banks-crisil/article67701474.ece#:~:text=In%20FY24%20(up%20to%20September,cent%20(non%2Dannualised).RBI trends and progress)

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Micro, Small, and Medium Enterprises (MSME)

The MSME sector is a vital contributor to India's economy, accounting for 96% of industrial units, 40% of industrial production, and 42% of exports. This sector provides employment opportunities in rural as well as urban areas, addressing the nation's unemployment challenges. Over the last six years, 7.56 Lakh jobs have been created, with 75,000 recognized start-ups, covering diverse sectors like IT, Healthcare, Education, and Agriculture. There has been a notable 110% yearly increase in job creation during the time, presenting a promising opportunity for NBFCs to provide tailored products and digital solutions, so as to support MSME's continued success and growth.

Government initiatives, such as the Make in India campaign aim to create a conducive environment for MSMEs by ensuring easy and secure funding, addressing credit shortages, and mitigating fraud risks. Policies like the Pradhan Mantri MUDRA Yojana (PMMY) and the Special Credit Linked Capital Subsidy Scheme (SCLCSS) further support this outlook. NBFCs play a crucial role in augmenting credit flow to MSMEs, especially in under-banked regions, through innovative tools, personalized offerings, and strategic alliances with fintech firms and banks. Leveraging technology for advanced data analytics, the NBFCs streamline processes and ensure expedited credit disbursal – demonstrating agility in meeting the diverse needs of small businesses.

(**Source:** https://www.forbes.com/advisor/in/business/msme-statistics/)

Outlook

The MSME sector possesses the talent and willingness for risk-taking, potentially making significant contributions to India's capabilities in critical areas such as Semiconductors, Space Technology, Defence, and Medical Equipment. Despite the sector's robust growth and resilience – challenges such as the credit gap, limited access to technology, and low innovation – persist. While the government's initiatives, including credit schemes, Udyam registration, and Skill Development, are commendable, meeting the credit needs of these MSMEs will be crucial for the sustained qualitative and quantitative growth of the MSME sector in India.

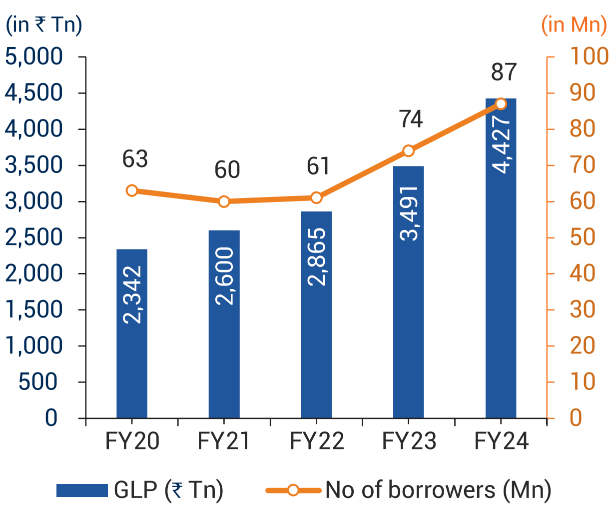
(**Source:** https://www.infomerics.com/admin/uploads/MSME-Industry-april24.pdf)

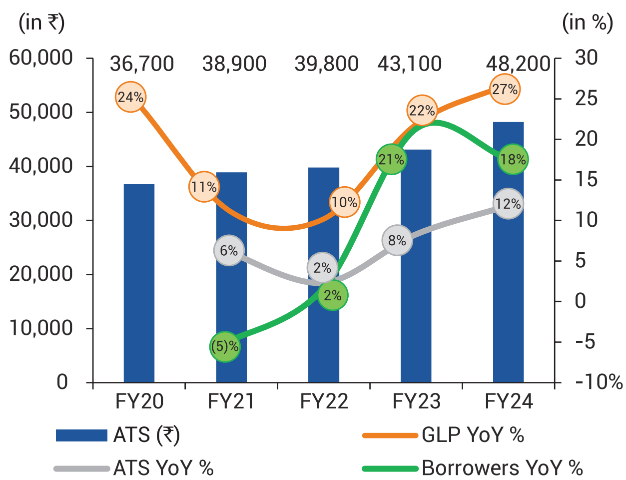
Microfinance

The Indian Microfinance (MFI) industry has played a vital role in serving the low-income group, individuals residing in remote regions of the country and MSMEs; thereby promoting financial inclusion at the bottom of the economic pyramid and empowering women who constitute the largest part of its borrower base. MFIs are an effective channel for providing affordable credit to low-income and mid-income households, as well as those in the informal sector. Over the past decade, MFIs experienced significant growth on account of introduction of structured guidelines, digital interventions, the government's support initiatives and redefined customer-servicing approach. The portfolio outstanding of the Microfinance industry as on March 31, 2024, stood at ₹ 4.4 Trillion with 16 Crore active loans and 8.7 Crore unique live borrowers. NBFC-MFIs were the largest segment of lenders constituting 39% of MFI loans, followed by banks at 33%, Small Finance Banks (SFBs) at 17% and NBFCs at 10% of portfolio outstanding.

(**Source:** CRIF)

GLP size, borrower size and ATS growth





Source: CRIF

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Outlook

The evolution of the Microfinance industry into a mature sector represents a significant stride towards enhancing financial inclusion more effectively. Through structured financing and initiatives like the self-help groups' bank-linked financing program, MFIs stand poised to foster greater financial stability. In India, MFIs have played a central role in extending small credit, particularly to marginalized groups that lack collateral; thereby contributing significantly to the nation's efforts to promote financial inclusion. The microfinance landscape exhibits remarkable diversity, encompassing various players of different types and legal structures.

Lower operational costs associated with digitalization can lead to enhanced financial inclusion and greater benefits for customers. Technological advancements have enabled MFI lenders to expand rapidly, improve operational efficiency, and reduce reliance on cash transactions and processing times. Additionally, they have facilitated the innovation of new products, offered superior customer service, and allowed for the utilization of analytics for portfolio monitoring and credit assessment.

In the recent years, the average ticket size of MFIs has witnessed an upward trajectory, increasing from around ₹ 33,500 in FY 2020-21 to approximately ₹ 46,000 in FY 2023-24. This increase in ticket size has been observed particularly in the states where MFIs have had a significant presence for an extended period, and where the creditworthiness of the client base is relatively well-established. However, there is a scope for further improving the penetration of MFIs in India, especially in relatively under-penetrated states such as Uttar Pradesh, Uttarakhand, and Himachal Pradesh; along with moderately penetrated states like Rajasthan, Chhattisgarh, Haryana, Punjab, and Jharkhand.

(**Source:** https://arflab.co.in/beyond-financial-inclusion-the-future-of-microfinance-in-india)

Key regulatory updates for FY 2023-24

- Regulated Entities (REs) have been extensively leveraging Information Technology (IT) and IT enabled Services (ITeS) to support their business models, products and services offered to their customers. REs also outsource substantial portion of their IT activities to third parties, which expose them to various risks. In order to ensure effective management of attendant risks, the Statement on Developmental and Regulatory Policies dated February 10, 2022, proposed the issuance of suitable regulatory guidelines on Outsourcing of IT Services. Accordingly, a draft Master Direction on Outsourcing of IT Services was released for public comments in June 2022. Based on the feedback received, the finalized Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023 were released (on April 10, 2023) stating that the underlying principle is to ensure that outsourcing arrangements neither diminish REs' ability to fulfil their obligations to customers nor impede effective supervision by the RBI. These Directions came into effect from October 01, 2023.

  (**Source:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/102MDITSERVICES56B33FD530B1433187D-75CB7C06C8F70.PDF)

- On June 08, 2023, RBI released guidelines on Default Loss Guarantee (DLG) in Digital Lending wherein it was stated that the recommendation pertaining to First Loss Default Guarantee (FLDG) was under examination with the Reserve Bank of India. Arrangements between Regulated Entities (REs) and Lending Service Providers (LSPs) or between two REs involving default loss guarantee (DLG), commonly known as FLDG, has since been examined by RBI and it has been decided to permit such arrangements subject to certain guidelines.

  (**Source:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NT4142A9CBCE6AC04882AD2C3B1E8718965C.PDF)

- On August 18, 2023, RBI issued a circular highlighting that many Regulated Entities (REs) levy penal rate of interest, over and above the applicable interest rates, in case of defaults/non-compliance by the borrower with the terms on which credit facilities were sanctioned. RBI reiterated that the intent of levying penal interest/charges is to inculcate a sense of credit discipline and such charges are not meant to be used as a revenue enhancement tool over and above the contracted rate of interest. However, RBI's supervisory reviews indicated divergent practices amongst the REs with regard to levy of penal interest/charges leading to customer grievances and disputes. Accordingly, RBI issued instructions to be adopted by REs in this matter.

  (**Source:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/FAIRLENDINGPRACTICE1B9DBE75410B-4DA881E6EF953304B6F7.PDF)

- In its circular dated September 13, 2023, in order to promote responsible lending conduct among the REs, RBI issued some directions. These covered REs' practices in the areas of release of movable/immovable property documents, compensation to be paid by the RE to the borrower for delay in the release

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

of movable/immovable property documents (where the delay is attributable to the RE), among others.

(**Source:**https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NOTI60936A9DFA85554DD1BF77BCF4611AA69D.PDF)

- On September 25, 2023, in a bid to driver greater transparency, RBI intimated that the Regulated Entities (REs) of the Reserve Bank of India which are secured creditors as per the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, shall display information in respect of the borrowers whose secured assets have been taken into possession by the REs under the Act. REs shall upload this information on their website in the format prescribed by the RBI.

  (**Source:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NOTI63D6F589F933804ED992EBCFF30F5CCD5E.PDF)

- On October 19, 2023, the RBI issued a Master Direction, consolidating provisions for Systemically and Non-Systemically important NBFCs, Scale-Based Regulatory Framework for NBFCs, and related circulars into one. The framework categorizes NBFCs in the base layer, middle layer, upper layer and top layer. The Master Direction is categorized into sections applicable to different NBFC categories like NBFC-Base Layer, NBFC-Middle Layer, and NBFC-Upper Layer, based on size and function for easier reference.

  (**Source:**https://rbidocs.rbi.org.in/rdocs/notification/PDFs/106MDNBFCS1910202343073E3EF57A4916AA5042911CD8D562.PDF)

- In a circular dated October 26, 2023, RBI released its framework for compensation to customers for delayed updation/rectification of credit information. Under this framework, the complainants shall be entitled to a compensation of ₹ 100 per calendar day in case their complaint is not resolved within a period of thirty (30) calendar days from the date of the initial filing of the complaint by the complainant with a Credit Institution (CIs) and Credit Information Company (CIC). It also has detailed guidelines regarding compensation to be paid by a CI/CIC in case they fail to resolve the complaint within a defined timeline.

  (**Source:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NOTI72FCCD26102301BDA57DCC7B47C9BB0B0994716BED22.PDF)

- In a circular dated October 26, 2023, RBI issued directions to CIs and CICs to strengthen their customer service practices. These include directions on implementation of access to credit information report, updation of credit information with CICs, setting up nodal points/officials by CIs, among others.

  (**Source:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NT73D86ADB78399949C199250E3E16F037D5.PDF)

- In its circular dated October 26, 2023, RBI highlighted that certain entities, which are eligible to join Account Aggregator (AA) ecosystem as Financial Information Provider (FIP), have been on boarded as Financial Information User (FI-U) only. Consequently, such entities are accessing financial information from other FIPs but are not providing the financial information held by them. As such, with a view to ensure efficient and optimum utilization of the AA ecosystem, it has been decided that RBI regulated entities joining the AA ecosystem as FI-U shall necessarily join as FIP also, if they hold the specified financial information and fall under the definition of FIP. The Master Direction – Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016 is being modified accordingly.

  (**Source:** https://rbidocs.rbi.org.in/rdocs/Notification/PDFs/NOTI773109DABBDE4E4E27B93AB7325962E43A.PDF)

- On November 07, 2023, the RBI issued master direction detailing the Information Technology Governance, Risk, Controls and Assurance Practices of its Regulated Entities (REs).

  (**Source:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/107MDITGOVERNANCE3303572008604C67AC25B84292D85567.PDF)

- On November 16, 2023, the RBI issued fresh directives for bank credit to NBFCs, asking banks to compute risk weights for their NBFC exposures, using ratings from accredited External Credit Assessment Institutions (ECAIs). If the current risk weight based on external ratings falls below 100%, banks must increase the risk weight by 25 percentage points. However, loans extended to Housing Finance Companies (HFCs) and NBFCs, eligible for priority sector classification, are exempted from this regulation.

- In the same circular, the RBI tightened rules for consumer lending, asking banks and non-banking financial companies (NBFCs) to set aside higher

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

buffers and put in place Board-approved policies to monitor exposure limits to this segment. The development comes after the RBI governor flagged concerns about the high rate of growth of consumer loans on multiple occasions, asking lenders to remain cautious.

(**Source:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/REGULATORYMEASURES8785E7886A044B678FB8AF2C6C051807.PDF)

- The said circular also stated that in order to strengthen credit standards, RBI-regulated entities are mandated to review and establish Board-approved sectoral exposure limits for various consumer credit sub-segments. These include setting limits for all unsecured consumer credit and considering top-up loans against depreciating assets as unsecured for credit appraisal and limits.

  (**Source:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/REGULATORYMEASURES8785E7886A044B678FB8AF2C6C051807.PDF)

- On December 29, 2023, the RBI issued directions with a view to strengthen the Internal Grievance Redress mechanism within a Regulated Entity (RE) and to ensure a proper and speedy resolution of customer complaints by enabling a review before their rejection, by an apex level authority within the Regulated Entity. These Directions integrate and update the erstwhile Internal Ombudsman Schemes issued by the Reserve Bank of India for banks, Non-Banking Financial Companies (NBFCs), Non-bank System Participants (NBSPs) and Credit Information Companies (CICs).

  (**Source:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/108MDINTERNALOMBUDSMANCC05402F77BE4F229B59877F341386A4.PDF)

- On January 31, 2024, the RBI issued detailed guidelines for streamlining of the internal compliance monitoring function – leveraging use of technology to be implemented by its REs. Such a solution/tool should, among other things, provide for effective communication and collaboration among all the stakeholders (by bringing business, compliance and IT teams, Senior Management, etc. on one platform); have processes for identifying, assessing, monitoring and managing compliance requirements; escalate issues of non-compliance, if any; require recording approval of competent authority for deviations/delay in compliance submission; and have a unified dashboard view to Senior Management on compliance position of the Regulated Entity (RE) as a whole. The RE, based on the size and complexity of its operations, may decide on the tools/mechanism it would prefer to deploy for monitoring of compliance and development of the unified dashboard.

  (**Source:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/COMPLIANCEMISCIRCULARB019FBA6000948078940E94837A11A10.PDF)

- On February 22, 2024, the RBI Retail Direct Scheme ('Scheme') included Clearing Corporation of India as a Financial Information Provider to enable aggregation of financial information on Government Securities held by retail investors in their Retail Direct Gilt accounts under the scheme. The Master Direction – Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016 is being modified accordingly.

  (**Source:** https://rbidocs.rbi.org.in/rdocs/Notification/PDFs/CIRCULARINCLUSIONCCIL9520A6BC53544F7C823581B782E5A2C6.PDF)

- On February 27, 2024, RBI issued master directions wherein all its Supervised Entities (SEs) are required to submit certain supervisory returns to the Reserve Bank of India as per various directions/circulars/notifications issued by the Bank from time to time. In order to create a single reference for all Supervisory Returns and to harmonize the timelines for filing of returns, all the relevant instructions have been rationalized and consolidated into a single Master Direction.

  (**Source:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/MD11024D1EF9CB39B44ABB23DF586173E0CDE.PDF)

- On March 27, 2024, RBI issued a circular to address certain regulatory concerns relating to investment by regulated entities (REs) in the AIFs. The key recommendations include:

  o Downstream investments shall exclude investments in equity shares of the debtor company of the RE, but shall include all other investments, including investment in hybrid instruments.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- o Provisioning shall be required only to the extent of investment by the RE in the AIF scheme which is further invested by the AIF in the debtor company, and not on the entire investment of the RE in the AIF scheme.
- o Proposed deduction from capital shall take place equally from both Tier-1 and Tier-2 capital. Reference to investment in subordinated units of AIF Scheme includes all forms of subordinated exposures, including investment in the nature of sponsor units.
- o Investments by REs in AIFs through intermediaries such as fund of funds or mutual funds are not included in the scope of the Circular.

(**Source:** https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NOTI14027032024A0474453CF9549A69FF-B3EA0CA948602.PDF)

Sectoral opportunities

- Bank-NBFC co-lending model aimed at broadening opportunities for organized lending.
- E-commerce unlocking the potential for retail lending.
- Underserved retail and MSME sectors offering significant opportunities for NBFC growth.
- Growing digitalization and analytics leading to improved lending efficiency.
- Gold loans, housing loans, and microfinance loans are helping towards improved financial inclusion.
- Credit-risk sharing agreements being facilitated between fintech companies and regulated financial institutions such as banks and NBFCs.

Sectoral threats

- Liquidity challenges may create an adverse impact on the sector's lending capability.
- Unforeseen changes in the regulatory landscape may require the NBFCs to modify their operations significantly.
- Rapid pace of technological advancement may pose the threat of obsolescence.
- Heightened geopolitical uncertainties may impact the macroeconomic environment for the NBFC sector.

COMPANY OVERVIEW

IIFL Finance Limited (Herein referred to as 'IIFL Finance' or 'The Company', 'Our Company' or 'We'), formerly IIFL Holdings Limited, is a reputable and leading financial services institution in India. Established in 1995 and focused on financial services, it began as a research firm and has been continuously evolving, adapting, and innovating to meet the changing requisites of the financial services sector. It operates across verticals through its subsidiaries, namely IIFL Home Finance Limited, IIFL Samasta Finance Limited, and IIFL Open Fintech Private Limited. The Company and its subsidiaries offer a diverse array of loan products, including gold loans, home loans, secured business loans (LAP), digital loans, and microfinance loans, through an extensive network of branches across India. IIFL Finance follows an asset-light model wherein it partners with banks to sell its retails assets under Direct Assignment/Securitization/Co-lending arrangements, since most of its assets meet the priority sector norms defined by RBI.

With a hybrid model combining physical and digital distribution channels, IIFL Finance Limited operates over 4,801 branches as of March 31, 2024, alongside a robust online infrastructure and cutting-edge mobile platforms. The Company serves a customer base exceeding 8 Million across various business segments through its varied financial offerings. Promoted by first-generation entrepreneurs Mr. Nirmal Jain and Mr. R. Venkataraman and supported by esteemed institutional investors like the Fairfax Group, Capital Group, among others, the Company upholds honesty and transparency as its fundamental values. It strives to keep its loan products straightforward, ensure transparency, and consistently commit to its valued customers. The Company's management team comprises highly skilled and seasoned professionals who foster a culture of growth, entrepreneurship, and innovation among its extensive talent pool.

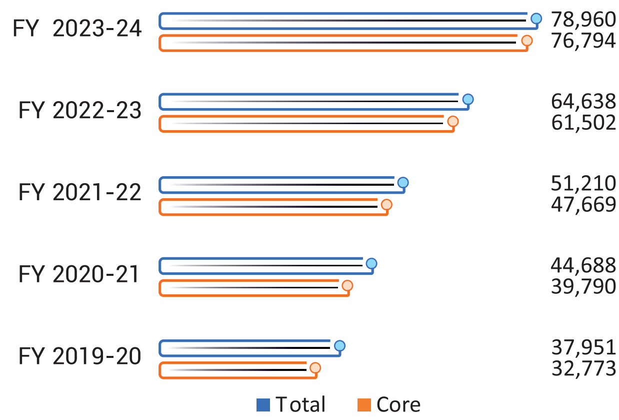
Following an inspection of our Company's financial position as of March 31, 2023, the RBI identified supervisory concerns regarding our gold loan portfolio. In response to a press release and order dated March 04, 2024, the RBI directed our Company to cease sanctioning or disbursing gold loans or assigning/securitizing/selling existing gold loans. The order allows the Company to continue servicing its existing gold loan portfolio through regular collection and recovery processes and continue lending as usual, except for the gold loans. These restrictions will be reviewed after a special audit is conducted by the RBI and upon rectification of audit findings to the satisfaction of the RBI. The special audit commenced on April 23, 2024, and has since concluded.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW

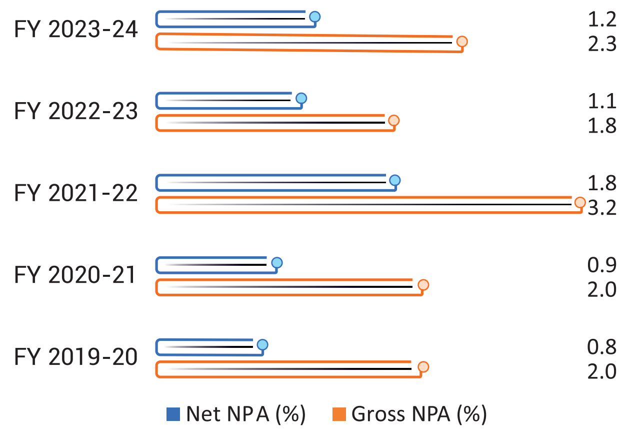
During the year under review, AUM witnessed a 22% growth from ₹ 64,638 Crore to ₹ 78,960 Crore as our diversified portfolio, including home loan, secured business loan, gold loan, digital loan, and microfinance loan, registered upward mobility in terms of growth.

Loan AUM (₹ Crore)



The total comprehensive income after non-controlling interest increased by 14% YoY to ₹ 1,748 Crore from ₹ 1,534 Crore. Core AUM grew to ₹ 76,794 Crore and comprised 97% of our total AUM. Our Company enjoys surplus liquidity in all maturity segments across all levels. Our Company's asset quality has historically been amongst the best in the industry and remained solid during the year under review. Our gross NPA and net NPA stood around 2.3% and 1.2% respectively for FY 2023-24. In line with the capital optimization strategy, the Company's assigned and co-lending portfolio constituted about 36% of the total AUM. As of March 31, 2024, the Company's (Standalone) Capital Adequacy Ratio stood at 18.85%, including Tier-1 Capital of 12.56%.

Asset quality ratios (%)

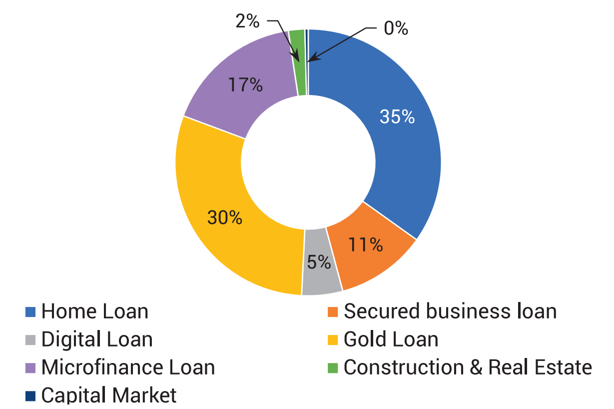


Note: GNPA and NNPA numbers exclude discontinued Healthcare equipment finance (HCF) business for FY20 and FY21

Loan AUM for core products grew by 25% YoY, driven mainly by retail home loans, secured business loan, and microfinance loans. Retail home loans grew by 26% YoY, secured business loans by 29% and microfinance loans by 34% YoY. Within the home loan category, our primary focus remains on affordable and non-metro customers who possess the financial capacity to conveniently acquire products and services that align with their financial capabilities. Specifically, we cater to the affordable home segment, offering small-ticket loans to salaried and self-employed individuals with an average on boarding ticket size of ₹ 15.3 Lakh. Through the Pradhan Mantri Awas Yojana (Urban) – Credit Linked Subsidy Scheme, our subsidiary, IIFL Home Finance, has aligned its business strategy with the Government's 'Housing for All' mission. So far, more than 73,000+ families have benefited from the program, with over ₹ 1,750+ Crore in subsidies distributed. As of March 31, 2024, 98% of our Company's loan assets were retail loans secured by mortgages, other collateral like gold, or backed by cash flows to consumers underserved by banks. Our Company's success in retail lending is attributed to our broad distribution network, cutting-edge technological solutions, loyal customer base, various co-lending agreements, and robust balance sheet. Furthermore, excluding gold loans, which are not categorized as Priority Sector Lending (PSL) loans, 67% of our company's retail loans comply with RBI's PSL standards. The share of loans sold down was 20.9% of the total AUM as of March 31, 2024. Additionally, co-lending off-book stood at 14.7% of total AUM as of March 31, 2024.

The Company enjoys a well-diversified AUM mix with 78% comprising secured loans and 22% unsecured loans. IIFL has 4,801 branches, primarily for gold, home finance, and microfinance businesses. During the year under review, RoA stood at 3.4% and RoE stood at 18.4%. Consolidated net profit margin for FY 2023-24 was 18.8% down from 19.0% in FY 2022-23.

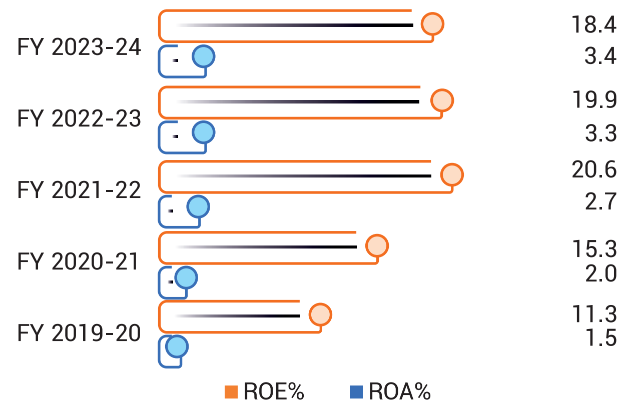
AUM break up (%)



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

ROA and ROE

(%)



Focusing on the retail portfolio, the Company has implemented prudent risk management and sufficient provisioning to maintain asset quality and growth across segments. Leveraging technological advancements, fintech innovations, digital delivery, and paperless loan processing, we have surpassed industry standards. From customer on boarding to loan disbursement, almost the entire journey for secured business loan and digital loans has been digitalized. The Company has developed an end-to-end loan process through WhatsApp, providing borrowers with a seamless experience that includes customer on boarding, digital application, loan approval, disbursement, and collection.

Details of significant changes

* The consolidated GNPA y-o-y has increased by 48 bps (2.32% versus 1.84% in FY 2022-23), mainly because of the gold loan portfolio.
* The return on net worth was lower by 150 bps (18.42%% versus 19.92% in FY 2022-23) due to higher growth in average net worth compared to last year because of capital infusion in the Housing Finance subsidiary towards the later part of the financial year 2023.

Disclosure of accounting treatment

The Company's financial statements were prepared without deviation from the treatments prescribed in any of the Accounting Standards (AS).

SEGMENT OVERVIEW

AFFORDABLE HOME LOAN

Business overview

IIFL Finance, through its subsidiary IIFL Home Finance, extends loans for various residential property needs such as home purchases, construction and renovation. Additionally, we offer mortgage-backed loans to small and medium businesses for residential and commercial properties, catering to diverse requirements, including working capital, business usage, and property acquisition.

With a robust foundation, our Company conducts thorough credit background checks on applicants, ensuring responsible lending practices. We also employ comprehensive legal and technological security assessments to safeguard our operations. For large mortgage loans, we utilize a combination of external and internal property appraisals, including evaluations by international property specialists.

FY 2023-24 UNDER REVIEW

In FY 2023-24, our Company continued its sharp focus on affordability, mainly targeting non-metro customers by leveraging the recently expanded housing finance branches. Our home loan Assets Under Management (AUM) grew by 26%, reaching ₹ 27,438 Crore by March 31, 2024. Our operations span 389 dedicated home loan branches nationwide, ensuring extensive coverage across India. As a result, our subsidiary, IIFL Home Finance, achieved the Principal Business Criteria set by the National Housing Bank (NHB) much ahead of the scheduled deadline of March 2024.

Additionally, IIFL Home Finance has emerged as the leading housing finance company in the sub-₹ 20 Lakh ticket size segment, further solidifying its position in the market. Furthermore, we facilitated co-lending disbursements exceeding ₹ 900 Crore with various banks for home loans. Additionally, our Company forged partnerships with state housing boards and developers to construct green buildings, aligning with our commitment to sustainability.

GOLD LOAN

Business overview

The Company specializes in offering loans against gold jewelry to a diverse clientele, including small business owners, merchants, dealers, farmers, and salaried individuals. We provide competitive rates, minimal paperwork, and swift response times. Our verification process is managed by experienced officers proficient in asset quality procedures. To ensure security, the ornaments are stored in fireproof and burglary-proof vaults at our gold loan branches, monitored round the clock by electronic surveillance.

FY 2023-24 under review

Our Company has an extensive Pan-India presence catering to diverse geographies through its 2,752 dedicated gold loan branches. Our gold loans business has recorded a CAGR of 30% over the past 5 years by prioritizing growth accompanied with strong collections and resolutions,

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

resulting in negligible losses. We continuously strive to set new benchmarks in customer service and to this end provide a seamless experience through our branches, digital platforms and our doorstep services. In FY 2023-24, our gold loan Assets Under Management (AUM) grew by 13%, reaching ₹ 23,354 Crore by March 31, 2024. As mentioned above, RBI has effective March 04, 2024 directed our Company to cease sanctioning or disbursing gold loans or assigning/securitizing/selling existing gold loans.

DIGITAL LOANS

Business overview

IIFL Finance offers unsecured business loans, specializing in small-scale cash flow analysis-backed loans tailored for the rapidly growing, low-ticket size, high-yielding MSME sector. With a robust foundation, our Company conducts rigorous in-house underwriting and credit checks, ensuring thorough evaluation of loan applicants. Leveraging technology, we provide financial solutions to MSMEs, exemplified by our instant paperless loan offerings via WhatsApp and our app, resulting in swift processing times and heightened client satisfaction. Moreover, our seamless e-integration with various fintech partners ensures a smooth end-to-end process for our customers.

FY 2023-24 under review

Our Company optimized operational efficiency throughout the year through digital loan processing methods. Collaborating with prominent fintech lenders, we expanded our offerings to encompass business and supply chain finance underpinned by sound risk-sharing agreements. Our robust risk management framework balances cautious credit underwriting and swift decision-making, facilitated by automated disbursements and guided by analytical scorecards. Notably, the MSME loans segment experienced a commendable 71% growth in FY 2023-24, accompanied by enhancements in asset quality and collection efficiency.

SECURED BUSINESS LOANS (LOAN AGAINST PROPERTY)

Business overview

The Company's secured business loan business is typically small, with an average on boarding ticket size of about ₹ 8.05 Lakh. Despite being categorized under LAP and MSME, these loans are physically collected, often resulting in slightly higher stages of delinquency initially. However, our experience with this product has been positive, as collections have been consistent and adequate.

FY 2023-24 under review

This segment focused on digital lending to the MSME sector and individuals. IIFL Finance aims to balance prudent credit underwriting with instant in-principle decisions. In FY 2023-24, the Company's secured business loan business witnessed a remarkable 29% YoY increase in Assets Under Management (AUM), reaching ₹ 8,607 Crore.

MICROFINANCE

Business overview

Our Company is committed to empowering communities through microloans tailored to income-generating endeavors, including initiatives like dairy cattle loans. With a focus on granularity, our portfolio yields significant returns. We primarily serve women-led Self Help Groups (SHGs), amplifying our impact on grassroots empowerment. Our subsidiary, IIFL Samasta, provides term loans called Dairy Cattle Loans to individuals or businesses involved in dairy farming. These loans are primarily used for purchasing high-quality dairy cattle, including cows or buffaloes, to establish or enhance a dairy farming operation. These loans are designed to support the acquisition, expansion, or improvement of dairy cattle and related infrastructure.

FY 2023-24 under review

In FY 2023-24, our microfinance portfolio, witnessed a remarkable 34% year-on-year increase in Assets Under Management (AUM), reaching ₹ 13,094 Crore in the microfinance segment. As of March 31, 2024, our MFI segment served nearly 30 Lakh active customers across 22 states and union territories, supported by a robust branch network comprising 1,648 branches.

RISK MANAGEMENT AND GOVERNANCE

IIFL Finance places significant emphasis on the crucial role of effective risk management in ensuring the success and longevity of its business. The Company understands the importance of integrating risk management practices into its operations to optimize the risk-return balance while adhering to all relevant laws, regulations, and standards. This holistic approach shields the Company from potential losses and strengthens its reputation as a trustworthy and conscientious financial services provider.

The Company acknowledges that risk management is an ongoing endeavor, requiring continual vigilance and adaptability to evolving circumstances. By fostering a culture of robust and disciplined risk management throughout the organization, the Company ensures that its employees are aware of the risks associated with their roles. Concurrently,

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

it equips them with the necessary knowledge and tools to mitigate those risks effectively.

Fundamental changes introduced in the gold loans business in FY 2023-24

To enhance operational efficiency and security, we are setting a maximum cash disbursement limit in line with regulatory requirements. Additionally, issuing a Certificate of Purity will be an integral part of the loan agreement generated during disbursement to ensure the authenticity of pledged gold assets. Comprehensive credit information for all gold loan borrowers is reported to Credit Information Companies (CIC), facilitating informed lending decisions. To improve transparency in customer communication, SMS reminders are sent when the Portfolio Loan-to-Value (LTV) ratio crosses a set threshold, indicating either the imposition of MTM charges or gold auctioning based on the limits. Enhanced due diligence protocols are applied to customers with loan exposures equal to or exceeding threshold limits for thorough risk assessment.

We have detailed the auction process in the loan agreement to align with RBI master directions, ensuring transparency and compliance. Also, we have enhanced due diligence for borrowers with loan sanctioned during Financial year >₹30 Lakh and >₹1 Crore loan. This includes obtaining a certification from a Chartered Accountant (CA) to verify the intended end use of funds. Continuous Anti-Money Laundering (AML) monitoring is conducted daily for all active customers to ensure compliance and prevent financial crime. In adherence to the Fair Practices Code, loan agreements are provided in 11 languages to cater to diverse linguistic preferences, promoting transparency and inclusivity. Lastly, to mitigate risks associated with delinquent customers, new loan applications are automatically blocked for those exceeding a Days Past Due (DPD) threshold, reducing the likelihood of extending credit to high-risk individuals.

HUMAN RESOURCES

IIFL Finance values human resources, implementing people-centric policies and practices to foster a transparent, meritocratic, and performance-oriented culture. The Company attracts talented professionals from diverse backgrounds, contributing to a strong management team and organizational growth. Read more in the Human Capital chapter on pages 58-67.

INTERNAL CONTROLS

The Company implements an exhaustive internal control framework complemented by concurrent and internal audits, special audits, and regular management reviews. These internal mechanisms ensure the presence of appropriate checks and balances and compliance with regulatory standards across all organizational levels. The internal audit team conducts risk-based audits to validate the adequacy and efficacy of internal controls for fraud prevention, detection, reporting, and remediation.

In addition, the Company prioritizes examining process controls, risk monitoring, and fraud prevention measures. To attain this objective, it invests significantly and ensures that the internal audit and control systems effectively fulfil regulatory requirements and operational demands. Furthermore, the Company is committed to mitigating operational risks by maintaining robust internal controls, monitoring transactions, implementing backup procedures, and devising comprehensive contingency plans.

The Company ensures adequate insurance coverage for pledged ornaments and employs on-site and off-site security surveillance measures at branch locations. These interventions mitigate employee and consumer fraud, fire incidents, theft, and burglary. Moreover, risk-based internal audits are conducted across all branches to evaluate the adequacy and compliance of internal controls, systems, and procedures.

The Company collaborates with top-tier firms to oversee internal audits for its critical operations, including engaging KPMG for its NBFC, HFC, and MFI operations. Adopting the ‘three lines of defence’ risk governance strategy, the Company’s line management function acts as the first line of defence, followed by the risk management and compliance functions, and ultimately, the audit function.

The Company’s internal audit function, helmed by the internal auditor, operates independently under the supervision of the Audit Committee of the Board. Moreover, close collaboration with the risk management and compliance department ensures the effectiveness of controls and adherence to internal processes and procedures. Activities undergo audits based on inherent and control risks identified through an annual risk assessment exercise. Furthermore, being an ISO/IEC 27001:2013 certified company underscores its commitment to providing clients with reliable and secure technology solutions.

Following the recent regulatory action, we have implemented significant internal control improvements to enhance our compliance framework and operational resilience. We have strengthened our monitoring mechanisms with a robust quarterly dashboard for management to promptly track and address compliance issues. Our internal audit team has embraced a dynamic and proactive approach, utilizing data analytics and conducting targeted audits based on the latest regulatory guidelines and sanctions, ensuring adaptability and precision in our compliance efforts.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Additionally, we have integrated data analytics into our portfolio testing to ensure comprehensive risk assessment. As part of strengthening our second line of defence, independent compliance testing through integrated system tools by the compliance team will provide an extra layer of assurance. Further, we have also engaged expert consultants to update our Standard Operating Procedures (SOPs) and Risk Control Matrix, ensuring alignment with industry best practices and regulatory requirements. These measures fortify our internal controls, ensuring robust compliance and sustained resilience to meet current and future regulatory expectations.

INTERNAL FINANCIAL CONTROLS

The Company recognizes the importance of robust internal financial controls in enhancing operational performance and boosting financial prudence. The internal auditors scrutinized the design and effectiveness of the primary controls and found no significant deficiency during their investigation. Additionally, the statutory auditors assessed the systems and procedures, confirming their appropriateness while reiterating the successful functioning of the internal financial controls system for financial reporting.

CAUTIONARY STATEMENT

Statements made in this Management Discussion & Analysis (MD&A) outlining the Company's objectives, projections, estimates, general market trends, and expectations may fall under the category of 'forward-looking statements' as per applicable laws and regulations. Actual results may significantly differ from the suggestions put forth by these 'forward-looking statements' due to various risks, uncertainties, and other factors.

Business Responsibility and Sustainability Report

SECTION A GENERAL DISCLOSURES

I. DETAILS

1.	Corporate Identity Number (CIN) of the listed entity	L67100MH1995PLC093797
2.	Name of the organization	IIFL Finance Limited ("IIFL")
3.	Year of incorporation	1995
4.	Registered office address	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra - 400604
5.	Corporate address	802, 8th Floor, Hubtown Solaris, N. S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai – 400 069
6.	E-mail	shareholders@iifl.com
7.	Telephone	(91-22) 6788 1000
8.	Website	www.iifl.com
9.	Reporting period for the information provided	April 01, 2023 - March 31, 2024
10.	Name of the stock exchange (s) where shares are listed	National Stock Exchange of India Limited ("NSE") BSE Limited ("BSE")
11.	Paid-up capital	₹ 76.31 Crore (As of March 31, 2024)
12.	Provide the contact point for questions regarding the report or its contents	Ms. Mauli Agarwal Company Secretary and Compliance Officer Telephone No. (91-22) 6788 1000 shareholders@iifl.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this report are on a standalone basis and pertain only to IIFL Finance Limited.

II. PRODUCTS/SERVICES

14. Details of business activities (accounting for 90% of the entity's turnover)

Description of main activity	Description of business activity	% of turnover of the entity
Financial services	IIFL is a financial services Company offering financing through varied loan products through itself and its subsidiaries.	97.13 %

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

Product/Service	NIC code	% of total turnover contributed
Other credit granting IIFL is a financial services Company offering financing through varied loan products via., Gold Loan, Digital Loan, Non-core synergistic loans	64920	97.13 %

III. OPERATIONS

16. Number of locations where operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	Nil	2,776	2,776

17. Markets served by the entity:

a. Number of locations:

Locations	Number
National (states and Union Territories)	25
International (countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable

c. Brief on types of costumers:

Individuals

Private individuals or consumers who require financial services for personal reasons.

Small and Medium-Sized Enterprises (SMEs)

SMEs who require funds for their operations, to purchase equipment, manage cash flow, expand their operations, or invest in new projects.

Startups and Entrepreneurs

Startups and entrepreneurs who require capital to launch or grow their businesses.

Corporations

Large corporations requiring finance for mergers and acquisitions, capital expenditure projects, restructuring debt, or managing cash flow gaps.

Retailers and Merchants

Partnered with retailers and merchants to provide consumer financing options.

Real Estate Developers and Investors

Those who require funding for property acquisitions, construction projects, renovations, or real estate investments.

Healthcare and Medical Institutions

Medical practitioners, hospitals, clinics, and healthcare providers requiring finance for equipment purchases, facility expansions, technology upgrades, or bridging cash flow gaps.

Government and Public Sector Entities

Government agencies, municipalities, and other public sector organizations requiring finance for infrastructure development, public projects, etc.

IV. EMPLOYEES

18. Details as of March 31, 2024

a. Employees and workers:

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES					
Permanent (D)	14,829	11,043	74%	3,786	26%
Other than permanent (E)	163	155	95%	8	5%
Total employees (D + E)	**14,992**	**11,198**	**75%**	**3,794**	**25%**

*The Company does not have any worker as defined in the guidance note of BRSR.

b. Differently abled employees:

We, at IIFL Finance are committed to all employees regardless of their background, abilities or disabilities. We believe in fostering an inclusive and diverse work environment which values the contribution from every employee. In line with our Company's commitment to treat all employees fairly, we do not track specific details related to an individual's disability - as we believe in the privacy of the employee and strive to avoid any biases or stigmatization. Our Company's goal is to remain an equal opportunity employer and ensure all employees are treated fair.

19. Participation/Inclusion/Representation of women as of March 31, 2024

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	11	1	9.1%
Key Management Personnel (KMPs)*	4	1	25.0%

* Includes 2 Key Managerial Personnel covered under the Board of Directors

20. Turnover rate for permanent employees and workers

F - Female **M** - Male

Bucket	FY 2021-22						FY 2022-23						FY 2023-24					
	Below 30 yrs		30-50 yrs		Above 50 yrs		Below 30 yrs		30-50 yrs		Above 50 yrs		Below 30 yrs		30-50 yrs		Above 50 yrs	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M
Junior management	7.6%	8.9%	5.4%	15.6%	0.0%	0.0%	13.3%	21.5%	5.6%	19.6%	0.0%	0.0%	8.07%	15.35%	4.69%	15.20%	0.00%	0.04%
Middle management	0.3%	0.5%	3.6%	21.7%	0.1%	0.3%	0.6%	1.9%	3.3%	31.5%	0.0%	0.4%	0.32%	1.61%	3.15%	23.82%	0.16%	0.48%
Senior management	0.0%	0.0%	2.5%	53.5%	0.0%	7.6%	0.0%	0.0%	2.5%	10.1%	0.0%	2.5%	0.0%	0.00%	8.89%	20.00%	0.00%	0.00%
Total	**6.9%**	**8.1%**	**5.2%**	**16.3%**	**0.0%**	**0.1%**	**12.2%**	**19.8%**	**5.4%**	**20.6%**	**0.0%**	**0.1%**	**7.40%**	**14.16%**	**4.57%**	**15.93%**	**0.01%**	**0.07%**

*The Company does not have any worker as defined in the guidance note of BRSR.

V. HOLDING/SUBSIDIARY/ASSOCIATE COMPANIES/JOINT VENTURES

21. As of March 31, 2024

Name of the holding/subsidiary/ associate company/joint venture (A)	Indicate whether holding/subsidiary/ associate/joint venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the business responsibility initiatives of the listed entity? (Yes/No)
IIFL Home Finance Limited (HFC)	Direct subsidiary	79.59%	No
IIFL Samasta Finance Limited	Direct subsidiary	99.56%	No
IIFL Open Fintech Private Limited	Direct subsidiary	51.02%	No
IIHFL Sales Limited*	Step-down subsidiary	79.59%	No

*Wholly owned subsidiary of IIFL Home Finance Limited

VI. CSR DETAILS

22. As of March 31, 2024

CSR details

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No): Yes

(ii) Turnover (in ₹ Crore): 4,604.43

(iii) Net worth (in ₹ Crore): 5,468.93

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://storage.googleapis.com/iifl-finance-storage/files/2023-07/CSR%20policy_IIFL%20Finance.pdf	-	-	-	-	-	-
Shareholders*	Yes https://www.iifl.com/finance/contact-center	7	0	-	18	0	-
Employees#	Yes Vigilance policy is available in the HRMS portal	140	8	Complaints were received at the end of the FY; Investigation in process	99	0	-
Customers	Yes https://www.iifl.com/finance/grievance-redressal-procedure	36,966	250	-	6,666	47	-
Value chain partners	Yes https://www.iifl.com/finance/grievance-redressal-procedure	1,256	1	-	3,547	3	-
Other (please specify)	-	-	-	-	-	-	-

*Shareholders include investors.

#Complaints on sexual harassment are reported separately.

24. **Overview of the entity's material responsible business conduct issues**

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
Corporate Governance and Ethics	Opportunity	Maintaining the highest standards of ethics and corporate governance is necessary to gain the trust of our Company's stakeholders. Our Company has instituted various policies and measures to constitute a strong corporate governance framework per regulatory guidelines. We have in place a fair, transparent and accountable corporate governance structure to safeguard the interests of all stakeholders. There is an effective mechanism, supported by strong policies to supervise the management and oversee the critical functions of the Company. An effective grievance redressal mechanism for stakeholders to address their concerns is also integrated into our Company's policies.	-	**Positives** • Strengthened reputation • Positive perception of the Company • Wider acceptability across all stakeholders • Attracting talent
Financial Inclusion and Literacy	Opportunity	It is our constant endeavor to expand access to our financial services to underserved people and groups in need of support such as small businesses or women. This is an important objective of our business.	-	**Positives** • Enhanced goodwill among stakeholders • Market expansion • Enable social impact-based borrowing
Employment practices	Opportunity	Our work culture is focused on providing fair and inclusive environment to all our employees, across their entire journey with the Company. We undertake efforts to build a congenial work environment through structured training and performance appraisal practices, thereby helping us in attracting and retaining superior talent.	-	**Positives** • Better employee retention • Improvement in employee productivity • Attracting talent

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
Data and Customer Privacy	Risk	Security and protection of customer data is crucial to avoid data misuse. Our Company relies heavily on its technology infrastructure. As majority of transactions are processed digitally, it increases cyber/information security risks.	Our Company has a strong Information and cyber security policy wherein cyber risk and its mitigation are monitored and updated. The IT Strategy Committee and Board of Directors review and approve any updates in data and customer privacy related matters. The Chief Technology Officer (CTO) and Chief Information Security Officer (CISO) are responsible for the Company's data and customer privacy and take decisions on any related issues. Plans for managing data privacy matters have been constituted, like Cyber Security Emergency Response Plan (CSERP), to adapt/mitigate any data and customer privacy related occurrences. We have increased efforts to update employees, customers and other stakeholders of any potential cyber frauds, data privacy, etc. Informative materials on data and customer privacy are shared via mail, SMS and on social media. We have adopted ISO 27001:2013 Risk Assessment methodology to identify and mitigate security risks.	**Negatives** • Reputational risk • Litigation risk • Regulatory risk • Financial risk • Business loss
Customer satisfaction	Opportunity	Customer centricity is at the core of all our activities and helps serve them better. As we fulfill their needs and expectations, we build enduring relationships with them based on their trust in our capabilities.	-	**Positives** • Increase in repeat customer business • Improvement in market share • Better asset quality • Better financial performance
Regulatory compliance	Risk	Compliance to rules and regulations helps us gain confidence of stakeholders and grow responsibly. However, any deviations from the same can have significant adverse consequences for us.	We ensure that there are no delays or discrepancies in complying with regulations applicable to our Company. A dedicated team led by the Chief Compliance Officer of qualified people has been set up to ensure efficient and timely compliance with all regulations we need to follow.	**Negatives** • Non-transparent and poorly governed organization • Regulatory sanctions

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
Digitalization	Opportunity	Our focus is on leveraging the full potential of digitalization to drive innovation across our offerings, as well as our processes. Strategic partnerships with fintech companies, along with strong in-house digital capabilities have allowed us to expand customer base significantly and serve niche segments efficiently.	-	**Positives** • Seamless business operation at lower cost • Improved turn around time • Competitive edge
Responsible lending	Risk	While we serve the underbanked sections, any inadequate evaluation of ESG factors on our part prior to loan disbursement, may lead to rise in risk of default on the part of such borrowers.	Integrating ESG factors into service/ product offerings helps us expand market access and reach out to more marginalized/vulnerable groups. Greater disclosures on ESG aspects may help increase access to larger pools of green financing.	**Negatives** • Lower profits • Weaker asset quality
Community development	Opportunity	Our Company has a strong CSR practice with focus on the areas of health, education & environment, livelihood and poverty alleviation. These programs are designed to care for women and youth, make healthcare accessible to the marginalized sections of the society, contribute to the fight against climate change and drive holistic development across our communities.	-	**Positives** • Long lasting positive impact across our communities • Enhanced reputation and brand image
Risk management	Risk	Our Company operates in a high-risk business involving large amounts of data and funds. Any error in compliance, and ensuring business sustainability can adversely affect our business and performance.	Optimizing our risk-return equation is possible through responsible risk identification and management processes – of both financial and non-financial risks. Our Company places immense focus on constantly strengthening and improving its risk management and control systems.	**Negatives** • Unstable and unpredictable business • Value destruction • Affects business continuity
Engagement with business partners	Risk	We work with several business partners in the regular course of our business. Any potential negative environment, social or governance (ESG) impact through their operations could be a risk for us.	We are committed to imbibing ESG related factors while identifying and associated with our business partners. This approach will help us create sustained value in the long run.	**Negatives** • Reputation risk • Business losses
Diversity and Inclusion	Opportunity	Fostering diversity and inclusion within our Company not only nurtures innovation, creativity and a positive work culture but also extends our Company's reach in terms of talent acquisition.	-	**Positives** • Strong employer branding • Ability to attract and retain superior talent

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
Responsible marketing	Risk	In the NBFC sector, there may be concerns related to misleading sales tactics, inaccurate marketing, aggressive selling strategies, and making false promises to facilitate sales.	We ensure that all our marketing initiatives and communication is in compliance with all applicable regulations. It is our constant endeavor to ensure high level of transparency and clarity in all our marketing campaigns and communication.	**Negatives** • Reputational damage • Loss of customer trust • Loss of business
Customer financial protection	Opportunity	With the rise in digital banking services, consumer financial protection plays a key role in establishing trust, ensuring regulatory compliance, and fostering financial inclusion. Effective protection measures, including educating customers about financial products and risks, ensure customer loyalty.	-	**Positives** • Aid customer acquisition • Enhance customer trust and loyalty
Human Rights	Risk	Upholding human rights through the promotion of equal opportunities, anti-discrimination, and the eradication of child and forced labor is not just a moral imperative but also a legal necessity.	We ensure that we provide a culture of equal opportunities, anti-discrimination within our organization, and do not engage with child and/or forced labor. Compliance with labor laws is paramount, for us at IIFL.	**Negatives** • Reputational damage • Financial and non-financial penalties
Climate Change and GHG emissions	Opportunity	Mitigating climate risks provides opportunities for enhancing efficiency, innovation and growth. Our Company seeks to reduce carbon footprint in its everyday operations. Further, being an NBFC, we can play an important role in the fight against climate change through our products. Our community initiatives also involve regular tree plantation drives, maintenance of public gardens and similar initiatives.	-	**Positives** • Drives better work environment • Widens source of fund raising from development financial institutions
Resource management	Risk	Failing to manage resources like water and waste properly poses several risks for our Company, including legal penalties due to non-compliance with environmental regulations.	At IIFL, we are committed to reduce the environmental footprint of our operations. Our focus lies on achieving resource efficiency in terms of energy, water, paper and e-waste, since we do not have any other significant environmental impact.	**Negatives** • Reputational damage • Increased operational costs • Statements of business

SECTION B MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1 Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable

P2 Businesses should provide goods and services in a manner that is sustainable and safe

P3 Businesses should respect and promote the well-being of all employees, including those in their value chains

P4 Businesses should respect the interests of and be responsive to all stakeholders

P5 Businesses should respect and promote human rights

P6 Businesses should respect and make efforts to protect and restore the environment

P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

P8 Businesses should promote inclusive growth and equitable development

P9 Businesses should engage with and provide value to their consumers in a responsible manner

✓ Yes ✕ No

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	✓								
b. Has the policy been approved by the Board?	✓								
c. Web Link of the policy, if available	https://www.iifl.com/finance/investor-relations/corporate-governance?redirect=menu-bar The above URL contains the general policies of the Company that apply to all employees and stakeholders. These policies cover various aspects of our organization's vision, mission, values, ethics, compliance and governance. In addition to these general policies, there are also specific policies related to different functions and roles within the Company. These policies are accessible to the relevant employees through our intranet portal. The Human Resource department may be contacted for any questions or concerns about these policies.								
2. Whether the entity has translated the policy into procedures. (Yes/No)	✓								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	✓								
4. Name of the national and international codes/certifications/ labels/standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity	All policies of our Company have been finalized based on industry practices, as per the regulatory requirements and through appropriate consultation with relevant stakeholders. We engaged with an independent third party vendor to benchmark our policies with latest regulations/industry benchmarks and update them, wherever needed.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our Company acknowledges the significance of establishing targets to assess advancement towards achieving all the principles of the National Guidelines on Responsible Business Conduct (NGRBC). Considering that we are in our initial years of ESG adoption, we intend to specify our objectives and targets in the upcoming reporting period. We recognize the need to align our ESG efforts with our business goals and we are implementing a comprehensive and effective ESG strategy that ensures sustainability and creates long-term value for all our stakeholders.								
6. Performance of the entity against the specific commitments, goals and targets (Also, reasons in case they are not met)	-	-	-	-	-	-	-	-	-
Governance, leadership and oversight									
7. Statement by the Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (Listed entity has flexibility regarding the placement of this disclosure)	Dear Stakeholders, Right from the inception of our Company, we have been cognizant of our role in driving responsible growth across our business lines and in furthering financial inclusion. Our commitment towards ensuring the best interests of all stakeholders is captured in our vision statement - To be the most respected financial services company in India.- Not necessarily the largest or most profitable We are weaving different ESG considerations across all our policies, practices and investments. We engage with all our stakeholders constantly to drive timely and effective communication and to incorporate their insights into our decision making progress. Together, we will continue to create holistic, sustainable value in the future. I express my heartfelt gratitude to you for your constant support in this journey. Sincerely, Mr. R Venkataraman Joint Managing Director DIN: 00011919 IIFL Finance Limited								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy	Mr. R Venkataraman Joint Managing Director DIN: 00011919								

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	The Company has an ESG Committee in place which comprised of the following members as of March 31, 2024:								

Sr No.	Name	Designation
1.	Ms. Geeta Mathur	Chairperson
2.	Mr. Nihar Jambusaria*	Member
3.	Mr. Arun Kumar Purwar	Member
4.	Mr. R Venkataraman	Member
5.	Mr. Nilesh Vikamsey**	Member
6.	Ms. Madhu Jain	Member
7.	Mr. Pranav Dholakia	Member
8.	Mr. Kapish Jain	Member
9.	Ms. Rupal Jain**	Member
10.	Ms. Mauli Agarwal***	Member

*Appointed as member w.e.f. April 01, 2024

**Ceased to be member w.e.f. April 01, 2024

*** Ceased to be member w.e.f. April 01, 2024

10. Details of review of the National Guidelines on Responsible Business Conduct (NGRBC)

Yes No

Subject for review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/ Quarterly/Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes									Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes									Annually								

Yes No

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is able to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C PRINCIPLE-WISE PERFORMANCE DISCLOSURE

Principle 1

Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year

Segment	Number of trainings programs held	Topic/Principles covered under the training and its impact	% Age of persons in respective category covered by the awareness programs
Board of Directors	1	ESG and BRSR	100%
Key Managerial Personnel	4	• Business Transformation session with Dr. Ram Charan • ESG • BRSR • People Management	50%
Employees other than BoD and KMPs	11	• Values-2 modules • ESG – 2 modules • BRSR • People Management • CSR • Creating Sustainable Impact • Ethics • Work-Life Balance • Business Transformation	88.08%#

#Includes data for employees inactive as of March 31, 2024

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings with regulators/law enforcement agencies/judicial institutions in the financial year.

Monetary					
	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-monetary				
	NGRBC principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

3. Of the instances disclosed above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.

Case details	Name of the regulatory/enforcement agencies/judicial institutions
No complaints in any of the 9 principles	

An inspection of our Company was carried out by the RBI with reference to our financial position as of March 31, 2023, wherein certain supervisory concerns were observed by the RBI in respect to the gold loan portfolio of our Company. Through a press release and order dated March 4, 2024, RBI has directed our Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning/securitising/selling any of its gold loans. These supervisory restrictions will be reviewed upon completion of a special audit to be instituted by the RBI and after rectification by the Company of the special audit findings and the findings of RBI Inspection, to the satisfaction of RBI. Our Company can, however, continue to service its existing gold loan portfolio through usual collection and recovery processes. The special audit directed by the Reserve Bank of India (RBI) commenced on April 23, 2024 and has been concluded.

4

Anti-corruption/Anti-bribery

Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes.

https://www.iifl.com/finance/anti-corruption-policy

Our Company has zero tolerance towards unethical business practices and prohibits bribery and corruption in any form in all of its business dealings through necessary policies and codes. The policy applies to all staff including Directors, officers, shareholders of the Company and all appointed third party representatives of Company such as agents, consultants, others working on behalf of the Company irrespective of their location, function or grade.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

6. **Details of complaints regarding conflict of interest**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of conflict of interest of the KMPs	Nil	NA	Nil	NA

7. **Details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

   No issues, related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest, occurred in our Company.

8. **Number of days of accounts payables (accounts payable *365)/cost of goods/services procured)**

	FY 2023-24	FY 2022-23
Number of days of accounts payables	25.63	25.58

Leadership Indicators

1. **Awareness programs conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programs held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
1	BRSR – the 9 principles	30%

While we have initiated awareness programs across value chain partners through emails during the year under review, our endeavor is to expand the coverage to include all value chain partners over the next 2-3 years.

2

Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes.

Our Company is committed to conducting its business in a responsible and sustainable manner and to that end, has implemented a robust policy that covers the management of conflict of interest involving the Board members. Our Company has processes for identifying, disclosing, and managing conflicts of interest and ensures that all decisions are made in the best interests of our stakeholders. At IIFL, we believe that conducting our business with integrity and transparency is essential to building long-term relationships and creating value for all our stakeholders.

Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

During FY 2023-24, we spent ₹ 14.9 Crore towards capex which helped us enhance digitization/automations. We continue to invest in improving our digital capabilities and platforms. This helps us in providing superior experience to our customers with enhanced convenience. At the same time our digitalization initiatives help us achieve cost rationalization and reduce dependence on paper as well as in-person meetings. This in turn helps us minimize our environmental footprint.

2. Sustainable sourcing

Does the entity have procedures in place for sustainable sourcing? (Yes/No)	Our Company, being a financial services Company does not have any goods and raw material consumption as part of its products and services. Our Company's major material requirements are related to office infrastructure, administration and IT related equipment and services. Although, there is very limited procurement requirement, we take various initiatives to have responsible sourcing.
If yes, what percentage of inputs were sourced sustainably?	Not Applicable

We are committed to minimizing the environmental impact of our operations, including our office infrastructure and IT-related equipment. We follow best practices for procuring such inputs, including seeking out environmentally friendly options, minimizing waste, and promoting recycling and energy conservation. We remain dedicated to promoting sustainable practices in all aspects of our operations.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

a. Plastics (including packaging)

There are no single-use plastics being used across any of our branches and offices. We use 100% bio degradable plastic garbage bags to collect and dispose dry and wet wastes in larger offices (>5,000 sq.ft.).

b. E-waste

For the past 4 years, we have been working with reputed e-waste vendors to ensure safe disposal of e-wastes. Accordingly, all scrap electronic assets like Computers, Tablets, Printers, Scanners, Servers, Batteries, etc. are disposed through such registered e-waste vendors.

c. Hazardous waste

Not applicable

d. Other waste:

Dry waste and wet waste is segregated and stored separately at 4 large offices. Same is picked by respective Municipal authorities.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).

Not applicable since IIFL is not a manufacturing entity.

Leadership Indicators

Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. Details of measures for the well-being of employees

a. Employees

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	11,043	11,043	100%	11,043	100%	NA	NA	11,043	100%	11,043	100%
Female	3,786	3,786	100%	3,786	100%	3,786	100%	NA	NA	3,786	100%
Total	**14,829**	**14,829**	**100%**	**14,829**	**100%**	**3,786**	**100%**	**11,043**	**100%**	**14,829**	**100%**
Other than permanent employees											
Male	155	NA	NA	155	100%	NA	NA	NA	NA	NA	NA
Female	8	NA	NA	8	100%	NA	NA	NA	NA	NA	NA
Total	**163**	**NA**	**NA**	**163**	**100%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

*Maternity and Paternity benefits are extended to all permanent female and male employees. However, 8% of women employees and 1% of male employees have taken the benefit in FY 2023-24. 12 employees (9 women, 3 men) availed the daycare facilities in FY 2023-24.

b. Workers

The Company does not have any worker as defined in the guidance note of BRSR.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent):

	FY 2023-24	FY 2022-23
Spend on health and wellness (₹ Crore)	0.08	0.07

2. Details of retirement benefits, for current and previous financial year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	85%	NA	Y	82%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	29%	NA	Y	36%	NA	Y
Others – please specify	0%	NA	NA	0%	NA	NA

All employees with monthly earnings less than ₹ 15,000, are covered under PF, as per PF law. Others can voluntarily opt for PF. Employees whose monthly earnings are less than ₹ 21,000/- are covered under ESI.

3. Accessibility of workplaces:

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. Wheelchairs and wheelchair ramps for specially-abled people are available at all commercial offices of the Company.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy?

Yes. The code of conduct document can be referred, as the existing policy covers equal opportunities rights. IIFL's code of conduct is available in the HR Handbook and can be accessed by all the employees through the intranet portal.

5. Return to work and retention rates of permanent employees and workers that took parental leave.

Permanent employees

	Return to work rate	Retention rate
Male	100%	100%
Female	93%	74%

*The Company does not have any worker as defined in the guidance note of BRSR.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent employees **Other than permanent employees**	Yes, there is a mechanism available to receive and redress grievances of the employees. The entity has a robust Grievance Redressal policy in place for addressing grievances. Management strongly enforces compliance with the approved Code of Conduct and Ethics. Complaints related to fraud/unethical practices are appropriately investigated and relevant actions are undertaken. The reporting of misconducts can be done through the Whistle Blower email, FIT helpline, contacting the senior management/IRA/HR. The same are well displayed and communicated to all employees at joining and is published on intranet. There are various means by which the grievances can be addressed: i) FIT helpline portal ii) E-mail to generic ID (whistleblower@iifl.com) iii) E-mail to IRA with a copy to local HR Central SPOC directs the grievance e-mail to the zonal head of HR. A formal meeting is arranged with the employee, IRA and Skip level manager address the issue and validate the facts. At every stage the employee is kept informed and formal communication on the decision and the actions taken is sent to all employees involved.

*The Company does not have any worker as defined in the guidance note of BRSR.

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

The Company does not have any Employee Association. However, the Company recognizes the Right to freedom of Association and does not discourage collective bargaining.

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	11,772	2,806	24%	10,702	91%	11,570	43% (total trainings)*		11,178	97%
Female	4,403	857	19%	4,121	93%	4,485			4,342	97%
Total	**16,175**	**3,663**	**23%**	**14,823**	**92%**	**16,055**			**15,520**	**97%**

*Covered topics such as awareness session on women's health, work-life balance, nurturing relationship with yourself, detoxification: food, alcohol and social media.

9. Details of performance and career development reviews of employees:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	11,198	8,874	79%	10,981	8,971	82%
Female	3,794	2,993	79%	3,956	3,343	85%
Total	**14,992**	**11,867**	**79%**	**14,937**	**12,314**	**82%**

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?

Yes. Our Company is responsible for providing its employees with a safe and healthy work environment. We have implemented the following steps to ensure the health and safety of our employees:

1 Providing a safe work environment

Our Company's office premises are designed to promote safety and reduce the risk of accidents. This includes keeping the workspace clean, ensuring proper lighting and ventilation and addressing any potential safety hazards.

2 Training employees

Our Company provides regular training on safety practices, response to emergencies like fire/earthquake emergency, etc. to our employees.

3 Offering ergonomic support

Our Company provides ergonomic support to employees who sit for long periods, work on computers, or perform other repetitive tasks. This includes providing ergonomic chairs, desks, and other equipment that can help reduce the risks of musculoskeletal disorders.

4 Encouraging healthy habits

Our Company encourages employees to adopt healthy habits such as taking breaks, staying hydrated, and practicing good posture to prevent fatigue and injury.

5 Creating a culture of safety

Our Company has created a culture of safety by encouraging employees to report any safety concerns or incidents and by providing resources and support to address these concerns.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Given the nature of business, this is not directly applicable to our Company. However, regular safety inspections are conducted of our facilities and equipment to identify potential hazards. This includes inspecting electrical systems, machinery and emergency exits. Our Company also involves employees in the hazard identification and risk assessment process by encouraging them to report any safety concerns or hazards they identify.

During the pandemic, our Company recognized the risks of infections that could take place on the office premises. To minimize these risks, necessary precautions were taken at the offices, which included sanitization of all office premises, restricted movements in common areas, and so on.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Given the nature of the business, this is not directly applicable to the Company.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes. All employees of our Company are covered under health insurance and personal accident policy.

11. Details of safety related incidents:

Not Applicable

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The following steps have been taken to ensure a healthy and safe workplace:

Providing a safe work environment

Our Company's office premises are designed to promote safety and reduce the risk of accidents. This includes keeping the workspace clean, ensuring proper lighting and ventilation and addressing any potential safety hazards.

Training employees

Our Company provides regular training on safety practices, including how to safely handle equipment and machinery, respond to emergencies like fire/earthquake, etc. to employees.

Offering ergonomic support

We provide ergonomic support to employees who sit for long periods, work on computers, or perform other repetitive tasks. This includes providing ergonomic chairs, desks, and other equipment that can help reduce the risks of musculoskeletal disorders.

Encouraging healthy habits

We encourage employees to adopt healthy habits such as taking breaks, staying hydrated, and practicing good posture to prevent fatigue and injury.

Creating a culture of safety

Our Company has created a culture of safety by encouraging employees to report any safety concerns or incidents and by providing resources and support to address these concerns

13. Number of complaints on the following made by employees

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution	Remarks	Filed during the year	Pending resolution	Remarks
Working conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health and Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year

	% of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Health and Safety	All our offices are internally assessed periodically through internal audits for various aspects of health and safety measures and related working conditions. During these assessments various aspects like emergency preparedness, workstation ergonomics, training on health & safety and documentation are evaluated. The Company proactively identifies any gaps or improvement areas in health and safety practices and working conditions.
Working conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Nil.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?**

   (A) Yes

   (B) Not Applicable. The Company does not have any worker as defined in the guidance note of BRSR.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   Our Company monitors remittance of statutory dues by value chain partners with periodic interactions. Various awareness programs and meetings are being arranged with value chain partners for the same.

3. **Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

   Not Applicable

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

   No.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	While IIFL does not have standard operating procedures (SOPs) for this, the Company encourages its value chain partners to adopt the best practices in these areas. This is achieved through regular monitoring and evaluation of the partners' compliance with relevant regulations and guidelines. IIFL recognizes that the health and safety of its employees and partners are crucial, and it is committed to providing a safe and healthy working environment.
Working conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   Not Applicable.

Principle 4

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL STAKEHOLDERS

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Our Company looks at individuals and groups that make a fundamental impact on its operations and performance. If this impact is significant to the Company, then they are described as a key stakeholder. They play an important role in helping our Company determine the goals, aspirations and in helping gauge the Company's progress towards these goals. We also focus on strengthening our understanding about the impact we make on our various stakeholder groups.

   Following are the steps we follow while engaging with our stakeholders:

   - Identify stakeholders
   - Prioritize stakeholders
   - Execute stakeholder engagement plans
   - Understand stakeholder expectations and aspirations
   - Disseminate insights gained through stakeholder conversations to update material matters as needed
   - Monitor and report back to stakeholders regarding the progress made on their needs

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Group	Whether identified as vulnerable and marginalized groups (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	Some of our customers are identified as vulnerable and marginalized.	• Emails • Calls • SMS • WhatsApp • Website • Social media • Marketing campaigns • Branch visits and relationship managers • Customer satisfaction surveys	Ongoing and Regular	• Business performance • Customized financial products and services • Competitive interest rates • Access to physical and digital channels • Seamless customer service • Secure transactions • Fair and responsive grievance redressal mechanism

Group	Whether identified as vulnerable and marginalized groups (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	• Investor meets/calls • Investor presentations • Annual General Meeting • Investor grievance channels • SMS • Email • Website • Annual Report • Sustainability Report	• Annual and Quarterly • Ongoing and regular	• Ethical business practices and good corporate governance • Regular dividends • Sustainable performance and value creation • ESG integration into strategy and operations • Transparent reporting and disclosure
Employees	No	• Town halls • Email • SMS • One-on-One meetings • Training and Development workshops • Engagement initiatives • Learning through online modules • Digital apps for employees • Performance appraisal	Quarterly and as and when required	• Training and development • Fair and timely remuneration • Reward, recognition, and appreciation for performance • Diverse, open, non-discriminatory, and safe working environment. • Work-life balance
Communities/ NGOs	Yes	• Regular CSR initiatives • Community meetings • Employee volunteering	Annually and as and when required	• Social upliftment • Enhancing financial literacy • Community welfare initiatives
Government/ Regulators	No	• Email • Meetings • One-on-One meetings • Written communications	• Mandatory regulatory filings • Periodical submission of business performance	• Compliance with laws and regulations • Ethical business conduct • Active participation in industry and regulatory working groups
Business partners/ Suppliers	Some of our business partners/ suppliers are identified as vulnerable and marginalized.	• Email • SMS • Meetings • Seminars and workshops	Quarterly and as and when required	• Business performance • Fair and ethical procurement and engagement practices

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Our Company firmly believes in consistent engagement with its key stakeholders to ensure better communication of its performance and strategy. The Board of Directors is periodically updated on diverse topics covering specific sector overviews, customer service-related updates, digital initiatives, Corporate Social Responsibility related projects/initiatives, financial performance, strategy, etc. The Directors are also given an overview of the regulatory regime including material regulatory developments, circulars, and amendments by Government and Regulatory bodies, the Ministry of Corporate Affairs, the Securities and Exchange Board of India, the Ministry of Finance, and the Reserve Bank of India.

   The following process is followed for consultation between stakeholders and the Board:

a) Defining the scope of consultation - The scope is clearly defined including the topics to be covered, the timeframe for the consultation, and the method that will be used to gather feedback.

b) Developing a consultation plan - A consultation plan is developed that outlines the methods that will be used to engage stakeholders, such as public meetings, online surveys, focus groups, or individual interviews.

c) Communication with stakeholders - It is ensured that the stakeholders are aware of the consultation process and have the opportunity to provide feedback. This includes developing an information package, hosting public meetings or webinars, and conducting one-on-one meetings with key stakeholders.

d) Feedback capturing and analysis - The feedback is gathered and analyzed to identify common themes, concerns, and priorities, which are then used in the decision-making process.

e) Providing feedback to stakeholders - Feedback is also provided to stakeholders on how their inputs have been used in the decision-making process. This helps us to build trust and transparency and encourage future engagement.

f) Follow-up - After decisions are made, stakeholders are informed of the decision and any next steps.

g) Evaluation - The consultation process is reviewed and evaluated in a periodic manner to identify areas for improvement.

The objective is to ensure that the process is transparent, inclusive, and responsive to stakeholder inputs.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Our Company's continual engagement with its stakeholders serves to ensure that it creates holistic and sustainable value for each stakeholder group. This approach has resulted in various initiatives being put in place towards responsible lending, equal opportunity, diversity and inclusion policy, data privacy policy, among others.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Our Company under its CSR Policy and through India Infoline Foundation undertakes following activities - literacy centers for out-of-school girls in the tribal hamlets of Rajasthan, crèche and learning centre for children of migrant construction workers, skill development programs for the youth in aspirational districts, support to government schools for development of infrastructure and digital learning platform, medical camps for economically weaker section in Uttar Pradesh and Maharashtra, Machinery and other infrastructure support to government hospitals , disaster relief activity, among others.

Principle 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
Employees						
Permanent	14,829	14,690	99%	14,937	10,425	70%
Other than permanent	1,346	1,334	99%	99	47	47%
Total	**16,175**	**16,024**	**99%**	**15,036**	**10,472**	**70%**

*The Company does not have any worker as defined in the guidance note of BRSR.

2. Details of minimum wages paid to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	11,043	8,466	76.66%	2,577	23.34%	10,981	8,275	75%	2,706	25%
Female	3,786	3,213	84.87%	573	15.13%	3,956	3,277	83%	679	17%
Other than permanent										
Male	155	2	1%	153	99%	86	0	0%	86	100%
Female	8	0	0%	8	100%	13	0	0%	13	100%

*The Company does not have any worker as defined in the guidance note of BRSR.

3. Details of remuneration/salary/wages:

a.

Category	Male		Female	
	Number	Median remuneration/salary/ wages of respective category (₹ in Crore)	Number	Median remuneration/salary/ wages of respective category (₹ in Crore)
Board of Directors (BoD)	1	13.97	0	0
Key Managerial Personnel	1	2	1	0.4
Employees other than BoD and KMP	11,208	0.046	3,781	0.037

*The Company does not have any worker as defined in the guidance note of BRSR.

b. Gross wages paid to females as % of total wages paid by the entity:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	21.74%	21.82%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

As an employee centric entity, employees are encouraged to come forward and report their grievances or any other concerns affecting the entity (company values and culture) or them.

There are various means by which the grievances can be addressed:

- E-mail to generic ID (employeegrievance@iifl.com)
- Raise grievance through HRMS portal
- E-mail to IRA with copy to local HR

6. Number of complaints on the following made by employees:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	6	2	1 case re-opened due to fresh evidence provided and hence gone back beyond 90 days, rest 1 case within 90 days (hearings on)	12	2	Nil
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	Nil
Child labor	Nil	Nil	NA	Nil	Nil	Nil
Forced labor/ Involuntary labor	Nil	Nil	NA	Nil	Nil	Nil
Wages	Nil	Nil	NA	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	NA	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Parameter	FY 2023-24	FY 2022-23
Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	6	12
Complaints on POSH as a % of female employees	0.15%	0.30%
Complaints on POSH upheld	4	11

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Our Company has implemented policies like Employee Grievance Redressal Policy and POSH to prevent discrimination and harassment cases, which outlines unacceptable behavior and the consequences for violating the policies. These are communicated to all the employees and regular training is provided to ensure everyone understands the policies and knows how to report any incidents. The organization encourages employees to report any incidents of discrimination or harassment without any fear of retaliation. Employees have been made aware of the reporting mechanisms available to them, such as the hotline and internal grievance redressal committee.

The organization promptly investigates all reported incidents of discrimination or harassment. The investigations are conducted in a fair and impartial manner, and all parties involved are given the opportunity to present their side of the story. If an incident of discrimination or harassment is found to have occurred, the organization takes appropriate action based on the severity of the incident and the policy violation. This includes disciplinary action such as suspension or termination of employment and providing support to the victim.

A whistleblower policy is in place where an employee can raise a complaint anonymously. Throughout the investigation it is ensured that the complainant's ID is not disclosed. It is ensured that each complaint raised is proactively investigated and resolved quickly. Our Company has developed a work environment that is respectful, supportive, and inclusive, by providing regular training on diversity and inclusion, promoting a culture of respect and providing support to employees who may have experienced discrimination or harassment.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Our Company ensures a clause is added in vendor documents stating that the vendors are in compliance of applicable laws. Service providers shall comply with all laws (including anti-corruption and anti-money laundering laws) applicable to parties.

10. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	The Company recognizes its responsibility to respect and protect human rights and is committed to promoting a workplace that is free from any form of human rights violations. We closely monitor and evaluate our operations to ensure compliance with relevant regulations and guidelines, particularly on issues such as child labor, forced labor, sexual harassment, discrimination, and wages. Although our Company does not have standard operating procedures (SOPs) specifically for these issues, we follow best practices and take appropriate measures to address any violations that may arise. This includes providing training programs to our employees to promote awareness of human rights issues and ensure compliance with applicable laws and regulations. By prioritizing the protection of human rights, the Company is creating a sustainable business that is committed to upholding ethical standards and promoting the well-being of its employees and stakeholders.
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – HR Policy, Working conditions, etc.	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

No corrective actions pertaining to Question 10 was necessitated by the Company during FY 2023-24.

Leadership Indicators

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.**

   The Company has not received any grievances/complaints regarding human rights violations in FY 2023-24.

2. **Details of the scope and coverage of any human rights due diligence conducted.**

   Great Place to Work surveys are conducted every year. In the survey, questions related to human rights are touched upon. Based on this, yearly reports are published.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes. Wheelchairs and wheelchair ramps for specially-abled people are available at all commercial offices of the Company.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	Our Company expects and strives to influence its value chain partners to adhere to the same values, principles and business ethics upheld by the Company in all their dealings and services. No specific assessment in respect of value chain partners has been carried out, other than certain elements covered in annual review of value chain partners by the Company and its subsidiaries. All the value chain partners are mandated through declaration to adhere to the Code of Conduct principles of the Company. Contract is not renewed or terminated, in case of non- adherence to COC or Contract Terms and Conditions.
Discrimination at workplace	
Child labor	
Forced labor/Involuntary labor	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

   No corrective actions pertaining to question 4 was necessitated by the Company during FY 2023-24.

Principle 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. **Details of total energy consumption (in GJ) and energy intensity:**

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	2,121.64	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumption from renewable sources (A+B+C)	**2,121.64**	**-**
From non-renewable sources		
Total electricity consumption (D)	63,717.37	65,045
Total fuel consumption (E)	316.12	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	**64,033.49**	**65,045**
Total energy consumed (A+B+C+D+E+F)	**66,155.13**	**65,045**
Energy intensity per ₹ of turnover (Total energy consumed/Revenue from operations)	0.0000014368	0.0000016026
Energy intensity per ₹ of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	3.29	3.67

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Not Applicable.

3. Details of disclosures related to water:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	28,339	25,210
(iii) Third party water	39,665	36,957
(iv) Seawater/desalinated water	-	-
(v) Others- rainwater harvesting	300	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**68,304**	**62,167**
Total volume of water consumption (in kilolitres)	**68,304**	**62,167**
Water intensity per ₹ of turnover (Water consumed/Revenue from operations)	0.0000014834	0.0000015317
Water intensity per ₹ of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	3.39	3.51

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

4. Provide the following details related to water discharged

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water		
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To groundwater		
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To seawater		
- No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third parties*		
- No treatment	68,304	62,167
With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**68,304**	**62,167**

*The water used in our Company owned premises is discharged in the municipal sewage system as our offices are in buildings.

Any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency

No

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   No, being a financial services company, our Company does not consume or discharge huge amount of water/liquid products.

6. **Details of air emissions (other than GHG emissions) by the entity**

   Not Applicable. IIFL is a financial services company.

   Any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

   No.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:**

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions	Metric tonnes of CO_2 equivalent	19.91	NA
Total Scope 2 emissions	Metric tonnes of CO_2 equivalent	12,672.68	12,919
Total Scope 1 and Scope 2 emission intensity per ₹ of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	-	0.0000002757	0.0000003183
Total Scope 1 and Scope 2 emission intensity per ₹ of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)	-	6.31	7.28

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

8. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**
   - Received Gold LEED Certificate for Gurugram office
   - Adopted renewable energy in our Hubtown office, Mumbai through Tata Green Tariff scheme
   - Treatment of e-waste in environment friendly manner
   - Driving digitalization to reduce paper consumption
   - Started collecting data for scope 3 emissions (Business travel, capital goods purchased, paper/IT products procured, etc.)
   - Rolled out bamboo based tissue papers (BECO) in our Hubtown office, Mumbai in March 2024 and put up banners in office for employee awareness
   - Conducted a camp for collecting personal e waste from employees for safe disposal (4 offices)

9. **Details related to waste management by the entity:**

Parameter	FY 2023-24	FY 2022-23
Total waste generated (in metric tonnes)		
Plastic waste (A)	1.15	-
E-waste (B)	9.46	1.08
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any.	-	-
(Break-up by composition i.e., by materials relevant to the sector)	-	
Total (A+B + C + D + E + F + G + H)	**10.61**	**1.08**
Waste intensity per ₹ of turnover (Total waste generated/Revenue from operations)	0.0000000002	0.00
Waste intensity per ₹ of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	5.27	6.09
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	-	-
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	10.61	1.08
Total	**10.61**	**1.08**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	-	-
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	**-**	**-**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our Company takes a holistic approach to waste management. Waste from electronic and paper products is the major waste generated in the facilities owned by our Company. We have been recycling electronic waste through authorized vendors of e-waste. Our Company has been taking conscious efforts to reduce usage of paper across its operations. Measures have been implemented to this effect, such as access based printing, default printing on both sides of the paper across all our offices. We are reducing paper usage owing to digitalization of our operations/services. Employees are encouraged to adopt digital/online mediums to reduce paper consumption. 100% bio-degradable plastic garbage bags are used to collect dry and wet waste in our larger offices.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details

Not Applicable, all the offices are in commercial areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, In the current financial year:

Not Applicable

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

Yes. The organization is compliant with all applicable laws, rules and regulations.

Leadership Indicators

1. Please provide details of total Scope 3 emissions and its intensity:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions*			
(Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	1,985.87	NA
Total Scope 3 emissions per ₹ of turnover		4.31	NA

*Scope 3 emission calculation includes emission from scope 3 category (waste generated) and Category 6 (Business travel + hotel stays)

Any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency

No

2. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

3. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives:

The Company has not undertaken any of the above mentioned initiatives in FY 2023-24.

4. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes. Our Company is ISO22301:2019 (BCMS) certified and has implemented robust Business Continuity and Disaster Management Framework for uninterrupted business operations and mitigation of potential disruptions.

Business Impact Analysis (BIA) is performed to understand potential impact of disruptions on critical business functions, financial stability, and reputation by prioritizing key processes and resources.

Risk assessments are carried out to identify potential threats like natural deluges, regulatory changes, and operational failures. Based on the inputs received from Recovery Strategy Risk Assessment (RSRA) and BIA, we tailor and develop BCDMP viz – Critical department wise BC Plans and ITDR Entity Plan based on ISO 22301:2019.

Awareness training is conducted semi-annually for employees and Crisis Management Training is given to leaders with a simulation exercise on an annual basis. Further, Call Tree, Tabletop, work from home and Alternative Site Testing is a part of BC Testing whereas ITDR Drills (basis RBI direction) and IT HA Testing is part of ITDR.

Principle 7

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. Affiliation with trade and industry chambers/associations.

a. Number of affiliations with trade and industry chambers/associations.

3

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (state/national)
1.	Finance Industry Development Council (FIDC)	National
2.	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
3.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil. No issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.		

Principle 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   During the year under review, we engaged with a reputed external agency, which conducted an Impact Assessment of the Sakhiyon Ki Baadi (SKB) project. In FY 2022-23, we had engaged an external agency to conduct an Impact Assessment of the SKB project using the OECD-DAC & SRoI Methodology.

2. **Information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

   Not Applicable.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The Company has in place grievances redressal mechanism and the same can be accessed through https://storage.googleapis.com/iifl-finance-storage/files/2023-07/CSR%20policy_IIFL%20Finance.pdf

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

   Directly sourced from MSMEs/small producers: 19.15%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24	FY 2022-23
Rural	1.90%	1.00%
Semi-urban	11.90%	12.20%
Urban	21.60%	21.90%
Metropolitan	65.60%	64.90%

(Places are categorized as per RBI Classification System - rural/semi-urban/urban/metropolitan)

Leadership Indicators

1. **Details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 8(1) of Essential Indicators above):**

   Not Applicable

2. **Information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (in ₹)
1.	Rajasthan	Jaisalmer	1,065,000
2.	Rajasthan	Sirohi	7,631,775
3.	Jammu and Kashmir	Kupwara	3,315,000

3. Information related to procurement:

a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

Given the nature of business of the Company, the sourcing needs of our Company are limited. However, the Company aims to undertake preferential procurement of materials from suppliers identified under vulnerable and marginalized groups.

b. From which marginalized/vulnerable groups do you procure?

Vendors/suppliers that are categorized as MSMEs.

c. What percentage of total procurement (by value) does it constitute?

19.15% of total procurement.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable.

6. Details of beneficiaries of CSR projects:

CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
Sakhiyon Ki Baadi, Rajasthan	13,800	100%
Phulwari (Maa Baadi), Rajasthan	900	100%
Infrastructure development at Government School, Rajasthan	1,000	95%
Digital Library, Rani Ratnavati School, Rajasthan	150	100%
Support to Primary School, Maharashtra	111	100%
Digital Shala Project - 50 TVs, Rajasthan	9,414	95%
Entrepreneur development- NICE and Jaipur Rugs, Rajasthan	12	100%
Smart Classroom - 9 Government Schools, Rajasthan	2,500	95%
Smart Classroom - Vidya Niketan School (Interactive Flat Panel), Rajasthan	300	95%
Hospitality Project, Jammu & Kashmir	160	100%
Homestay Host Training, Arunachal Pradesh	160	100%
Retail Sales Associate Training, Jammu & Kashmir	132	100%
Glocalbodh- Online platform for NGOs, Maharashtra	200	90%
Support to shelter home, Maharashtra	28	100%
Sampark Smart Shaala - 3 districts of Rajasthan	115,793	90%
Sesame Community Radio- Choti badein batein, Rajasthan	2,52,000#	100%
Banking & Finance training for youths, Maharashtra	30	90%
Donation of Non-stress Test Machines, Maharashtra	375	100%
Annual Medical Camp, Uttar Pradesh	700	100%
Annual Medical Camp, Maharashtra	1,570	100%
English Language Lab and Computer Lab, Rajasthan	1,247	100%
Furniture at Government School, Rajasthan	135	100%
Bicycle donation, Maharashtra	50	100%
Scholarship for child of commercial sex worker, Maharashtra	1	100%
Total beneficiaries	**4,00,768**	**-**

#During the year, 1,000 children and 1,000 care givers benefitted from this project. This project reached out to 2.5 Lakh people through radio broadcast.

Principle 9

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   IIFL's grievance redressal policy is aimed at receiving and responding to consumer complaints and feedback in a timely and effective manner. The mechanism for the grievance redressal includes the following steps:

a. Receipt of complaint:

IIFL provides various channels for receiving complaints from its customers, such as email, phone, and a dedicated customer grievance portal.

b. Complaint acknowledgement:

Upon receipt of the complaint, IIFL acknowledges the complaint promptly, and provides the customer with a unique reference number for future reference.

c. Investigation:

IIFL investigates the complaint and gathers all the relevant information from its systems and employees. This includes checking if the complaint is genuine or not, and if there is any fault on IIFL's side.

d. Resolution:

IIFL resolves the complaint as soon as possible and informs the customer of the resolution. The resolution may include, but not limited to, an apology, refund, replacement, or compensation.

e. Escalation:

In case the complaint remains unresolved, or the customer is not satisfied with the resolution, the complaint can be escalated to the next level of management. IIFL provides a dedicated escalation matrix for this purpose.

f. Closure:

Upon resolution of the complaint, IIFL closes the complaint and updates its records.

g. Feedback:

After the complaint is resolved, IIFL seeks feedback from the customer to understand their satisfaction level and identify areas for improvement.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. **Number of consumer complaints:**

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive trade practices	0	0	NA	0	0	NA
Unfair trade practices	0	0	NA	0	0	NA
Other	36,966	250	-	6,666	47	-

4. **Details of instances of product recalls on account of safety issues:**

   Not Applicable since IIFL is a financial services company.

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes. Information & Cyber Security Policy is developed and implemented. Risks related to data privacy are part of the policy.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

   There are no incidents reported related to cyber security and data privacy in FY 2023-24.

7. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches: NIL

   b. Percentage of data breaches involving personally identifiable information of customers: NIL

   c. Impact, if any, of the data breaches: Not applicable

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information relating to all the loan products and services provided by the entity are available on the Company's website. In addition, the entity actively uses various social media and digital platforms to disseminate information on its loans and deposits. Link of website: https://www.iifl.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Terms and Conditions provides extensive information and ensures transparency on lending products. Policies related to Code of Conduct, Data Security, Fair practices, etc. are available on the Company's website. All relevant information regarding the entity and its products are available to the public.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Our Company has implemented Business Continuity Management Policy (BCM) wherein critical processes and other enablers have been identified and appropriate recovery plans have been put in place for such critical processes to ensure timely recovery of the entity's operations and services in the event of a crisis. BCP Framework ensures continuity of critical processes to extend essential services to the customers. Regular mock tests are carried out to ascertain BCP preparedness.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey regarding consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

We display information and brochures about our products in our branches. Any local law applicable to us is complied with and displayed on the bulletin board. Further, we conduct net promoter score (NPS) surveys periodically, to get insights on customer sentiment.

Financial Statements

INDEPENDENT AUDITOR'S REPORT

To,

The Members of IIFL Finance Limited

Report on the Audit of the Standalone financial statements

OPINION

We have audited the accompanying standalone financial statements of IIFL Finance Limited (The "Company"), which comprise Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note No 42 in the financial statements, which explains that the Reserve Bank of India ("RBI") vide its directive dated March 4, 2024 and in exercise of its powers under Section 45l(1)(b) of the Reserve Bank of India Act, 1934 has directed the Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning / securitizing/ selling any of its gold loans. However, the RBI permitted the company to continue to service its existing gold loan portfolio through usual collection and recovery processes.

The Company has total Loan book of Rs. 17,842 crores and Rs. 14,047 crores as on March 31, 2024 and March 31, 2023 respectively. Out of the above, the Gold Loan stood at Rs. 9,634 crores (54.00%) and Rs. 8,330 crores (59.30%) for each respective financial year.

These events or conditions may cast significant doubt on the Company's ability to continue as a going concern. However, in view of the factors as described in the note no 43 in the financial statements, the management is of the view that the going concern basis of accounting is appropriate.

Our opinion is not modified in respect of this matter.

EMPHASIS OF MATTER

We refer to Note No 42 of the accompanying financial statements that explains the directives issued by The Reserve Bank of India ("RBI") dated March 4, 2024. The Note explains the supervisory concerns noted by the RBI in respect of restrictions on loan against gold. These supervisory restrictions are under review by RBI post completion of special audit instituted by the RBI.

Our Opinion is not modified in respect of this Emphasis of Matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Material Uncertainty Related to Going Concern section* of this report, we have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	**Information technology (IT) systems used in financial reporting process.** The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. We therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.	We obtained an understanding of the Company's IT control environment relevant to the audit. We tested the design, implementation and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements. In addition to above, we have also relied on the work of the internal auditors and system auditors.
2	**Impairment of Financial Assets held at amortised cost:** Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and the management estimation of the related impairment provisions, this is considered to be a key audit matter. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. Refer Note 38A.3 to the Financial Statements.	We evaluated appropriateness of the impairment principles used by management based on the requirements of Ind AS 109 and our understanding of the business. We assessed the design and implementation of key Internal financial controls over loan impairment process used to calculate the impairment charge. We evaluated management's controls over collation of relevant information used for determining estimates for management overlays. We tested review controls over measurement of impairment allowances and disclosures in financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion and Analysis report but does not include the financial statements and our auditor's report thereon. The Directors report and Management Discussion and Analysis report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Directors report and Management Discussion and Analysis report, if we conclude that there

INDEPENDENT AUDITOR'S REPORT (Contd.)

is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 "The Auditors Responsibilities Relating to Other Information".

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards specified under Sec 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work

INDEPENDENT AUDITOR'S REPORT (Contd.)

and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

The Financial Statements includes the comparative financial information for the year ended March 31, 2023 were audited by one of the joint auditor and one of the predecessor auditor and has issued unmodified opinion vide their report dated April 26, 2023.

Our opinion is not modified in respect of these other matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose or preparation of the financial statements.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 39 of the financial statements.
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
      iii. There has not been any delay in transferring amounts which requires to be transferred to

INDEPENDENT AUDITOR'S REPORT (Contd.)

the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) In our opinion and based on the audit procedures, we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts which has a feature of recording Audit Trail (edit log facility) and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tempered with.

As proviso of Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Signed by the Joint Statutory Auditors of the Company

For Chhajed & Doshi Chartered Accountants ICAI Firm Reg. No. 101794W	**For Sharp & Tannan Associates** Chartered Accountants ICAI Firm Reg. No. 109983W
By the hand of	By the hand of
M. P. Chhajed Partner Membership No. 049357	**Parthiv S. Desai** Partner Membership No. 042624
Place: Mumbai Date: June 15, 2024 UDIN: 24049357BKCISC3289	Place: Mumbai Date: June 15, 2024 UDIN: 24042624BKFRTC7828

ANNEXURE A TO THE INDEPENDENT AUDITOR 'S REPORT

ANNEXURE A REFERRED TO PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF IIFL FINANCE LIMITED ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2024.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief we state that:

3(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use of assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of Property, Plant and Equipment including Right of Use Assets to cover all the items at major locations in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to such programme, the physical verification of Property, Plant and Equipment including Right of Use Assets was carried out by the management during the current year and on the basis of explanation received no material discrepancies were noticed during the verification.

(c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

(e) There are no proceedings initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

3(ii) (a) The company does not have any inventory and accordingly, the requirement to report on clause 3(ii)(a) of the order is not applicable to the Company.

(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks / financial institutions on the basis of security of current assets namely financial asset. Quarterly returns / statements filed with such banks / financial institutions are in agreement with the unaudited books of account of the Company.

3(iii) (a) The company's principal business is to give loans and accordingly, the provisions stated in paragraph 3(iii)(a) of the order are not applicable to the company.

(b) In our Opinion the terms and conditions in relations to the investments made, guarantees provided, security given and / or grant of all loans and advances in the nature of loans and guarantees are prima facie not prejudicial to the interest of the Company.

(c) The Company, being a Non-Banking Financial Company, is registered under provisions of Reserve Bank of India Act, 1934 and rules made there under, in pursuance of its compliance with provisions of the said act, particularly, the Income Recognition, Asset Classification and Provisioning norms and generally accepted business practices by the lending institutions, repayments schedules are stipulated basis the nature of loan products. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of the amounts, due date of repayment or receipt and extent of delay in this report (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which are not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

(d) In respect of loans and advances in the nature of loans, the total amount of cases which are overdue for more than ninety days as at March 31, 2024 is Rs. 121.10 crores with respect to 1,99,819 borrowers. In such instances, in our opinion reasonable steps have been taken by the company for recovery of the overdue amount of principal and interest.

(e) Since, the Company's principal business is to give loans and Accordingly, the requirement to report on clause 3(iii)(e) of the order is not applicable to the Company.

(f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the requirement to report on clause 3(iii)(f) of the order is not applicable to the Company.

ANNEXURE A TO THE INDEPENDENT AUDITOR 'S REPORT (Contd.)

3(iv) Loans, Investments, Guarantees and security in respect of which the provisions of sections 185 and 186 of the Companies Act, 2013, are applicable have been complied with by the Company.

3(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits, within the meaning of section 73 to 76 of the Companies Act, 2013 and Rules framed thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(iii)(v) of the order is not applicable to the Company.

3(vi) The maintenance of cost records has not been specified by Central Government under Section 148(1) of the Companies Act, 2013 for the company. Accordingly, the requirement to report on clause 3(vi) of the order is not applicable to the Company.

3(vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. The provisions of sales tax, value added tax, service tax, customs duty, excise duty and cess are not applicable to the Company.

There were no undisputed amounts payable in respect of these statutory dues in arrears as at March 31, 2024, for a period of more than six months from the date they became payable.

(b) The dues of provident fund, employees state insurance, income tax, goods and services tax, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to the Company, which have not been deposited on account of any dispute as at March 31, 2024 are as follows.

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Under Dispute (Rs. in Crores)	Amount Deposited under protest (Rs. in Crores)
Income Tax Act, 1961	Income Tax	Bombay High Court	AY 2008-09	2.20	2.20
Income Tax Act, 1961	Income Tax	Bombay High Court	AY 2009-10	1.97	1.97
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2010-11	6.45	4.26
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2011-12	4.25	1.71
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2012-13	12.22	4.19
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2013-14	5.22	4.26
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2016-17	7.68	1.54
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2017-18	10.90	7.05
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2018-19	9.35	8.53
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2020-21	10.30	10.30
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2021-22	17.80	17.80
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2022-23	111.61	10.27
Income Tax Act, 1961	Income Tax	ITAT	AY 2012-13	9.09	-
Income Tax Act, 1961	Income Tax	ITAT	AY 2013-14	0.34	0.34
Income Tax Act, 1961	Income Tax	ITAT	AY 2014-15	0.50	0.50
Income Tax Act, 1961	Income Tax	ITAT	AY 2016-17	1.39	1.39
The Finance Act, 1994	Service tax	Adjudicating Authority	Apr 2007 to March 2012	0.25	0.004
The Finance Act, 1994	Service tax	CESTAT Mumbai	April 2007 to 13 May 2008	14.43	0.21
The Finance Act, 1994	Service tax	CESTAT Mumbai	July 2012 to March 2014	53.80	1.33
Goods and Service tax Act	GST	GST Appeal Andhra Pradesh	July 01, 2017 to March 31, 2019	0.44	0.02
Goods and Service tax Act	GST	GST Appeal Mumbai	July 01, 2017 to March 31, 2018	0.15	0.01
Goods and Service tax Act	GST	GST Appeal - Telangana / Utar Pradesh	FY 17-18	0.11	0.01
Goods and Service tax Act	GST	GST Appeal Karnataka	Upto Sep -19	0.29	0.09
Maharashtra Profession Tax.	Prof. Tax	Comm. Sales Tax Appeal	FY 2007-2008	0.16	0.05

ANNEXURE A TO THE INDEPENDENT AUDITOR 'S REPORT (Contd.)

3(viii) There are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in the tax assessments of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of accounts. Accordingly, the requirement to report on clause 3(viii) of the order is not applicable to the Company.

3(ix) (a) The Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.

(b) The company has not been declared as wilful defaulter by any bank or financial institution or other lender during the year.

(c) Money raised during the year by the Company by way of term loans has been applied for the purpose for which they were raised.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short term basis have been prima facie used for long term purposes during the year by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associates or joint ventures.

(f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the requirement to report on clause 3(ix)(f) of the order is not applicable to the Company. The Company does not have any associates or joint ventures.

3(x) (a) The money raised by way of initial public offer or further public offer (including debt instruments) have been applied by the Company during the year for the purposes for which they were raised.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible). Accordingly, the requirement to report on clause 3(x)(b) of the order is not applicable to the Company. In case of shares issued to the employees under Employee Option scheme the requirements of section 62 or the companies act have been complied with and the funds raised have been used for the purposes for which funds were raised.

3(xi) (a) During the year the Company has come across fraud amounting to Rs.6.66 crores in respect of its lending operations out of the same Rs. 0.20 Crore have been recovered please refer Note 53 to the standalone financial statements. No fraud by the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing, and extent of our audit procedures.

3(xii) The Company is not a Nidhi Company Accordingly, the requirement to report on clause 3(xii) of the order is not applicable to the Company.

3(xiii) The transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.

3(xiv) (a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) The Internal audit reports of the Company issued till the date of audit report, for the period under audit have been considered by us.

3(xv) The Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or persons connected with them. Accordingly, the requirement to report on clause 3(xv) of the order is not applicable to the Company.

3(xvi) (a) The Company is required to and has been registered under section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Financial Company.

(b) The company has carried on the business of Non- Banking Financial activities with valid Certificate of Registration (CoR) obtained from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, the requirement to report on clause 3(xvi)(b) of the order is not applicable to the Company.

(c) The company is a not a Core Investment Company (CIC) as defined in the regulations

ANNEXURE A TO THE INDEPENDENT AUDITOR 'S REPORT (Contd.)

made by the Reserve Bank of India Accordingly, the requirement to report on clause 3(xvi)(c) of the order is not applicable to the Company.

(d) There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) Accordingly, the requirement to report on clause 3(xvi)(d) of the order is not applicable to the Company.

3(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

3(xviii) One of the predecessor joint auditor of the Company have resigned during the year pursuant to the requirements of the guidelines for appointment of statutory central auditors (SCAs) / statutory auditors (SAs) of the commercial banks (excluding RRBs), UCBs and NBFCs (Including HFCs) dated April 27, 2021, issued by Reserve bank of India, and there are no issues objections or concerns raised by the outgoing auditor.

3(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. (Refer 'Material Uncertainty Relating to Going Concern' section of our audit report of even date)

3(xx) (a) In respect of other then ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the current financial year, to a fund specified in Schedule VII of the Companies Act, 2013 (the "Act"), in compliance with second proviso to sub section 5 of section 135 of the Act, This matter has been disclosed in note 45 to the standalone financial statements.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the current financial year, to a special account within a period of 30 days from the end of the current financial year in compliance with the provision of section 135(6) of the Companies Act, 2013, This matter has been disclosed in note 45 to the standalone financial statements.

Signed by the Joint Statutory Auditors of the Company

For Chhajed & Doshi Chartered Accountants ICAI Firm Reg. No. 101794W	**For Sharp & Tannan Associates** Chartered Accountants ICAI Firm Reg. No. 109983W
By the hand of **M. P. Chhajed** Partner Membership No. 049357	By the hand of **Parthiv S. Desai** Partner Membership No. 042624
Place: Mumbai Date: June 15, 2024 UDIN: 24049357BKCISC3289	Place: Mumbai Date: June 15, 2024 UDIN: 24042624BKFRTC7828

ANNEXURE B TO THE INDEPENDENT AUDITOR 'S REPORT

ANNEXURE B REFERRED TO PARAGRAPH 2(F) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF IIFL FINANCE LIMITED ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2024.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of IIFL Finance Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE B TO THE INDEPENDENT AUDITOR 'S REPORT (Contd.)

Opinion

In our opinion, read together with Emphasis of Matter contained in our even dated audit opinion on the standalone financial statements of the Company for the financial year ended March 31, 2024, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Signed by the Joint Statutory Auditors of the Company

For Chhajed & Doshi Chartered Accountants ICAI Firm Reg. No. 101794W	**For Sharp & Tannan Associates** Chartered Accountants ICAI Firm Reg. No. 109983W
By the hand of **M. P. Chhajed** Partner Membership No. 049357	By the hand of **Parthiv S. Desai** Partner Membership No. 042624
Place: Mumbai Date: June 15, 2024 UDIN: 24049357BKCISC3289	Place: Mumbai Date: June 15, 2024 UDIN: 24042624BKFRTC7828

STANDALONE BALANCE SHEET
AS AT MARCH 31, 2024

(₹ in Crores)

Particulars	Note no.	As at March 31, 2024	As at March 31, 2023
Assets			
[1] Financial assets			
(a) Cash and cash equivalents	4	863.92	1,763.87
(b) Bank balance other than (a) above	5	966.58	1,407.07
(c) Derivative financial instruments	6	157.69	172.37
(d) Receivables			
(i) Trade receivables	7	42.27	66.51
(ii) Other receivables	7	29.65	15.47
(e) Loans	8	18,426.84	14,685.83
(f) Investments	9	5,156.58	3,779.69
(g) Other financial assets	10	734.12	867.02
		26,377.65	**22,757.83**
[2] Non-financial assets			
(a) Current tax assets (net)		154.05	225.77
(b) Deferred tax assets (net)	11	75.92	31.80
(c) Investment property	12	293.70	293.70
(d) Property, plant and equipment	13	132.35	147.79
(e) Capital work-in-progress	14 (a)	51.83	27.02
(f) Right to use assets	15	363.98	328.23
(g) Intangible assets under development	14 (b)	0.17	0.38
(h) Other intangible assets	16	4.12	2.95
(i) Other non-financial assets	17	134.36	260.50
(j) Non current assets held for sale	18	-	7.85
		1,210.48	**1,325.99**
Total assets		**27,588.13**	**24,083.82**
Liabilities and equity			
Liabilities			
[1] Financial liabilities			
(a) Derivative financial instruments	6	30.92	33.14
(b) Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	19	5.72	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	134.61	131.89
(c) Finance lease obligation	15	382.13	352.22
(d) Debt securities	20	4,340.46	5,194.09
(e) Borrowings (other than debt securities)	21	13,966.67	10,526.89
(f) Subordinated liabilities	22	1,703.77	1,659.51
(g) Other financial liabilities	23	1,296.20	895.81
		21,860.48	**18,793.55**
[2] Non-financial liabilities			
(a) Current tax liabilities (net)		2.83	29.63
(b) Provisions	24	38.82	52.75
(c) Other non-financial liabilities	25	90.09	92.98
		131.74	**175.36**
Total liabilities		**21,992.22**	**18,968.91**
[3] Equity			
(a) Equity share capital	26	76.31	76.09
(b) Other equity	26.1	5,519.60	5,038.82
		5,595.91	**5,114.91**
Total liabilities and equity		**27,588.13**	**24,083.82**
See accompanying notes forming part of the financial statements	1 - 63		

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

M.P. Chhajed
Partner
Membership No. 049357

Parthiv S. Desai
Partner
Membership No. 042624

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary & Compliance Officer

Place : Mumbai
Dated: June 15, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

Particulars			Note no.	Year ended March 31, 2024	Year ended March 31, 2023
[1]	**Revenue from operations**				
	(i)	Interest income	27.1	4,348.34	3,468.42
	(ii)	Dividend income	27.2	132.02	87.58
	(iii)	Fees and commission income		124.07	62.73
	(iv)	Net gain on fair value changes	28	-	91.82
	(v)	Net gain on derecognition of financial instruments under FVTOCI category	31	-	348.06
(I)	**Total revenue from operations**			**4,604.43**	**4,058.61**
(II)	**Other income**		29	**45.00**	**30.08**
(III)	**Total Income (I+II)**			**4,649.43**	**4,088.69**
[2]	**Expenses**				
	(i)	Finance costs	30	1,717.21	1,455.96
	(ii)	Net loss on fair value changes	28	226.16	-
	(iii)	Net loss on derecognition of financial instruments under FVTOCI category	31	166.77	-
	(iv)	Impairment on financial instruments	32	378.71	285.53
	(v)	Employee benefits expenses	33	723.29	672.38
	(vi)	Depreciation, amortization and impairment	34	134.90	124.77
	(vii)	Other expenses	35	572.41	507.33
(IV)	**Total Expenses**			**3,919.45**	**3,045.97**
(V)	**Profit before exceptional items and tax (III-IV)**			**729.98**	**1,042.72**
(VI)	**Exceptional items**			**-**	**-**
(VII)	**Profit before tax (V+VI)**			**729.98**	**1,042.72**
[3]	**Tax expense**				
	(1)	Current tax	36	188.91	117.53
	(2)	Deferred tax	11 & 36	(41.45)	119.70
	(3)	Current tax relating to previous periods	36	(2.26)	-
(VIII)	**Total tax expense**			**145.20**	**237.23**
(IX)	**Profit for the year (VII-VIII)**			**584.78**	**805.49**
[4]	**Other comprehensive income**				
	(A)	(i) Items that will not be reclassified to profit or loss			
		- Remeasurement of defined benefit liability/(asset)	36	(3.25)	(1.79)
		(ii) Income tax relating to items that will not be reclassified to profit or loss	11 & 36	0.82	0.45
		Subtotal (A)		**(2.43)**	**(1.34)**
	(B)	(i) Items that will be reclassified to profit or loss			
		- Cash flow hedge (net)	36	(7.36)	29.61
		(ii) Income tax relating to items that will be reclassified to profit or loss	11 & 36	1.85	(7.45)
		Subtotal (B)		**(5.51)**	**22.16**
(X)	**Other comprehensive income/(loss) (A+B)**			**(7.94)**	**20.82**
(XI)	**Total comprehensive income for the year (IX+X)**			**576.84**	**826.31**
(XII)	**Earnings per equity share of face value ₹ 2 each**		37		
	Basic (₹)			15.35	21.20
	Diluted (₹)			15.16	21.04
See accompanying notes forming part of the financial statements			1 - 63		

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

M.P. Chhajed
Partner
Membership No. 049357

Parthiv S. Desai
Partner
Membership No. 042624

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary &
Compliance Officer

Place : Mumbai
Dated: June 15, 2024

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

Particulars	Note no.	Year ended March 31, 2024		Year ended March 31, 2023	
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax			**729.98**		**1,042.72**
Adjustments for:					
Depreciation, amortization and impairment	13, 15 & 16	134.90		124.77	
Impairment on loans	32	92.10		(80.31)	
Impairment on other financial instruments		7.30		10.69	
(Profit)/ loss on sale of assets		(16.75)		(0.05)	
(Gain)/ loss on termination of lease - Ind AS 116		(1.40)		(3.03)	
Net (gain)/ loss on fair value changes on investments-realized	28	(38.61)		(29.74)	
Net (gain)/ loss on fair value changes on investments-unrealized	28	264.77		(62.08)	
Net (gain) / loss on derecognition of financial instruments under FVTOCI category	31	166.77		(348.06)	
Employee benefit expenses - share based		36.84		2.64	
Employee benefit expenses - others		10.99		8.75	
Interest on loans		(4,249.11)		(3,355.11)	
Interest on deposits with banks	27.1	(80.79)		(80.94)	
Interest on investments	27.1	(18.44)		(32.37)	
Dividend income	27.2	(132.02)		(87.58)	
Dividend received		132.02		87.58	
Finance cost		1,668.60		1,416.27	
Interest expenses - Ind AS 116	15	31.90		29.96	
Net (gain)/ loss on buy back of debt securities		(0.24)		(4.47)	
Income received on loans		4,005.40		3,585.73	
Interest received on deposits with banks		86.23		58.48	
Income received on investments		18.52		31.14	
Finance cost paid		(1,675.77)	443.21	(1,393.20)	(120.93)
Operating profit before working capital changes			**1,173.19**		**921.79**
Decrease/ (increase) in financial and non financial assets		80.03		133.93	
Increase/(decrease) in financial and non financial liabilities		61.50	141.53	(757.09)	(623.16)
Cash (used in)/ generated from operating activities			**1,314.72**		**298.63**
Taxes paid			(141.74)		(105.08)
Loans (disbursed)/ repaid (net)			(2,729.25)		(1,950.05)
Net cash (used in) / generated from operating activities (A)			**(1,556.27)**		**(1,756.50)**
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and other intangible assets			(84.91)		(90.29)
Sale of property, plant and equipment and non curent assets held for sale			41.96		1.43
Purchase of equity investments in subsidiary			(200.00)		(497.48)
Proceeds/(purchase) of investments			(2,261.94)		(741.54)
Proceeds/(deposits) from maturity of deposits placed with banks			449.96		(139.78)
Net cash (used in)/ generated from investing activities (B)			**(2,054.93)**		**(1,467.66)**

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Particulars	Note no.	Year ended March 31, 2024	Year ended March 31, 2023
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of equity share (including securities premium)		19.43	11.13
Proceeds from share application pending allotment		0.49	-
Dividend paid		(152.59)	(152.10)
Proceeds from debt securities		4,799.33	1,238.73
Repayment of debt securities		(5,288.57)	(1,390.88)
Proceeds from borrowings (other than debt securities)		22,504.00	10,113.83
Repayment of borrowings (other than debt securities)		(19,079.79)	(9,346.72)
Proceeds from subordinated liabilities		35.00	302.39
Repayment of subordinated liabilities		(12.39)	(43.00)
Payment of lease liability		(113.66)	(102.87)
Net cash (used in)/ generated from financing activities (C)		**2,711.25**	**630.51**
Net increase/ (decrease) in cash and cash equivalents (A + B + C)		**(899.95)**	**(2,593.65)**
Add : Opening cash and cash equivalents as at the beginning of the year		**1,763.87**	**4,357.52**
Cash and cash equivalents as at the end of the year	4	**863.92**	**1,763.87**
See accompanying notes forming part of the financial statements	1 - 63		

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

M.P. Chhajed
Partner
Membership No. 049357

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary & Compliance Officer

Place : Mumbai
Dated: June 15, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2024

A. Equity Share Capital

(₹ in Crore)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at March 31, 2024 (Refer Note 26)	76.09	0.22	76.31
As at March 31, 2023 (Refer Note 26)	75.92	0.17	76.09

B. Other Equity

(₹ in Crore)

Particulars	Share application money pending allotment (Note 1)	Reserves & Surplus								Other Comprehensive Income (OCI)		Total
		Capital reserve (Note 2)	Securities premium reserve (Note 3)	General Reserve (Note 4)	Special Reserve pursuant to Section 45 IC of Reserve Bank of India Act, 1934 (Note 5)	Capital Redemption Reserve (Note 6)	Debenture Redemption Reserve (Note 7)	Retained Earnings (Note 8)	Stock option outstanding account (Note 9)	Effective portion of Cash Flow Hedges (Note 10)	Remeasurements of defined benefit (Note 11)	
Balance as at April 01, 2022	**-**	**83.89**	**1,845.03**	**509.35**	**789.42**	**230.11**	**12.80**	**898.60**	**14.18**	**(32.35)**	**(0.05)**	**4,350.98**
Profit for the year	-	-	-	-	-	-	-	805.49	-	-	-	805.49
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	-	-	22.16	(1.34)	20.82
Interim dividend	-	-	-	-	-	-	-	(152.09)	-	-	-	(152.09)
Transfer to/ (from) reserves	-	-	6.07	1.09	161.11	-	-	(161.11)	(7.16)	-	-	-
Addition during the year	-	-	10.97	-	-	-	-	-	2.65	-	-	13.62
Balance as at March 31, 2023	**-**	**83.89**	**1,862.07**	**510.44**	**950.53**	**230.11**	**12.80**	**1,390.89**	**9.67**	**(10.19)**	**(1.39)**	**5,038.82**
Profit for the year	-	-	-	-	-	-	-	584.78	-	-	-	584.78
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	-	-	(5.51)	(2.43)	(7.94)
Interim dividend	-	-	-	-	-	-	-	(152.59)	-	-	-	(152.59)
Transfer to/ (from) reserves	-	-	4.39	(0.45)	116.96	-	-	(116.96)	(3.94)	-	-	-
Addition during the year	0.49	-	19.20	-	-	-	-	-	36.84	-	-	56.53
Balance as at March 31, 2024	**0.49**	**83.89**	**1,885.66**	**509.99**	**1,067.49**	**230.11**	**12.80**	**1,706.12**	**42.57**	**(15.70)**	**(3.82)**	**5,519.60**

Notes:

1. **Share application money pending allotment:** Money received for share application for which allotment is pending.
2. **Capital reserves:** Capital reserve is created on account of Composite Scheme of Arrangement.
3. **Securities premium reserve:** The amount received in excess of face value of the equity shares is recognized in Securities Premium Reserve.

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

4. **General reserve:** The reserve can be distributed/ utilized by the Company, in accordance with The Companies Act, 2013.
5. **Special reserve:** Pursuant to section 45-IC of the Reserve Bank of India Act, 1934, 20% of the profit after tax for the year has been transferred from Retained Earnings to Special Reserve.
6. **Capital redemption reserve:** This reserve has been created on redemption of preference shares capital as per section 55 of The Companies Act, 2013.
7. **Debenture redemption reserve:** Pursuant to Section 71 of The Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 the Company being an NBFC is required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through public issue. Pursuant to Ministry of Corporate Affairs circular dated August 16, 2019, reserve is not required to be created for the Non Convertible Debentures going forward.
8. **Retained earnings:** These are the profits that the Company has earned till date, less any transfers to Statutory Reserve, Debenture Redemption Reserve, General Reserve, Dividend distribution and Capital Redemption Reserve.
9. **Stock option outstanding account:** The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.
10. **Effective portion of cash flow hedge**:These reserve refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
11. **Remeasurements of defined benefit:** This reserve refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.

See accompanying notes forming part of the financial statements (1 - 63)

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

M.P. Chhajed
Partner
Membership No. 049357

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Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary &
Compliance Officer

Place : Mumbai
Dated: June 15, 2024

NOTE 1. CORPORATE INFORMATION

Company overview

IIFL Finance Limited (the "Company") is a middle layer Non-Banking Financial Company not accepting public deposits registered with the Reserve Bank of India ("the RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and related activities. The Company had received the certificate of registration from RBI on March 06, 2020, enabling the Company to carry on business as a Non-Banking Financial Company. The Company offers a broad suite of financial products such as gold loan, loans to Micro, small & medium enterprise ("MSME"), loan against securities and digital finance loans.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On June 15, 2024, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

NOTE 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1,(that are not traded in active market) that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

(a) Use of estimates and judgments

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates can change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which these changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Financial Statements are presented in Indian rupees which is determined to be functional currency of the Company and the currency of primary economic environment in which the Company operates.

(b) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the provisions of the Act and Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India ("RBI"). In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India ("ICAI") are also applied except where compliance with other statutory promulgations requires a different treatment.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to Act applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

NOTE 3. MATERIAL ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

i. Interest income and dividend income:

Interest income on financial instruments at amortized cost is recognized on a time proportion basis taking into account the amount outstanding.

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognized in the Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognized as income when the right to receive the dividend is established.

ii. Fees and charges:

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Company's Statement of Profit and Loss include, among other things, fees charged for servicing a loan.

Cheque bounce charges, late payment charges and foreclosure charges are recognized on a point-in-time basis and are recorded when realized.

Fee and commission expenses with regards to services are accounted for as and when the services are delivered.

iii. Income from financial instruments at FVTPL:

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

iv. Assignment transactions:

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognized from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognized on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognized as profit on derecognition of financial asset.

v. Securitization transactions

In accordance with Ind AS 109, in case of securitization transactions, the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

vi. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

(b) Property, plant and equipment ("PPE")

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy.

Depreciation is charged using the straight-line method, based on the useful life of PPE as estimated by the Management, as specified below. Depreciation is charged from the month in which new assets are available for use. No depreciation is charged from the month in which assets are sold. In case of transfer of used PPE from group companies, depreciation is charged over the remaining useful life of the asset. Individual assets / group of similar assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase.

The estimated useful life of assets is as under:

Class of assets	Useful life
Buildings	20 years
Computers	3 years
Office equipment	5 years
Plant and Equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

For above class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress

Projects under which PPE are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest and are disclosed as "capital work-in-progress".

(c) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortization and cumulative impairment.

Intangible assets i.e. Software are amortized on straight-line basis over the estimated useful life of 3 years.

Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets under development

Intangible assets not ready for their intended use on the Balance Sheet date are disclosed as "Intangible assets under development".

(d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the Investment property is derecognized.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Freehold land and properties under construction are not depreciated.

(e) Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

(f) Impairment of assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets and investment property are tested for impairment so as to determine the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognized immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to an extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

(g) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme

(h) Employee benefits

Defined contribution plans

The Company's contribution towards Provident Fund and Family Pension Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees and are accounted for on an accrual basis and recognized in the Statement of Profit and loss.

Defined benefit plans

Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. These benefits include performance incentive and compensated absences

Post employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognized in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognized when the settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Long term employee benefits: The obligation recognized in respect of long term benefits being long term compensated absences, is measured at present value of estimated future cash flows expected to be made by the Company and is recognized in a similar manner as in the case of defined benefit plan above.

(i) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(j) Taxes on income

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans and the reversal of temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

For transactions and other events recognized in profit or loss, any related tax effects are also recognized in profit or loss. For transactions and other events recognized outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognized outside profit or loss (either in other comprehensive income or directly in equity, respectively).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities, representing current tax and where the deferred tax assets and deferred tax liabilities relates to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognized in the Statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

(k) Financial instruments

Financial assets and financial liabilities are recognized in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognized financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in the Statement of Profit and Loss.

Financial assets

Classification and measurement

The Company classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial instruments measured at amortized cost

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortized cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in Statement of profit and loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit and Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the Statement of Profit and Loss. The gain or loss on disposal is recognized in the Statement of Profit and Loss.

Interest income is recognized in the Statement of Profit and Loss for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the Company's right to receive dividend is established.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognized in the Statement of Profit and Loss when the Company's right to receive dividends is established.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

Impairment of financial assets

Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR. Vintage loss curve model is used for ECL computation of retail portfolio which involves assessment of performance of segmented portfolio over a time period. The model tracks month-wise losses during the loan tenor. Vintage loss rate models provide a simple, reasonable model for both one-year and lifetime expected credit loss forecasts. For wholesale portfolio, ECL computation is done for each loan account based on CRISIL default study and International Review Board ("IRB") guidelines. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

ECL is measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognized and is still in the portfolio.
- Loss given default ("LGD") estimates the normalized loss which Company incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD").
- Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees needs to be excluded from the loans and advance amount.

Credit impaired financial assets

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL computation is as per the applicable prudential regulatory norms.

Significant increase in credit risk

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's expert credit assessment.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/ or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognized, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/ loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI,

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (e.g. convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain/ loss is recognized in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the convertible notes using the effective interest rate method.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognized amounts with an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously

(l) Investment in subsidiaries

Investment in subsidiaries is recognized at cost and is not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

(m) Cash and bank balances

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(n) Goods and service tax input credit

Goods and service tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/ utilizing the credits.

(o) Borrowing costs

Borrowing costs include interest expense calculated using the EIR method.

(p) Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

(q) Segment reporting

The Company's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments.

(r) Provisions, contingent liabilities and contingent assets

Provisions are recognized only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognized nor disclosed in the financial statements.

(s) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealized foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

(t) Derivative financial instruments and hedging

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures relating to foreign currency borrowings. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

The Company designates only the change in fair value of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships. The effective portion of changes in fair value of hedging instruments is accumulated in a cash flow hedge reserve as a separate component of equity.

The forward cost are separately accounted for as a cost of hedging and are recognized in OCI and accumulated in a cost of hedging reserve as a separate component within equity.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated under the heading of Cash Flow Hedge Reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss, and is included in the other Income line item.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

(u) Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognizes the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Critical accounting estimate and judgement

1. **Determination of lease term**

   Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

2. **Discount rate**

   The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company as a lessee

As a lessee, the Company leases assets which includes gold loan branches/office premises and vehicles to employees. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right-to-use assets and lease liabilities for these leases.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 4. CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash on hand	47.59	58.47
Balance with banks		
- In current accounts	816.33	905.43
CCIL lending/money at call or short notice	-	799.97
Total	**863.92**	**1,763.87**

NOTE 5. BANK BALANCE (OTHER THAN CASH AND CASH EQUIVALENTS)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks in earmarked accounts towards unclaimed amount on NCD, dividend, and unspent CSR	21.50	6.57
In deposit accounts (refer note 5.1)	922.27	1,372.24
Interest accrued on deposits (refer note 5.1)	22.81	28.26
Total	**966.58**	**1,407.07**

NOTE 5.1 OUT OF THE DEPOSITS SHOWN ABOVE

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Lien marked	890.77	1,236.52
Margin for credit enhancement	23.91	52.95
Other deposits	30.40	111.03
Total	**945.08**	**1,400.50**

NOTE 6. DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in Crores)

Part I	As at March 31, 2024			As at March 31, 2023		
	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities
(i) Currency derivatives						
- Spot and forwards	4,074.52	140.65	30.92	4,678.79	145.89	33.14
(ii) Interest rate derivatives						
- Forward rate agreements and Interest rate swaps	695.50	17.04	-	695.50	26.48	-
(iii) Credit derivatives	-	-	-	-	-	-
(iv) Equity linked derivatives	-	-	-	-	-	-
(v) Other derivatives	-	-	-	-	-	-
Forward exchange contract	-	-	-	-	-	-
Total	**4,770.02**	**157.69**	**30.92**	**5,374.29**	**172.37**	**33.14**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Part II	As at March 31, 2024			As at March 31, 2023		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Included in above (part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging	-	-	-	-	-	-
(ii) Cash flow hedging						
- Currency derivatives	4,074.52	140.65	30.92	4,678.79	145.89	33.14
- Interest rate derivative	695.50	17.04	-	695.50	26.48	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated derivatives	-	-	-	-	-	-
Forward exchange contract	-	-	-	-	-	-
Total	**4,770.02**	**157.69**	**30.92**	**5,374.29**	**172.37**	**33.14**

Credit risk and currency risk

(₹ in Crores)

Particulars	Over the counter		Exchange traded		Total	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
Year ended March 31, 2024						
Derivative asset	3,147.25	157.69	-	-	3,147.25	157.69
Derivative liabilities	1,622.77	30.92	-	-	1,622.77	30.92
Year ended March 31, 2023						
Derivative asset	2,157.03	172.37	-	-	2,157.03	172.37
Derivative liabilities	3,217.26	33.14	-	-	3,217.26	33.14

6.1 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

6.1.1 Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts and interest rate swaps.

The Company is exposed to interest rate risk arising from its foreign currency borrowings. Interest on the borrowing is payable at a floating rate linked to the Benchmark plus Margin. The Company hedges the interest rate risk arising from the debt with a 'receive floating - pay fixed' interest rate swap.

The Company uses Cross Currency Swap Contracts and Forward Exchange Contracts to hedge its risks associated with interest rate and currency risk arising from the foreign currency loans. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS - 109 (refer note 38.C.2). These contracts are stated at fair value of the spot element of the forward exchange contracts at each reporting date. Changes in the fair value of these contracts that are designated as effective hedge of future cash flows are recognized directly in the "Cash Flow Hedge Reserve" under Other Comprehensive Income and the ineffective portion is recognized immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedged instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Forward contracts/ Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date, etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/interest rate swaps are identical to the hedged risk components.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Notional amount	4,770.02	5,374.29
Carrying amount	126.77	139.23
Line item in the statement of financial position	Derivative financial instruments	Derivative financial instruments
Change in fair value used for measuring ineffectiveness for the year (profit/ (loss))	(15.13)	0.10

(₹ in Crores)

Impact of hedging item	As at March 31, 2024	As at March 31, 2023
Change in fair value (profit/ (loss))	-	-
Cash flow hedge reserve (Profit/ (Loss))	(15.13)	0.10
Cost of hedging	-	-

(₹ in Crores)

Effect of cash flow hedge	As at March 31, 2024	As at March 31, 2023
Total hedging gain / (loss) recognized in OCI	(5.51)	22.16
Ineffectiveness recognized in profit/ (loss)	(15.13)	0.10

NOTE 7. RECEIVABLES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Trade Receivables		
Receivables considered good - secured	0.20	1.72
Receivables considered good - unsecured *	42.07	63.96
Receivables - credit impaired	-	1.66
Total - gross	**42.27**	**67.34**
Less: Impairment loss allowance	-	(0.83)
Total - net	**42.27**	**66.51**
(ii) Other receivables		
Receivables considered good - unsecured	29.65	15.47

* Including receivables from group/subsidiaries company (refer note 44.2)

NOTE 7.1 TRADE RECEIVABLES AGEING SCHEDULE (GROSS)

(₹ in Crores)

Particulars	As at March 31, 2024					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	42.27	-	-	-	-	**42.27**
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	**-**
(iv) Disputed trade receivables– considered good	-	-	-	-	-	**-**
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	**-**
Total	**42.27**	**-**	**-**	**-**	**-**	**42.27**

(₹ in Crores)

Particulars	As at March 31, 2023					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	65.56	0.03	0.09	-	-	**65.68**
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed trade receivables – credit impaired	-	-	1.66	-	-	**1.66**
(iv) Disputed trade receivables– considered good	-	-	-	-	-	**-**
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	**-**
Total	**65.56**	**0.03**	**1.75**	**-**	**-**	**67.34**

Notes:

1. No trade or other receivables are due from directors or other officer of the company either severally or jointly, with any other person. No trade or other receivables are due from firms including limited liability partnerships in which any director is a partner or a director or a member.
2. The Company has adopted simplified approach for impairment allowance on trade receivables. Expected credit loss ("ECL") has been recognized on credit impaired receivables.
3. Trade receivables are non-interest bearing.

NOTE 8. LOANS

(₹ in Crores)

Particulars	As at March 31, 2024		
	Amortized cost	At fair value through other comprehensive income (refer note 8.3)	Total
(A)			
(i) Term loans	16,777.95	723.78	17,501.73
(ii) Non convertible debentures - for financing real estate projects	340.75	-	340.75
(iii) Loans to related parties (refer note 44.2)	0.01	-	0.01
(iv) Others (dues from customers etc)	1,159.23	-	1,159.23
Total (A) - Gross	**18,277.94**	**723.78**	**19,001.72**
Less: Impairment loss allowance (including stage 3 ECL on principal 320.24 Crore)	(560.68)	(14.20)	(574.88)
Total (A) - Net	**17,717.26**	**709.58**	**18,426.84**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	12,595.65	179.94	12,775.59
(ii) Secured by intangible assets	-	-	-
(iii) Covered by bank/ government guarantees	14.05	-	14.05
(iv) Unsecured	5,668.24	543.84	6,212.08
Total (B) - Gross	**18,277.94**	**723.78**	**19,001.72**
Less: Impairment loss allowance	(560.68)	(14.20)	(574.88)
Total (B) - Net	**17,717.26**	**709.58**	**18,426.84**
(C)			
(I) Loans in India			
(i) Public sector	-	-	-
(ii) Others	18,277.94	723.78	19,001.72
Total (C) (I) - Gross	**18,277.94**	**723.78**	**19,001.72**
Less: Impairment loss allowance	(560.68)	(14.20)	(574.88)
Total (C) (I) - Net	**17,717.26**	**709.58**	**18,426.84**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**17,717.26**	**709.58**	**18,426.84**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Particulars	As at March 31, 2023		
	Amortized cost	At fair value through other comprehensive income (refer note 8.3)	Total
(A)			
(i) Term loans	8,710.49	4,129.91	12,840.40
(ii) Non convertible debentures - for financing real estate projects	1,207.34	-	1,207.34
(iii) Loans to related parties (refer note 44.2)	0.14	-	0.14
(iv) Others (dues from customers etc)	1,121.98	-	1,121.98
Total (A) - Gross	**11,039.95**	**4,129.91**	**15,169.86**
Less: Impairment loss allowance (including Stage 3 ECL on principal 91.64 Crore)	(448.90)	(35.13)	(484.03)
Total (A) - Net	**10,591.05**	**4,094.78**	**14,685.83**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	8,880.50	3,882.62	12,763.13
(ii) Secured by intangible assets	-	-	-
(iii) Covered by bank/ government guarantees	48.06	-	48.06
(iv) Unsecured	2,111.39	247.29	2,358.68
Total (B) - Gross	**11,039.95**	**4,129.91**	**15,169.86**
Less: Impairment loss allowance	(448.90)	(35.13)	(484.03)
Total (B) - Net	**10,591.05**	**4,094.78**	**14,685.83**
(C)			
(I) Loans in India			
(i) Public sector	-	-	-
(ii) Others	11,039.95	4,129.91	15,169.86
Total (C) (I) - Gross	**11,039.95**	**4,129.91**	**15,169.86**
Less: Impairment loss allowance	(448.90)	(35.13)	(484.03)
Total (C) (I) - Net	**10,591.05**	**4,094.78**	**14,685.83**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**10,591.05**	**4,094.78**	**14,685.83**

Notes:

8.1 Secured loans are secured by way of equitable mortgage of property, pledge of shares, hypothecation of assets, physical gold, undertaking to create security.

8.2 Secured loans include loans aggregating to ₹ 71.01 Crore (P.Y ₹ 218.77 Crore) in respect of which the creation of security is under process.

8.3 Loans classified under fair value through other comprehensive income relate to those available for sale in their present condition. The Company has not classified any financial asset from its gold loan portfolio under FVTOCI category as of March 31, 2024 (refer note 42).

NOTE 9. INVESTMENTS

(₹ in Crores)

Particulars	As at March 31, 2024		
	At fair value through profit and loss	At cost	Total
(A)			
Mutual funds	0.00	-	0.00
Alternate investment funds	20.77	-	20.77
Security receipts	2,911.03	-	2,911.03
Government securities	5.05	-	5.05
Bonds	54.72	-	54.72
Preference shares	40.16	-	40.16
Equity instruments:			
in subsidiaries	-	2,107.81	2,107.81
in others	24.13	-	24.13
Total (A) - Gross	**3,055.86**	**2,107.81**	**5,163.67**
Less: Impairment loss allowance	(7.09)	-	(7.09)
Total (A) - Net	**3,048.77**	**2,107.81**	**5,156.58**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	3,055.86	2,107.81	5,163.67
Total (B) - Gross	**3,055.86**	**2,107.81**	**5,163.67**
Less: Impairment loss allowance	(7.09)	-	(7.09)
Total (B) - Net	**3,048.77**	**2,107.81**	**5,156.58**

(₹ in Crores)

Particulars	As at March 31, 2023		
	At fair value through profit and loss	At cost	Total
(A)			
Mutual funds	0.00	-	0.00
Alternate investment funds	971.24	-	971.24
Security receipts	1,049.24	-	1,049.24
Government securities	5.04	-	5.04
Bonds	138.09	-	138.09
Preference shares	38.17	-	38.17
Equity instruments:			
in subsidiaries	-	1,907.81	1,907.81
Total (A) - Gross	**2,201.78**	**1,907.81**	**4,109.59**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total (A) - Net	**1,871.88**	**1,907.81**	**3,779.69**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	2,201.78	1,907.81	4,109.59
Total (B) - Gross	**2,201.78**	**1,907.81**	**4,109.59**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total (B) - Net	**1,871.88**	**1,907.81**	**3,779.69**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 9.1 INVESTMENT DETAILS SCRIP WISE

(₹ in Crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Quantity (in actuals)	Face value per unit (in ₹)	Carrying value (₹ in Crore)	Quantity (in actuals)	Face value per unit (in ₹)	Carrying value (₹ in Crore)
Mutual funds			**0.00**			**0.00**
Nippon India Mutual Fund ETF Liquid Bees	38.72	1,000.00	0.00	36.71	1,000.00	0.00
Alternate investment funds			**20.77**			**971.24**
Phi Capital Growth Fund-I	282.01	1,00,000.00	7.60	339.12	1,00,000.00	8.59
Phi Capital Growth Fund-I.6	48.63	1,00,000.00	0.43	-	-	-
Indiareit Apartment Fund - Class B	-	-	-	11.29	1,00,000.00	0.08
IIFL One Value Fund Series B - Class B	-	-	-	47,45,23,611.28	10.00	504.77
IIFL One Value Fund Series B - Class C	50,00,000.00	10.00	5.68	36,34,64,973.29	10.00	436.88
Faering Capital Growth Fund III	17,750.00	1,000.00	1.57	15,500.00	1,000.00	1.40
IIFL Securities Capital Enhancer Fund - Class S	10,00,000.00	10.00	1.41	1,34,18,161.87	10.00	15.45
IIFL Securities Capital Enhancer Fund - Class E	1,999.90	10.00	0.00	1,999.90	10.00	0.00
IIFL One Opportunities FoF - Series 1	30,95,601.13	10.00	4.08	30,95,601.13	10.00	4.07
Security receipts			**2,911.03**			**1,049.24**
ACRE - 110 - Trust (Tranche I)	38,25,000.00	887.11	308.78	38,25,000.00	895.48	325.40
ACRE-110-Trust (Tranche II)	53,97,500.00	950.14	384.63	53,97,500.00	952.52	488.42
Arcil-SBPS-049-I- Trust	8,33,000.00	140.85	11.73	8,33,000.00	275.20	22.92
Phoenix Trust-FY23-20	21,25,000.00	886.00	188.28	21,25,000.00	1,000.00	212.50
Phoenix Trust-FY24-8	8,26,000.00	982.00	81.11	-	-	-
Phoenix Trust-FY24-14	1,30,00,000.00	1,000.00	1,300.00	-	-	-
Rare-045	5,00,000.00	1,000.00	50.00	-	-	-
Rare-068	58,65,000.00	1,000.00	586.50	-	-	-
Equity instruments (other than subsidiaries)			**24.13**			**-**
Swan Energy Limited	1,94,029.00	1.00	13.00	-	-	-
Suraj Estate Developers Limited	4,26,627.00	5.00	11.13	-	-	-
Government securities			**5.05**			**5.04**
7.38%% Govt. 50,000,000.00 Stock 2027	5,00,000.00	100.00	5.05	5,00,000.00	100.00	5.04
Bonds			**54.72**			**138.09**
Andhra Pradesh State Beverages Corporation Limited	163.00	2,50,000.00	4.07	200.00	2,50,000.00	5.00
Andhra Pradesh State Beverages Corporation Limited	-	-	-	1,331.00	10,00,000.00	133.09
Adani Ports And Special Economic Zone Limited	5,000.00	1,00,000.00	50.65	-	-	-
Preference Shares			**40.16**			**38.17**
Open Financial Technologies Private Limited	201.00	100.00	40.16	201.00	100.00	38.17
Equity instruments (in subsidiaries)			**2,107.81**			**1,907.81**
IIFL Home Finance Limited	2,09,67,681.00	10.00	825.48	2,09,68,181.00	10.00	825.48
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	66,55,10,372.00	10.00	1,243.93	59,07,16,057.00	10.00	1,043.93
IIFL Open Fintech Private Limited	85,91,397.00	10.00	38.40	85,91,397.00	10.00	38.40
Total Gross			**5,163.67**			**4,109.59**

Wherever amount is less than ₹ 0.01 Crore,shown as ₹ 0.00.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 10. OTHER FINANCIAL ASSETS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Security deposits	40.32	35.39
Deposit with Exchange	0.25	0.25
Interest strip asset on assignment	637.10	803.87
Staff advances	0.06	0.17
Insurance receivable	32.98	47.30
Less: Impairment loss allowance on insurance receivable (refer note 10.1)	(32.78)	(30.21)
Other receivables	55.02	3.46
Accrued interest on investments	1.17	1.23
(Unsecured, considered doubtful)		
Other advances	5.56	5.56
Less : Impairment loss allowance on Other advances (refer note 10.2)	(5.56)	-
Security deposits	0.13	0.06
Less : Impairment loss allowance on security deposits (refer note 10.3)	(0.13)	(0.06)
Total	**734.12**	**867.02**

NOTE 10.1 IMPAIRMENT LOSS ALLOWANCE ON INSURANCE RECEIVABLE

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	**30.21**	**22.01**
Addition	6.85	9.79
Reduction	(4.28)	(1.59)
Closing	**32.78**	**30.21**

NOTE 10.2 IMPAIRMENT LOSS ALLOWANCE ON OTHER ADVANCES:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	**-**	**-**
Addition	5.56	-
Reduction	-	-
Closing	**5.56**	**-**

NOTE 10.3 IMPAIRMENT LOSS ALLOWANCE ON SECURITY DEPOSITS:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	**0.06**	**0.32**
Addition	0.30	0.28
Reduction	(0.23)	(0.54)
Closing	**0.13**	**0.06**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 11. DEFERRED TAX ASSETS AND LIABILITIES

Significant components of deferred tax assets and liabilities:

(₹ in Crores)

Particulars	Opening balance (as on April 01, 2023)	Recognized in profit and loss account	Recognized in/ reclassified from OCI	Closing balance (as on March 31, 2024)
Deferred tax assets/(liabilities)				
Property, plant and equipment	28.83	4.02	-	32.85
Provisions, allowances for doubtful receivables / loans	125.75	24.75	-	150.50
Deduction for Provision for Doubtful debts	5.57	(12.08)	-	(6.51)
Compensated absences and retirement benefits	4.19	1.03	0.82	6.04
Income amortization (net)	(193.74)	41.09	-	(152.65)
Expenses deductible in future years	0.49	-	-	0.49
MTM on investment and derivative financial instruments	51.24	(17.70)	-	33.54
Provision on Investment	-	1.78	-	1.78
Cash flow hedge reserve	3.44	-	1.85	5.29
Leases- Ind AS 116	6.03	(1.44)	-	4.59
Total	**31.80**	**41.45**	**2.67**	**75.92**

(₹ in Crores)

Particulars	Opening balance (as on April 01, 2022)	Recognized in profit and loss account	Recognized in/ reclassified from OCI	Closing balance (as on March 31, 2023)
Deferred tax assets/(liabilities)				
Property, plant and equipment	25.18	3.65	-	28.83
Provisions, allowances for doubtful receivables / loans	143.26	(17.51)	-	125.75
Deduction for Provision for Doubtful debts	5.57	-	-	5.57
Compensated absences and retirement benefits	2.82	0.92	0.45	4.19
Income amortization (net)	(112.53)	(81.21)	-	(193.74)
Expenses deductible in future years	0.49	-	-	0.49
MTM on investment and derivative financial instruments	75.18	(23.94)	-	51.24
Cash flow hedge reserve	10.89	-	(7.45)	3.44
Leases- Ind AS 116	7.64	(1.61)	-	6.03
Total	**158.50**	**(119.70)**	**(7.00)**	**31.80**

NOTE 12. INVESTMENT PROPERTY (AT COST)

(₹ in Crores)

Particulars	Property (Flats)*	Land	Total
Gross carrying value			
As at April 01, 2023	**155.55**	**138.15**	**293.70**
Additions during the year	-	-	-
Deductions/ adjustments during the year	-	-	-
As at March 31, 2024	**155.55**	**138.15**	**293.70**
Less : Impairment loss allowance	-	-	-
Net carrying value as at March 31, 2024	**155.55**	**138.15**	**293.70**
"Fair value as on March 31, 2024 (Fair value hierarchy : Level 3)"	193.40	151.65	345.05

*Distress value of above flats is ₹ 159.27 Crore.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Particulars	Property (Flats)*	Land	Total
Gross carrying value			
As at April 01, 2022	**155.55**	**138.15**	**293.70**
Additions during the year	-	-	-
Deductions/adjustments during the year	-	-	-
As at March 31, 2023	**155.55**	**138.15**	**293.70**
Less : Impairment loss allowance	-	-	-
Net carrying value as at March 31, 2023	**155.55**	**138.15**	**293.70**
"Fair value as on March 31, 2023 (Fair value hierarchy : Level 3)"	192.15	150.65	342.80

*Distress value of above flats is ₹ 158.23 Crore.

NOTE 12.1: Management had acquired possession of these properties in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. These properties have been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, percentage of completion of construction (as for some properties the construction is currently on hold), residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation and ready recknor published by government. These valuations has been performed by an independent registered valuer registered under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair values are based on market values, being the estimated amount for which a property could be exchanged in an arm's length transaction. These properties are not depreciated as they have not been ready to use.

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Furniture and Fixtures	Vehicles	Office Equipment	Building	Plant & Equipment	Computer	Total
Cost as at April 01, 2023	**159.61**	**1.15**	**30.68**	**24.56**	**51.08**	**48.72**	**315.80**
Additions during the year	24.77	1.94	6.78	-	8.45	14.81	**56.75**
Deductions/ adjustments	(14.65)	(1.15)	(3.91)	(24.55)	(2.38)	(9.13)	**(55.77)**
As at March 31, 2024	**169.73**	**1.94**	**33.55**	**0.01**	**57.15**	**54.40**	**316.78**
Depreciation							
As at April 01, 2023	**82.28**	**1.15**	**12.68**	**8.48**	**29.65**	**33.77**	**168.01**
Depreciation for the year	28.30	0.42	6.03	0.35	9.22	10.72	**55.04**
Deductions/ adjustments	(13.71)	(1.15)	(3.88)	(8.82)	(2.16)	(8.90)	**(38.62)**
Up to March 31, 2024	**96.87**	**0.42**	**14.83**	**0.01**	**36.71**	**35.59**	**184.43**
Net block as at March 31, 2024	**72.86**	**1.52**	**18.72**	**0.00**	**20.44**	**18.81**	**132.35**

(₹ in Crores)

Particulars	Furniture and Fixtures	Vehicles	Office Equipment	Building	Plant & Equipment	Computer	Total
Cost as at April 01, 2022	**126.29**	**1.15**	**24.20**	**24.56**	**39.82**	**39.38**	**255.40**
Additions during the year	35.57	-	6.58	-	12.41	11.45	**66.01**
Deductions/ adjustments	(2.25)	-	(0.10)	-	(1.15)	(2.11)	**(5.61)**
As at March 31, 2023	**159.61**	**1.15**	**30.68**	**24.56**	**51.08**	**48.72**	**315.80**
Depreciation							
As at April 01, 2022	**56.76**	**1.14**	**7.80**	**7.06**	**21.00**	**26.82**	**120.58**
Depreciation for the year	27.41	0.01	4.97	1.42	9.57	7.96	**51.34**
Deductions/ adjustments	(1.89)	-	(0.09)	-	(0.92)	(1.01)	**(3.91)**
Up to March 31, 2023	**82.28**	**1.15**	**12.68**	**8.48**	**29.65**	**33.77**	**168.01**
Net block as at March 31, 2023	**77.33**	**0.00**	**18.00**	**16.08**	**21.43**	**14.95**	**147.79**

Notes:

1. Debt securities (NCD) are secured by way of first pari-passu charge on immovable property.
2. The Company has not revalued any of its property, plant or equipment.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 14 (A). CAPITAL-WORK-IN PROGRESS (CWIP)

Ageing schedule

(₹ in Crores)

Particulars	As at March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	41.72	10.11	-	-	51.83
Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

Particulars	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	26.92	0.04	0.06	-	27.02
Projects temporarily suspended	-	-	-	-	-

Notes 14(a).1 : No projects were delayed for completion or had exceeded its cost compared to its original plan.

Note 14 (b). Intangible assets under development

(₹ in Crores)

Name of Project	As at March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.17	-	-	-	0.17
Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

Name of Project	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.38	-	-	-	0.38
Projects temporarily suspended	-	-	-	-	-

Notes 14(b).1 : No projects were delayed for completion or had exceeded its cost compared to its original plan.

NOTE 15. LEASES

As a Lessee

a) Changes in the carrying value of right to use assets:

(₹ in Crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2023	**328.15**	**0.08**	**328.23**
Add/(less): Addition during the year	79.62	-	79.62
Add/(less): Deduction/Adjustment	33.80	-	33.80
Add/(less): Depreciation during the year	(77.60)	(0.07)	(77.67)
Closing Balance as at March 31, 2024	**363.97**	**0.01**	**363.98**

(₹ in Crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2022	**297.01**	**0.24**	**297.25**
Add/(less): Addition during the year	124.03	-	124.03
Add/(less): Deduction/Adjustment	(21.43)	-	(21.43)
Add/(less): Depreciation during the year	(71.46)	(0.16)	(71.62)
Closing Balance as at March 31, 2023	**328.15**	**0.08**	**328.23**

b) Break up value of the Current and Non - Current Finance Lease Obligations:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	78.17	79.42
Non-current lease liabilities	303.96	272.80
Total	**382.13**	**352.22**

c) Movement in Finance Lease Obligations:

(₹ in Crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2023	**352.13**	**0.09**	**352.22**
Add/(less): Addition during the year	79.28	-	79.28
Add/(less): Deduction/Adjustment	32.39	-	32.39
Add/(less): Finance cost accrued during the period	31.90	0.00	31.90
Add/(less): Payment of lease liabilities	(113.58)	(0.08)	(113.66)
Closing Balance as at March 31, 2024	**382.12**	**0.01**	**382.13**

(₹ in Crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2022	**327.35**	**0.27**	**327.62**
Add/(less): Addition during the year	121.96	-	121.96
Add/(less): Deduction/Adjustment	(24.46)	-	(24.46)
Add/(less): Finance cost accrued during the period	29.95	0.02	29.97
Add/(less): Payment of lease liabilities	(102.67)	(0.20)	(102.87)
Closing Balance as at March 31, 2023	**352.13**	**0.09**	**352.22**

d) Details regarding the contractual maturities of finance lease obligation on an undiscounted basis:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	105.49	103.11
One to two years	88.75	83.19
Two to five years	177.29	165.55
More than five years	130.98	101.13
Total	**502.51**	**452.98**

e) Rental expense recorded for short-term leases was ₹ 2.74 Crore (P.Y ₹ 1.27 Crore)

f) Amounts recognized in profit or loss

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on lease liabilities	31.90	29.97
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.15	0.21
Depreciation for the year	77.67	71.62
Total	**109.72**	**101.80**

g) Amounts recognized in the statement of cash flows

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total cash outflow for leases	113.66	102.87

h) The Company has not revalued any of its Right to use assets.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 16. OTHER INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Software
Cost or valuation as at April 01, 2023	**10.82**
Additions during the year	3.36
Deductions /Adjustments	-
As at March 31, 2024	**14.18**
Amortization	
As at April 01, 2023	**7.87**
Amortization during the year	2.19
Up to March 31, 2024	**10.06**
Net block as at March 31, 2024	**4.12**

(₹ in Crores)

Particulars	Software
Cost or valuation as at April 01, 2022	**7.98**
Additions during the year	2.84
Deductions /Adjustments	-
As at March 31, 2023	**10.82**
Amortization	
As at April 01, 2022	**6.06**
Amortization during the year	1.81
Up to March 31, 2023	**7.87**
Net block as at March 31, 2023	**2.95**

Note 16.1: The Company has not revalued any of its intangible assets.

Note 16.2: None of the intangible assets are internally generated.

NOTE 17. OTHER NON-FINANCIAL ASSETS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Prepaid expenses*	70.14	126.14
Receivable from securitization trust	25.00	80.00
Advances for operational expenses*	9.30	24.56
Deposits with government	1.98	1.98
GST input	18.31	11.00
Other assets	9.63	16.82
Total	**134.36**	**260.50**

* Includes foreign currency payments amounting to ₹ 0.51 Crore (P.Y ₹ 9.25 Crore).

NOTE 18. NON CURRENT ASSETS HELD FOR SALE

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current assets held for sale	-	7.85

Note 18.1: Non current assets held for sale was towards a Company owned property (Building) which was sold during the current year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 19. PAYABLES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(I) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	5.72	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Outstanding dues of creditors	9.83	25.92
Provision for expenses	99.48	94.38
Other trade payables *	25.30	11.59
Total (I)	**140.33**	**131.89**
(II) Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total (II)	**-**	**-**

* Including payable to Group /Subsidiaries Company (refer note 44.2).

Note 19.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2016 ("MSMED Act") on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED Act:

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
(a) Principal amount remaining unpaid to any supplier at the year end	5.72	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the MSMED Act.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Note 19.2 Trade Payables Ageing Schedule

(₹ in Crores)

Particulars As at March 31, 2024		Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	-	5.72	-	-	-	**5.72**
(ii)	Others	90.67	43.58	0.30	0.05	0.01	**134.61**
(iii)	Disputed dues – MSME	-	-	-	-	-	**-**
(iv)	Disputed dues - Others	-	-	-	-	-	**-**
Total		**90.67**	**49.30**	**0.30**	**0.05**	**0.01**	**140.33**

(₹ in Crores)

Particulars As at March 31, 2023		Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	-	-	-	-	-	**-**
(ii)	Others	94.38	36.95	0.55	0.00	0.01	**131.89**
(iii)	Disputed dues – MSME	-	-	-	-	-	**-**
(iv)	Disputed dues - Others	-	-	-	-	-	**-**
Total		**94.38**	**36.95**	**0.55**	**0.00**	**0.01**	**131.89**

NOTE 20. DEBT SECURITIES

(₹ in Crores)

Particulars		At Amortized Cost	
		As at March 31, 2024	As at March 31, 2023
(i)	Non Convertible Debentures - Secured*	3,374.05	5,033.29
	Less : Unamortized debenture issue expenses	(27.43)	(10.75)
	Less : Unexpired discount on NCD	-	(0.07)
(ii)	Commercial Papers - Unsecured	850.00	-
	Less : Unexpired discount on Commercial Paper	(10.98)	-
(iii)	Interest accrued but not due	154.82	171.62
Total (A)		**4,340.46**	**5,194.09**
Debt securities in India		4,340.46	2,882.99
Debt securities outside India		-	2,311.10
Total (B)		**4,340.46**	**5,194.09**

* The Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, loans and advances including receivables other than those specifically charged.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 20.1 TERMS OF REPAYMENT

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Rate of Interest / Yield	Amount (₹ in Crore)	Rate of Interest / Yield	Amount (₹ in Crore)
Non Convertible Debentures (Secured)				
Fixed:		**3,190.33**		**4,662.53**
More than 5 years	8.33% - 9.45%	1,005.00	8.33% - 9.45%	1,130.00
3-5 Years	8.33% - 9.00%	697.40	8.42% - 9.00%	597.00
1-3 Years	8.35% - 9.50%	1,053.40	8.50% -8.75%	276.93
Less than 1 year	8.25% - 8.50%	434.53	8.50% - 11.03%	2,658.60
Floating: ^		**-**		**115.00**
1-3 Years	-	-	8.25%	115.00
Zero Coupon:		**183.72**		**255.76**
3-5 Years	-	-	8.75%	27.19
1-3 Years	8.75%	26.92	8.00% -8.50%	157.27
Less than 1 year	8.00% - 9.18%	156.80	8.25%	71.30
Commercial papers - (Unsecured)				
Zero Coupon:		**850.00**		**-**
Less than 1 year	9.05% - 9.15%	850.00	-	-
Total		**4,224.05**		**5,033.29**

^The floating rate Non Convertible Debentures are linked with Government securities / Treasury Bills interest rates plus applicable spread.

Note 20.2 Non Convertible Debentures - Secured - Instrument Wise Details

(₹ in Crores)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
8.50% Secured Rated Annual Listed Redeemable Non convertible Debentttures Series D23. Date of Maturity April 15, 2024	8.50%	125.00	-
9.15% Unsecured Listed Commercial Paper. 91 Days Date of Maturity May 13, 2024	9.15%	100.00	-
9.18% Unsecured Listed Commercial Paper. 91 Days Date of Maturity May 22, 2024	9.18%	500.00	-
9.05% Unsecured Listed Commercial Paper. 91 Days Date of Maturity May 31, 2024	9.05%	250.00	-
G-Sec Linked Secured Rated Listed Principal Proctected Market Linked Redeemable Non Convertible Debentures Series D21 Date Of Maturity July 25, 2024	8.50%	26.00	26.00
Gsec Linked Secured Rated Listed Principal Protected Market Linked Redeemable Non Convertible Debenture. Series D19. Date Of Maturity September 02, 2024	8.25%	115.00	115.00
Gsec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series D14. Date Of Maturity September 07, 2024	8.00%	100.00	100.00
8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series III. Date Of Maturity October 14, 2024	8.50%	92.83	93.88
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series IV. Date Of Maturity October 14, 2024	8.50%	56.79	57.27

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
8.50% Secured Rated Listed Non Convertible Debentures Redeemable Series I Date Of Maturity January 24, 2025	8.50%	45.63	45.63
Secured Rated Listed Redeemable Non Convertible Debentures Series II Date Of Maturity January 24, 2025	8.50%	30.07	30.07
8.35% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. SERIES I. Date Of Maturity June 28, 2025	8.35%	47.00	-
8.35% Secured Rated Listed Redeemable Senior Non Convertible Debentures. SERIES II. Date Of Maturity June 28, 2025	8.35%	14.24	-
8.50% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. SERIES III. Date Of Maturity June 28, 2025	8.50%	123.58	-
8.50% Secured Rated Listed Redeemable Senior Non Convertible Debentures. SERIES IV. Date Of Maturity June 28, 2025	8.50%	8.91	-
Secured Rated Listed Redeemable Non Convertible Debentures Series IV. Date Of Maturity January 24, 2026	8.75%	24.13	24.13
8.75% Secured Rated Listed Redemable Non Convertible Debentuers Series III Date Of Maturity January 24, 2026	8.75%	57.21	57.21
8.42% Secured Rated Monthly Listed Redeemable Senior Non Convertible Debentures. Series V. Date Of Maturity October 14, 2026	8.42%	144.22	146.22
8.75% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series VI. Date Of Maturity October 14, 2026	8.75%	134.12	135.72
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series VII. Date Of Maturity October 14, 2026	8.75%	26.92	27.20
9.50% Secured Rated Semi Annually Listed Redeemable Senior Non Convertible Debentures. Date Of Maturity March 10, 2027	9.50%	500.00	-
9.00% Secured Rated Listed Redeemable Non Convertible Debentures Series VI. Date Of Maturity January 24, 2028	9.00%	118.93	118.93
Secured Rated Listed Redeemable Non Convertible Debentures Series VII. Date Of Maturity January 24, 2028	9.00%	37.86	37.86
8.65% Secured Rated Listed Redeemable Non Convertible Debentures Series V Date Of Maturity January 24, 2028	8.65%	157.24	158.27
8.65% Secured Rated Monthly Listed Senior Redeemable Non Convertible Debentures Series V Date Of Maturity June 28, 2028	8.65%	88.91	-
9.00% Secured Rated Annually Listed Senior Redeemable Non Convertible Debentures Series VI Date Of Maturity June 28, 2028	9.00%	131.94	-
9.00% Secured Rated Listed Senior Redeemable Non Convertible Debentures Series VII Date Of Maturity June 28, 2028	9.00%	37.52	-
8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity June 30, 2031	8.33%	500.00	500.00
8.50% Secured Rated Listed Non Convertible Debentures. Series D15. Date Of Maturity January 21, 2032	8.50%	10.00	10.00
8.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series D16 Option A. Date Of Maturity March 24, 2032	8.60%	60.00	60.00
9.00% Secured Rated Listed Non Convertible Debenture. Series D17. Date Of Maturity July 15, 2032	9.00%	10.00	10.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity November 01, 2032	9.45%	550.00	550.00
5.875% Secured Medium Term Note. Date of Maturity- April 20, 2023 *	11.03%	-	2,251.39
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D5. Date of maturity May 08, 2023	9.00%	-	100.00
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity October 14, 2023	8.25%	-	307.21
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series II Date Of Maturity October 14, 2023	8.25%	-	71.30
Total		**4,224.05**	**5,033.29**

* Includes hedging cost

NOTE 21. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Crores)

Particulars	At Amortized Cost	
	As at March 31, 2024	As at March 31, 2023
(A)		
(a) Term loan (refer note (a))		
(i) From banks and financial institution (refer note note (b) to (g))	10,520.48	8,148.15
(ii) From others (refer note (g))	1,250.94	1,232.55
Less : Prepaid expenses	(82.98)	(48.11)
(b) Other loans (refer note (a))		
(i) Cash credit/ overdraft	2,083.04	620.75
(ii) Securitization liability	135.45	564.26
Less : Prepaid expenses	(1.56)	(4.16)
(c) Interest accrued but not due	61.30	13.45
Total (A)	**13,966.67**	**10,526.89**
(B)		
Borrowings in India	10,433.84	8,063.76
Borrowings outside India (refer note (b) to (g))	3,532.83	2,463.13
Total (B)	**13,966.67**	**10,526.89**

Notes:

(a) These loans are secured by way of a first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged.

(b) During the year, Company borrowed ₹ 614.48 Crore (equivalent to US$ 75 Million) under External commercial borrowing. These are secured by way of a first ranking pari passu charge by way of hypothecation on all the borrower's charged asset in favour of the security holder in accordance with the Deed of Hypothecation.

(c) During the year, Company borrowed ₹ 410.25 Crore (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu against all receivables/current assets of the borrower including book debts/receivables with both present and future but excluding book debt/receivables pertaining to capital market exposure and securitized asset .

(d) During the year, Company borrowed ₹ 410.11 Crore (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge over all receivables/current assets of the borrower including book debts/receivables both present and future and which are "standard assets" but excluding book debt/receivables pertaining to capital market exposure and securitized assets.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(e) During the year, Company borrowed ₹ 416.68 Crore denominated in Japanese Yen (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge on all present and future standard loan receivables (excluding the receivables given on exclusive charge, if any), book debts, loan and advances and current assets of the borrower.

(f) During the previous year, Company borrowed 395.28 Crore (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge by way of hypothecation on all borrower's charged asset in favour of the security trustee and specity exclusive charge.

(g) During the previous year, Company borrowed 822.00 Crore (equivalent to US$ 100 Million) under External commercial borrowing. These are secured by way of first ranking pari passu against all reivables/current assets of the borrower including book debts/receivables with both present and future but excluding book debt/recevables pertaining to capital market exposure and securitized asset.

Note 21.1 Terms of Repayment of Term Loans

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Rate of Interest / Yield	Amount (₹ in Crore)	Rate of Interest /Yield	Amount (₹ in Crore)
(i) From Banks and Financial Institution				
Floating:*		**6,868.65**		**5,080.17**
3 - 5 Years	9.18% - 10.30%	1,005.50	8.00% - 9.75%	768.39
1 - 3 Years	8.72% - 10.40%	3,386.30	8.00 % - 9.90%	2,425.14
Less than 1 year	8.72% - 10.40%	2,476.85	8.00% - 10.20%	1,886.64
Fixed:		**3,651.83**		**3,067.98**
3 - 5 Years	9.70% - 9.85%	250.00	9.70%	263.35
1 - 3 Years	8.45% - 9.85%	2,688.21	8.45% - 9.70%	1,395.73
Less than 1 year	8.00% - 9.85%	713.62	8.00% - 9.75%	1,408.90
(ii) From Others				
Fixed:		**1,250.94**		**1,232.55**
1 - 3 Years	9.20%	416.89	8.62%	1,232.55
Less than 1 year	8.62%	834.05	-	-
Total		**11,771.42**		**9,380.70**

*The rate of interest for the above term loans from banks is linked to marginal cost of funds based lending rate/ treasury bills plus applicable spread. The above categorization of loans has been based on the interest rates prevalent as on the respective reporting dates.

Note 21.2 Terms of Repayment of Other Loans

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Rate of Interest / Yield	Amount (₹ in Crore)	Rate of Interest / Yield	Amount (₹ in Crore)
Floating:				
Cash credit/overdraft : Less than 1 year **	6.70% - 9.75%	2,083.04	6.00% - 9.75%	620.75
Securitization liability				
Fixed:		**135.45**		**564.26**
Less than 1 year	8.42%	135.45	7.72%	564.26
Total		**2,218.50**		**1,185.01**

**The rate of interest for the above loans is linked to marginal cost of funds based lending rate/ fixed deposits plus applicable spread. The above categorization of loans has been based on the interest rates prevalent as on the respective reporting dates.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 22. SUBORDINATED LIABILITIES

(₹ in Crores)

Particulars	At Amortized Cost	
	As at March 31, 2024	As at March 31, 2023
(A)		
(i) Non Convertible Debentures - Unsecured*	1,608.78	1,586.17
Less: Unamortized debenture issue expenses	(14.52)	(18.20)
(ii) Interest accrued but not due	109.51	91.54
Total (A)	**1,703.77**	**1,659.51**
(B)		
Subordinated liabilities in India	1,356.15	1,312.20
Subordinated liabilities outside India	347.62	347.31
Total (B)	**1,703.77**	**1,659.51**

*Includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024) and ₹ 15.45 Crore (from August 07, 2024) {As at March 31, 2023 ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024) and ₹ 15.45 Crore (from August 07, 2024)}

Note 22.1 Terms of Repayment

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Rate of Interest / Yield	Amount (₹ in Crore)	Rate of Interest / Yield	Amount (₹ in Crore)
Non Convertible Debenture (Unsecured)				
Fixed		**1,484.86**		**1,462.24**
More than 5 years	9.20% - 9.65%	385.00	9.00% - 10.50%	1,326.31
3- 5 Years	8.70% - 10.50%	1,073.93	8.70%	100.00
1-3 Years	10.00%	25.93	10.00%	25.93
Less than 1 year	-	-	12.10%	10.00
Zero Coupon		**123.92**		**123.93**
More than 5 years	-	-	9.35% -10.03%	118.15
3- 5 Years	9.35% - 10.03%	118.14	-	-
1-3 Years	10.50%	5.78	10.50%	5.78
Total		**1,608.78**		**1,586.17**

Note 22.2 Non Convertible Debentures - Unsecured - Instrument Wise Details

(₹ in Crores)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
10.00% Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series V. Date Of Maturity June 06, 2025	10.00%	25.93	25.93
Zero Coupon Unsecured Redeemable Non Convertible Debentures. Tranche II. Series VI. Date of Maturity June 06, 2025	10.50%	5.78	5.78
8.70% Unsecured Listed Redeemable Subordinated Non Convertible Debentures. Series U03. Date Of Maturity November 19, 2027	8.70%	100.00	100.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series I . Date Of Maturity June 24, 2028	10.00%	274.69	274.69

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
9.60% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series II . Date Of Maturity June 24, 2028	9.60%	328.02	328.02
Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Debenture.Series III . Date Of Maturity June 24, 2028	10.03%	68.14	68.14
9.00% India Infoline (Regs) 18-2028_Rupee Denominated Bond. Date of Maturity June 28, 2028	9.00%	325.00	325.00
Zero coupon Unsecured Rated Listed Redeemable Non Convertible Subordinated Debentures IIFL MLD-2028. Series U04. Date of Maturity August 25, 2028	9.35%	50.00	50.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Maturity Date - February 07, 2029	10.00%	30.77	30.77
10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Maturity Date - February 26, 2029	10.50%	15.45	15.45
9.35% Unsecured Rated Listed Subordinated Redeemable Non Convertible Debenture. Series D16 Option B. Date Of Maturity March 24, 2032	9.35%	50.00	50.00
9.65% Unsecured Rated Listed Subordinate Tier Ii Non Convertible Debenture. Series D18. Date Of Maturity July 26, 2032	9.65%	235.00	236.70
9.45% Unsecured Rated Listed Redeemable Non Convertible Debentures Series D22 Date Maturity December 27, 2032	9.45%	65.00	65.69
9.20% Unsecured Rated Listed Redeemable Subordinate Tier 2 Non Convertible Series D24 Date Of Maturity May 08, 2033	9.20%	35.00	-
12.10% Unsecured Redeemable Non Convertible Debentures. Date Of Maturity May 24, 2023	12.10%	-	10.00
Total		**1,608.78**	**1,586.17**

NOTE 23. OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Payable on account of assignment/securitization	1,260.76	842.62
Temporary overdrawn bank balances	0.03	8.84
Payables towards NCD (refer note 23.1)	1.55	2.26
Unclaimed dividends (refer note 23.1)	0.32	0.46
Other payables (refer note 23.2)	33.54	41.63
Total	**1,296.20**	**895.81**

Note 23.1 During the year, ₹ 0.87 Crore (P.Y ₹ 0.26 Crore) was transferred to Investor Education and Protection Fund.

Note 23.2 Includes unspent amount for CSR expenses ₹ 1.61 Crore (refer note no.45)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 24. PROVISIONS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Accrued Salaries & Benefits	7.49	1.49
Provision for employee benefits	6.71	38.57
Provision for leave encashment	14.09	11.04
Provision for gratuity (refer note 33.2)	9.05	1.43
ECL provision on sanctioned undisbursed loans	1.48	0.22
Total	**38.82**	**52.75**

NOTE 25. OTHER NON-FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Income received in advance	8.90	0.04
Advances from customers	59.19	70.49
Statutory remittances	22.00	22.45
Total	**90.09**	**92.98**

NOTE 26. EQUITY SHARE CAPITAL

(i) Authorized, Issued, Subscribed and Paid-up Share Capital

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized Share Capital		
2,35,52,50,000 Equity Shares (P.Y 2,35,52,50,000) of ₹ 2 each	471.05	471.05
50,00,00,000 Preference Shares (P.Y 50,00,00,000) of ₹ 10 each	500.00	500.00
Total	**971.05**	**971.05**
Issued, Subscribed and Paid-up Share Capital		
38,15,48,435 Equity Shares (P.Y 38,04,30,389) of ₹ 2 each fully paid with voting rights	76.31	76.09
Total	**76.31**	**76.09**

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Equity Shares				
At the beginning of the year	38,04,30,389	76.09	37,95,98,711	75.92
Add: Shares issued during the year	11,18,046	0.22	8,31,678	0.17
Outstanding at the end of the year	**38,15,48,435**	**76.31**	**38,04,30,389**	**76.09**

(iii) Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 2.00/- per share. Each holder of the equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended March 31, 2024, equity shareholders were paid an interim dividend of ₹ 4.00/- (P.Y ₹ 4.00/-) per share. The same is considered as final.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(iv) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Equity shares of ₹ 2 each fully paid up				
FIH Mauritius Investments Ltd.	5,76,41,445	15.11%	8,46,41,445	22.25%
Nirmal Bhanwarlal Jain	4,77,19,154	12.51%	4,77,19,154	12.54%
Smallcap World Fund, Inc	2,70,53,256	7.09%	2,82,78,861	7.43%
Parajia Bharat Himatlal	1,77,20,000	4.64%	1,97,20,000	5.18%

(v) Details of Shareholding of Promoters

Name of the promoter	As at March 31, 2024		
	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	4,77,19,154	12.51%	(0.03%)
Madhu N Jain	1,20,75,000	3.16%	(0.01%)
Venkataraman Rajamani	1,09,84,432	2.88%	(0.01%)
Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,00,00,000	2.62%	(0.01%)
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.36%	(0.01%)
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.78%**	

* The change in percentage is due to dilution of Share Capital.

Name of the promoter	As at March 31, 2023		
	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	4,77,19,154	12.54%	(0.04%)
Madhu N Jain	1,20,75,000	3.17%	(0.01%)
Venkataraman Rajamani	1,09,84,432	2.89%	0.00%
Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)**	1,00,00,000	2.63%	0.00%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.37%	0.00%
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.85%**	

*The change in percentage is due to dilution of Share Capital.

**As on March 31, 2023, trustee(s) of Nirmal Madhu Family Private Trust were changed to Mansukhlal Jain and Pritesh Ashwin Mehta (from the earlier trustee(s) as on March 31, 2022 which was Harshita Jain and Mansukhlal Jain).

(vi) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back except for 58,654,556 equity shares alloted on account of merger during the year ended March 31, 2020.

(vii) Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments, including the terms and amount: Refer note 40 for details of shares reserved for issue under Employee Stock Option Plan of the Company.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(viii) Pursuant to the Board of Directors approval dated March 13, 2024, for issue of equity shares up to by way of rights issue ('Rights Issue") for an amount not exceeding ₹ 1,500.00 Crore, the Company had filed Letter of Offer on April 17, 2024. The issue opened for subscription on April 30, 2024, and closed on May 14, 2024. The SIC Committee on May 17, 2024, approved the allotment of 4,23,94,270 fully paid-up equity shares at a price of ₹ 300.00/- per equity share (Including premium of ₹ 298.00/- per equity share) aggregating to ₹ 1,271.83 Crore to the eligible shareholders and the same has been allotted on May 17, 2024.

Note 26.1 OTHER EQUITY

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Share application money pending allotment	**0.49**	**-**
Capital reserve	**83.89**	**83.89**
Securities premium reserve		
Opening balance	1,862.07	1,845.03
Add: Share issue expenses	-	-
Add: Addition during the year	19.20	10.97
Add/(less): Transfer (to)/ from reserves	4.39	6.07
Closing balance	**1,885.66**	**1,862.07**
General reserve		
Opening balance	510.44	509.35
Add/(less): Transfer (to)/ from reserves	(0.45)	1.09
Closing balance	**509.99**	**510.44**
Special reserve pursuant to section 45 IC of Reserve Bank of India Act, 1934		
Opening balance	950.53	789.42
Add/(less): Transfer (to)/ from reserves	116.96	161.11
Closing balance	**1,067.49**	**950.53**
Capital redemption reserve	**230.11**	**230.11**
Debenture redemption reserve	**12.80**	**12.80**
Retained earnings		
Opening balance	1,390.89	898.60
Add: Profit for the year	584.78	805.49
Less: Interim dividend	(152.59)	(152.09)
Add/(less): Transfer (to)/ from reserves	(116.96)	(161.11)
Closing balance	**1,706.12**	**1,390.89**
Stock option outstanding account		
Opening balance	9.67	14.18
Add: Addition during the year	36.84	2.65
Add/(less): Transfer (to)/ from reserves	(3.94)	(7.16)
Closing balance	**42.57**	**9.67**
Effective portion of cash flow hedges		
Opening balance	(10.19)	(32.35)
Add: Other comprehensive income/ (loss)	(5.51)	22.16
Closing balance	**(15.70)**	**(10.19)**
Remeasurements of defined benefit		
Opening balance	(1.39)	(0.05)
Add: Other comprehensive income/ (loss)	(2.43)	(1.34)
Closing balance	**(3.82)**	**(1.39)**
Total	**5,519.60**	**5,038.82**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 27.1 INTEREST INCOME

(₹ in Crores)

Particulars	FY 2023-24				FY 2022-23			
	On financial assets measured at amortized cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortized cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total
Interest on loans (refer note 8.3)	3,756.37	-	482.19	4,238.56	2,781.99	-	563.48	3,345.47
Interest on investments	-	18.44	-	18.44	-	32.37	-	32.37
Interest on deposits with banks	80.79	-	-	80.79	80.94	-	-	80.94
Interest on inter corporate deposit	10.55	-	-	10.55	9.64	-	-	9.64
Total	**3,847.71**	**18.44**	**482.19**	**4,348.34**	**2,872.57**	**32.37**	**563.48**	**3,468.42**

NOTE 27.2 DIVIDEND INCOME

The Company received dividend income amounting to ₹ 132.02 Crore (P.Y ₹ 87.58 Crore). Dividend received from subsidiary companies ₹ 131.96 Crore (P.Y ₹ 87.58 Crore).

NOTE 28. NET GAIN/ (LOSS) ON FAIR VALUE CHANGES

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	(226.16)	91.82
Total net gain/(loss) on fair value changes	**(226.16)**	**91.82**
Fair value changes		
- Realized	38.61	29.74
- Unrealized	(264.77)	62.08
Total net gain/(loss) on fair value changes	**(226.16)**	**91.82**

NOTE 29. OTHER INCOME

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Interest on income tax refund	0.79	25.53
Marketing, advertisement and support service fees	25.43	1.47
Profit on sale of fixed assets / non current assets held for sale	18.15	3.08
Miscellaneous income	0.63	-
Total	**45.00**	**30.08**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 30. FINANCE COSTS

(₹ in Crores)

Particulars	On Financial liabilities measured at Amortized Cost	
	FY 2023-24	FY 2022-23
Interest on debt securities*	337.40	406.39
Interest on borrowings other than debt securities*	1,076.52	803.55
Interest on subordinated liabilites*	156.04	144.00
Interest on inter corporate deposit	28.61	1.07
Interest expense on lease - INDAS 116	31.90	29.96
Other borrowing cost *	86.74	70.99
Total	**1,717.21**	**1,455.96**

* Includes foreign currency expenditure on accrual basis amounting to ₹ 401.72 Crore (P.Y ₹ 427.48 Crore).

NOTE 31. NET (GAIN)/ LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER FVTOCI CATEGORY

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Interest strip on assignment of loans	166.77	(348.06)
Total	**166.77**	**(348.06)**

NOTE 32. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Crores)

Particulars	FY 2023-24			FY 2022-23		
	On financial assets measured at amortized cost	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortized cost	On financial assets classified at fair value through OCI	Total
Loans (refer note 8.3)	71.16	20.94	92.10	(67.85)	(12.46)	(80.31)
Bad debts written off (net)	279.32	-	279.32	355.15	-	355.15
Other financial assets	7.29	-	7.29	10.69	-	10.69
Total	**357.77**	**20.94**	**378.71**	**297.99**	**(12.46)**	**285.53**

NOTE 33. EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Salaries	611.64	602.65
Contribution to provident and other funds (refer note 33.1)	34.60	35.26
Leave encashment	6.62	4.83
Gratuity (refer note 33.2)	4.38	3.92
Staff welfare expenses	30.63	23.58
Share based payments	35.42	2.14
Total	**723.29**	**672.38**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

33.1 Defined contribution plans

The Company has recognized the following amounts as an expense and included in the Employee benefit expenses

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Contribution to Provident fund	13.85	13.25
Contribution to Employee State Insurance Corporation	3.17	3.68
Contribution to Labour welfare fund	0.09	0.09
Contribution to employee pension scheme	16.92	17.89
Contribution to National Pension Scheme	0.57	0.35
Total	**34.60**	**35.26**

33.2 Gratuity disclosure statement

Particulars	FY 2023-24	FY 2022-23
Type of benefit	Gratuity	Gratuity
Country	India	India
Reporting currency	₹	₹
Reporting standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding status	Funded	Funded
Starting period	April 01, 2023	April 01, 2022
Date of reporting	March 31, 2024	March 31, 2023
Period of reporting	12 Months	12 Months
Assumptions (current year)		
Expected return on plan assets	7.19%	7.44%
Rate of discounting	7.19%	7.44%
Rate of salary increase	6.00%	6.00%
Rate of employee turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Mortality rate after employment	N.A.	N.A.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Table showing change in the present value of projected benefit obligation	FY 2023-24	FY 2022-23
Present value of benefit obligation at the beginning of the year	20.49	16.71
Interest cost	1.52	1.16
Current service cost	4.27	3.97
Past service cost	-	-
Liability transferred in/ acquisitions	0.04	0.07
(Liability transferred out/ divestments)	(0.04)	(0.11)
(Gains)/ losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefit paid directly by the employer)	-	-
(Benefit paid from the fund)	(3.84)	(2.77)
The effect of changes in foreign exchange rates	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.90	(1.42)
Actuarial (gains)/losses on obligations - due to experience	2.96	2.88
Present value of benefit obligation at the end of the year	26.29	20.49

(₹ in Crores)

Table showing change in the Fair Value of Plan Assets	FY 2023-24	FY 2022-23
Fair value of plan assets at the beginning of the year	19.06	17.78
Interest income	1.42	1.24
Contributions by the employer	-	3.14
Expected contributions by the employees	-	-
Assets transferred in/ acquisitions	-	-
(Assets transferred out/ divestments)	-	-
(Benefit paid from the fund)	(3.84)	(2.77)
(Assets distributed on settlements)	-	-
Effects of asset ceiling	-	-
The effect of changes in foreign exchange rates	-	-
Return on plan assets, excluding interest income	0.60	(0.32)
Fair value of plan assets at the end of the year	17.24	19.06

(₹ in Crores)

Actual Return on Plan Assets	FY 2023-24	FY 2022-23
Interest Income	1.42	1.24
Return on Plan Assets, Excluding Interest Income	0.60	(0.32)
Actual Return on Plan Assets	2.02	0.92

(₹ in Crores)

Amount recognized in the Balance Sheet	FY 2023-24	FY 2022-23
(Present value of benefit obligation at the end of the year)	(26.29)	(20.49)
Fair value of plan assets at the end of the year	17.24	19.06
Funded status (surplus/ (deficit))	(9.05)	(1.43)
Net (liability)/asset recognized in the Balance Sheet	(9.05)	(1.43)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Net interest cost for current year	FY 2023-24	FY 2022-23
Present value of benefit obligation at the beginning of the year	20.49	16.71
(Fair value of plan assets at the beginning of the year)	(19.06)	(17.78)
Net liability/(asset) at the beginning	1.43	(1.07)
Interest cost	1.52	1.16
(Interest income)	(1.42)	(1.24)
Net interest cost for current year	0.11	(0.07)

(₹ in Crores)

Expenses recognized in the Statement of Profit or Loss for current year	FY 2023-24	FY 2022-23
Current service cost	4.27	3.97
Net interest cost	0.11	(0.07)
Past service cost	-	-
(Expected contributions by the employees)	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Expenses recognized	4.38	3.90

(₹ in Crores)

Expenses recognized in OCI for current year	FY 2023-24	FY 2022-23
Actuarial (gains)/ losses on obligation for the year	3.85	1.47
Return on plan assets, excluding interest income	(0.60)	0.32
Change in asset ceiling	-	-
Net (income)/ expense for the year recognized in OCI	3.25	1.79

(₹ in Crores)

Balance Sheet reconciliation	FY 2023-24	FY 2022-23
Opening net liability	1.43	(1.07)
Expenses recognized in Statement of Profit or Loss	4.38	3.90
Expenses recognized in OCI	3.25	1.79
Net liability/(asset) transfer in	0.04	0.07
Net (liability)/asset transfer out	(0.04)	(0.11)
(Benefit paid directly by the employer)	-	-
(Employer's contribution)	-	(3.14)
Net liability/(asset) recognized in the Balance Sheet	9.05	1.43

(₹ in Crores)

Category of Assets	FY 2023-24	FY 2022-23
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	17.24	19.06
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	**17.24**	**19.06**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Expenses recognized in the Statement of Profit or Loss for next year	FY 2023-24	FY 2022-23
Current service cost	5.25	4.27
Net interest cost	0.65	0.11
(Expected contributions by the employees)	-	-
Expenses recognized	5.90	4.38

(₹ in Crores)

Maturity analysis of the benefit payments: From the Fund	FY 2023-24	FY 2022-23
Projected benefits payable in future years from the date of reporting		
1st following year	3.23	2.67
2nd following year	0.55	0.47
3rd following year	0.62	0.51
4th following year	0.92	0.56
5th following year	0.80	0.82
Sum of years 6 To 10	5.46	4.37
Sum of years 11 and above	80.38	64.24

(₹ in Crores)

Sensitivity analysis	FY 2023-24	FY 2022-23
Defined Benefit Obligation on Current Assumptions	26.29	20.49
Delta effect of +1% change in rate of discounting	(3.47)	(2.66)
Delta effect of -1% change in rate of discounting	3.81	2.87
Delta effect of +1% change in rate of salary increase	4.12	3.10
Delta effect of -1% change in rate of salary increase	(3.40)	(2.55)
Delta effect of +1% change in rate of employee turnover	0.36	0.37
Delta effect of -1% change in rate of employee turnover	(0.45)	(0.46)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation. Salary escalation & attrition rate are in line with the industry practice considering promotion and demand and supply of the employees. Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above. Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation. Expected Rate of Return taken same as discount rate as described in Indian Accounting Standard 19. Expected Contribution in the next year is considered as the sum of net liability/assets at the end of the current year and current service cost for next year, subject to maximum allowable contribution to the Plan Assets over the next year as per the Income Tax Rules. Value of asset is considered as fair value of plan asset for the period of reporting.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Qualitative disclosures

Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. During the year, there were no plan amendments, curtailments and settlements. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy. The trust is guided by rule 103 of Income Tax Rules, 1962.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance entity and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

NOTE 34. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Depreciation on property, plant and equipment	55.04	51.34
Depreciation on right to use assets	77.67	71.62
Amortization on other intangible assets	2.19	1.81
Total	**134.90**	**124.77**

NOTE 35. OTHER EXPENSES

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Advertisement and marketing expenses*	136.50	62.39
Direct operating expenses	70.06	100.76
Bank charges	0.97	3.62
Commission to non whole-time directors	0.84	0.32
Communication costs	7.94	8.07
Electricity	18.59	18.03
Exchange and statutory charges	2.20	2.48
Legal & professional fees*	109.80	101.84
Directors sitting fees	1.50	1.11
Office expenses	10.76	11.16

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Postage & courier	3.51	3.56
Printing & stationary	3.33	4.31
Rates & taxes	2.77	1.16
Rent	10.69	2.91
Repairs & maintenance		
- Computer	1.07	1.66
- Others*	11.32	13.16
Remuneration to auditors		
- Audit fees	0.62	0.55
- Certification / other services **	0.33	0.35
- Out of pocket expenses	0.03	0.04
Software charges*	33.57	19.03
Travelling & conveyance*	22.37	22.31
Corporate social responsibility expenses (refer note 45)	10.91	8.70
Miscellaneous expenses*	1.26	0.53
Insurance premium	14.03	14.46
Security expenses	97.44	104.82
Total	**572.41**	**507.33**

*Includes below expenses incurred in foreign currency on accrual basis.

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Advertisement and marketing expenses	6.89	0.19
Legal & Professional Fees	0.12	0.26
Repairs & Maintenance: Others	-	0.00
Software charges	1.61	0.14
Travelling & conveyance	0.05	0.21
Miscellaneous expenses	0.06	0.05

** During the year the Company has paid ₹ 0.27 Crore (P.Y ₹ 0.25 Crore) to the auditors towards certification required for Public Issue of Non Convertible Debentures and the same has been amortized over the tenure of the borrowings.

NOTE 36. INCOME TAXES

(₹ in Crores)

Amounts recognized in statement of profit or loss	FY 2023-24	FY 2022-23
Current tax expense		
Current year	188.91	117.53
Changes in estimates related to prior years	(2.26)	-
Deferred tax expense		
Origination and reversal of temporary differences	(41.45)	119.70
Total	**145.20**	**237.23**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Amounts recognized in other comprehensive income	FY 2023-24			FY 2022-23		
	Amount	Tax expense	Net of tax	Amount	Tax expense	Net of tax
Remeasurements of defined benefit liability/ (asset)	(3.25)	0.82	(2.43)	(1.79)	0.45	(1.34)
Cash flow hedge reserve	(7.36)	1.85	(5.51)	29.61	(7.45)	22.16
	(10.61)	**2.67**	**(7.94)**	**27.82**	**(7.00)**	**20.82**

(₹ in Crores)

Reconciliation of income tax expense of the year to accounting year	FY 2023-24	FY 2022-23
Profit before tax	**729.98**	**1,042.72**
Tax using the Company's domestic tax rate (25.17%)	183.72	262.43
Tax effect of:		
Non-deductible expenses	2.86	2.77
Tax-exempt income- Others (includes deduction under section 80JJAA)	(5.81)	(5.81)
Tax-exempt income- Dividend	(33.23)	(22.04)
Income taxed at different rates	(0.30)	(0.82)
Adjustments for current tax for prior periods	(2.26)	-
De-Recognition of previously recognized deductible temporary differences	0.22	0.70
Total income tax expense	**145.20**	**237.23**
Effective tax rate	**19.89%**	**22.75%**

NOTE 37. EARNINGS PER SHARE

Basic and Diluted Earnings Per Share ("EPS") computed in accordance with INDAS 33 "Earnings per share"

Particulars		FY 2023-24	FY 2022-23
Face value of equity shares (in ₹) fully paid up		2.00	2.00
BASIC			
Profit after tax as per statement of Profit and Loss (₹ in Crore) for calculating Basic EPS		584.78	805.49
Profit after tax attributable to equity share holders (₹ in Crore)	A	584.78	805.49
Weighted average number of equity shares outstanding	B	38,10,07,838	37,98,80,425
Basic EPS (In ₹)	**A/B**	**15.35**	**21.20**
DILUTED			
Profit after tax attributable to equity share holders (₹ in Crore) for calculating Diluted EPS	C	584.78	805.49
Weighted average number of equity shares for computation of basic EPS		38,10,07,838	37,98,80,425
Add: Potential equity shares on account conversion of Employees Stock Options		48,24,533	30,15,015
Weighted average number of equity shares for computation of diluted EPS	D	38,58,32,371	38,28,95,439
Diluted EPS (In ₹)	**C/D**	**15.16**	**21.04**

NOTE 38. RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk management is integral to Company's strategy. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing. The Company operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross stage 3 assets and net stage 3 assets, leverage, funding and liquidity, etc.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Company's growth and performance.

Risk Management Structure

The Company has established multi-level risk governance for monitoring and control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee ("RMC") which is responsible for monitoring the overall risk process within the Company. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer ("CRO") who reports to the Chairman and independently to RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Company has a well defined risk framework constituting various lines of defence – the first line of defence, consisting of management, is responsible for seamless integration of risk principles across all businesses. Additionally, it ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Company has well-defined internal control measures in every process.

Independent risk and policy team constitutes second line of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control and self assessment (Operational risk).

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

Risk Management Practices

The Company has developed the necessary competency to identify early stress signals and has also defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the company.

It has initiated a detailed portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Company to standardise credit underwriting and improve sourcing quality in the long run.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to RMC at periodic intervals.

In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures.

The Company's central Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Note: 38A.1. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk arises primarily from financial assets such as loans, trade receivables, investments, derivative financial instruments, and other receivables.

Credit Quality Analysis

The following tables sets out information about the credit quality of financial assets measured at amortized cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Crores)

Particulars	As at March 31, 2024				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total
Cash and cash equivalents	-	-	-	863.92	863.92
Bank balance other than above	-	-	-	966.58	966.58
Receivables					
(i) Trade receivables	-	-	-	42.27	42.27
(ii) Other receivables	-	-	-	29.65	29.65
Loans*	15,930.36	1,297.91	653.24	-	17,881.50
Investments**	-	-	-	2,107.81	2,107.81
Other Financial assets	-	-	-	772.58	772.58

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

**Investments in subsidiaries carried at cost.

(₹ in Crores)

Particulars	As at March 31, 2023				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total
Cash and cash equivalents	-	-	-	1,763.87	1,763.87
Bank balance other than above	-	-	-	1,407.07	1,407.07
Receivables					
(i) Trade receivables	-	-	1.66	65.68	67.34
(ii) Other receivables	-	-	-	15.47	15.47
Loans*	9,519.40	728.11	181.33	-	10,428.83
Investments**	-	-	-	1,907.81	1,907.81
Other Financial assets	-	-	-	897.29	897.29

*Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.
**Investments in subsidiaries carried at cost.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Financial Assets Measured Using Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on cash and cash equivalents, bank balances, trade receivables, other receivables and other financial assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

38A.2. Collateral Held

The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralized against equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.

38A.3. Loss Allowance and Exposure At Default

The following table shows movement of the loss allowance on loans and advances:

(₹ in Crores)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total *	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Apr-2023	**331.14**	**43.02**	**16.30**	**2.15**	**91.64**	**-**	**439.08**	**45.17**
New loans disbursed during the year	139.45	18.34	16.93	7.62	163.15	-	319.53	25.96
Loans closed/ written off during the year	(212.89)	(37.76)	(9.49)	(1.77)	(73.21)	-	(295.59)	(39.53)
Movement in provision without change in asset staging	(51.76)	1.54	(1.23)	0.12	1.53	-	(51.46)	1.66
Movement in provision due to change in asset staging	(17.92)	(1.18)	10.32	3.18	137.13	-	129.53	2.00
Closing ECL Mar-2024	**188.02**	**23.96**	**32.83**	**11.30**	**320.24**	**-**	**541.09**	**35.26**

* As at date, The Company has a management overlay of ₹ 108.80 Crore included in total ECL provision.

(₹ in Crores)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Apr-2022	**300.60**	**51.64**	**48.65**	**3.52**	**160.15**	**-**	**509.40**	**55.16**
New loans disbursed during the year	164.50	11.30	5.91	1.41	37.53	-	**207.94**	**12.71**
Loans closed/ written off during the year	(126.36)	(31.70)	(35.68)	(2.84)	(149.00)	-	**(311.04)**	**(34.54)**
Movement in provision without change in asset staging	5.87	12.68	(3.46)	(0.15)	0.71	-	**3.12**	**12.53**
Movement in provision due to change in asset staging	(13.47)	(0.90)	0.88	0.21	42.25	-	**29.66**	**(0.69)**
Closing ECL Mar-2023	**331.14**	**43.02**	**16.30**	**2.15**	**91.64**	**-**	**439.08**	**45.17**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

The following table shows movement of the Exposure At Default ("EAD")

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Apr-2023	**13,174.92**	**515.00**	**691.64**	**36.48**	**181.32**	**-**	**14,047.88**	**551.48**
New loans disbursed during the year	12,828.57	728.86	707.82	113.73	369.66	-	13,906.05	842.59
Loans closed/ written off during the year	(7,327.69)	(333.64)	(534.00)	(31.80)	(144.58)	-	(8,006.27)	(365.44)
Movement in EAD without change in asset staging	(1,725.12)	72.77	(20.30)	1.15	(0.72)	-	(1,746.14)	73.92
Movement in EAD due to change in asset staging	(901.53)	(22.15)	294.84	38.34	247.54	-	(359.15)	16.19
Closing EAD Mar-2024	**16,049.17**	**960.84**	**1,140.00**	**157.90**	**653.22**	**-**	**17,842.37**	**1,118.74**

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Apr-2022	**11,511.13**	**1,287.06**	**747.50**	**56.98**	**366.44**	**-**	**12,625.07**	**1,344.05**
New loans disbursed during the year	10,061.98	189.98	420.56	26.02	94.01	-	10,576.54	216.01
Loans closed/written off during the year	(6,930.03)	(456.40)	(553.19)	(26.66)	(344.74)	-	(7,827.96)	(483.06)
Movement in EAD without change in asset staging	(1,108.32)	(473.45)	(40.37)	(24.77)	(2.77)	-	(1,151.46)	(498.23)
Movement in EAD due to change in asset staging	(359.84)	(32.19)	117.15	4.91	68.38	-	(174.30)	(27.28)
Closing EAD Mar-2023	**13,174.92**	**515.00**	**691.64**	**36.48**	**181.32**	**-**	**14,047.88**	**551.48**

38A.4. Write Off

Contractual amount outstanding on financial assets that were written off (net of recovery) during the reporting period is ₹ 279.32 Crore (P.Y ₹ 355.15 Crore)

38A.5. Modified Financial Instruments

For financial assets, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Company has disclosed carrying amount of modification gain/ loss based on discounted cash flow basis in the below table:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount of modification (gain)/ loss as on date for the modified financial assets	3.77	5.66

38A.6. Credit Risk Grading of Loans

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

The Company ensures effective monitoring of credit facilities through a portfolio quality review framework. As per this process, an asset is reviewed at a frequency determined based on the risk it carries at the review date.

For effective risk management, the company monitors its portfolio, based on product, underlying security and credit risk characteristics.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. An independent risk and policy team reviews adherence to policies and processes on a periodic basis.

Additionally, the Company evaluates risk based on staging as defined in Ind AS, details of which are mentioned below:

Credit Grading Details

(₹ in Crores)

Period	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2024	17,010.01	1,297.90	653.22	18,961.13
March 31, 2023	13,689.92	728.12	181.32	14,599.36

38A.7. Concentration of Credit Risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

38B LIQUIDITY RISK

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Company has well defined Asset Liability Management (ALM) framework with an appropriate organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

(i) Maturities of Financial Liabilities

(₹ in Crores)

Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2024	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	30.92	3.56	-	-	27.36	-	-
Trade payables	140.33	140.33	-	-	-	-	-
Finance lease obligation*	502.51	28.38	26.98	50.13	162.55	103.49	130.98
Debt securities	4,340.46	1,008.81	283.43	276.03	1,063.18	704.02	1,004.99
Borrowings (other than debt securities)	13,966.67	836.50	1,559.98	2,373.65	7,845.15	1,351.39	-
Subordinated liabilities	1,703.77	79.61	15.53	5.71	35.05	1,197.39	370.48
Other financial liabilities	1,296.20	1,284.46	1.61	-	10.13	-	-
Financial guarantee contracts	410.32	410.32	-	-	-	-	-
Total	**22,391.18**	**3,791.97**	**1,887.53**	**2,705.52**	**9,143.42**	**3,356.29**	**1,506.45**

* The amount represent undiscounted cash flows.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(i) Maturities of Financial Liabilities

(₹ in Crores)

Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2023	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	33.14	28.40	0.96	-	3.78	-	-
Trade payables	131.89	130.20	0.47	0.65	0.56	0.01	-
Finance lease obligation*	452.97	26.86	26.34	49.91	149.56	99.17	101.13
Debt securities	5,194.09	2,425.16	11.03	433.91	565.59	628.40	1,130.00
Borrowings (other than debt securities)	10,526.89	1,456.02	801.20	1,562.44	5,548.97	1,158.26	-
Subordinated liabilities	1,659.51	40.40	13.80	4.93	34.18	100.00	1,466.20
Other financial liabilities	895.81	884.72	0.21	7.41	3.47	-	-
Financial guarantee contracts	584.94	584.94	-	-	-	-	-
Total	**19,479.24**	**5,576.70**	**854.01**	**2,059.25**	**6,306.11**	**1,985.84**	**2,697.33**

* The amount represent undiscounted cash flows

Note : Borrowings includes cash credit facilities which has been shown in "over 6 months to 1 year" and "over 1 year to 3 years" in the ratio of 40% and 60% respectively.

(ii) Change in liabilities arising from financing activities as per IND AS 7 "Statement of cashflow":

(₹ in Crores)

Particulars	As at March 31, 2023	Cash flows	Others*	As at March 31, 2024
Debt Securities (Including subordinated liabilities)	6,853.60	(466.63)	(342.74)	6,044.23
Borrowings (Other than debt securities)	10,526.89	3,424.21	15.57	13,966.67
Total Liabilities from Financial Activities	**17,380.49**	**2,957.58**	**(327.17)**	**20,010.90**

(₹ in Crores)

Particulars	As at March 31, 2022	Cash flows	Others*	As at March 31, 2023
Debt Securities (Including subordinated labilities)	6474.92	107.24	271.44	6,853.60
Borrowings (Other than debt securities)	9771.07	767.11	(11.29)	10,526.89
Total Liabilities from Financial Activities	**16,245.99**	**874.35**	**260.15**	**17,380.49**

*includes the effect of amortization of borrowing cost, interest accrued on borrowings, and exchange differences.

(iii) Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	354.86	719.65
- Expiring beyond one year (bank loans)	-	-

38C Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

38C.1 Interest Rate Risk

The exposure of the Company's borrowing and loans to interest rate changes at the end of the reporting period are as follows:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Floating rate borrowings	8,951.69	5,815.93
Fixed rate borrowings	10,871.05	11,369.25
Total borrowings	**19,822.74**	**17,185.18**

The Company had the following floating rate borrowings and cross currency interest rate swap contracts outstanding:

(₹ in Crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Bank overdrafts, bank loans	9.43%	8,951.69	45.16%	9.19%	5,815.93	33.84%
Net exposure to cash flow interest rate risk		**8,951.69**			**5,815.93**	

Sensitivity

(i) Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates (assuming other variables constant):

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interest rates – increase by 50 basis points	(33.49)	(21.76)	-	-
Interest rates – decrease by 50 basis points	33.49	21.76	-	-

(ii) The Company does not have any outstanding variable rate loans given and hence there is no impact on Profit & loss account due to any such change.

38C.2. Exposure to Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings taken from Financial Institutions, External Commercial Borrowings (ECB) and foreign bond markets.

(i) The Company has hedged its foreign currency exposure through Forwards/ Future and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profitability. However for the unhedged foreign currency exposure(s) there would be an impact on Company's profitability.

As at March 31, 2024

(₹ in Crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign currency assets (in ₹)	157.69	-	-	-	-	-
Foreign currency liabilities (in ₹)	10.93	-	-	19.99	-	-
Net Assets/(Liabilities)	**146.76**	**-**	**-**	**(19.99)**	**-**	**-**

As at March 31, 2023

(₹ in Crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign currency assets (in ₹)	172.37	-	-	-	-	-
Foreign currency liabilities (in ₹)	33.14	-	-	-	-	-
Net Assets/(Liabilities)	**139.23**	**-**	**-**	**-**	**-**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

(₹ in Crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Currency sensitivity*				
increase by 5%	(15.41)	-	(143.79)	(182.45)
decrease by 5%	15.41	-	143.79	182.45

* Holding all other variables constant, the sensitivity on profit and loss is due to the timing differences of the maturity of the forward exchange contract. On the date of maturity of the forward exchange contract, the sensitivity of profit and loss to changes in the exchange rates will be nil.

38C.3. Price Risk

(i) Exposure

The Company's exposure to assets having price risk is as under (Net)

(₹ in Crores)

Particulars	Equity Shares (Other than Subsidiary)	Preference share	Mutual Funds / Alternate investment funds/ Others	Bonds/ Govt. Securities	Security Receipts	Total
Market value as on March 31, 2024	24.13	40.16	13.68	59.77	2,911.03	3,048.76
Market value as on March 31, 2023	-	38.17	971.24	143.13	719.33	1,871.87

To manage its price risk arising from investments in equity shares/ other assets, the Company diversifies its portfolio.

(ii) Sensitivity

The table below summarizes the impact of increases/ decreases of the index on the Company's equity/ other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased/ decreased by 5% with all other variables held constant.

(₹ in Crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Increase 5%	114.07	70.04	-	-
Decrease 5%	(114.07)	(70.04)	-	-

38D.Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value. The Company monitors capital using capital adequacy ratio as prescribed by the Reserve Bank Of India.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

38E. Fair Values of Financial Instruments

Financial Instruments by Category

(₹ in Crores)

Particulars	As at March 31, 2024		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortized cost / Cost
Financial assets			
Cash and cash equivalents	-	-	863.92
Bank Balance other than above	-	-	966.58
Derivative financial instruments	-	157.69	-
Receivables			
(i) Trade receivables	-	-	42.27
(ii) Other receivables	-	-	29.65
Loans	-	709.58	17,717.26
Investments	3,048.77	-	2,107.81
Other financial assets	-	-	734.12
Total financial assets	**3,048.77**	**867.27**	**22,461.61**
Financial liabilities			
Derivative financial instruments	-	30.92	-
Trade payables	-	-	140.33
Finance lease obligation	-	-	382.13
Debt securities	-	-	4,340.46
Borrowings (other than debt securities)	-	-	13,966.67
Subordinated liabilities	-	-	1,703.77
Other financial liabilities	-	-	1,296.20
Total financial liabilities	**-**	**30.92**	**21,829.56**

(₹ in Crores)

Particulars	As at March 31, 2023		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortized cost / Cost
Financial assets			
Cash and cash equivalents	-	-	1,763.87
Bank Balance other than above	-	-	1,407.07
Derivative financial instruments	-	172.37	-
Receivables			
(i) Trade receivables	-	-	66.51
(ii) Other receivables	-	-	15.47
Loans	-	4,094.78	10,591.05
Investments	1,871.88	-	1,907.81
Other financial assets	-	-	867.02
Total financial assets	**1,871.88**	**4,267.15**	**16,618.80**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Particulars	As at March 31, 2023		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortized cost / Cost
Financial liabilities			
Derivative financial instruments	-	33.14	-
Trade payables	-	-	131.89
Finance lease obligation	-	-	352.22
Debt securities	-	-	5,194.09
Borrowings (other than debt securities)	-	-	10,526.89
Subordinated liabilities	-	-	1,659.51
Other financial liabilities	-	-	895.81
Total financial liabilities	**-**	**33.14**	**18,760.41**

38E. 1. Financial Instruments Measured At Fair Value – Fair Value Hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

38E.2. Valuation Methodologies of Financial Instruments Measured At Fair Value

- Quoted equity/ debt instruments are measured based on the closing price in the recognized stock exchange and are classified as level 1.
- Quoted Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.
- Alternate Investment Funds and unquoted Mutual Funds are measured based on the latest NAV provided by the fund house and are classified as level 3.
- Equity instruments in non-listed entities are initially recognized at transaction price and re-measured (to the extent information is available) and valued by external independent valuer and classified as Level 3.
- Government Securities are valued based on the closing price published by FBIL and are classified as level 2.
- Unquoted debt securities are measured based on average of security level prices received from AMFI appointed/ designated agencies viz: CRISIL and ICRA and are classified as level 2.
- Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.
- Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (Strike) and forward exchange rates at the testing date and are classified as Level 2.
- Security receipts are measured as Level 3 basis rating given by independent Rating agencies to the Asset Reconstruction Companies on this secuity receipts.

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total	Carrying Value
As at March 31, 2024					
Financial assets					
Forward rate agreements and interest rate swaps	-	157.69	-	157.69	157.69
Loans - classified under FVTOCI	-	-	709.58	709.58	709.58
Investments	**24.13**	**99.93**	**2,924.71**	**3,048.77**	**3,048.77**
(i) Mutual funds/ Alternate investment fund / Others	0.00	-	13.68	13.68	13.68
(ii) Security receipts (Net)	-	-	2,911.03	2,911.03	2,911.03

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**	**Carrying Value**
(iii) Debt securities	-	*54.72*	-	*54.72*	*54.72*
(iv) Govt. Securities	-	*5.05*	-	*5.05*	*5.05*
(v) Preference shares	-	*40.16*	-	*40.16*	*40.16*
(vi) Equity shares (other than subsidiaries)	*24.13*	-	-	*24.13*	*24.13*
Total financial assets	**24.13**	**257.62**	**3,634.29**	**3,916.04**	**3,916.04**
Financial liabilities					
Forward rate agreements and interest rate swaps	-	30.92	-	30.92	30.92
Total financial liabilities	-	**30.92**	-	**30.92**	**30.92**

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**	**Carrying Value**
As at March 31, 2023					
Financial assets					
Forward rate agreements and interest rate swaps	-	172.37	-	172.37	172.37
Loans - classified under FVTOCI	-	-	4,094.78	4,094.78	4,094.78
Investments	**0.00**	**181.30**	**1,690.58**	**1,871.88**	**1,871.88**
(i) Mutual funds/ Alternate investment fund / Others	0.00	-	971.24	971.24	971.24
(ii) Security receipts (Net)	-	-	719.34	*719.34*	*719.34*
(iii) Debt securities	-	*138.09*	-	*138.09*	*138.09*
(iv) Govt. Securities	-	*5.04*	-	*5.04*	*5.04*
(v) Preference shares	-	*38.17*	-	*38.17*	*38.17*
(vi) Equity shares (other than subsidiaries)	-	-	-	-	-
Total financial assets	**0.00**	**353.67**	**5,785.36**	**6,139.03**	**6,139.03**
Financial liabilities					
Forward rate agreements and interest rate swaps	-	33.14	-	33.14	33.14
Total financial liabilities	-	**33.14**	-	**33.14**	**33.14**

38E.3. Valuation Methodologies Of Financial Instruments Not Measured At Fair Value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-Term Financial Assets And Liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents,other financial assets and other financial liabilities and trade payables.

Loans, Debts, Borrowings And Subordinated Debts

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identitical or similar instruments through the discounting factor. For instruments, having contractual residual maturity or original maturity less than one year, the carrying value has been considered as fair value. Fair values of Loans and advances are presented net of provisions for impairment.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Assets and liabilities which are measured at amortized cost for which fair values are disclosed	Total Fair value	Carrying value	Valuation hierarchy
As at March 31, 2024			
Financial assets			
Cash and cash equivalents	863.92	863.92	-
Bank Balance other than included above	966.58	966.58	-
Receivables			
(i) Trade receivables	42.27	42.27	-
(ii) Other receivables	29.65	29.65	-
Loans	17,806.87	17,717.26	Level 3
Investment in subsidiary*	2,107.81	2,107.81	-
Other financial assets	734.12	734.12	-
Total financial assets	**22,551.22**	**22,461.61**	
Financial Liabilities			
Trade payables	134.61	134.61	-
Debt securities	4,248.80	4,340.46	Level 3
Borrowings (other than debt securities)	13,966.67	13,966.67	Level 3
Subordinated liabilities	1,724.06	1,703.77	Level 3
Other financial liabilities	1,296.20	1,296.20	-
Total financial liabilities	**21,370.34**	**21,441.71**	

* Investments in subsidiaries are carried at amortized cost and hence fair value is not disclosed.

(₹ in Crores)

Assets and liabilities which are measured at amortized cost for which fair values are disclosed	Total Fair value	Carrying value	Valuation hierarchy
As at March 31, 2023			
Financial assets			
Cash and cash equivalents	1,763.87	1,763.87	-
Bank Balance other than included above	1,407.07	1,407.07	-
Receivables			
(i) Trade receivables	66.51	66.51	-
(ii) Other receivables	15.47	15.47	-
Loans	10,402.97	10,591.05	Level 3
Investment in subsidiary*	1,907.81	1,907.81	-
Other financial assets	867.02	867.02	-
Total financial assets	**16,430.72**	**16,618.80**	
Financial Liabilities			
Trade payables	131.89	131.89	-
Debt securities**	4,904.93	5,194.09	Level 3
Borrowings (other than debt securities)	10,526.89	10,526.89	Level 3
Subordinated liabilities	1,690.23	1,659.51	Level 3
Other financial liabilities	895.81	895.81	-
Total financial liabilities	**18,149.75**	**18,408.19**	

* Investments in subsidiaries are carried at amortized cost and hence fair value is not disclosed.

** For Secured Medium Term Notes book value has been considered as fair value.

38.E.4 Movements In Level 3 Financial Instruments Measured At Fair Value :

The following tables shows the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in Crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts
Balances as at April 01, 2023	**4,094.78**	**971.24**	**719.33**
Issuances	5,644.11	31.74	2,019.10
Sale/Redemption of financial instrument classified as level 3 at the beginning of the financial year	(9,029.31)	(839.94)	(41.38)
Total gain/ (loss) recognized in profit and loss	-	(149.36)	213.98
Balances as at March 31, 2024	**709.58**	**13.68**	**2,911.03**
Unrealized gain /(loss) related to balances held at the end of financial year	-	(1.15)	-

(₹ in Crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts
Balances as at April 01, 2022	**2,777.06**	**955.22**	**83.30**
Issuances	11,380.87	79.82	753.33
Sale/Redemption of financial instrument classified as level 3 at the beginning of the financial year	(10,063.15)	(143.44)	(95.39)
Total gain/ (loss) recognized in profit and loss	-	79.64	(21.91)
Balances as at March 31, 2023	**4,094.78**	**971.24**	**719.33**
Unrealized gain/ losses related to balances held at the end of financial year	-	148.21	(21.91)

38F. Transferred Financial Assets That Are Derecognized In Their Entirety

During the year, the Company sold loans measured at FVTOCI through assignment deals. The Company derognized the assets as per IND AS 109 as all the risks and rewards relating to assets were transferred to the buyer.

The table below summarizes the carrying amount of the derecognized financial assets measured at FVTOCI and the gain/ (loss) on derecognition, per type of asset.

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Financial assets derecognized during the year	9,029.31	10,063.15
Net gain/ (loss) on derecognition of financial instruments under FVTOCI category	(166.77)	348.06

38G. Transferred Financial Assets That Are Recognized In Their Entirety:

The Company uses securitization as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitized assets since the Company retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognized in their entirety and associated liabilities.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of transferred assets measured at amortized cost	135.45	564.26
Carrying amount of associated liabilities	135.45	564.26
Fair value of assets	135.45	564.26
Fair value of associated liabilities	135.45	564.26
Net position at Fair value	0.00	(0.00)

NOTE 39. CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

Contingent Liabilities:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Claim against the Company not acknowledged as debt:		
In respect of Income tax demands (refer note (a) and (b))	68.95	72.23
In respect of GST/Service tax demands (including interest accrued and refer note (c))	69.50	65.65
In respect of Profession tax demands (refer note (d))	0.16	0.16
In respect of Stamp Duty (refer note (f))	16.66	16.66
In respect of Legal cases	15.58	0.98
Bank Guarantee:		
In respect of Bank guarantees given (refer note (e))	410.32	584.94

(a) The Company has filed appeal against the said demands raised by the Income Tax Department.

(b) Amount paid under protest with respect to income tax demand is ₹ 76.32 Crore (P.Y ₹ 68.89 Crore).

(c) Amount paid under protest with respect to service tax demand ₹ 1.55 Crore (P.Y ₹ 1.89 Crore) and with respect to GST demand.

(d) Amount paid under protest with respect to profession tax demand ₹ 0.05 Crore (P.Y ₹ 0.05 Crore).

(e) Guarantee has been given on behalf of subsidiary.

(f) The Company had received demand towards stamp duty on account of the Composite Scheme of Arrangement. The demand had been raised for a sum of ₹ 75.00 Crore. As per the scheme document any incidental expenses will be borne by the resulting companies i.e IIFL Finance Limited, IIFL Securities Limited and 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited) equally. The Company has appealed against the same and paid ₹ 8.34 Crore under protest towards its share of the liability and shown ₹ 16.66 Crore as Contingent. The matter is pending before the court.

(g) Apart from the above, Company is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's financial position.

Commitments Not Provided For:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Commitments related to loans sanctioned but undrawn	427.84	40.66
Estimated amount of contracts remaining to be executed on capital account	25.06	18.36
Commitments related to Alternate Investment Funds	12.88	9.77

NOTE 40. EMPLOYEE STOCK OPTION

The Company has implemented Employee Stock Option Scheme 2008 (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2024 ESOP 2008	As at March 2023 ESOP 2008
Number of Option outstanding	40,80,321	9,36,947
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven/Five years from the date of grant	
Grant Date	May 06, 2021, August 20, 2021, December 22, 2021, August 26, 2022, October 15, 2022, August 04, 2023, January 05, 2024	March 08, 2016, April 29, 2017, May 06, 2021, August 20, 2021, December 22, 2021, August 26, 2022, October 15, 2022.
Grant Price (₹ Per Share)	₹ 252.00, ₹ 252.00, ₹ 271.40, ₹ 341.65, ₹ 350.00, ₹ 10.00, ₹625.00	₹ 82.02, ₹ 218.71, ₹ 252.00, ₹ 252.00, ₹ 271.40, ₹ 341.65, ₹ 350.00

(b) (i) Movement of options during the year ended March 31, 2024

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2023	**9,36,947**	**82.02-350.00**	**274.97**	**5.44**
Granted during the year	35,00,000	10.00-625.00	97.86	-
Expired/forfeited during the year	2,31,402	10.00-341.65	146.95	-
Exercised during the year	1,25,224	218.71-341.65	278.16	-
Outstanding as on March 31, 2024	**40,80,321**	**10.00-625.00**	**130.21**	**6.07**
Exercisable as on March 31, 2024	**1,10,240**	**252.00-350.00**	**263.42**	**4.39**

b) (ii) Movement of options during year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2022	**11,47,105**	**82.02-271.40**	**222.89**	**5.44**
Granted during the year	2,00,000	341.65-350.00	343.74	-
Expired/forfeited during the year	2,67,233	82.02- 252.00	215.90	-
Exercised during the year	1,42,925	82.02- 271.40	174.85	-
Outstanding as on March 31, 2023	**9,36,947**	**82.02-350.00**	**274.97**	**5.44**
Exercisable as on March 31, 2023	**75,788**	**252.00-271.40**	**288.15**	**4.54**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2008			
	January 05 , 2024	August 04, 2023	October 15, 2022	August 26, 2022
Stock price (₹)	641.65	575.50	350.00	341.65
Volatility	10.00%	52.22%	10.00%	10.00%
Risk-free Rate	7.00%	7.04%	7.37%	7.02%
Exercise price (₹)	625.00	10.00	350.00	341.65
Time to Maturity (Years)	5.00	4.00	5.00	5.00
Dividend yield	3.00%	1.43%	3.00%	3.00%
Weight Average Value (₹)	89.05	535.83	45.31	42.15

Particulars	ESOP 2008			
	December 22, 2021	August 20, 2021	May 06, 2021	April 29, 2017
Stock price (₹)	271.40	252.00	252.00	218.71
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	5.81%	5.77%	5.66%	6.66%
Exercise price (₹)	271.40	252.00	252.00	218.71
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	35.40	35.40	34.72	201.65

Particulars	ESOP 2008
	March 08, 2016
Stock price (₹)	82.02
Volatility	10.00%
Risk-free Rate	7.47%
Exercise price (₹)	82.02
Time to Maturity (Years)	5.00
Dividend yield	3.00%
Weight Average Value (₹)	76.59

Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

The Company has granted Employee Stock Options under IIFL Finance Employee Stock Option Plan 2020 – Merger Scheme pursuant to aforesaid Composite Scheme of Arrangement.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2024 ESOP 2020	As at March 2023 ESOP 2020
Number of Option outstanding	16,71,891	27,05,444
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	February 08, 2017, May 02, 2018, November 21, 2018 and January 18, 2019	February 08, 2017, May 02, 2018, November 21, 2018 and January 18, 2019
Grant Price (₹ Per Share)	₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 182.22	₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 182.22

(b) (i) Movement of options during the year ended March 31, 2024

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2023	**27,05,444**	**106.67- 182.22**	**212.21**	**3.19**
Granted during the year	**-**	**-**	**-**	**-**
Expired/forfeited during the year	40,731	61.48-182.22	232.37	-
Exercised during the year	9,92,822	106.67- 182.22	221.16	-
Outstanding as on March 31, 2024	**16,71,891**	**106.67- 182.22**	**206.41**	**1.25**
Exercisable as on March 31, 2024	**11,31,891**	**106.67- 182.22**	**213.29**	**1.33**

(b) (ii) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2022	**35,72,033**	**61.48-182.22**	**154.91**	**3.19**
Granted during the year	-	-	-	-
Expired/forfeited during the year	1,77,836	106.67- 182.22	238.57	-
Exercised during the year	6,88,753	61.48-182.22	189.43	-
Outstanding as on March 31, 2023	**27,05,444**	**106.67- 182.22**	**212.21**	**2.29**
Exercisable as on March 31, 2023	**20,62,979**	**106.67- 182.22**	**218.51**	**2.35**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2020			
	January 18, 2019	January 18, 2019	November 21, 2018	May 02, 2018
Stock price (₹)	179.63	179.63	179.63	179.63
Volatility	59.00%	59.00%	59.00%	59.00%
Risk-free Rate	7.28% - 7.49%	7.28% - 7.49%	7.21% - 7.40%	7.13% - 7.40%
Exercise price (₹)	182.22	182.22	177.04	142.22
Time to Maturity (Years)	5.80	5.55	5.39	5.09
Dividend yield	1.00%	1.00%	1.00%	1.00%
Weight Average Value (₹)	161.25	102.16	102.29	106.78

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Particulars	ESOP 2020	
	May 02, 2018	February 08, 2017
Stock price (₹)	179.63	179.63
Volatility	59.00%	59.00%
Risk-free Rate	7.13% - 7.34%	6.94% - 7.21%
Exercise price (₹)	142.22	106.67
Time to Maturity (Years)	4.84	3.87
Dividend yield	1.00%	1.00%
Weight Average Value (₹)	106.90	110.78

Stock Price: The fair value of stock as on Appointed Date, i.e., April 01, 2018 ("the Effective date" or the "Date of Modification") has been used to value the outstanding grants based on Mercahnt Banker's Report.

Volatility: The daily volatility of the stock prices on BSE, based on post demerger traded prices, has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered based on equity swap ratio of the Composite Scheme of Arrangement.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

NOTE 41. ADDITIONAL DISLCOURES:

(i) Relationship With Struck off Companies

Name of the struck off company	Balance outstanding as at March 2024 (₹ in Crores)*	Balance outstanding as at March 2023 (₹ in Crores)*	Relationship with the struck off company, if any, to be disclosed
(a) Shares held by the Company:			
Vaishak shares limited	0.00	0.00	None
Ethopps advisory services private limited	0.00	0.00	None
Kothari intergroup limited	0.00	0.00	None
(b) Unclaimed dividend:			
Vaishak shares limited	0.00	0.00	None
Ethopps advisory services private limited	0.00	0.00	None
(c) Loan and advances:			
Unicorn hospitality services private limited	0.01	0.01	None
9 media networks private limited	0.24	0.24	None
Fedify technologies private limited	0.07	0.07	None
Niche events and promotions private limited	0.15	0.17	None

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Name of the struck off company	Balance outstanding as at March 2024 (₹ in Crores)*	Balance outstanding as at March 2023 (₹ in Crores)*	Relationship with the struck off company, if any, to be disclosed
Rainbow infrastructure private limited	0.00	0.02	None
Gopikrishna engineers and contractors private limited	0.05	0.05	None
CP hydro projects india private limited	0.06	0.06	None
Pushpa clinic private limited	0.02	0.02	None
Corporate rooms hospitality private limited	0.03	0.03	None
Multitask excel hi care (opc) private limited	0.07	0.07	None
Apm air travels (India) private limited	0.04	0.04	None
Tei medias private limited	-	0.08	None
Tourkraft travel services pvt ltd	-	0.01	None
Cross links hospitality private limited	-	0.20	None
Dominion expo ventures private limited	-	0.09	None
Devi singha advisory private limited	-	0.05	None
Asp international trading company pvt ltd	-	0.03	None
Seven oaks engineering private limited	0.06	0.06	None

*Wherever amount is less than ₹ 0.01 Crore,shown as ₹ 0.00

(ii) Registration of Charges or Satisfaction With Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(iii) Compliance With Number of Layers of Companies:

The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company.

(iv) Utilization of Borrowed Funds and Share Premium

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:-

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) Undisclosed Income

The Company has disclosed all its Income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognized by the relavant tax authorities.

(vi) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) Disclosure of Benami Property

The Company does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules made thereunder.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(viii) Disclosure of Borrowings

(a) The quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(b) The Company has utilized the borrowings from banks and financial institutions for the specific purpose for which it was taken as at March 31, 2024.

(ix) Wilful Defaulter

The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

(x) Title Deeds Of Immovable Properties Not Held In Name Of The Company

Title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

(xi) Disclosure on Loans and Advances

The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

(xii) Ratios

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital to risk-weighted assets ratio (CRAR)	18.85%	20.38%
Tier I CRAR	12.56%	12.85%
Tier II CRAR	6.29%	7.53%
Liquidity Coverage Ratio for the quarter ended March 31	192.47%	193.50%

NOTE 42. ACTION BY THE RESERVE BANK OF INDIA (RBI) AGAINST THE COMPANY:

On March 04, 2024, the Reserve Bank of India (RBI), under Section 45L(1)(b) of the Reserve Bank of India Act, 1934, imposed supervisory restrictions on the Company. This followed an RBI inspection of the Company's financial position as of March 31, 2023, which identified significant concerns in our gold loan portfolio. These include:

- Disbursals and collections of loan amounts in cash exceeding statutory limits.
- Non-compliance with the standard auction process.
- Deviations in assaying and certifying the purity and net weight of gold at both the time of loan sanction and auction upon default.
- Breaches in the Loan-to-Value ratio.
- Lack of transparency in charges levied on customer accounts.

Consequently, the RBI directed the Company to cease the sanctioning or disbursing of new gold loans and the assignment, securitization, or sale of existing gold loans with immediate effect. However, the Company is permitted to continue servicing its existing gold loan portfolio, including loan collections and recoveries, and to maintain its other business operations as usual.

The RBI has initiated a special audit by an independent professional agency, which commenced on April 23, 2024, and has since concluded. The Company has taken necessary measures to address the identified concerns and prevent their recurrence. The Board has thoroughly reviewed these deviations and non-compliances, forming a team to implement corrective actions and revise policies and procedures as needed. Management is confident that these actions will resolve all issues raised by the RBI. The Company remains committed to adhering to the highest standards of compliance with RBI regulations, in both letter and spirit.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 43. IMPACT OF RBI'S ACTION ON THE COMPANY'S OPERATIONS:

The RBI's order, effective March 05, 2024, placed an embargo on the Company's gold loan business. While the Gold Loan Business is a major segment of the standalone Company, its consolidated operations benefit significantly from other businesses operating in the standalone company and its subsidiaries. To mitigate any risks to the Company's status as a going concern, the following steps have been taken:

1. **Capital infusion:** Raised ₹ 1,271.83 Crore through an equity rights issue in May 2024.
2. **Funding:** Secured ₹ 500.00 Crore via Non-Convertible Debentures from long-term investors.
3. **Cost control:** Implemented cost control measures, including the reduction of major discretionary expenditures.

These actions ensure that the Company's projected cash flows over the next three years will meet its financial obligations, maintaining robust capital adequacy. Management is confident in resolving all issues raised by the RBI and has prepared the financial statements on a going concern basis.

NOTE 44. LIST OF RELATED PARTIES

Nature of relationship	Name of party
Direct subsidiaries	IIFL Home Finance Limited
	IIFL Samasta Finance Limited
	IIFL Open Fintech Private Limited (w.e.f May 17, 2022)
Other related parties*	IIFL Securities Limited
	IIHFL Sales Limited
	5paisa Capital Limited
	5paisa P2P Limited
	India Infoline Commodities Limited
	IIFL Facilities Services Limited
	360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)
	IIFL Management Services Limited
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	India Infoline Employee Trust Limited
	India Infoline Foundation
Key managerial personnel (KMP)*	Mr. Kapish Jain (w.e.f November 01, 2022)
	Mr. Rajesh Rajak (upto October 31, 2022)
	Mrs. Sneha Patwardhan (upto July 01, 2023)
	Ms. Rupal Jain (w.e.f June 20, 2023 upto March 13, 2024)
	Ms. Mauli Agarwal (w.e.f March 13, 2024)
	Directors:
	Mr. Nirmal Jain
	Mr. Venkataraman Rajamani
	Mr. Nilesh Vikamsey (upto March 31, 2024)
	Mr. Vibhore Sharma (upto August 31, 2022)
	Mr. Vijay Kumar Chopra
	Mr. Chandran Ratnaswami
	Ms. Geeta Mathur
	Mr. Ramakrishnan Subramanian
	Mr. Arun Kumar Purwar^
	Mr. T. S. Ramakrishnan (w.e.f October 26, 2023)
	Mr. Bijou Kurien (w.e.f March 13, 2024)
	Mr. Nihar Niranjan Jambusaria (w.e.f March 13, 2024)
Close members of KMP*	Mr. Shankar Subramanian (Brother of Independent Director Mr. Ramakrishnan Subramanian)

* The above list includes related parties with whom transactions have been carried out during the year.

^ Acting as Independent Director upto March 31, 2024, subsequently appointed as an Additional Non-executive Director (Non Independent) and Chairperson of the Company w.e.f April 01, 2024.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Note 44.1 Significant transactions with related parties

(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and close members of KMP	Total
Interest income				
IIFL Securities Limited	-	3.37	-	3.37
	-	(5.13)	-	(5.13)
5paisa Capital Limited	-	0.94	-	0.94
	-	(3.47)	-	(3.47)
IIFL Samasta Finance Limited	6.24	-	-	6.24
	(1.03)	-	-	(1.03)
Mr. Shankar Subramanian	-	-	0.02	0.02
	-	-	(0.04)	(0.04)
Interest expense				
IIFL Facilities Services Limited	-	-	-	-
	-	(0.00)	-	(0.00)
IIFL Home Finance Limited	21.11	-	-	21.11
	(1.07)	-	-	(1.07)
IIFL Samasta Finance Limited	7.26	-	-	7.26
	-	-	-	-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-
	-	(0.01)	-	(0.01)
IIFL Management Services Limited	-	-	-	-
	-	(0.14)	-	(0.14)
IIFL Securities Limited	-	0.24	-	0.24
	-	(1.59)	-	(1.59)
Referral fees income/Other charges Income				
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	57.83	-	57.83
	-	(10.85)	-	(10.85)
Mr. Shankar Subramanian	-	-	0.04	0.04
	-	-	(0.00)	(0.00)
Donation paid				
India Infoline Foundation	-	9.30	-	9.30
	-	(8.70)	-	(8.70)
Referral Fees Expense/other charges				
IIFL Securities Limited	-	-	-	-
	-	(7.06)	-	(7.06)
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	1.78	-	1.78
	-	(6.77)	-	(6.77)
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	-	-	-
	-	(0.07)	-	(0.07)
IIFL Samasta Finance Limited	196.71	-	-	196.71
	(56.72)	-	-	(56.72)
IIFL Home Finance Limited	-	-	-	-
	(0.25)	-	-	(0.25)

(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and close members of KMP	Total
IIFL Open Fintech Private Limited	1.01	-	-	1.01
	(0.58)	-	-	(0.58)
5paisa Capital Limited	-	0.82	-	0.82
	-	-	-	-
Rent expenses				
IIFL Facilities Services Limited	-	3.04	-	3.04
	-	(2.11)	-	(2.11)
Brokerage expense				
IIFL Securities Limited	-	5.18	-	5.18
	-	(0.50)	-	(0.50)
Short term employee benefit				
Mr. Nirmal Jain	-	-	11.09	11.09
	-	-	(10.20)	(10.20)
Mr. Kapish Jain	-	-	2.25	2.25
	-	-	(0.88)	(0.88)
Mrs. Sneha Patwardhan	-	-	0.15	0.15
	-	-	(0.74)	(0.74)
Mr. Rajesh Rajak	-	-	-	-
	-	-	(1.82)	(1.82)
Ms. Rupal Jain	-	-	0.14	0.14
	-	-	-	-
Ms. Mauli Agarwal	-	-	0.02	0.02
	-	-	-	-
Other long term benefit				
Mr. Nirmal Jain	-	-	0.20	0.20
	-	-	(0.24)	(0.24)
Mr. Kapish Jain	-	-	0.05	0.05
	-	-	(0.01)	(0.01)
Mrs. Sneha Patwardhan	-	-	(0.01)	(0.01)
	-	-	(0.02)	(0.02)
Ms. Rupal Jain	-	-	0.00	0.00
	-	-	-	-
Ms. Mauli Agarwal	-	-	0.01	0.01
	-	-	-	-
Share based payment				
Mrs. Sneha Patwardhan	-	-	0.06	0.06
	-	-	-	-
Post employment benefits				
Mr. Kapish Jain	-	-	0.10	0.10
	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and close members of KMP	Total
Sitting Fees and Commission				
Mr. Arun Kumar Purwar	-	-	0.49	0.49
	-	-	(0.28)	(0.28)
Mr. Nilesh Vikamsey	-	-	0.48	0.48
	-	-	(0.25)	(0.25)
Mr. Ramakrishnan Subramanian	-	-	0.35	0.35
	-	-	(0.25)	(0.25)
Mr. Vijay Kumar Chopra	-	-	0.35	0.35
	-	-	(0.21)	(0.21)
Ms. Geeta Mathur	-	-	0.44	0.44
	-	-	(0.26)	(0.26)
Mr. T. S. Ramakrishnan	-	-	0.04	0.04
	-	-	-	-
Mr. Bijou Kurien	-	-	0.02	0.02
	-	-	-	-
Mr. Nihar Niranjan Jambusaria	-	-	0.02	0.02
	-	-	-	-
Mr. Vibhore Sharma	-	-	-	-
	-	-	(0.06)	(0.06)
Equity dividend received				
IIFL Home Finance Limited	115.32	-	-	115.32
	(83.87)	-	-	(83.87)
IIFL Samasta Finance Limited	16.64	-	-	16.64
	(3.71)	-	-	(3.71)
Equity dividend paid				
India Infoline Employee Trust Limited	-	0.03	-	0.03
	-	(0.03)	-	(0.03)
ICD/loan taken**				
IIFL Home Finance Limited	1,450.00	-	-	1,450.00
	(300.00)	-	-	(300.00)
IIFL Securities Limited	-	100.00	-	100.00
	-	-	-	-
IIFL Samasta Finance Limited	1,100.00	-	-	1,100.00
	-	-	-	-
ICD/loan returned**				
IIFL Home Finance Limited	1,450.00	-	-	1,450.00
	(300.00)	-	-	(300.00)
IIFL Securities Limited	-	100.00	-	100.00
	-	-	-	-
IIFL Samasta Finance Limited	1,100.00	-	-	1,100.00
	-	-	-	-
ICD/loan given**				
IIFL Securities Limited	-	1,075.00	-	1,075.00
	-	(1,065.00)	-	(1,065.00)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and close members of KMP	Total
IIFL Samasta Finance Limited	300.00	-	-	300.00
	(100.00)	-	-	(100.00)
5paisa Capital Limited	-	150.00	-	150.00
	-	(700.00)	-	(700.00)
ICD/loan received back**				
IIFL Securities Limited	-	1,075.00	-	1,075.00
	-	(1,065.00)	-	(1,065.00)
5paisa Capital Limited	-	150.00	-	150.00
	-	(700.00)	-	(700.00)
IIFL Samasta Finance Limited	300.00	-	-	300.00
	(100.00)	-	-	(100.00)
Mr. Shankar Subramanian	-	-	0.09	0.09
	-	-	(0.06)	(0.06)
Investment in subsidiaries				
IIFL Samasta Finance Limited	200.00	-	-	200.00
	(200.00)	-	-	(200.00)
IIFL Open Fintech Private Limited	-	-	-	-
	(38.40)	-	-	(38.40)
Purchase of Investment				
IIFL Home Finance Limited	2.38	-	-	2.38
	(259.08)	-	-	(259.08)
Sale of investment				
IIFL Home Finance Limited	63.84	-	-	63.84
	-	-	-	-
Allocation / reimbursement of expenses paid				
IIFL Securities Limited	-	11.04	-	11.04
	-	(9.50)	-	(9.50)
5paisa Capital Limited	-	0.37	-	0.37
	-	(0.04)	-	(0.04)
IIFL Home Finance Limited	1.17	-	-	1.17
	(1.37)	-	-	(1.37)
IIFL Management Services Limited	-	0.14	-	0.14
	-	(0.41)	-	(0.41)
IIHFL Sales Limited	-	-	-	-
	-	(0.07)	-	(0.07)
IIFL Facilities Services Limited	-	1.94	-	1.94
	-	(1.97)	-	(1.97)
Allocation / reimbursement of expenses paid others				
IIFL Securities Limited	-	0.22	-	0.22
	-	(0.70)	-	(0.70)
IIFL Facilities Services Limited	-	0.08	-	0.08
	-	(0.09)	-	(0.09)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and close members of KMP	Total
IIFL Home Finance Limited	0.54	-	-	0.54
	(0.74)	-	-	(0.74)
5paisa Capital Limited	-	0.01	-	0.01
	-	(0.22)	-	(0.22)
IIFL Management Services Limited	-	0.00	-	0.00
	-	(0.00)	-	(0.00)
IIFL Open Fintech Private Limited	0.03	-	-	0.03
	(0.01)	-	-	(0.01)
Livlong Protection & Wellness Solutions Limited (Formerly	-	0.00	-	0.00
IIFL Corporate Services Limited)	-	(0.04)	-	(0.04)
IIHFL Sales Limited	-	0.08	-	0.08
	-	(0.03)	-	(0.03)
Livlong Insurance Brokers Limited	-	0.01	-	0.01
(Formerly IIFL Insurance Brokers Limited)	-	(0.00)	-	(0.00)
India Infoline Commodities Limited	-	0.02	-	0.02
	-	-	-	-
Allocation / reimbursement of expenses received				
IIFL Facilities Services Limited	-	0.06	-	0.06
	-	(0.08)	-	(0.08)
IIFL Management Services Limited	-	0.12	-	0.12
	-	(0.13)	-	(0.13)
IIFL Securities Limited	-	3.65	-	3.65
	-	(2.88)	-	(2.88)
IIFL Home Finance Limited	5.31	-	-	5.31
	(6.58)	-	-	(6.58)
IIFL Samasta Finance Limited	-	-	-	-
	(0.03)	-	-	(0.03)
5paisa Capital Limited	-	2.05	-	2.05
	-	(1.55)	-	(1.55)
IIFL Open Fintech Private Limited	0.47	-	-	0.47
	(0.00)	-	-	(0.00)
Livlong Protection & Wellness Solutions Limited	-	0.16	-	0.16
(Formerly IIFL Corporate Services Limited)	-	(0.11)	-	(0.11)
IIHFL Sales Limited	-	0.03	-	0.03
	-	(1.23)	-	(1.23)
Allocation / reimbursement of expenses received others				
5paisa Capital Limited	-	0.01	-	0.01
	-	(0.20)	-	(0.20)
5paisa P2P Limited	-	-	-	-
	-	(0.00)	-	(0.00)
IIFL Securities Limited	-	0.08	-	0.08
	-	(0.78)	-	(0.78)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and close members of KMP	Total
IIFL Home Finance Limited	1.54	-	-	1.54
	(0.88)	-	-	(0.88)
IIFL Management Services Limited	-	0.17	-	0.17
	-	(0.10)	-	(0.10)
IIFL Facilities Services Limited	-	0.00	-	0.00
	-	(0.01)	-	(0.01)
Livlong Insurance Brokers Limited	-	0.00	-	0.00
(Formerly IIFL Insurance Brokers Limited)	-	(0.01)	-	(0.01)
India Infoline Foundation	-	0.01	-	0.01
	-	(0.00)	-	(0.00)
IIFL Open Fintech Private Limited	0.09	-	-	0.09
	(0.01)	-	-	(0.01)
Livlong Protection & Wellness Solutions Limited	-	-	-	-
(Formerly IIFL Corporate Services Limited)	-	(0.04)	-	(0.04)
IIHFL Sales Limited	-	-	-	-
	-	(0.00)	-	(0.00)
Security deposit paid towards rent				
IIFL Facilities Services Limited	-	1.47	-	1.47
	-	(0.02)	-	(0.02)
Security deposit received back				
IIFL Facilities Services Limited	-	-	-	-
	-	(0.01)	-	(0.01)
Assignment/Securitization transactions paid on behalf				
IIFL Home Finance Limited	45.04	-	-	45.04
	(63.35)	-	-	(63.35)
Non Convertible Debenture issued				
360 ONE WAM Limited	-	-	-	-
(Formerly known as IIFL Wealth Management Limited)	-	(6.10)	-	(6.10)
Repayment towards Borrowing				
IIFL Management Services Limited	-	-	-	-
	-	(0.12)	-	(0.12)
Branding Income				
Livlong Insurance Brokers Limited (Formerly IIFL	-	5.64	-	5.64
Insurance Brokers Limited)	-	-	-	-
Commission/ Fees on corporate guarantee given				
IIFL Home Finance Limited	4.93	-	-	4.93
	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Note 44.2 Closing balances with related parties

(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and close members of KMP	Total
Other payable				
5paisa Capital Limited	-	-	-	-
	-	(0.02)	-	(0.02)
IIFL Management Services Limited	-	0.86	-	0.86
	-	(0.11)	-	(0.11)
IIFL Facilities Services Limited	-	0.18	-	0.18
	-	(0.14)	-	(0.14)
IIFL Open Fintech Private Limited	-	-	-	-
	(0.61)	-	-	(0.61)
360 ONE WAM Limited	-	0.34	-	0.34
(Formerly known as IIFL Wealth Management Limited)	-	(1.52)	-	(1.52)
IIHFL Sales Limited	-	0.01	-	0.01
	-	(0.01)	-	(0.01)
IIFL Home Finance Limited	-	-	-	-
	(0.07)	-	-	(0.07)
IIFL Samasta Finance Limited	23.25	-	-	23.25
	(7.18)	-	-	(7.18)
Other receivable				
Livlong Insurance Brokers Limited	-	0.95	-	0.95
(Formerly IIFL Insurance Brokers Limited)	-	(0.00)	-	(0.00)
IIFL Management Services Limited	-	0.01	-	0.01
	-	-	-	-
IIFL Securities Limited	-	-	-	-
	-	(0.69)	-	(0.69)
Livlong Protection & Wellness Solutions Limited	-	8.43	-	8.43
(Formerly IIFL Corporate Services Limited)	-	(2.97)	-	(2.97)
IIFL Home Finance Limited	5.88	-	-	5.88
	-	-	-	-
5paisa Capital Limited	-	0.33	-	0.33
	-	-	-	-
IIFL Open Fintech Private Limited	0.08	-	-	0.08
	-	-	-	-
India Infoline Foundation	-	0.00	-	0.00
	-	-	-	-
Security deposit receivable				
IIFL Facilities Services Limited	-	2.39	-	2.39
	-	(0.93)	-	(0.93)
Corporate guarantee given				
IIFL Home Finance Limited	410.32	-	-	410.32
	(584.94)	-	-	(584.94)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and close members of KMP	Total
Outstanding non convertible debenture issued				
360 ONE WAM Limited	-	-	-	-
(Formerly known as IIFL Wealth Management Limited)	-	(6.10)	-	(6.10)
Interest accrued on non convertible debenture issued				
360 ONE WAM Limited	-	-	-	-
(Formerly known as IIFL Wealth Management Limited)	-	(3.10)	-	(3.10)
Loan & other receivable				
Mr. Shankar Subramanian	-	-	0.01	0.01
	-	-	(0.14)	(0.14)
Gratuity payable *				
Mr. Nirmal Jain	-	-	0.16	0.16
	-	-	(0.15)	(0.15)
Mr. Kapish Jain	-	-	0.03	0.03
	-	-	(0.01)	(0.01)
Mrs. Sneha Patwardhan	-	-	-	-
	-	-	(0.01)	(0.01)
Ms. Rupal Jain	-	-	0.00	0.00
	-	-	-	-
Ms. Mauli Agarwal	-	-	0.00	0.00
	-	-	-	-
Leave encashment payable *				
Mr. Nirmal Jain	-	-	1.10	1.10
	-	-	(0.89)	(0.89)
Mr. Kapish Jain	-	-	0.02	0.02
	-	-	(0.02)	(0.02)
Mrs. Sneha Patwardhan	-	-	-	-
	-	-	(0.00)	(0.00)
Ms. Rupal Jain	-	-	0.00	0.00
	-	-	-	-
Ms. Mauli Agarwal	-	-	0.01	0.01
	-	-	-	-

* Based on actuarial valuation report

**ICD Transactions are including Intraday

Wherever amount is less than ₹ 0.01 Crore, shown as ₹ 0.00

(Figure in bracket represents previous year figure)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 45. CORPORATE SOCIAL RESPONSIBILITY

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
(a) Amount required to be spent	10.91	8.70
(b) Amount of expenditure incurred	9.30	8.70
(i) Construction/ acquisition of any asset	-	-
(ii) On purpose other than (i) above	9.30	8.70
(c) Shortfall at the end of the year	1.61	-
(d) Total of previous years shortfall	-	-
(e) Nature of CSR activities	Promoting Education and Healthcare, eradicating poverty	

Note 45.1. Reason for shortfall during previous year:

During the year Company had contributed towards the ongoing projects to IIFL Foundation Limited and which remained unspent as on March 31, 2024. The unspent amount has been transferred to a separate Bank account and will be spent during the FY 2024-25.

Note 45.2. In respect of other than ongoing projects, the company has transferred unspent amount of ₹ 0.01 Crore to the PM Cares Fund, a fund specified in Schedule VII to the Companies Act, on June 04, 2024 i.e. within a period of six months of the expiry of the financial year 2024.

Note 45.3. The Company contributes its CSR requirement to India Infoline Foundation Limited, a group Company.

Note 46.1 Maturity Analysis Of Assets And Liabilities As At March 31, 2024

(₹ in Crores)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
	(a) Cash and cash equivalents	863.92	-	863.92
	(b) Bank balance other than (a) above	897.82	68.76	966.58
	(c) Derivative financial instruments	149.89	7.80	157.69
	(d) Receivables			
	(i) Trade receivables	42.27	-	42.27
	(ii) Other receivables	29.65	-	29.65
	(e) Loans	13,720.28	4,706.56	18,426.84
	(f) Investments	83.90	5,072.68	5,156.58
	(g) Other financial assets	487.15	246.97	734.12
[2]	**Non-financial assets**			
	(a) Current tax assets (net)	154.05	-	154.05
	(b) Deferred tax assets (net)	-	75.92	75.92
	(c) Investment property	-	293.70	293.70
	(d) Property, plant and equipment	-	132.35	132.35
	(e) Capital work-in-progress	-	51.83	51.83
	(f) Right of-use assets	-	363.98	363.98
	(g) Intangible assets under development	-	0.17	0.17
	(h) Other intangible assets	-	4.12	4.12
	(i) Other non-financial assets	45.19	89.17	134.36
	Total Assets	**16,474.12**	**11,114.01**	**27,588.13**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Liabilities and Equity			
	Liabilities			
[1]	**Financial liabilities**			
	(a) Derivative financial instruments	3.56	27.36	30.92
	(b) Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	5.72	-	5.72
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	134.61	-	134.61
	(c) Finance lease obligation	78.17	303.96	382.13
	(d) Debt securities	1,568.27	2,772.19	4,340.46
	(e) Borrowings (other than debt securities)	4,770.13	9,196.54	13,966.67
	(f) Subordinated liabilities	100.85	1,602.92	1,703.77
	(g) Other financial liabilities	1,286.07	10.13	1,296.20
[2]	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	2.83	-	2.83
	(b) Provisions	27.06	11.76	38.82
	(c) Other non-financial liabilities	90.09	-	90.09
[3]	**Equity**			
	(a) Equity share capital	-	76.31	76.31
	(b) Other equity	-	5,519.60	5,519.60
	Total Liabilities and Equity	**8,067.36**	**19,520.77**	**27,588.13**

Note 46.2 Maturity Analysis Of Assets And Liabilities As At March 31, 2023

(₹ in Crores)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
	(a) Cash and cash equivalents	1,763.87	-	1,763.87
	(b) Bank balance other than (a) above	1,331.08	75.99	1,407.07
	(c) Derivative financial instruments	44.00	128.37	172.37
	(d) Receivables			
	(i) Trade receivables	65.59	0.92	66.51
	(ii) Other receivables	15.47	-	15.47
	(e) Loans	10,246.05	4,439.78	14,685.83
	(f) Investments	143.13	3,636.56	3,779.69
	(g) Other financial assets	464.84	402.18	867.02
[2]	**Non-financial assets**			
	(a) Current tax assets (net)	-	225.77	225.77
	(b) Deferred tax assets (net)	-	31.80	31.80
	(c) Investment property	-	293.70	293.70
	(d) Property, plant and equipment	-	147.79	147.79

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	(e) Capital work-in-progress	26.92	0.10	27.02
	(f) Right of-use assets	-	328.23	328.23
	(g) Intangible assets under development	0.38	-	0.38
	(h) Other intangible assets	-	2.95	2.95
	(i) Other non-financial assets	191.40	69.10	260.50
	(j) Assets held for sale	7.85	-	7.85
	Total Assets	**14,300.58**	**9,783.24**	**24,083.82**
	Liabilities and Equity			
	Liabilities			
[1]	**Financial liabilities**			
	(a) Derivative financial instruments	29.36	3.78	33.14
	(b) Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	131.89	-	131.89
	(c) Finance lease obligation	79.42	272.80	352.22
	(d) Debt securities	2,870.10	2,323.99	5,194.09
	(e) Borrowings (other than debt securities)	3,819.67	6,707.22	10,526.89
	(f) Subordinated liabilities	59.13	1,600.38	1,659.51
	(g) Other financial liabilities	892.34	3.47	895.81
[2]	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	29.63	-	29.63
	(b) Provisions	44.05	8.70	52.75
	(c) Other non-financial liabilities	92.98	-	92.98
[3]	**Equity**			
	(a) Equity share capital	-	76.09	76.09
	(b) Other equity	-	5,038.82	5,038.82
	Total Liabilities and Equity	**8,048.57**	**16,035.25**	**24,083.82**

NOTE 47. REGROUPINGS OR RECLASSIFICATION

Figures for the previous year have been re-grouped / reclassified wherever necessary, to confirm to current year's classification.

NOTE 48. DISCLOSURE AS REQUIRED UNDER ANNEX XXII- RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 DATED OCTOBER 19, 2023 AS MAY BE AMENDED FROM TIME TO TIME

(i) Capital Adequacy Ratio

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
CRAR (%)	18.85%	20.38%
CRAR - Tier I Capital (%)	12.56%	12.85%
CRAR - Tier II Capital (%)	6.29%	7.53%
Amount of subordinate debt raised as Tier II capital	1,608.78	300.00
Amount raised by issue of perpetual debt instruments.	-	-

(ii) Disclosure of Investments

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Value of Investments		
Gross value of Investments*	**5,163.67**	**4,109.59**
(a) In India	5,163.67	4,109.59
(b) Outside India	-	-
Provision for depreciation/diminution	**7.09**	**329.90**
(a) In India	7.09	329.90
(b) Outside India	-	-
Net value of investments	**5,156.58**	**3,779.69**
(a) In India	5,156.58	3,779.69
(b) Outside India	-	-
Movement of provisions held towards depreciation on Investments		
Opening Balance	329.90	362.09
Add: Provision made during the year	7.09	-
Less : Write -off / write-back of excess provisions during the year	(329.90)	(32.19)
Closing balance	**7.09**	**329.90**

*Include mark to market loss of ₹ 150.93 Crore (PY Gain ₹108.63 Crore)

(iii) Derivatives:

(a) Forward Rate Agreement / Interest Rate Swap

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
The notional principal of Forward/swap agreements*	4,770.02	5,374.29
Losses which would be incurred if counterparties failed to fulfill their obligation under the agreements.	157.69	172.37
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	4,770.02	5,374.29
The fair value of swap book	126.77	139.23

*The Company has hedged its foreign currency borrowings through forward contract and interest rate swaps. For Accounting Policy & Risk Management Policy. (Refer note no. 38C)

(b) Exchange traded Interest Rate "IR" derivatives

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Notional principal amount of exchange traded IR derivatives undertaken		
- Forward Rate agreements	-	-
Total	**-**	**-**
Notional principal amount of exchange traded IR derivatives outstanding		
- Forward Rate agreements	-	-
Total	**-**	**-**
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
Mark to market value of exchange traded IR derivative outstanding and not "highly effective"	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(c) Disclosures on Risk Exposure in Derivatives:

(I) Qualitative disclosure:

a) Structure and organization for management of risk in derivatives trading:

The Board of Directors, the Asset Liability Management Committee (ALCO) and the Risk Management Committee (RMC) are entrusted with the management of risks in derivatives.

The philosophy and framework for the derivative business is laid out in the Board approved policies including limits. It also reviews the market risk exposures of derivatives against the limits. The Risk Management Committee reviews all risks on a consolidated basis and also reviews stress testing.

The monitoring and measurement of risk in derivatives is carried out by the Risk Department. The Risk Department is independent of the Treasury Front office, back office and directly reports into the Chief Risk Officer.

b) Scope and nature of risk measurement, risk reporting and risk monitoring systems:

All significant risks of the derivative portfolio are monitored and measured daily. The Risk Department measures and reports Market Risk metrics like VaR, PV01, Option Greeks like Delta, Gamma, Vega, Theta, Rho, etc. The Credit Risk from the derivatives portfolio is also measured daily.

The Risk Department monitors these exposures against the set limits and also reviews profitability on a daily basis. MIS is sent to relevant teams on a periodic basis. Exception reports are also sent so that emerging risks are reviewed and managed on a timely basis. Stress testing is also performed on the Derivative portfolio.

c) Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

The Board Approved 'Hedging Policy' details the hedging strategies, hedging processes, accounting treatment, documentation requirements and effectiveness testing for hedges.

Hedges are monitored for effectiveness periodically, in accordance with the Board Approved Policy.

d) Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation:

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index/Stock Futures/Currency Futures/Interest Rate Futures and/or Equity Index/Stock Options/ Currency Options as the case may be ("Derivatives Portfolio") which are released on final settlement/squaring-up of underlying contracts are disclosed under the head "Other Current Assets".

Equity Index/Stock Option/Currency Option Premium Account represents premium paid or received for buying or selling the Options, respectively which is amortized over the period of contract.

On final settlement or squaring up of contracts for Derivatives Portfolio, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Derivatives Portfolio before expiry, the premium, prevailing in "Equity Index/Stock Option/Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market/Unrealized Profit/(Loss) on all outstanding Derivative portfolio comprising of Securities and Equity/Currency Derivatives positions is determined on scrip basis with net unrealized losses on scrip basis being recognized in the Other Comprehensive Income.

(II) Quantitative Disclosure

(₹ in Crores)

Particulars	March 31, 2024		March 31, 2023	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (Notional Principle Amount):				
- For hedging *	4,074.52	695.50	4,678.79	695.50
Marked to market positions:				
a) Asset	140.65	17.04	145.89	26.48
b) Liability	30.92	-	33.14	-
Credit Exposure	-	-	-	-
Unhedged Exposures	-	-	-	-

* The Company has opted for hedge accounting under IND AS 109 as stated under the material accounting policies.

(iv) Disclosures pertaining to securitization transactions

The Company sells loans through securitization and direct assignment.

(A) The information on securitization done by the Company as an originator is given below:

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Total number of loan assets under par structure	25,226	-
Total book value of loan assets	308.33	-
Sale consideration received	308.33	-

The information on securitization of the Company as an originator in respect of outstanding amount of securitized assets is given below:

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
No. of SPVs sponsored by the company for securitization transactions	1	2
Total amount of securitized assets as per the books of SPVs sponsored by the company	135.45	564.26
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet	23.33	52.80
Other amount of Securitized assets as per the books of SPV sponsored by the company	-	-
a) Off - Balance Sheet Exposures		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
First Loss	-	-
Investment in PTC	-	-
Overcollateralization	25.00	80.00
Amount of exposures to securitization transaction other than MRR	-	-
a) Off - Balance Sheet Exposures		
i) Exposures to own securitizations		
First Loss	-	-
Others	-	-
ii) Exposures to third party securitizations		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
i) Exposures to own securitizations		
First Loss	-	-
Others	-	-
ii) Exposures to third party securitizations		
First Loss	-	-
Others	-	-

(B) The information on direct assignment of the Company as an originator in respect of par transaction done during the year is given below:

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Total number of loan assets under par structure	9,32,133	11,10,696
Total book value of loan assets	9,029.31	10,063.15
Sale consideration received	9,029.31	10,063.15

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
No. of transactions assigned by the Company	93	68
Total amount outstanding	7,667.15	9,308.70
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet	766.62	930.87
a) Off - Balance Sheet Exposures		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
First Loss	-	-
Investment in PTC	-	-
Exposures to own assigned transactions	-	-
Amount of exposures to assigned transaction other than MRR	-	-
a) Off - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	-	-
Others	-	-
ii) Exposures to third party assigned tranactions		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	-	-
Others	-	-
ii) Exposures to third party assigned tranactions		
First Loss	-	-
Others	-	-

(v) Asset liability management maturity pattern

As at March 31, 2024

(₹ in Crores)

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Loans & Advances*	819.94	292.21	2,039.52	3,397.82	1,829.71	1,712.82	2,434.63	4,162.08	491.36	87.50	17,267.59
Other Advances	-	87.28	87.28	166.41	227.32	410.63	214.73	-	-	(34.40)	1,159.25
Investments	-	-	59.77	24.13	-	-	-	13.69	-	5,059.00	5,156.58
Borrowings (Includes foreign currency borrowings)	49.01	27.07	197.36	1,012.22	637.90	1,858.94	2,655.39	8,943.38	3,254.16	1,375.48	20,010.90
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

*Net of ECL Provision of ₹ 574.87 Crore

As at March 31, 2023

(₹ in Crores)

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Loans & Advances*	710.13	467.18	583.92	1,955.26	1,492.89	2,198.79	1,947.49	3,824.09	415.79	18.19	13,613.73
Other Advances	-	38.51	38.51	85.10	110.77	24.23	774.70	0.28	-	-	1,072.10
Investments	-	-	143.13	-	-	-	-	971.25	-	2,665.31	3,779.69
Borrowings (Includes foreign currency borrowings)	14.80	71.41	2,750.59	599.15	485.63	826.02	2,001.28	6,148.75	1,886.66	2,596.20	17,380.49
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

*Net of ECL Provision of ₹ 505.20 Crore.

(vi) Exposure to Real Estate Sector

(₹ in Crores)

Category	March 31, 2024	March 31, 2023
a) Direct Exposure		
(i) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	1,937.13	1,492.34
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residentail building, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	286.90	519.19
(ii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Direct Exposure (A)	**2,224.03**	**2,011.53**
b) Indirect Exposure (B)		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	**1,235.80**	**1,410.42**
Total Exposure to Real Estate Sector (A+B)	**3,459.83**	**3,421.95**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(vii) Exposure to Capital Market:

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
(i) Direct investment in equity shares, convertibles bonds, convertible debentures and unit of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	24.13	0.00
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investments in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and unit of equity-oriented mutual funds;	305.27	443.52
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	8.67	7.94
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) Bridge loans to companies against expected equity flows / issues	-	-
(viii) All exposures to Alternative Investment Funds: **- Category - II**	20.77	971.25
Total Exposure to Capital Market	**358.84**	**1,422.71**

Note:

(a) The above excludes direct equity and debt investment in own subsidiary companies.

(viii) No penalty has been imposed during the year by RBI or other regulators.

(ix) Details of Credit Ratings:

A) Ratings assigned by Credit Rating Agencies and Migration in rating:

(₹ in Crores)

Rating Agency	Product	As at March 31, 2024		As at March 31, 2023		Migration in rating
		Amount	Rating assigned	Amount	Rating assigned	
CARE Ratings Limited	Non Convertible Debenture	537.50	CARE AA (RWD) Placed on Rating Watch with Developing Implications	537.50	CARE AA; Stable [Double A; Outlook: Stable]	Nil
CARE Ratings Limited	Long Term Bank Facilities	400.00	CARE AA (RWD) Placed on Rating Watch with Developing Implications	400.00	CARE AA; Stable [Double A; Outlook: Stable]	Nil
CARE Ratings Limited	Subordinate Debt	100.00	CARE AA (RWD) Placed on Rating Watch with Developing Implications	100.00	CARE AA; Stable [Double A; Outlook: Stable]	Nil

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Rating Agency	Product	As at March 31, 2024		As at March 31, 2023		Migration in rating
		Amount	Rating assigned	Amount	Rating assigned	
ICRA Limited	Non Convertible Debentures Programme	8,131.92	[ICRA]AA ; placed on Rating Watch with Negative Implications	8,525.23	[ICRA]AA ;Stable; reaffirmed	Nil
ICRA Limited	Commercial Paper programme	8,000.00	[ICRA]A1+;	8,000.00	[ICRA]A1+; reaffirmed	Nil
ICRA Limited	Subordinate Debt Programme	657.00	[ICRA]AA ; placed on Rating Watch with Negative Implications	710.00	[ICRA]AA ;Stable; reaffirmed	Nil
ICRA Limited	Long Term Bank Lines	5,775.00	[ICRA]AA ; placed on Rating Watch with Negative Implications	5,775.00	[ICRA]AA ;Stable; reaffirmed	Nil
ICRA Limited	Long Term Principle Protected Equity Linked Debenture Programme	500.00	PP-MLD[ICRA] AA ; placed on Rating Watch with Negative Implications	500.00	PP-MLD[ICRA] AA ; reaffirmed; Stable	Nil
ICRA Limited	Long Term Principle Protected Market Linked Debenture Programme	364.00	PP-MLD[ICRA] AA ; placed on Rating Watch with Negative Implications	364.00	PP-MLD[ICRA] AA ; reaffirmed; Stable	Nil
ICRA Limited	Commercial Paper programme (IPO financing)	500.00	[ICRA]A1+;	8,000.00	[ICRA]A1+; reaffirmed	Nil
ICRA Limited	Non convertible debenture programme	5,000.00	[ICRA]AA ; placed on Rating Watch with Negative Implications	5,000.00	[ICRA]AA ;Stable, assigned	Nil
CRISIL Limited	Non Convertible Debentures *	5,000.00	CRISIL AA/ Watch Developing (Continues on 'RatingWatch with Developing Implications')	5,000.00	CRISIL AA/Stable reaffirmed	Yes
CRISIL Limited	Subordinate Debt	-	-	5.00	CRISIL AA/Stable reaffirmed	Yes
CRISIL Limited	Long Term Principal Protected Market Linked Debentures	1,100.00	CRISIL PPMLD AA/Watch Developing (Continues on'Rating Watch with Developing Implications')	1,100.00	CRISIL PP-MLD AAr/Stable reaffirmed	Yes

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Rating Agency	Product	As at March 31, 2024		As at March 31, 2023		Migration in rating
		Amount	Rating assigned	Amount	Rating assigned	
CRISIL Limited	Perpetual bonds	300.00	CRISIL AA-/ Watch Developing (Continues on 'RatingWatch with Developing Implications')	-	-	Nil
CRISIL Limited	Commercial Paper programme (IPO financing)	500.00	CRISIL A1+ reaffirmed	500.00	CRISIL A1+ reaffirmed	Nil
CRISIL Limited	Commercial Paper	8,500.00	CRISIL A1+ reaffirmed	8,500.00	CRISIL A1+ reaffirmed	Nil
CRISIL Limited	Total Bank Loan Facilities Rated (Long Term Rating)	7,000.00	CRISIL AA/ Watch Developing (Continues on 'RatingWatch with Developing Implications')	4,000.00	CRISIL AA/Stable reaffirmed	Yes
CRISIL Limited	Non Convertible Debentures *	2,823.03	CRISIL AA/ Watch Developing (Continues on 'RatingWatch with Developing Implications')	3,686.30	CRISIL AA/Stable reaffirmed	Yes
CRISIL Limited	Non Convertible Debentures *	1,134.88	CRISIL AA/ Watch Developing (Continues on 'RatingWatch with Developing Implications')	1,513.84	CRISIL AA/Stable reaffirmed	Yes
Brickwork Ratings	NCDs (Public Issue)	1,134.88	BWR AA + /Rating Watch with Negative Implications	1,513.84	BWR AA+ Negative reaffirmed	Nil
Brickwork Ratings	Non Convertible Debentures	78.18	BWR AA + /Rating Watch with Negative Implications	493.43	BWR AA+ Negative reaffirmed	Nil
Brickwork Ratings	Secured Non Convertible Debentures	-	-	5.00	BWR AA+ Negative reaffirmed	Nil
Brickwork Ratings	NCDs (Public Issue proposed)	-	-	5,000.00	BWR AA+ Negative assigned	Nil
India Ratings	Non-convertible debentures (NCDs)*	250.00	IND AA/Rating Watch with Negative Implications	-	-	Nil

Rating Agency	Product	As at March 31, 2024		As at March 31, 2023		Migration in rating
		Amount	Rating assigned	Amount	Rating assigned	
India Ratings	Perpetual debt (Tier 1 instrument)	300.00	IND AA-/Rating Watch with Negative Implications	-	-	Nil
Moody's	Corporate family rating (CFR)	-	-	NA	B2 / Stable	Nil
Moody's	Long-term foreign- and local-currency senior secured ratings to US$ 1 Billion Medium Term Note (MTN) program	-	-	US$ 1000 Million	B2 / Stable	Nil
Fitch	Senior secured notes issued under USD 1 billion Medium Term Note (MTN) Programme	-	-	US$ 1000 Million	B+ / Affirmed	Nil
Fitch	Senior secured notes issued under US$ 400 Million bond	-	-	US$ 400 Million	B+ / Affirmed	Nil
Fitch	Long-Term Issuer Default Rating (IDR)	-	-	NA	B+	Nil

*Interchangeable between secured and subordinated debt.

(x) No registration has been obtained from other financial regulators.

(xi) The disclosures as required by the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 as may be amended from time to time and Disclosures in Financial statement-Notes to Accounts as issued by RBI

a. No draw down from reserves have been done during the year.

b. The company does not have any overseas assets.

c. The company does not have any off balancesheet SPV sponsored .

d. The company does not have any parent company hence details of Financing of parent company is not applicable.

e. No revenue recognition has been postponed.

f. Auditors have not expressed modified opinion on the audited financial statements.

g. There are no items of income & expenditure of exceptional nature.

h. There has been no breach in terms of covenants in respect of loans availed by the Company or debt securities issued by the company including incidence of default.

i. There is no divergence in asset classification and provisioning norms.

j. The company has not financed any advances for which intangible securities such as charges over rights, Licences, authorities etc. has been taken.

h. Company has not given loans to Entities associated with directors and their relatives and Senior Officers and their relatives, however Details of loan given to director and their relative is disclosed in Note no. 44 of the Financial statement.

I. There are no prior period items which are impacting company's current year profit and loss.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(xii) The company during the year ended has not exceeded single borrower limit (SGL)/group borrower limit (GBL) while performing its lending operations.

(xiii) Remuneration paid to Non Executive Directors:

(₹ in Crores)

Name of the Director	FY 2023-24	FY 2022-23
Mr. Arun Kumar Purwar	0.49	0.28
Ms. Geeta Mathur	0.44	0.26
Mr. Nilesh Vikamsey (upto March 31, 2024)	0.48	0.25
Mr. Ramakrishnan Subramanian	0.35	0.25
Mr. Vibhore Sharma(upto August 31, 2024)	-	0.06
Mr. Vijay Kumar Chopra	0.35	0.21
Mr. Bijou Kurien (w.e.f. March 13, 2024)	0.02	-
Mr. Nihar Jambusaria (w.e.f. March 13, 2024)	0.02	-
Mr. T S Ramakrishnan (w.e.f October 26, 2023)	0.04	-
Total	**2.19**	**1.31**

(xiv) Details of Provisions and Contingencies

(₹ in Crores)

Name of the Director	FY 2023-24	FY 2022-23
Provision for depreciation on investment	(322.81)	(32.19)
Provision towards non performing advances	228.60	(68.51)
Other Provision and Contingencies:		
Bad debts written off/(back)	279.32	355.15
Provision for Contingencies/Other financial assets	7.29	10.69
Provision for Standard Assets	(136.51)	(11.80)
Total	**55.89**	**253.34**
Provision made towards Income Tax	145.20	237.23

(xv) Details Of Concentration Of Advances, Exposures & NPA:

a) Concentration of Advances

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total advances to twenty largest borrowers	1,423.19	2,077.63
Outstanding Advances	17,842.40	14,047.88
Percentage of advances to twenty largest borrowers to total advances	7.98%	14.79%

b) Concentration of Exposures

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Exposure to twenty largest borrowers / customers	1,574.80	2,185.30
Percentage of exposure to twenty largest borrowers / customers to total exposure	8.47%	15.41%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

c) Concentration of NPAs

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total exposure to top four NPA accounts	58.80	10.68

d) Details Of Sectorwise NPA:

(₹ in Crores)

Particulars	% of NPAs to total advances in that sector					
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
	As at March 31, 2024			As at March 31, 2023		
1. Agriculture & allied activities	-	-	0.00%	-	-	0.00%
2. Industry						
a. Micro & Small - SME	3,347.99	100.31	3.00%	1,238.39	43.92	3.55%
3. Services						
a. Commercial & Residential Real Estate	1,285.31	58.55	4.56%	2,009.12	10.44	0.52%
4. Personal Loans						
a. Loans against Gold Jewellery	10,116.47	368.70	3.64%	8,329.51	66.68	0.80%
b. Advances to Individuals against share, bonds, etc.	185.03	-	0.00%	451.46	-	0.00%
c. Loan against property	1,073.50	27.54	2.57%	729.88	7.74	1.06%
d. Others	903.87	85.99	9.51%	1,142.53	50.75	4.44%
5. Other loans*	1,688.79	12.14	0.72%	280.79	1.79	0.64%

* Other loans include all loans that cannot be classified under any of the other sectors.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(xvi) Movement of NPAs:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Net NPAs to Net Advances (%)	1.90%	0.64%
(ii) Movement of NPAs (Gross)		
(a) Opening balance*	202.49	406.21
(b) Addition during the year	689.66	178.25
(c) Reduction during the year	(154.86)	(381.96)
(d) Closing balance*	737.30	202.49
(iii) Movement of Net NPAs		
(a) Opening balance	89.69	206.30
(b) Addition during the year	316.93	82.61
(c) Reduction during the year	(73.63)	(199.22)
(d) Closing balance	332.99	89.69
(iv) Movement of provision for NPAs		
(a) Opening balance**	112.81	199.91
(b) Addition during the year	372.73	95.64
(c) Reduction during the year	(81.23)	(182.74)
(d) Closing balance**	404.30	112.81

* Includes Interest of ₹ 84.06 Crore (P.Y ₹ 21.17 Crore)

** Includes Interest of ₹ 84.06 Crore (P.Y ₹ 21.17 Crore)

Note: The above has been computed basis EAD for credit impaired advances.

(xvii) Disclosure of Complaints:

Particulars	FY 2023-24	FY 2022-23
i. Number of complaints pending at the beginning of year	50	172
ii. Number of complaints received during the year	38,222	10,213
iii. Number of complaints redressed during the year	38,021	10,335
iv. Number of complaints pending at the end of the year	251	50

Maintainable complaints received by the NBFC from Office of Ombudsman

Particulars	FY 2023-24	FY 2022-23
Number of maintainable complaints received by the NBFC from Office of Ombudsman	842	595
a. number of complaints resolved in favour of the NBFC by Office of Ombudsman	841	591
b. number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	1	2
c. number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	2
d. Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	of the above number of complaints pending beyond 30 days
	Current Year				
Waiver/Refund	14	12,663	210.29%	116	-
CIBIL Updation	1	856	-61.02%	4	-
Payments	6	5,255	594.19%	27	-
Collections	7	4,697	601.04%	33	-
Branch Experience	11	167	-70.49%	-	-
Others	11	14,584	650.59%	71	-
Total	**50**	**38,222**		**251**	**-**

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	of the above number of complaints pending beyond 30 days
	Previous Year				
Waiver/Refund	62	4,081	-20.59%	14	-
CIBIL Updation	-	2,196	2453.49%	1	-
Payments	8	757	-38.15%	6	-
Collections	8	670	-55.33%	7	-
Branch Experience	5	566	54.64%	11	-
Others	89	1,943	-66.39%	11	-
Total	**172**	**10,213**		**50**	**-**

Note:

(i) The above includes not only complaints but also queries received from the customers for the various grounds as mentioned above.

(ii) CIBIL updation includes 05 (PY 2,096) queries/complaints in FY 2023-24 received from the customers onboarded by Fintech Partners.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(xviii) Disclosure of restructured accounts:

Details for FY 2023-24

(₹ in Crores)

Sr. No.	Type of Restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 01 of the FY 2022-23 (opening figures)*	No. of borrowers	-	-	-	-	-	346.00	50.00	4.00	217.00	617.00	346.00	50.00	4.00	217.00	617.00
		Amount outstanding	-	-	-	-	-	20.57	2.60	0.28	5.01	28.46	20.57	2.60	0.28	5.01	28.46
		Provision thereon	-	-	-	-	-	3.72	2.20	0.15	4.08	10.15	3.72	2.20	0.15	4.08	10.15
2	Fresh restructuring during FY 2023-24	No. of borrowers	-	-	-	-	-	-	1,31,112.00	-	-	1,31,112.00	-	1,31,112.00	-	-	1,31,112.00
		Amount outstanding	-	-	-	-	-	-	271.98	-	-	271.98	-	271.98	-	-	271.98
		Provision thereon	-	-	-	-	-	-	108.80	-	-	108.80	-	108.80	-	-	108.80
3	Upgradations to restructured standard category during the FY 2023-24[1]	No. of borrowers	-	-	-	-	-	4.00	(4.00)	2.00	(2.00)	-	4.00	(4.00)	2.00	(2.00)	-
		Amount outstanding	-	-	-	-	-	0.01	(0.03)	0.17	(0.17)	(0.02)	0.01	(0.03)	0.17	(0.17)	(0.02)
		Provision thereon	-	-	-	-	-	0.00	(0.03)	0.17	(0.11)	0.03	0.00	(0.03)	0.17	(0.11)	0.03
4	Increase / Decrease in existing restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	(5.21)	-	(0.00)	(0.00)	(5.22)	(5.21)	-	(0.00)	(0.00)	(5.22)
		Provision thereon	-	-	-	-	-	(1.45)	-	0.01	(0.01)	(1.46)	(1.45)	-	0.01	(0.01)	(1.46)
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY 2022-23 and hence need not be shown as restructured standard advances at the beginning of the next FY 2023-24	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY 2023-24[1]	No. of borrowers	-	-	-	-	-	(24.00)	-	-	24.00	-	(24.00)	-	-	24.00	-
		Amount outstanding	-	-	-	-	-	(0.95)	-	-	0.46	(0.49)	(0.95)	-	-	0.46	(0.49)
		Provision thereon	-	-	-	-	-	(0.20)	-	-	0.37	0.17	(0.20)	-	-	0.37	0.17
7	Fully recovered / Write-offs of restructured accounts during the FY 2023-24	No. of borrowers	-	-	-	-	-	(188.00)	(46.00)	(2.00)	(155.00)	(391.00)	(188.00)	(46.00)	(2.00)	(155.00)	(391.00)
		Amount outstanding	-	-	-	-	-	(10.40)	(2.56)	(0.26)	(4.66)	(17.88)	(10.40)	(2.56)	(0.26)	(4.66)	(17.88)
		Provision thereon	-	-	-	-	-	(1.74)	(2.17)	(0.13)	(3.82)	(7.86)	(1.74)	(2.17)	(0.13)	(3.82)	(7.86)
8	Restructured Accounts as on March 31 of the FY 2023-24 (closing figures*)	No. of borrowers	-	-	-	-	-	138.00	1,31,112.00	4.00	84.00	1,31,338.00	138.00	1,31,112.00	4.00	84.00	1,31,338.00
		Amount outstanding	-	-	-	-	-	4.02	271.98	0.20	0.63	276.83	4.02	271.98	0.20	0.63	276.83
		Provision thereon including provision for diminution in fair value	-	-	-	-	-	0.33	108.80	0.20	0.51	109.84	0.33	108.80	0.20	0.51	109.84

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

[1] For accounts which have transitioned from one asset category to another, March 2023 provision has been considered for previous asset category and March 2024 Provision has been considered for updated asset category

Details of MSME Accounts Restructured as per instructions given by RBI in its circular dated January 01, 2019:

No. of Accounts Restructured	Amount (₹ in Crore)
138	4.02

IIFL FINANCE

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Details for FY 2022-23

(₹ in Crores)

Sr. No.	Type of Restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 01 of the FY 2021-22 (opening figures)*	No. of borrowers	-	-	-	-	-	3,209.00	451.00	6.00	980.00	4,646.00	3,209.00	451.00	6.00	980.00	4,646.00
		Amount outstanding	-	-	-	-	-	203.46	109.12	0.41	37.21	350.20	203.46	109.12	0.41	37.21	350.20
		Provision thereon	-	-	-	-	-	34.89	43.36	0.21	29.71	108.17	34.89	43.36	0.21	29.71	108.17
2	Fresh restructuring during FY 2022-23	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY 2022-23[1]	No. of borrowers	-	-	-	-	-	4.00	(3.00)	1.00	(2.00)	-	4.00	(3.00)	1.00	(2.00)	-
		Amount outstanding	-	-	-	-	-	0.05	(0.05)	0.01	(0.01)	-	0.05	(0.05)	0.01	(0.01)	-
		Provision thereon	-	-	-	-	-	0.01	(0.01)	0.01	(0.01)	(0.00)	0.01	(0.01)	0.01	(0.01)	(0.00)
4	Increase / Decrease in existing restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	(12.34)	(0.21)	-	(0.02)	(12.57)	(12.34)	(0.21)	-	(0.02)	(12.57)
		Provision thereon	-	-	-	-	-	(0.47)	0.34	-	(0.01)	(0.14)	(0.47)	0.34	-	(0.01)	(0.14)
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY 2021-22 and hence need not be shown as restructured standard advances at the beginning of the next FY 2022-23	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY 2022-23[1]	No. of borrowers	-	-	-	-	-	(205.00)	26.00	3.00	176.00	-	(205.00)	26.00	3.00	176.00	-
		Amount outstanding	-	-	-	-	-	(9.07)	2.59	0.43	6.04	-	(9.07)	2.59	0.43	6.04	-
		Provision thereon	-	-	-	-	-	(1.49)	0.33	0.05	1.12	(0.00)	(1.49)	0.33	0.05	1.12	(0.00)
7	Fully recovered / Write-offs of restructured accounts during the FY 2022-23	No. of borrowers	-	-	-	-	-	(2,662.00)	(424.00)	(6.00)	(937.00)	(4,029.00)	(2,662.00)	(424.00)	(6.00)	(937.00)	(4,029.00)
		Amount outstanding	-	-	-	-	-	(161.53)	(108.86)	(0.57)	(38.22)	(309.18)	(161.53)	(108.86)	(0.57)	(38.22)	(309.18)
		Provision thereon	-	-	-	-	-	(29.22)	(41.81)	(0.11)	(26.74)	(97.88)	(29.22)	(41.81)	(0.11)	(26.74)	(97.88)
8	Restructured Accounts as on March 31 of the FY 2022-23 (closing figures*)	No. of borrowers	-	-	-	-	-	346.00	50.00	4.00	217.00	617.00	346.00	50.00	4.00	217.00	617.00
		Amount outstanding	-	-	-	-	-	20.57	2.60	0.28	5.01	28.46	20.57	2.60	0.28	5.01	28.46
		Provision thereon including provision for diminution in fair value	-	-	-	-	-	3.72	2.20	0.15	4.08	10.15	3.72	2.20	0.15	4.08	10.15

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

[1] For accounts which have transitioned from one asset category to another, March 2022 provision has been considered for previous asset category and March 2023 Provision has been considered for updated asset category.

Details of MSME Accounts Restructured as per instructions given by RBI in its circular dated January 01, 2019:

No. of Accounts Restructured	Amount (₹ in Crore)
346	20.57

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(xix) Asset Classification

(₹ in Crores)

Particulars	Outstanding Balance	Provision
Standard Assets	17,952.04	254.61
	(14,377.42)	(392.62)
Sub-Standard Assets	701.92	375.37
	(181.12)	(94.36)
Doubtful Assets	32.94	26.49
	(14.44)	(11.51)
Loss Assets	2.44	2.44
	(6.93)	(6.93)

Note:

a. ECL provisioning for Stage 1,2 of ₹ 254.61 Crore (P.Y ₹ 392.62 Crore) consists of interest accrued but not due and Interest overdue of ₹ 35.26 Crore (P.Y ₹ 45.17 Crore).

b. Asset classification is as per Reserve Bank of India guidelines and provision is as per Expected Credit Loss methodology as per IND AS which is higher than the minimum required as per prudential norms.

c. Figures in bracket represent previous year's figures.

(xx) Schedule to the Balance Sheet as per Para 31 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 as may be amended from time to time

1. Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid:

(₹ in Crores)

Particulars	March 31, 2024				March 31, 2023			
	Principal Amount outstanding (net of unamortized debenture issue expenses)	Interest Accrued but not due	Amount overdue	Total	Principal Amount outstanding (net of unamortized debenture issue expenses)	Interest Accrued but not due	Amount overdue	Total
Liability side:								
a) Debentures								
Secured	3,346.62	154.82	-	3,501.44	5,022.47	171.62	-	5,194.09
Unsecured (other than falling within the meaning of public deposits)	1,594.26	109.51	-	1,703.77	1,567.97	91.54	-	1,659.51
(b) Deferred credits	-	-	-	-	-	-	-	-
(c) (i) Term loans from Banks	10,268.57	43.92	-	10,312.49	7,944.48	6.75	-	7,951.23
(ii) Term loans from Financial Institutions	168.93	0.69	-	169.62	155.56	1.10	-	156.66
(iii) Term loans from other parties	1,250.94	16.44	-	1,267.38	1,232.55	5.49	-	1,238.04
(d) Inter–corporate loans and borrowings	-	-	-	-	-	-	-	-
(e) Commercial Paper	839.02	-	-	839.02	-	-	-	-
(f) Other Loans (Overdraft)	2,083.04	0.24	-	2,083.28	620.75	0.12	-	620.87
(g) Securitization	133.90	-	-	133.90	560.10	-	-	560.10
Total	**19,685.28**	**325.62**	**-**	**20,010.90**	**17,103.88**	**276.62**	**-**	**17,380.50**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

2. **Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):** Not applicable

3. **Break – up of Loans and Advances including Bills Receivables [Other than included in (4) below]:**

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Assets side (Gross Value)		
(a) Secured	12,789.64	12,811.18
(b) Unsecured	6,212.08	2,358.68
Total	**19,001.72**	**15,169.86**

4. **Break- up of leased assets and stock on hire and other assets counting towards AFC activities:**

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other Loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

5. **Break–up of Investments (Net of provision):**

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Investments :		
1 Quoted :		
(i) Shares:		
(a) Equity	24.13	-
(b) Preference	-	-
(ii) Debentures and Bonds	54.72	138.09
(iii) Units of mutual funds	0.00	0.00
(iv) Government Securities	5.05	5.04
(v) Others (Certificate of Deposits)	-	-
2 Unquoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Total (A)	**83.90**	**143.13**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Particulars	As at March 31, 2024	As at March 31, 2023
Long Term Investments :		
1 Quoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2 Unquoted:		
(i) Shares:		
(a) Equity of subsidiary companies	2,107.81	1,907.81
(b) Preference of subsidiary companies	-	-
(c) Preference of other companies	40.16	38.17
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others		
(a) Security Receipts	2,911.03	719.33
(b) Alternative Investment Funds	13.68	971.24
Total (B)	**5,072.68**	**3,636.55**
Grand Total (A+B)	**5,156.58**	**3,779.68**

6. **Borrower Group-wise Classification of all assets financed as in (2) and (3) above:**

(₹ in Crores)

Category	As at March 31, 2024			As at March 31, 2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties	**-**	**0.01**	**0.01**	**-**	**0.14**	**0.14**
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	0.01	0.01	-	0.14	0.14
2. Other than related parties	12,789.63	6,212.07	19,001.71	12,811.18	2,358.54	15,169.73
Total	**12,789.63**	**6,212.08**	**19,001.72**	**12,811.18**	**2,358.68**	**15,169.86**

7. **Investor group wise classification of all investments (Current and Long Term) in shares and securities (Both quoted and unquoted) :**

(₹ in Crores)

Category	As at March 31, 2024		As at March 31, 2023	
	Market Value Breakup or fair value or NAV	Book value (Net of provisions)	Market Value Breakup or fair value or NAV	Book value (Net of provisions)
1 Related Parties				
a) Subsidiaries*	2,107.81	2,107.81	1,907.81	1,907.81
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2 Other than related parties	3,055.86	3,048.77	2,201.78	1,871.88
Total	**5,163.67**	**5,156.58**	**4,109.59**	**3,779.69**

* Includes Investments in equity shares of subsidiaries carried at cost.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

8. Other Information:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties*	737.30	202.49
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	332.99	89.69
(iii) Assets acquired in satisfaction of debt (Fair Value)	164.40	164.40

* Includes Interest of ₹ 84.06 Crore (P.Y ₹ 21.17 Crore)

(xxi) Particulars as per RBI Directions for auction details (As required in terms of paragraph 37.4.4 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 as may be amended from time to time

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Number of gold loan accounts	83,052	1,47,873
Outstanding amount (₹ Crore)	443.55	810.22
Amount recovered in auction (₹ Crore)	481.48	894.41

In the above disclosure, figures for March 31, 2023, have been reinstated. The previously reported numbers had an inadvertent error, which has been corrected herein. This correction has no financial impact on the year 2022-23.

None of the sister concerns have participated in the above auctions.

xxii) Related Party Transactions disclosure:

(₹ in Crores)

Particulars/ Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/Joint ventures		Key Management		Relatives of Director		Director		Others		Total	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Borrowings#			2,550.00	300.00	100.00	-	-	-	-	-	-	-	-	-	2,650.00	300.00
Advances#			300.00	100.00	1,225.00	1,765.00	-	-	-	-	-	-	-	-	1,525.00	1,865.00
Investments#			266.22	497.48	-	-	-	-	-	-	-	-	-	-	266.22	497.48
Purchase of fixed/other assets			0.57	0.67	0.23	0.34	-	-	-	-	-	-	-	-	0.80	1.01
Sale of fixed/ other assets	NA	NA	0.08	0.32	0.12	1.54	-	-	-	-	-	-	-	-	0.20	1.86
Interest paid			28.37	1.07	0.24	1.73	-	-	-	-	-	-	-	-	28.61	2.80
Interest received			6.24	1.03	4.32	8.61	-	-	0.02	0.04	-	-	-	-	10.57	9.68
Others			388.13	217.08	104.97	60.70	14.08	13.91	0.04	-0.00	2.19	1.03	-	-	509.41	292.71
Total	**-**	**-**	**3,539.61**	**1,117.64**	**1,434.88**	**1,837.91**	**14.08**	**13.91**	**0.06**	**0.03**	**2.19**	**1.03**	**-**	**-**	**4,990.81**	**2,970.53**

 # Closing Balance & Maximum outstanding during the year.

(₹ in Crores)

Related party	Subsidiaries				Associates/Joint ventures/Group Companies				Key Management			
	Outstanding Balance		Maximum outstanding		Outstanding Balance		Maximum outstanding		Outstanding Balance		Maximum outstanding	
Item	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Borrowings	-	-	1,300.00	300.00	-	6.10	100.00	-	-	-	-	-
Advances	-	-	300.00	100.00	-	-	500.00	800.00	-	-	-	-
Investments	2,147.97	1,945.98	2,147.97	1,945.98	-	-	-	-	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Related party	Relatives of Director				Director				Others*			
	Outstanding Balance		Maximum outstanding		Outstanding Balance		Maximum outstanding		Outstanding Balance		Maximum outstanding	
Item	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Advances	0.01	0.15	0.15	0.20	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-

NOTE 49. UNHEDGED FOREIGN CURRENCY EXPOSURE:

The unhedged foreign currency exposure as on March 31, 2024 is 1.87 Crore (P.Y Nil).

NOTE 50. GOLD LOAN PORTFOLIO

As on March 31, 2024 the gold loan portfolio comprises 34.83 % (P.Y. 34.59 %) of the total assets of the Company.

NOTE 51. SEGMENT REPORTING

The Company's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the IND AS 108 on 'Segment Reporting'.

NOTE 52. SHARED SERVICES

The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its Holding Company/group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

NOTE 53. FRAUD

During the year under review, the Company had come across frauds totaling to ₹ 6.66 Crore (P.Y. ₹ 4.24 Crore) in respect of its lending operations. Out of the above, frauds amounting to ₹ 0.20 Crore (P.Y. ₹ 0.27 Crore) has already been recovered. Suitable action has been taken by the Company to recover the balance amounts.

NOTE 54. DISCLOSURE OF LOAN AND ADVANCES PURSUANT TO REGULATION 53(F) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

(₹ in Crores)

Name of Related Party	Outstanding as on March 31, 2024	Maximum Outstanding during the year
5paisa Capital Limited	-	150.00
IIFL Securities Limited	-	350.00
IIFL Samasta Finance Limited	-	300.00

(₹ in Crores)

Name of Related Party	Outstanding as on March 31, 2023	Maximum Outstanding during the year
5paisa Capital Limited	-	400.00
IIFL Securities Limited	-	400.00
IIFL Samasta Finance Limited	-	100.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 55. PUBLIC DISCLOSURE ON LIQUIDITY RISK:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings):

(₹ in Crores)

Number of Significant Counterparties	Amount*	% of Total Deposits	% of Total Liabilities
19	15,059.15	NA	68.47%
(14)	(9,760.63)	NA	(51.46%)

Note : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity.

(ii) Top 20 large deposits N.A (N.A)

(iii) Top 10 borrowings:

Particulars	Amount*	% of Total Borrowings
Top 10 Borrowings (₹ in Crore)	11,634.99	58.14%
	(8,797.40)	(50.62%)

* The above table excludes details of benefeciary holders of the secured medium term note bonds.

(iv) Funding Concentration based on significant instrument/product:

(₹ in Crores)

Name of the instrument/product	Amount	% of Total Liabilities
Non Convertible Debentures	6,456.15	29.36%
	(6,853.60)	(36.13%)
Term Loans	10,498.79	47.74%
	(9,346.05)	(49.27%)
Securitization	133.90	0.61%
	(560.10)	(2.95%)
Commercial Paper	839.02	3.82%
	-	-
Cash Credit / Overdraft Facilties	2,083.04	9.47%
	(620.75)	(3.27%)

Note : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity

(v) Stock Ratios:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Commercial papers as a % of total liabilities	3.87%	Nil
Commercial papers as a % of total assets	3.08%	Nil
Commercial papers as a % of total public funds	4.25%	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	Nil	Nil
Other short-term liabilities* as a % of total liabilities	7.40%	6.86%
Other short-term liabilities* as a % of total assets	5.90%	5.40%
*Other short-term liabilities as a % of total public funds	8.14%	7.49%

* Short Term liabilities means total of current liabilities as per note 46.1 & 46.2 to the financial statements as reduced by current portion of Debt Securities,Borrowings (other than debt securities) and Subordinated Liabilities.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business.

The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk.

The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company.

Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite and guard-rails approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board.

ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO board meetings are held once in a quarter or more frequently as warranted from time to time.

Note: Figures in bracket represent previous year's figures.

NOTE 56. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA CIRCULAR NO. RBI/2019-20/170 DOR (NBFC).CC.PD. NO.109/22.10.106/2019-20 DATED MARCH 13, 2020:

As on March 31, 2024

(₹ in Crores)

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)			Loss Allowances (Provisions) as required under Ind AS 109 (4)			Net Carrying Amount (5)=(3)-(4)	Provision Required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7)=(4)-(6)
		Principal	Others	Total	Principal	Others	Total	Total	Total	Total
Standard	Stage 1	16,049.17	604.97	**16,654.14**	186.52	23.96	**210.48**	16,443.66	66.62	**143.86**
	Stage 2	1,140.00	157.90	**1,297.90**	32.83	11.30	**44.13**	1,253.77	5.19	**38.94**
Subtotal		**17,189.17**	**762.87**	**17,952.04**	**219.35**	**35.26**	**254.61**	**17,697.43**	**71.81**	**182.80**
Non Performing Assets (NPA)										
Substandard (Sub- Total -(A))	Stage 3	628.42	73.50	**701.92**	301.87	73.50	**375.37**	326.55	64.94	**310.43**
Doubtful										
Upto 1 Year	Stage 3	14.41	5.19	**19.60**	8.53	5.19	**13.72**	5.88	5.84	**7.88**
1 to 3 years	Stage 3	4.24	2.11	**6.35**	3.67	2.11	**5.78**	0.57	3.49	**2.29**
More than 3 years	Stage 3	4.15	2.84	**6.99**	4.15	2.84	**6.99**	0.00	3.25	**3.74**
Doubtful (Sub- Total -(B))		**22.80**	**10.14**	**32.94**	**16.35**	**10.14**	**26.49**	**6.45**	**12.58**	**13.91**
Loss (Sub- Total -(C))	Stage 3	2.01	0.43	2.44	2.01	0.43	**2.44**	0.00	2.01	0.43
Subtotal of NPA (Sub- Total -(A+B+C))		**653.23**	**84.07**	**737.31**	**320.23**	**84.07**	**404.30**	**333.00**	**79.53**	**324.77**
Other items such as guarantees, loan commitments, ICD's etc, which are in the scope of Ind AS 109 but not covered under current income Recognition, Assets Classifications and Provisioning (IRACP) norms	Stage 1	-	-	**-**	-	-	**-**	-	-	**-**
	Stage 2	-	-	**-**	-	-	**-**	-	-	**-**
	Stage 3	-	-	**-**	-	-	**-**	-	-	**-**
Subtotal		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	Stage 1	16,049.17	604.97	**16,654.14**	186.52	23.96	**210.48**	16,443.66	66.62	**143.86**
	Stage 2	1,140.00	157.90	**1,297.90**	32.83	11.30	**44.13**	1,253.77	5.19	**38.94**
	Stage 3	653.23	84.07	**737.31**	320.23	84.07	**404.30**	333.00	79.53	**324.77**
	Total	**17,842.40**	**846.94**	**18,689.35**	**539.58**	**119.32**	**658.91**	**18,030.43**	**151.34**	**507.57**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

As on March 31, 2023

(₹ in Crores)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS			Loss Allowances (Provisions) as required under Ind AS 109			Net Carrying Amount	Provision Required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)			(4)			(5)=(3)-(4)	(6)	(7)=(4)-(6)
		Principal	Others	Total	Principal	Others	Total	Total	Total	Total
Standard	Stage 1	13,174.92	474.39	**13,649.31**	331.15	43.02	**374.17**	13,275.14	54.74	**319.42**
	Stage 2	691.63	36.47	**728.11**	16.30	2.15	**18.45**	709.66	2.77	**15.68**
Subtotal		**13,866.55**	**510.86**	**14,377.42**	**347.45**	**45.17**	**392.62**	**13,984.80**	**57.51**	**335.11**
Non Performing Assets (NPA)										
Substandard (Sub- Total -(A))	Stage 3	165.05	16.07	**181.12**	78.29	16.07	**94.36**	86.76	19.39	**74.97**
Doubtful										
Upto 1 Year	Stage 3	4.31	0.66	**4.97**	2.43	0.66	**3.09**	1.88	2.43	**0.66**
1 to 3 years	Stage 3	2.69	0.80	**3.49**	2.09	0.80	**2.89**	0.60	2.03	**0.87**
More than 3 years	Stage 3	3.15	2.83	**5.98**	2.70	2.83	**5.53**	0.45	2.50	**3.03**
Doubtful (Sub- Total -(B))		**10.15**	**4.29**	**14.44**	**7.23**	**4.29**	**11.51**	**2.93**	**6.96**	**4.55**
Loss (Sub- Total -(C))	Stage 3	6.13	0.81	6.93	6.13	0.81	**6.93**	-	6.13	0.81
Subtotal of NPA (Sub- Total -(A+B+C))		**181.33**	**21.17**	**202.49**	**91.64**	**21.17**	**112.81**	**89.69**	**32.47**	**80.33**
Other items such as guarantees, loan commitments, ICD's etc, which are in the scope of Ind AS 109 but not covered under current income Recognition, Assets Classifications and Provisioning (IRACP) norms	Stage 1	-	-	**-**	-	-	**-**	-	-	**-**
	Stage 2	-	-	**-**	-	-	**-**	-	-	**-**
	Stage 3	-	-	**-**	-	-	**-**	-	-	**-**
Subtotal		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	Stage 1	13,174.92	474.39	**13,649.31**	331.15	43.02	**374.17**	13,275.14	54.74	**319.42**
	Stage 2	691.63	36.47	**728.11**	16.30	2.15	**18.45**	709.66	2.77	**15.68**
	Stage 3	181.33	21.17	**202.49**	91.64	21.17	**112.81**	89.69	32.47	**80.33**
	Total	**14,047.88**	**532.03**	**14,579.91**	**439.08**	**66.34**	**505.42**	**14,074.48**	**89.98**	**415.44**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 57. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA CIRCULAR NO. RBI/2019-20/88 DOR.NBFC (PD) CC. NO.102/03.10.001/2019-20 DATED NOV 04, 2019:

Liquidity Risk Management Framework

As on March 31, 2024

(₹ in Crores)

Sr. No.	Particulars	As at March 31, 2024		As at December 31, 2023		As at September 30, 2023		As at June 30, 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**629.87**	**629.87**	**613.45**	**613.45**	**621.87**	**621.87**	**793.41**	**793.41**
	Cash and Bank Balance	556.67	556.67	598.32	598.32	549.44	549.44	675.30	675.30
	Investments	73.20	73.20	15.13	15.13	72.43	72.43	118.11	118.11
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	431.54	496.27	89.67	103.13	65.76	75.63	3.30	3.79
4	Secured wholesale funding	290.58	334.16	234.94	270.18	226.55	260.53	871.20	1,001.88
5	Additional requirements, of which:	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	58.34	67.10	594.24	683.37	482.75	555.16	33.55	38.59
6	Other contractual funding obligations	357.80	411.48	1,077.61	1,239.25	1,116.24	1,283.67	1,147.73	1,319.89
8	**Total Cash outflows**	**1,138.26**	**1,308.99**	**1,996.46**	**2,295.93**	**1,891.30**	**2,174.99**	**2,055.78**	**2,364.15**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,233.02	924.77	2,036.27	1,527.20	1,902.09	1,426.57	1,866.48	1,399.86
11	Other cash inflows	3,332.35	2,499.27	4,238.00	3,178.50	3,503.69	2,627.77	-	2,499.27
12	**Total Cash Inflows**	**4,565.37**	**3,424.03**	**6,274.27**	**4,705.70**	**5,405.78**	**4,054.34**	**1,866.48**	**3,899.13**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	Total HQLA		629.87		613.45		621.87		793.41
14	Total Net Cash Outflows		327.25		573.98		543.75		591.04
15	Liquidity Coverage Ratio(%)		192.47%		106.88%		114.37%		134.24%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

As on March 31, 2023

(₹ in Crores)

Sr. No.	Particulars	As at March 31, 2023		As at December 31, 2022		As at September 30, 2022		As at June 30, 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**1,354.90**	**1,354.90**	**806.09**	**806.09**	**1,111.46**	**1,111.46**	**1,596.15**	**1,596.15**
	Cash and Bank Balance	1,131.52	1,131.52	298.76	298.76	686.62	686.62	1,484.71	1,484.71
	Unencumbered Fixed Deposits	73.62	73.62	352.03	352.03	124.89	124.89	111.43	111.43
	Investments	149.76	149.76	155.30	155.30	299.95	299.95	-	-
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	15.65	18.00	20.87	24.00	-	-
4	Secured wholesale funding	461.24	530.42	175.44	201.75	203.73	234.29	320.87	369.00
5	Additional requirements, of which:								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	412.64	474.54	461.13	530.30	608.92	700.26	713.61	820.65
6	Other contractual funding obligations	1,561.66	1,795.91	1,130.72	1,300.33	1,223.74	1,407.30	1,177.65	1,354.29
8	**Total Cash outflows**	**2,435.54**	**2,800.87**	**1,782.94**	**2,050.38**	**2,057.26**	**2,365.85**	**2,212.13**	**2,543.94**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,885.47	1,414.10	1,130.97	848.23	1,038.19	778.64	900.21	675.16
11	Other cash inflows	1,022.54	766.91	1,181.02	885.76	1,321.13	990.85	1,683.08	1,262.31
12	**Total Cash Inflows**	**2,908.01**	**2,181.01**	**2,311.99**	**1,733.99**	**2,359.32**	**1,769.49**	**2,583.29**	**1,937.47**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	Total HQLA		1,354.90		806.09		1,111.46		1,596.15
14	Total Net Cash Outflows		700.22		512.60		596.35		635.99
15	Liquidity Coverage Ratio(%)		193.50%		157.26%		186.38%		250.97%

Qualitative Disclosure

Liquidity Coverage Ratio (LCR) aims to ensure that NBFC's maintains an adequate level of unencumbered High Quality Liquidity Asset (HQLAs) that can be converted into cash to meet liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The Company has robust liquidity risk management framework in place that ensures sufficient liquidity including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events,including those involving the loss or impairment of both unsecured and secured funding sources. The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold.

HQLA comprises of unencumbered Bank Balances, Cash in Hand and Liquid Investments after appropriate haircut. The Company maintains sufficient balance of Cash and Bank Balance and liquid Investments which can be easily liquidated in times of stress.

Liquidity Coverage Ratio results drive by inflow of next 30 days receivable on loans and advances and corresponding outflow over the next 30 days towards borrowings and other liabilities.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 58. DISCLOSURE PURSUANT TO (SECURITIZATION OF STANDARD ASSETS) RESERVE BANK OF INDIA CIRCULAR NO./DIRECTIONS, 2021 RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 - SEPTEMBER 24, 2021

(₹ in Crores)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	No of SPEs holding assets for securitization transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	1	2
2	Total amount of securitized assets as per books of the SPEs	135.45	564.26
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	Other amount of Securtized assets as per the books of SPV sponsored by the company	-	-
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	23.33	52.80
	• Others	25.00	80.00
4	**Amount of exposures to securitization transactions other than MRR**	-	-
	a) Off-balance sheet exposures	-	-
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss		
	• Others		
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitized assets and gain/loss on sale on account of securitization	-	-
	Sale consideration received	308.33	
	Gain/loss on sale on account of securitization	-	
6	Outstanding value of services provided by way of post-securitization asset servicing.	-	
7	Performance of facility provided:-		
	Credit enhancement		
	(a) Amount paid	23.33	52.80
	(b) Repayment received	Nil	Nil
	(c) Outstanding amount	23.33	52.80
	% of total value of facility provided	7.57%	6.60%
8	Average default rate of portfolios observed in the past.	Nil	Nil
9	Amount and number of additional/top up loan given on same underlying asset.	Nil	Nil
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 59. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA CIRCULAR NO. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 DATED AUGUST 06, 2020 ON RESOLUTION FRAMEWORK FOR COVID-19-RELATED STRESS:

As at March 31, 2024

(₹ in Crores)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan	Of (A), aggregate debt that slipped into NPA	Of (A) amount written off	Of (A) amount paid by the borrowers during the half-year ended March 31, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan
Personal Loans	0.14	0.01	0.01	0.11	0.01
Corporate Loans *	8.30	0.51	0.59	3.14	4.06
of which, MSME's	8.26	0.51	0.59	3.11	4.05
Others	0.02	-	0.00	0.02	0.00
Total	**8.46**	**0.52**	**0.60**	**3.27**	**4.07**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

As at March 31, 2023

(₹ in Crores)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan	Of (A), aggregate debt that slipped into NPA	Of (A) amount written off	Of (A) amount paid by the borrowers during the half-year ended March 31, 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan
Personal Loans	2.08	0.96	0.39	0.27	0.46
Corporate Loans *	48.07	5.02	14.30	8.73	20.06
of which, MSME's	43.48	4.72	14.30	8.16	16.32
Others	0.13	-	0.06	0.02	0.04
Total	**50.28**	**5.98**	**14.75**	**9.03**	**20.57**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

NOTE 60. DISCLOSURE PURSUANT TO (TRANSFER OF LOAN EXPOSURES) RESERVE BANK OF INDIA CIRCULAR NO. RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 DATED SEPTEMBER 24, 2021:

(a) Details of transferred through assignment in respect of loans not in default:

For FY 2023-24

Particulars	Direct assignment FY 2023-24	PTC FY 2023-24
Count of Loan accounts assigned	9,32,133	25,226
Amount of loan accounts assigned (₹ in Crore)	10,032.57	333
Weighted average maturity (in months)	17	21
Weighted average holding period (in months)	3	3
Retention of beneficial economic interest	10%	0%
Coverage of tangible security coverage	100%	100%
Rating-wise distribution of rated loans	Unrated	Rated
Break-up of loans transferred / acquired through assignment / novation and loan participation	Assignment deals	Securitization deal
Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty	Nil	Nil

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

For FY 2022-23

Particulars	Direct assignment FY 2022-23	PTC FY 2022-23
Count of Loan accounts assigned	11,10,696	-
Amount of loan accounts assigned (₹ in Crore)	11,181.28	-
Weighted average maturity (in months)	18	-
Weighted average holding period (in months)	3	-
Retention of beneficial economic interest	10%	-
Coverage of tangible security coverage	100%	-
Rating-wise distribution of rated loans	Unrated	-
Break-up of loans transferred / acquired through assignment / novation and loan participation	Assignment deals	-
Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty	Nil	-

Details of stressed loans transferred during the year.

For FY 2023-24

(₹ in Crores)

Particulars	As on March 31, 2024			
	To ARCs		To permitted transferees	To other transferees
	NPA	SMA		
Number of accounts	24,602	23	-	-
Aggregate principal outstanding of loans transferred	106.49	1,782.22	-	-
Weighted average residual tenor of the loans transferred	1.53	2.48	-	-
Net book value of loans transferred (at the time of transfer)	61.60	2,085.82	-	-
Aggregate consideration	2270.00		-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-
Excess Provision reversed on account of transter	-	-	-	-

Note:- In addition to above, the company has transferred 66,924 additional loans which have been written off, having an amount outstanding of ₹ 315.1 Cr which were part of above consideration.

For FY 2022-23

(₹ in Crores)

Particulars	As on March 31, 2023			
	To ARCs		To permitted transferees	To other transferees
	NPA	SMA		
Number of accounts	6,391	9	-	-
Aggregate principal outstanding of loans transferred	245.90	631.38	-	-
Weighted average residual tenor of the loans transferred	0.71	2.18	-	-
Net book value of loans transferred (at the time of transfer)	134.14	761.49	-	-
Aggregate consideration	885.00		-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-
Excess Provision reversed on account of transter	-	-	-	-

Note:- In addition to above, the company has transferred 6,359 additional loans which have been written off, having an amount outstanding of ₹ 150.5 Cr which were part of above consideration.

(c) The Company has not acquired any stressed loan during the year and previous year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(d) Details on recovery ratings assigned for Security Receipts (SR)

For FY 2023-24

Recovery Rating	Anticipated recovery as per recovery rating	Book Value (₹ in Crore)
RR2^	75% - 100%	931.68
RR1^	100% - 150%	11.73
Unrated #	100% - 150%	1,967.61
Total		**2,911.03**

^ Recovery rating is as assigned by external rating agency

Pursuant to regulatory norms, the ARC shall obtain initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.

For FY 2022-23

Recovery Rating	Anticipated recovery as per recovery rating	Book Value (₹ in Crore)
RR2^*	75% - 100%	325.40
RR2^	75% - 100%	488.82
RR1^	100% - 150%	22.92
Unrated #	100% - 150%	212.50
Total		**1,049.64**

^ Recovery rating is as assigned by external rating agency

Pursuant to regulatory norms, the ARC shall obtain initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.

* Fully provided for

NOTE 61. INTRA-GROUP EXPOSURES

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Total amount of intra-group exposures	2,533.83	2,497.49
Total amount of top 20 intra-group exposures	2,533.83	2,497.49
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/ customers	13.99%	17.61%

NOTE 62. Disclosure required under point 4.3 of Annex XXII- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 as amended from time to time - "Related Party Disclosure" is covered under note no. 44, 44.1 and 44.2 of the notes to financial statements.

NOTE 63. Wherever amount is less than ₹ 0.01 Crore, shown as ₹ 0.00.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary & Compliance Officer

Place : Mumbai
Dated: June 15, 2024

INDEPENDENT AUDITOR'S REPORT

To,

The Members of IIFL Finance Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of IIFL Finance Limited (hereinafter referred to as the 'Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2024, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), consolidated Statement of Changes in Equity and the consolidated Cash Flows statement for the year then ended, and notes to the consolidated Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

EMPHASIS OF MATTER

This section of our report contains and we reproduce hereunder sections of our audit report of even date issued on the standalone financial statements of the Holding Company described under Material Uncertainty Relating to Going Concern and Emphasis of Matter sections, respectively.

1. We draw attention to Note No 48 in the financial statements, which explains that the Reserve Bank of India ("RBI") vide its directive dated March 4, 2024 and in exercise of its powers under Section 45I(1)(b) of the Reserve Bank of India, 1934 has directed the Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning / securitizing/ selling any of its gold loans. However, the RBI permitted the company to continue to service its existing gold loan portfolio through usual collection and recovery processes.

   The Company has total Loan book of Rs. 17,842 crores and Rs. 14,047 crores as on March 31, 2024, and March 31, 2023 respectively. Out of the above, the Gold Loan stood at Rs. 9,634 crores (54.00%) and Rs. 8,330 crores (59.30%) for each respective financial year.

   These events or conditions may cast significant doubt on the Company's ability to continue as a going concern. However, in view of the factors as described in the note no 49 in the financial statements, the management is of the view that the going concern basis of accounting is appropriate.

2. We refer to Note No 49 of the accompanying financial statements that explains the directives issued by The Reserve Bank of India ("RBI") dated March 4, 2024. The Note explains the supervisory concerns noted by the RBI in respect of restrictions on loan against gold. These supervisory restrictions are under review by RBI post completion of special audit instituted by the RBI.

   Our opinion is not modified in respect of these matters of emphasis.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (Contd.)

A. Key audit matters of the Holding Company

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	**Information technology (IT) systems used in financial reporting process.** The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. We therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.	We obtained an understanding of the Company's IT control environment relevant to the audit. We tested the design, implementation and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements. In addition to above, we have also relied on the work of the internal auditors and system auditors.
2	**Impairment of Financial Assets held at amortised cost:** Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and the management estimation of the related impairment provisions, this is considered to be a key audit matter. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. **(Refer Note 38A.3 to the Standalone Financial Statements.)**.	We evaluated appropriateness of the impairment principles used by management based on the requirements of Ind AS 109 and our understanding of the business. We assessed the design and implementation of key Internal financial controls over loan impairment process used to calculate the impairment charge. We evaluated management's controls over collation of relevant information used for determining estimates for management overlays. We tested review controls over measurement of impairment allowances and disclosures in financial statements.

B. Key audit matters of consolidated financial statements of Subsidiary Company – IIFL Home Finance Limited

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	**Impairment of loans as at the balance sheet date (including determination of expected credit losses) (as described in note 3(k) of the consolidated financial statements)** The Company provide for impairment of its loans using the Expected Credit Loss ("ECL") model. ECL involves an estimation of probability weighted loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future	Our audit procedures included the following: • Considered the Company's accounting policies for impairment of loans and assessed compliance of the policies with Ind AS 109: Financial Instruments and the governance framework approved by the Board of Directors pursuant to applicable Reserve Bank of India guidelines, ("the RBI Guidelines").

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	economic conditions and other factors which could impact the credit quality of the Company's loans. In the process, a significant degree of judgement has been applied by the management for: a) Defining qualitative/ quantitative factors for 'significant increase in credit risk' ("SICR") and 'default'. b) Grouping of borrowers (retail loan portfolio) based on homogeneity for estimating probability of default, loss given default and exposure at default; c) Determining effect of less frequent past events on future probability of default. d) Determining macro-economic factors impacting credit quality of loans. In view of the high degree of management's judgement involved in estimation of ECL, impairment of loans as at the balance sheet date (including expected credit loss) is a key audit matter.	• Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions. Tested the internal controls around extraction, validation and computation of the input data used in such estimation. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 (i.e. default in repayment is within the range of 31 to 90 days) or stage or 3 (i.e. the default in repayment is more than 90 days). • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Assessed the adequacy of disclosures included in the consolidated financial statements with the relevant requirements of Ind AS 107 and 109.
2	No Key audit matters for subsidiary company IIHFL Sales Limited reported by the auditor for the year ended March 31, 2024.	

C. Key audit matters of Subsidiary Company – IIFL Samasta Finance Ltd

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	**Expected Credit Loss** Refer note 2 (c) of significant accounting policies and note 40 for credit disclosures. As at 31 March 2024, the Company has total gross loan assets of Rs. 9,708.70 crores (2023: Rs. 7,998.53 crores) against which an Expected Credit Loss ('ECL') of Rs. 286.44 crores (2023 Rs. 257.22 crores) has been accrued. The ECL approach as required under Ind AS 109, Financial instruments, involves high degree of complexity and requires significant judgement of the management. The Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset. The key areas of judgment include: 1. Categorization of loans in Stage 1, 2 and 3 based on identification of: a) exposures with Significant Increase in Credit Risk (SICR) since their origination and b) Individually impaired / default exposures.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Evaluated the Company's accounting policies for estimation of expected credit loss on loan assets in accordance with the requirements of Ind AS 109, Financial Instruments. • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios. • Assessed the design and implementation and tested the operating effectiveness of controls over the modelling process including

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL are based on past experience and. 3. The impact of different future macroeconomic conditions in the determination of ECL. These parameters are derived from the Company's internally developed statistical models, historical data and a change in such models or assumptions could have a material impact on the accompanying financial statements. These factors required the models to be reassessed based on the available information including the additional risk profiling due to the impact of COVID-19 Pandemic, geographical, political and economic risk to measure the ECL. Management has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Considering the significance of the above matter to the financial statements and the significant auditor attention required to test such complex accounting estimates, we have identified this as a key audit matter for current year audit.	governance over monitoring of the model and approval of key assumptions. • Evaluated the appropriateness of the Company's process of determination of significant increase in credit risk in accordance with the applicable accounting standard and the basis for classification of exposures into various stages. • Obtained the approved policy of board of directors to understand the relief measures sanctioned to various class of borrowers in accordance with the directions given by the RBI and tested, on sample basis, the compliance with respect to asset classification and provisioning norms as per such directions. • Tested management's computation of ECL by performing following procedures: • Evaluated management's groupings of borrowers on the basis of different product lines and customer segments with different risk characteristics. • Tested classification of loans into various categories based on their past due status and other loss indicators. On a sample basis, inspected the repayment schedule from the underlying borrower agreements and collection made on due dates; • Tested the design and operating effectiveness of key controls (including application controls) over approval, recording, monitoring. • Testing of Application controls includes testing of automated controls, reports, and system reconciliations. • Performed test of details of the input information used in ECL computation on a sample basis. • Tested the arithmetical accuracy of the computation. • Performed analytical procedures by determining various ratios or percentage-based measures to review overall reasonableness of the estimate determined by the management.
2	**Identification and Measurement of NPA:** As per RBI's circular dated November 12, 2021 read with earlier circular dated October 1, 2021 on "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, Automation of NPA and provisioning is required to be implemented by all lending Institutions.	Performed other substantive procedures, included but not limited to the following: • Assessed the appropriateness of asset classification and adequacy of related provisioning by performing procedures such as computation of overdue ageing, assessment

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	The NPA provisioning as per ECL methodology followed by the Company are not fully automated in Software Applications used by the Company for Loans Management and are performed using other software. Further, marking of some legacy linked accounts at borrower level as NPAs in two different Loan management systems are done manually. These may have impact on the accuracy and completeness of the provision accrued for NPAs. Considering the significance, we have identified this as a key audit matter for current year audit.	of borrower level NPA identification and verification of applicable provision rates as per ECL policy of the Company on test check basis; • Selected samples of performing loan accounts to assess, independently, whether such loan accounts should be classified as NPA; • Recompilation of the amount of ECL provisioning on the total advances base considering the stage wise categories of advances, LGD (Loss given default) and PD (Probability of default) arrived by the Company.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's report and Management Discussion and Analysis report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Directors report and Management Discussion and Analysis report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Directors report and Management Discussion and Analysis report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 ("The Auditors Responsibilities Relating to Other Information").

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective company's to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the respective company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the respective company.

INDEPENDENT AUDITOR'S REPORT (Contd.)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

INDEPENDENT AUDITOR'S REPORT (Contd.)

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

The consolidated financial statement includes consolidated audited financial statement of 1 subsidiary and standalone audited financial statements of 2 subsidiary companies, these have been audited by the other auditors and these statements reflect the total assets of Rs. 36,969.88 Crore as at March 31, 2024, Group's share of total revenue of Rs. 5,897.27 Crore, Group's share of total net profit of Rs. 1,521.39 Crore and Group's share of total comprehensive income of Rs. 1,512.03 Crore and net cash outflows Rs. 262.31 Crore for the year ended on the date as considered in the consolidated financial statements. The reports of auditors of the said subsidiary companies have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Consolidated Financial Statements includes the comparative financial information for the year ended March 31, 2023 were audited by one of the joint auditor and one of the predecessor auditor and has issued unmodified opinion vide their report dated April 26, 2023.

Our opinion is not modified in respect of these other matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, to the extent applicable, that:

    a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure**.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

        In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Holding Company to its directors is in accordance with the provisions of section 197 of the Act. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2024 has been paid by the subsidiaries to their directors is in accordance with the provisions of section 197 read with Schedule V to the Act;

INDEPENDENT AUDITOR'S REPORT (Contd.)

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in its consolidated financials statements– Refer Note 39 to the consolidated financial statements.

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 39 to the consolidated financial statements.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries (´Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The Interim dividend declared and paid during the year by the Holding Company and its subsidiaries is in compliance with section 123 of the Companies Act, 2013.

vi. Based on our examination which included test checks, the holding company and based on the consideration of the reports of the other auditors on the consolidated financial statements and / or separate financial statements, as the case may be, of subsidiary companies, the Group has used accounting software for maintaining its books of accounts which has a feature of recording Audit Trail (edit log facility) and the same has operated throughout the year

INDEPENDENT AUDITOR'S REPORT (Contd.)

for all relevant transactions recorded in the software. Further, during the course of our audit, we and as reported by other auditors of subsidiary companies, did not come across any instance of audit trail feature being tempered with.

As proviso of Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by Central Government in terms of Section 143(11) of the Act, to be included in the Auditors report, according to the information and explanation given to us, and based on the CARO report issued by us for the Holding Company and by the statutory auditors of the respective subsidiary companies which are companies incorporated in India, included in the consolidated financial statement of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except for those as stated below:

Sr.	Name	CIN	Relation	Clause (*)
1	IIFL Finance Limited	L67100MH1995PLC093797	Holding Company	3(iii)(c) & (d), 3(vii)(b)
2	IIFL Home Finance Limited	U65993MH2006PLC166475	Subsidiary	3(iii)(c)
3	IIHFL Sales Limited	U74999MH2021PLC368361	Stepdown-Subsidiary	3(vii)(a)
4	IIFL Samasta Finance Limited	U65191KA1995PLC057884	Subsidiary	3(iii)(c) & (d), 3(vii)(b)

(*) Clause number of the CARO report which is qualified or is adverse.

Signed by the Joint Statutory Auditors of the Company

For Chhajed & Doshi
Chartered Accountants
ICAI Firm Reg. No. 101794W

By the hand of

M. P. Chhajed
Partner
Membership No. 049357

Place: Mumbai
Date: June 15, 2024
UDIN: 24049357BKCISB8003

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Reg. No. 109983W

By the hand of

Parthiv S. Desai
Partner
Membership No. 042624

Place: Mumbai
Date: June 15, 2024
UDIN: 24042624BKFRTD7654

ANNEXURE A TO THE INDEPENDENT AUDITOR 'S REPORT

ANNEXURE REFERRED TO PARAGRAPH 1(F) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF IIFL FINANCE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2024.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of IIFL Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (hereinafter collectively referred to as "the Group") as of March 31, 2024, which are Companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies which are incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

ANNEXURE A TO THE INDEPENDENT AUDITOR 'S REPORT

and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other matters paragraph below read together with the Emphasis of Matter Para in our report to the consolidated financial statements of the Group for the financial year ended March 31, 2024, the Holding Company and subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary companies incorporated in India, is based solely on the corresponding report of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

Signed by the Joint Statutory Auditors of the Company

For Chhajed & Doshi Chartered Accountants ICAI Firm Reg. No. 101794W	**For Sharp & Tannan Associates** Chartered Accountants ICAI Firm Reg. No. 109983W
By the hand of	By the hand of
M. P. Chhajed Partner Membership No. 049357	**Parthiv S. Desai** Partner Membership No. 042624
Place: Mumbai Date: June 15, 2024 UDIN: 24049357BKCISB8003	Place: Mumbai Date: June 15, 2024 UDIN: 24042624BKFRTD7654

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2024

(₹ in Crores)

Particulars	Note no.	As at March 31, 2024	As at March 31, 2023
Assets			
[1] Financial assets			
(a) Cash and cash equivalents	4	2,469.87	3,632.13
(b) Bank balance other than (a) above	5	1,775.85	2,208.36
(c) Derivative financial instruments	6	157.69	223.58
(d) Receivables			
(i) Trade receivables	7	102.42	121.43
(ii) Other receivables	7	29.65	15.47
(e) Loans	8	50,952.32	40,143.07
(f) Investments	9	4,058.98	3,511.00
(g) Other financial assets	10	1,412.57	1,615.56
		60,959.35	**51,470.60**
[2] Non-financial assets			
(a) Current tax assets (net)		197.70	239.59
(b) Deferred tax assets (net)	11	151.79	122.67
(c) Investment property	12	295.90	296.04
(d) Property, plant and equipment	13	168.47	176.13
(e) Capital work-in-progress	13.1	51.83	27.02
(f) Right to use assets	14	436.11	386.60
(g) Intangible assets under development	13.2	0.50	0.49
(h) Other intangible assets	15	4.68	3.38
(i) Other non-financial assets	16	154.83	272.42
(j) Non current assets held for sale	17	-	7.85
		1,461.81	**1,532.19**
Total assets		**62,421.16**	**53,002.79**
Liabilities and equity			
Liabilities			
[1] Financial liabilities			
(a) Derivative financial instruments	6	33.53	42.37
(b) Payables			
(I) Trade payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		8.84	3.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		207.84	194.28
(c) Finance lease obligation	14	461.50	413.43
(d) Debt securities	19	9,030.34	7,925.30
(e) Borrowings (other than debt securities)	20	34,123.20	28,476.27
(f) Subordinated liabilities	21	3,545.66	3,202.42
(g) Other financial liabilities	22	2,619.86	2,026.51
		50,030.77	**42,283.60**
[2] Non-financial liabilities			
(a) Current tax liabilities (net)		7.68	45.82
(b) Provisions	23	83.61	84.77
(c) Deferred tax liabilities (net)	11	1.21	0.61
(d) Other non-financial liabilities	24	241.45	385.85
		333.95	**517.05**
Total liabilities		**50,364.72**	**42,800.65**
[3] Equity			
(a) Equity share capital	25	76.31	76.09
(b) Other equity	25.1	10,560.68	8,915.97
(c) Non-controlling interest	25.1	1,419.45	1,210.08
		12,056.44	**10,202.14**
Total liabilities and equity		**62,421.16**	**53,002.79**
See accompanying notes forming part of the financial statements	1 - 51		

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

M.P. Chhajed
Partner
Membership No. 049357

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary & Compliance Officer

Place : Mumbai
Dated: June 15, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

Particulars	Note no.	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations			
(i) Interest income	26.1	9,838.63	7,365.96
(ii) Dividend income*	26.2	0.06	0.00
(iii) Fees and commission income	27	410.74	228.95
(iv) Net gain on fair value changes	28	-	160.97
(v) Net gain on derecognition of financial instruments under FVTOCI category	31	-	513.81
(I) Total revenue from operations		**10,249.43**	**8,269.69**
(II) Other income	29	241.04	177.61
(III) Total income (I+II)		**10,490.47**	**8,447.30**
Expenses			
(i) Finance costs	30	3,882.91	3,222.02
(ii) Net loss on fair value changes	28	180.88	-
(iii) Net loss on derecognition of financial instruments under FVTOCI category	31	136.79	-
(iv) Impairment on financial instruments	32	911.29	866.13
(v) Employee benefits expenses	33	1,684.85	1,329.50
(vi) Depreciation, amortization and impairment	34	180.82	152.59
(vii) Others expenses	35	941.02	764.54
(IV) Total expenses		**7,918.56**	**6,334.78**
(V) Profit before exceptional items and tax (III-IV)		**2,571.91**	**2,112.52**
(VI) Exceptional items		-	-
(VII) Profit before tax (V+VI)		**2,571.91**	**2,112.52**
Tax expense:			
(1) Current tax	36	610.57	362.70
(2) Deferred tax	11 & 36	(10.48)	144.68
(3) Current tax relating to previous years	36	(2.40)	(2.41)
(VIII) Total tax expense		**597.69**	**504.97**
(IX) Profit for the year (VII-VIII)		**1,974.22**	**1,607.55**
Attributable to:			
Owners of the Company		1,763.54	1,500.30
Non-controlling interest		210.68	107.25
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit (liabilities)/assets	36	(6.58)	(2.69)
(ii) Income tax relating to items that will not be reclassified to profit or loss	11 & 36	1.66	0.68
Subtotal (A)		**(4.92)**	**(2.01)**
(B) (i) Items that will be reclassified to profit or loss			
(a) Cash flow hedge (net)	36	(14.96)	46.45
(b) Fair value of loans carried at FVTOCI	36	(1.59)	(0.75)
(ii) Income tax relating to items that will be reclassified to profit or loss	11 & 36	4.17	(11.50)
Subtotal (B)		**(12.38)**	**34.20**
(X) Other comprehensive income (A+B)		**(17.30)**	**32.19**
(XI) Total comprehensive income for the year (IX + X)		**1,956.92**	**1,639.74**
Attributable to:			
Owners of the Company		1,747.77	1,534.01
Non-controlling interest		209.15	105.73
(XII) Earnings per equity share of face value ₹ 2 each	37		
Basic (₹)		46.29	39.49
Diluted (₹)		45.71	39.18
See accompanying notes forming part of the financial statements	1 - 51		

*0.00 denotes amount less than ₹ fifty thousand

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

M.P. Chhajed
Partner
Membership No. 049357

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary & Compliance Officer

Place : Mumbai
Dated: June 15, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

Particulars	Note no.	Year ended March 31, 2024		Year ended March 31, 2023	
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax			**2,571.91**		**2,112.52**
Adjustments for:					
Depreciation, amortization and impairment	34	180.82		152.59	
Impairment on loans		(7.13)		(79.54)	
Impairment on other financial instruments		7.30		10.69	
Profit on sale of assets		(15.76)		(3.09)	
Gain on termination - Ind AS 116		(2.36)		(2.13)	
Net gain on fair value changes on investment - realized		(73.38)		(82.68)	
Net (gain)/ loss on fair value changes on investment - unrealized		254.26		(78.30)	
Net (gain)/ loss on derecognition of financial instruments under FVTOCI category		136.79		(513.81)	
Employee benefit expenses - share based		59.62		(1.90)	
Employee benefit expenses - others		29.41		22.30	
Interest on loans		(9,431.92)		(6,978.79)	
Interest on deposits with banks	26.1	(155.35)		(167.32)	
Dividend income*	26.2	(0.06)		(0.00)	
Dividend received*		0.06		0.00	
Finance cost		3,843.80		3,226.30	
Interest expenses - Ind AS 116	30	39.35		34.62	
Gain on buy back of debentures (net)		(0.24)		(4.47)	
Income received on loans		9,453.24		7,083.51	
Interest received on deposits with banks		162.61		143.04	
Income received on investments		1.94		(7.20)	
Finance cost paid		(2,995.78)	1,487.22	(2,540.87)	212.95
Operating profit before working capital changes			**4,059.13**		**2,325.47**
Decrease/ (increase) in financial and non financial assets			233.87		(124.84)
Increase/ (decrease) in financial and non financial liabilities			571.36		(684.81)
Cash generated from operations			**4,864.36**		**1,515.82**
Taxes paid			(683.88)		(276.71)
Net cash generated from operating activities			**4,180.48**		**1,239.11**
Loans disbursed (net)			(10,028.48)		(6,464.55)
Net cash used in operating activities (A)			**(5,848.00)**		**(5,225.44)**
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and other intangible assets			(267.90)		(261.10)
Sale of property, plant and equipment and non curent assets held for sale			42.73		2.82
Purchase of investments			(1,591.29)		(2,151.41)
Proceeds/(deposits) from maturity of deposits placed with banks			460.09		(306.30)
Net cash used in investing activities (B)			**(1,356.37)**		**(2,715.99)**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Particulars	Note no.		Year ended March 31, 2024		Year ended March 31, 2023
C. CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of equity share capital			19.93		2,285.95
Dividend paid			(182.24)		(173.63)
Proceeds from debt securities			7,236.34		1,673.73
Repayment of debt securities			(6,497.49)		(1,877.83)
Proceeds from borrowings (other than debt securities)			35,348.27		19,043.97
Repayment of borrowings (other than debt securities)			(29,901.99)		(15,972.53)
Proceeds from subordinated liabilities			432.00		376.64
Repayment of subordinated liabilities			(424.02)		-
Payment of lease liability			11.09		21.22
Change in minority interest			0.22		(16.18)
Net cash generated from financing activities (C)			**6,042.11**		**5,361.33**
Net increase in cash and cash equivalents (A + B + C)			**(1,162.26)**		**(2,580.10)**
Add : Opening cash and cash equivalents as at the beginning of the year			3,632.13		6,212.22
Cash and cash equivalents as at the end of the year	4		**2,469.87**		**3,632.13**
See accompanying notes forming part of the financial statements	1 - 51				

*0.00 denotes amount less than ₹ fifty thousand

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

M.P. Chhajed
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Arun Kumar Purwar
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DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary & Compliance Officer

Place : Mumbai
Dated: June 15, 2024

IIFL FINANCE

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

A. Equity Share Capital (refer note 25)

(₹ in Crores)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at March 31, 2024	76.09	0.22	76.31
As at March 31, 2023	75.92	0.17	76.09

B. Other Equity (refer note 25.1)

(₹ in Crores)

Particulars	Share Application Money (Note 1)	Reserves & Surplus									Other Comprehensive Income			Total	Non-Controlling Interest
		Capital Reserve (Note 2)	Securities Premium Reserve (Note 3)	General Reserve (Note 4)	Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934 (Note 5)	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987 (Note 6)	Capital Redemption Reserve (Note 7)	Debenture Redemption Reserve (Note 8)	Retained Earnings (Note 9)	Share Options Outstanding Account (Note 10)	Effective portion of Cash Flow Hedges (Note 11)	Fair value of loans carried at FVTOCI	Remeasurements of defined benefit (Note 12)		
Balance as at April 01, 2022	**-**	**83.89**	**1,845.85**	**653.22**	**845.60**	**402.97**	**230.11**	**12.80**	**2,332.71**	**14.19**	**(39.39)**	**9.65**	**(3.69)**	**6,387.91**	**5.90**
Changes in accounting policy/ prior period errors	-	1.60	-	-	-	-	-	-	(1.60)	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	**-**	**85.49**	**1,845.85**	**653.22**	**845.60**	**402.97**	**230.11**	**12.80**	**2,331.11**	**14.19**	**(39.39)**	**9.65**	**(3.69)**	**6,387.91**	**5.90**
Profit for the year	-	-	-	-	-	-	-	-	1,500.30	-	-	-	-	1,500.30	107.25
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	34.76	(0.56)	(2.01)	32.19	(1.52)
Interim dividend	-	-	-	-	-	-	-	-	(173.63)	-	-	-	-	(173.63)	-
Change in minority	-	-	(689.64)	(29.36)	-	(92.39)	-	-	(287.07)	-	-	-	-	(1,098.46)	1,098.46
Share issue expenses	-	-	(24.13)	-	-	-	-	-	-	-	-	-	-	(24.13)	-
Transfer to/ from reserves	-	-	6.07	1.09	186.51	158.10	-	-	(344.61)	(7.16)	-	-	-	(0.00)	-
Addition during the year	-	-	2,289.17	-	-	-	-	-	-	2.62	-	-	-	2,291.79	-
Balance as at March 31, 2023	**-**	**85.49**	**3,427.32**	**624.95**	**1,032.11**	**468.68**	**230.11**	**12.80**	**3,026.10**	**9.65**	**(4.63)**	**9.09**	**(5.70)**	**8,915.97**	**1,210.08**
Profit for the year	-	-	-	-	-	-	-	-	1,763.54	-	-	-	-	1,763.54	210.68
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(9.71)	(1.27)	(4.79)	(15.77)	(1.53)
Interim dividend	-	-	-	-	-	-	-	-	(182.24)	-	-	-	-	(182.24)	-
Change in minority	-	-	-	-	-	-	-	-	(0.22)	-	-	-	-	(0.22)	0.22
Transfer to/ from reserves	-	-	4.39	(0.45)	217.19	205.40	-	-	(422.59)	(3.94)	-	-	-	0.00	-
Addition during the year	0.49	-	19.20	-	-	-	-	-	-	59.71	-	-	-	79.40	-
Balance as at March 31, 2024	**0.49**	**85.49**	**3,450.91**	**624.50**	**1,249.30**	**674.08**	**230.11**	**12.80**	**4,184.59**	**65.42**	**(14.34)**	**7.82**	**(10.49)**	**10,560.68**	**1,419.45**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

Notes:

1. **Share application money pending allotment**: Money received for share application for which allotment is pending.
2. **Capital reserves:** Capital reserve is created on account of Composite Scheme of Arrangement.
3. **Securities premium reserve:** The amount received in excess of face value of the equity shares is recognized in Securities Premium Reserve. Total additions to Securities Premium is after netting of share issue expenses.
4. **General reserve:** The reserve can be distributed/utilized by the Group, in accordance with the Companies Act, 2013
5. **Special reserve**: Pursuant to section 45-IC of the Reserve Bank of India Act 1934, being 20% of the profit after tax for the year of IIFL Finance Limited and IIFL Samasta Finance Limited has been transferred from Retained Earnings to Special Reserve.
6. **Special reserve:** Pursuant to section 29C of the National Housing Bank Act, 1987 the Housing Finance Company ("HFC") is required to transfer atleast 20% of its net profit every year to a reserve before any dividend is declared.
7. **Capital redemption reserve**: This reserve has been created on redemption of preference shares capital as per section 55 of the Companies Act, 2013.
8. **Debenture redemption reserve**: Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, Non Banking Finance Company ("NBFC") and Housing Finance Company ("HFC") are required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through public issue. Pursuant to Ministry of Corporate Affairs circular dated August 16, 2019, reserve is not required to be created for the Non Convertible Debentures going forward.
9. **Retained earnings**: These are the profits that the Group has earned till date, less any transfers to Statutory Reserve, Debenture Redemption Reserve, General Reserve, Dividend distribution and capital redemption reserve.
10. **Share options outstanding account**: The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.
11. **Effective portion of cash flow hedges**: This reserve refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
12. **Remeasurements of defined benefit:** This reserve refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.

See accompanying notes forming part of the financial statements (1 - 51)

In terms of our report attached of even date

For Chhajed & Doshi	**For Sharp & Tannan Associates**	**For and on behalf of the Board of Directors**	
Chartered Accountants	**Chartered Accountants**	**of IIFL FINANCE LIMITED**	
Firm Registration No. 101794W	Firm Registration No. 109983W		
By the hand of	By the hand of		
M.P. Chhajed	**Parthiv S. Desai**	**Arun Kumar Purwar**	**Nirmal Jain**
Partner	Partner	Chairperson & Non-executive Director	Managing Director
Membership No. 049357	Membership No. 042624	DIN : 00026383	DIN : 00010535
		Kapish Jain	**Mauli Agarwal**
		Chief Financial Officer	Company Secretary & Compliance Officer

Place : Mumbai
Dated: June 15, 2024

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 1. CORPORATE INFORMATION

Company overview

IIFL Finance Limited (the "Company/ Parent/ Holding Company") is a middle layer Non-Banking Financial Company not accepting public deposits registered with the Reserve Bank of India ("the RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and related activities. The Company had received the certificate of registration from RBI on March 06, 2020, enabling the Company to carry on business as a Non-Banking Financial Company. The Company offers a broad suite of financial products such as mortgage loan, gold loan, loan against securities loans to small & medium enterprise ("SME"), Micro finance loans ("MFI") and digital finance loans etc.

NOTE 2. BASIS OF CONSOLIDATION

i. Basis of preparation of financial statements

The consolidated financial statements relate to IIFL Finance Limited (the "Company") and its subsidiary/ group companies (together hereinafter referred to as "Group"). The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Control is achieved when the Group has:

- Power over the investee,
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its power over investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

ii. Principles of consolidation:

a) The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the Reserve Bank of India ("RBI") and National Housing Bank ("NHB") to the extent applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, (that are not traded in active market) that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

b) The effects of all intra-Group transactions and balances have been eliminated on consolidation.

c) The consolidated financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Group, March 31, 2024.

d) The consolidated financial statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses, unless cost cannot be recovered.

e) Business combinations: Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired, and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired, and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonize accounting policies.

f) Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment.

Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Group, it is recognized as 'Capital Reserve' and shown under the head 'Other equity', in the consolidated financial statements. Goodwill/ Capital reserve has been netted off and disclosed in the consolidated financial statements. Goodwill arising on consolidation is not amortized but tested for impairment.

g) Non-controlling Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit and loss/ other comprehensive income ("OCI") for the year of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit after tax/ other comprehensive income ("OCI") of the Group in order to arrive at the income attributable to shareholders of the Group.

h) Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Holding Company and to the non-controlling interests, if any.

iii. List of subsidiaries consolidated

The individual Balance Sheet as at March 31, 2024, Statement of Profit and Loss and cash flow statement for the year ended March 31, 2024 of following subsidiaries are included in consolidation:

Name of the entity	Relationship	Country of Incorporation	% of holding and voting power either directly or indirectly through subsidiary	
			As at March 31, 2024	As at March 31, 2023
IIFL Home Finance Limited (HFC) (Consolidated)	Direct Subsidiary	India	79.59%	79.59%
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (Samasta)	Direct Subsidiary	India	99.56%	99.51%
IFL Open Fintech Private Limited	Direct Subsidiary	India	51.02%	51.02%

iv. Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgments, and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

The Financial Statements are presented in Indian rupees which is determined to be functional currency of the Group and the currency of primary economic environment in which the Group operates.

v. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the provisions of the Act and the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 along with the applicable guidelines issued by Reserve Bank of India ("RBI") and National Housing Bank ("NHB"). In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India ("ICAI") are also applied except where compliance with other statutory promulgations require a different treatment.

vi. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

of notes forming part of the consolidated Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI and NHB.

NOTE 3. MATERIAL ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

i. Interest income and dividend income

Interest income on financial instruments at amortized cost is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

Interest income on Direct assignment pool is recognized on time proportion basis net off amount payable to assignees.

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated considering all the behavioural pattern and contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognized in the Statement of Profit and Loss at initial recognition.

Additional Interest are recognized as income only when revenue is virtually certain which generally coincides with receipts.

Dividend is recognized as income when the right to receive is established.

ii. Fees and charges

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Group's Statement of Profit and Loss include, among other things, fees charged for servicing a loan. Fees and charges are recognized as income only when revenue is virtually certain which generally coincides with receipts.

Cheque bounce charges, late payment charges and foreclosure charges are recognized on a point- in- time basis and are recorded when realized.

Fee and commission expenses with regards to services are accounted for as and when the services are delivered.

iii. Income from financial instruments at FVTPL

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

iv. Assignment transactions

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognized from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognized on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognized as profit on derecognition of financial asset.

v. Securitization transactions

In accordance with Ind AS 109, in case of securitization transactions, the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

vi. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

(b) Property, plant and equipment ("PPE")

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy.

Subsequent expenditure related to an item of PPE is added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation is charged using the straight-line method, based on the useful life of PPE as estimated by the Management, as specified below. Depreciation is charged from the month in which new assets are ready to use. No depreciation is charged from the month in which assets are sold. In case of transfer of used PPE from group companies, depreciation is charged over the remaining useful life of the asset. Individual assets / group of similar assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight-line basis over the leasehold period.

The estimated useful life of assets is as under:

Class of assets	Useful life
Buildings	20 years
Computers	3 years
Office equipment	5 years
Plant and Equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

For above class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount net of accumulated depreciation of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress

Projects under which PPE are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest, and are disclosed as "capital work-in-progress".

(c) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortization and cumulative impairment.

Intangible assets i.e., Software are amortized on straight-line basis over the estimated useful life of 3 years. Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets under development

Intangible assets not ready for their intended use on the Balance Sheet date are disclosed as "Intangible assets under development".

(d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset) is included in Statement of Profit and Loss in the period in which the Investment property is derecognized.

Freehold land and properties under construction are not depreciated.

(e) Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

(f) Impairment of assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets and investment property are tested for impairment so as to determine the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognized immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

(g) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme

(h) Employee benefits

Defined contribution plans

The Group's contribution towards Provident Fund and Family Pension Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees and are accounted for on an accrual basis and recognized in the Statement of Profit and loss.

Defined benefit plans

Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. These benefits include performance incentive and compensated absences.

Post employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognized in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognized when the settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Group recognizes related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Long term employee benefits: The obligation recognized in respect of long-term benefits such as long term compensated absences, is measured at present value of estimated future cash flows expected to be made by the Group and is recognized in a similar manner as in the case of defined benefit plan above.

(i) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(j) Taxes on income

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans and the reversal of temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the company has not rebutted this presumption.

For transactions and other events recognized in profit or loss, any related tax effects are also recognized in profit or loss. For transactions and other events recognized outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognized outside profit or loss (either in other comprehensive income or directly in equity, respectively).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities, representing current tax and where the deferred tax assets and deferred tax liabilities relates to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognized in the Statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

(k) Financial instruments

Financial assets and financial liabilities are recognized in the Group's Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Recognized financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in the Statement of Profit and Loss.

Financial assets

Classification and measurement

The Group classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial instruments measured at amortized cost

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g., if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortized cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in Statement of profit and loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit and Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

All financial assets are recognized initially at fair value plus transaction cost attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the Statement of Profit and Loss. The gain or loss on disposal is recognized in the Statement of Profit and Loss.

Interest income is recognized in the Statement of Profit and Loss for FVTPL debt instruments.

Dividend on financial assets at FVTPL is recognized when the Group's right to receive dividend is established.

Investments in equity instruments at FVTOCI

On initial recognition, the Group makes an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognized in the Statement of Profit and Loss when the Group's right to receive dividends is established.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

Impairment of financial assets

Group recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR. Vintage loss curve model is used for ECL computation of retail portfolio which involves assessment of performance of segmented portfolio over a time period. The model tracks month-wise losses during the loan tenor. Vintage loss rate models provide a simple, reasonable model for both one-year and lifetime expected credit loss forecasts. For wholesale portfolio, ECL computation is done for each loan account based on CRISIL default study and International Review Board ("IRB") guidelines.

ECL is measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Key elements of ECL computation are outlined below:

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognized and is still in the portfolio.
- Loss given default ("LGD") estimates the normalized loss which Group incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD").
- Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees need to be excluded from the loans and advance amount.

Credit impaired financial assets

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer,
- a breach of contract such as a default or past due event,
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider,
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL computation is as per the applicable prudential regulatory norms.

Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's expert credit assessment.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/ or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g., a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Group considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognized, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/ loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (e.g., convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain/ loss is recognized in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the convertible notes using the effective interest rate method.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognized amounts with an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(I) Cash and bank balances

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(m) Goods and service tax input credit

Goods and service tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/ utilizing the credits.

(n) Borrowing costs

Borrowing costs include interest expense calculated using the EIR method.

(o) Foreign currencies

In preparing the consolidated financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

(p) Segment reporting

The Group's primary business segments are reflected based on the principal business carried out i.e., financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments.

(q) Provisions, contingent liabilities and contingent assets

Provisions are recognized only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events when no reliable estimate is possible.

Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

(r) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for,

b) Funding related commitment to associate and joint venture companies; and

c) Other non-cancellable commitments, if any.

(s) Statement of cash flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a non-cash nature,

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

- non-cash items such as depreciation, provisions, deferred taxes and unrealized foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

(t) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

(u) Derivative financial instruments and hedging

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss and is included in the 'Other income' line item.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

(v) Leases

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group considers whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Group has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognizes the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Critical accounting estimate and judgement

1. **Determination of lease term**

   Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

2. **Discount rate**

   The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group as a lessee

As a lessee, the Group leases assets which includes gold loan branches/office premises and vehicles to employees. The Group previously classified leases as operating, or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognizes right-of-use assets and lease liabilities for these leases.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 4. CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash on hand	49.92	60.73
Cheques on hand	1.22	105.73
Balance with banks		
- In current accounts	1,498.35	1,210.64
- In deposit accounts (original maturity less than or equal to three months)	920.07	1,453.69
- Interest accrued on deposits	0.31	1.37
CCIL lending / money at call or short notice	-	799.97
Total	**2,469.87**	**3,632.13**

NOTE 5. BANK BALANCE (OTHER THAN CASH AND CASH EQUIVALENTS)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks in earmarked accounts towards unclaimed amount on NCD, dividend, and unspent CSR	26.14	11.28
In deposit accounts (refer note 5.1)	1,720.74	2,160.84
Interest accrued on deposits (refer note 5.1)	28.97	36.24
Total	**1,775.85**	**2,208.36**

NOTE 5.1 OUT OF THE DEPOSITS SHOWN ABOVE

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Lien marked	1,556.58	1,795.94
Margin for credit enhancement	104.71	133.63
Other deposits	88.42	267.51
Total	**1,749.71**	**2,197.08**

NOTE 6. DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in Crores)

Part I	As at March 31, 2024			As at March 31, 2023		
	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities
(i) Currency derivatives:						
Spot and forwards	4,074.52	140.65	30.92	4,678.79	145.89	33.15
Cross currency interest rate swaps	413.10	-	4.26	363.08	44.02	-
(ii) Interest rate derivatives						
Forward rate agreements and interest rate swaps	695.50	17.04	-	695.50	26.48	-
Options purchased*	-	-	-	4.32	9.22	9.22
(iii) Credit derivatives	-	-	-	-	-	-
(iv) Equity linked derivatives	-	-	-	-	-	-
(v) Other derivatives						
Forward exchange contract	1,092.46	-	(1.65)	968.75	(2.03)	-
Total	**6,275.58**	**157.69**	**33.53**	**6,710.44**	**223.58**	**42.37**

* Unsecured Non Convertible Debentures (NCD) of ₹ nil (P.Y. ₹ 9.22 Crore) made as per the terms of issue and on maturity will be transferred to the investors of the NCD.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 6. DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in Crores)

Part II	As at March 31, 2024			As at March 31, 2023		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging						
Options purchased*	-	-	-	4.32	9.22	9.22
(ii) Cash flow hedging						
Currency derivatives	4,487.62	140.65	35.18	5,041.87	189.91	33.15
Interest rate derivative	695.50	17.04	-	695.50	26.48	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated derivatives						
Currency derivative	-	-	-	-	-	-
Interest rate derivative	-	-	-	-	-	-
Forward exchange contract	1,092.46	-	(1.65)	968.75	(2.03)	-
Total	**6,275.59**	**157.69**	**33.53**	**6,710.44**	**223.58**	**42.37**

* Unsecured Non Convertible Debentures (NCD) of ₹ nil (P.Y. ₹ 9.22 Crore) made as per the terms of issue and on maturity will be transferred to the investors of the NCD.

Credit risk and currency risk

(₹ in Crores)

Particulars	Total		Exchange traded		Over the counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2024						
Derivative asset	3,147.25	157.69	-	-	3,147.25	157.69
Derivative liabilities	3,128.60	33.53	-	-	3,128.60	33.53
As at March 31, 2023						
Derivative asset	3,493.17	223.58	4.32	9.22	3,488.86	214.36
Derivative liabilities	3,221.59	42.37	4.32	9.22	3,217.27	33.15

6.1 Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

6.1.1 Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts and cross currency interest rate swaps.

The Group is exposed to interest rate risk arising from its foreign currency borrowings. Interest on the borrowing is payable at a floating rate linked to the Benchmark Plus Margin. The Group economically hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap and also with Derivative Forward Contract.

The Group uses Cross Currency Interest Rate Swaps (IRS) Contracts (Floating to Fixed) and Forward Exchange Contracts to hedge its risks associated with interest rate and currency fluctuations relating interest rate and currency risk arising from foreign currency loans / external commercial borrowings. The Group designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS standards. These contracts are stated at fair value of the Spot element of the forward exchange contracts at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognized directly in "Cash Flow Hedge Reserve" under Other Equity and the ineffective portion is recognized immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Forward contracts/ Cross Currency Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date, etc.). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/Cross currency interest rate swaps are identical to the hedged risk components.

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Notional amount	6,275.58	6,706.12
Carrying amount	124.16	181.22
Line item in the statement of financial position	Derivative financial instrument	Derivative financial instrument
Change in fair value used for measuring ineffectiveness for the year	(20.83)	10.13

(₹ in Crores)

Impact of hedging item	As at March 31, 2024	As at March 31, 2023
Change in fair value profit / (loss)	-	-
Cash flow hedge reserve profit / (loss)	(20.83)	12.69
Cost of hedging	-	(2.56)

(₹ in Crores)

Effect of cash flow hedge	As at March 31, 2024	As at March 31, 2023
Total hedging gain / (loss) recognized in OCI	(11.20)	34.76
Ineffectiveness recognized in profit or (loss)	(15.13)	(2.46)

NOTE 7. RECEIVABLES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Trade receivables		
Receivables considered good - Secured	0.20	1.72
Receivables considered good - Unsecured*	107.85	118.80
Receivables considered good - significant increase in credit risk	0.20	0.10
Receivables - credit impaired	-	8.11
Total (i) - Gross	**108.25**	**128.73**
Less: Impairment loss allowance	(5.83)	(7.30)
Total (i) - Net	**102.42**	**121.43**
(ii) Other receivables		
Receivables considered good - Unsecured	**29.65**	**15.47**

* including receivable from other related parties (refer note 42.2).

Notes:

1. No trade or other receivables are due from directors or other officer of the Group either severally or jointly, with any other person nor from any firms including limited liability partnerships, private companies in which any director is a partner or a director or a member.
2. The Group had adopted simplified approach for impairment allowance on trade receivables. Expected credit loss ("ECL") has been recognized on credit impaired receivables.
3. Trade receivables are non-interest bearing.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 7.1 TRADE RECEIVABLES AGEING SCHEDULE

(₹ in Crores)

Particulars (As at March 31, 2024)	Outstanding for following periods from due date of payment						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	48.53	59.52	-	-	-	-	**108.05**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	0.03	0.15	0.02	-	-	**0.20**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
	48.53	**59.55**	**0.15**	**0.02**	**-**	**-**	**108.25**

(₹ in Crores)

Particulars (As at March 31, 2023)	Outstanding for following periods from due date of payment						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3.99	116.40	0.03	0.10	-	-	**120.52**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	0.06	0.04	-	-	-	**0.10**
(iii) Undisputed Trade Receivables – credit impaired	-	-	6.45	1.66	-	-	**8.11**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
	3.99	**116.46**	**6.52**	**1.76**	**-**	**-**	**128.73**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 8. LOANS

(₹ in Crores)

Particulars	As at March 31, 2024		
	Amortized cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	46,143.43	4,552.10	50,695.53
(ii) Non Convertible Debentures - for financing real estate projects	340.75	-	340.75
(iii) Related Parties	0.01	-	0.01
(iv) Others (Dues from Customers etc)	1,148.35	-	1,148.35
Total (A) - Gross	**47,632.54**	**4,552.10**	**52,184.64**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 470.86 Crore)	(1,200.65)	(31.67)	(1,232.32)
Total (A) - Net	**46,431.89**	**4,520.43**	**50,952.32**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	32,261.25	4,008.26	36,269.51
(ii) Covered by Bank/ Government guarantees	71.35	-	71.35
(iii) Unsecured	15,299.94	543.84	15,843.78
Total (B) - Gross	**47,632.54**	**4,552.10**	**52,184.64**
Less: Impairment loss allowance	(1,200.65)	(31.67)	(1,232.32)
Total (B) - Net	**46,431.89**	**4,520.43**	**50,952.32**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	47,632.54	4,552.10	52,184.64
Total(C) (I) - Gross	**47,632.54**	**4,552.10**	**52,184.64**
Less: Impairment loss allowance	(1,200.65)	(31.67)	(1,232.32)
Total(C) (I) - Net	**46,431.89**	**4,520.43**	**50,952.32**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**46,431.89**	**4,520.43**	**50,952.32**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Particulars	As at March 31, 2023		
	Amortized cost	At Fair Value Through Other Comprehensive Income*	Total
(A)			
(i) Term Loans	32,069.73	6,984.42	39,054.15
(ii) Non Convertible Debentures - for financing real estate projects	1,207.34	-	1,207.34
(iii) Related parties	0.14	-	0.14
(iv) Others (Dues from Customers etc)	1,116.75	-	1,116.75
Total (A) - Gross	**34,393.96**	**6,984.42**	**41,378.38**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 304.88 Crore)	(1,174.86)	(60.45)	(1,235.31)
Total (A) - Net	**33,219.10**	**6,923.97**	**40,143.07**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	24,128.45	6,736.40	30,864.85
(ii) Covered by Bank/ Government guarantees	192.45	0.73	193.18
(iii) Unsecured	10,073.06	247.29	10,320.35
Total (B) - Gross	**34,393.96**	**6,984.42**	**41,378.38**
Less: Impairment loss allowance	(1,174.86)	(60.45)	(1,235.31)
Total (B) - Net	**33,219.10**	**6,923.97**	**40,143.07**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	34,393.96	6,984.42	41,378.38
Total (C) (I)-Gross	**34,393.96**	**6,984.42**	**41,378.38**
Less: Impairment loss allowance	(1,174.86)	(60.45)	(1,235.31)
Total (C) (I)-Net	**33,219.10**	**6,923.97**	**40,143.07**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**33,219.10**	**6,923.97**	**40,143.07**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

Notes:

8.1 Secured loans are secured by way of equitable mortgage of property, pledge of shares, hypothecation of assets, physical gold, undertaking to create security.Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme backed by an unconditional and irrevocable guarantee provided by Government of India.

8.2 Secured loans include loans aggregating to ₹ 71.01 Crore (P.Y. ₹ 218.77 Crore) in respect of which the creation of security is under process.

8.3 The Group has not classified any financial asset from its gold loan portfolio under FVTOCI category as of March 31, 2024 (refer note no 48 and 49).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 9. INVESTMENTS

(₹ in Crores)

Particulars	As at March 31, 2024		
	At Fair Value through profit and loss	At Amortized cost	Total
(A)			
Mutual funds	61.70	-	61.70
Alternate investment funds	20.77	-	20.77
Security receipts	3,191.08	-	3,191.08
Government Securities	55.46	199.94	255.40
Bonds / Debt securities	293.45	75.86	369.31
Preference Shares	40.16	-	40.16
Commercial Papers	-	98.27	98.27
Equity instruments			
in others	24.13	0.05	24.18
Debt instruments	-	6.20	6.20
Total – Gross (A)	**3,686.75**	**380.32**	**4,067.07**
Less: Impairment loss allowance	(7.09)	(1.00)	(8.09)
Total – Net (A)	**3,679.66**	**379.32**	**4,058.98**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	3,686.75	380.32	4,067.07
Total – Gross (B)	**3,686.75**	**380.32**	**4,067.07**
Less: Impairment loss allowance	(7.09)	(1.00)	(8.09)
Total – Net (B)	**3,679.66**	**379.32**	**4,058.98**

(₹ in Crores)

Particulars	As at March 31, 2023		
	At Fair Value through profit and loss	At Amortized cost	Total
(A)			
Mutual funds	57.49	-	57.49
Alternate investment funds	1,132.68	-	1,132.68
Security receipts	1,209.60	-	1,209.60
Government Securities	5.04	-	5.04
Bonds / Debt securities	346.52	-	346.52
Preference Shares	38.17	-	38.17
Certificate of Deposits	-	646.40	646.40
Commercial Papers	-	397.34	397.34
Equity instruments			
in others	-	0.05	0.05
Debt instruments	-	7.61	7.61
Total – Gross (A)	**2,789.50**	**1,051.40**	**3,840.90**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total – Net (A)	**2,459.60**	**1,051.40**	**3,511.00**
(i) Investments outside India	-	-	-
(ii) Investments in India	2,789.50	1,051.40	3,840.90
Total – Gross (B)	**2,789.50**	**1,051.40**	**3,840.90**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total – Net (B)	**2,459.60**	**1,051.40**	**3,511.00**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 9.1 INVESTMENT DETAILS SCRIP WISE

Particulars	As at March 31, 2024			As at March 31, 2023		
	Quantity (in actuals)	Face value per unit (in ₹)	Carrying value (₹ in Crore)	Quantity (in actuals)	Face value per unit (in ₹)	Carrying value (₹ in Crore)
Mutual funds			**61.70**			**57.49**
Nippon India Mutual Fund ETF Liquid BeES	38.72	1,000.00	0.00	36.71	1,000.00	0.00
Aditya Birla Sunlife Liquid Fund-Growth-Direct Plan(formerly known as Aditya Birla Sun Life Cash Plus)	15,83,308.60	10.00	61.70	15,83,308.60	10.00	57.49
Alternate investment fund			**20.77**			**1,132.68**
Phi Capital Growth Fund-I	282.01	1,00,000.00	7.60	339.12	1,00,000.00	8.59
Phi Capital Growth Fund-I.6	48.63	1,00,000.00	0.43	-	-	-
Indiareit Apartment Fund - Class B	-	-	-	11.29	1,00,000.00	0.08
IIFL One Value Fund Series B - Class B	-	-	-	60,88,37,542.29	10.00	666.21
IIFL One Value Fund Series B - Class C	50,00,000.00	10.00	5.68	36,34,64,973.29	10.00	436.88
Faering Capital Growth Fund III	17,750.00	1,000.00	1.57	15,500.00	1,000.00	1.40
IIFL Securities Capital Enhancer Fund Class S	10,00,000.00	10.00	1.41	1,34,18,161.87	10.00	15.45
IIFL Securities Capital Enhancer Fund Class E	1,999.90	10.00	0.00	1,999.90	10.00	0.00
IIFL One Opportunities FOF - Series 1	30,95,601.13	10.00	4.08	30,95,601.13	10.00	4.07
Preference Shares			**40.16**			**38.17**
Open Financial Technologies Private Limited	201.00	100.00	40.16	201.00	100.00	38.17
Debt instruments			**6.20**			**7.61**
Elite Mortgage HL Trust June 2019 Series A PTC	5.00	3,58,54,404.00	6.20	5.00	3,58,54,404.00	7.61
Equity instruments			**24.18**			**0.05**
Alpha Microfinance Consultants Private Limited	50,000.00	10.00	0.05	50,000.00	10.00	0.05
Swan Energy Limited	1,94,029.00	1.00	13.00	-	-	-
Suraj Estate Developers Ltd	4,26,627.00	5.00	11.13	-	-	-
Bonds			**369.31**			**346.52**
Andhra Pradesh State Beverages Corporation Limited	163.00	2,50,000.00	4.07	450.00	2,50,000.00	11.26
Andhra Pradesh State Beverages Corporation Limited	2,022.00	10,00,000.00	188.73	3,353.00	10,00,000.00	335.26
Adani Ports And Special Economic Zone Limited	10,000.00	1,00,000.00	100.65	-	-	-
Vatika One India Next Pvt Ltd	4,240.00	1,00,000.00	44.94	-	-	-
Vatika Limited	2,873.00	1,00,000.00	30.92	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Quantity (in actuals)	Face value per unit (in ₹)	Carrying value (₹ in Crore)	Quantity (in actuals)	Face value per unit (in ₹)	Carrying value (₹ in Crore)
Government Securities			**255.40**			**5.04**
07.38 % Govt. 50,000,000.00 Stock 2027	5,00,000.00	100.00	5.05	5,00,000.00	100.00	5.04
7.18% G.S. 2033	50,00,000.00	100.00	50.41	-	-	-
Others (Money lent against government securities - CROMS)	-	-	199.94	-	-	-
Certificate of Deposits			**-**			**646.40**
Axis Bank Limited CD 15MAY23	-	-	-	500.00	5,00,000.00	24.78
Bank of Maharashtra CD 05APR23	-	-	-	2,000.00	10,00,000.00	98.49
Bank of Maharashtra CD 12MAY23	-	-	-	1,000.00	2,50,000.00	49.59
Canara Bank CD 17APR23	-	-	-	2,000.00	5,00,000.00	98.40
HDFC Bank Limited CD 13APR23	-	-	-	2,000.00	6,25,000.00	98.37
HDFC Bank Limited CD 15MAY23	-	-	-	1,600.00	4,00,000.00	79.31
Punjab National Bank CD 18MAY23	-	-	-	2,000.00	5,00,000.00	99.07
Punjab National Bank CD 23JUN23	-	-	-	2,000.00	5,00,000.00	98.39
Commercial Papers			**98.27**			**397.34**
Deutsche Investments India Private Limited 162D CP 30Apr24	1,000.00	5,00,000.00	48.86	-	-	-
National Bank For Agriculture And Rural Development 91D CP 30Apr24	1,000.00	5,00,000.00	49.41	-	-	-
National Bank For Agriculture And Rural Development 90D CP 20APR23	-	-	-	6,000.00	5,00,000.00	298.81
Small Industries Development Bank of India 91D CP 16JUN23	-	-	-	2,000.00	5,00,000.00	98.53
Security Receipts			**3,191.08**			**1,209.60**
ACRE-110-Trust (Tranche I)	38,25,000.00	887.11	308.78	38,25,000.00	895.48	325.40
ACRE-110-Trust (Tranche II)	53,97,500.00	950.14	384.63	53,97,500.00	952.52	488.42
Arcil-SBPS-049-I-Trust	8,33,000.00	140.85	11.73	8,33,000.00	275.20	22.92
Phoenix Trust-FY23-20	21,25,000.00	886.00	188.28	21,25,000.00	1,000.00	212.50
Phoenix Trust-FY24-8	8,26,000.00	982.00	81.11	-	-	-
Phoenix Trust-FY24-14	1,30,00,000.00	1,000.00	1,300.00	-	-	-
SBI-045 (Rare SR)	5,00,000.00	1,000.00	50.00	-	-	-
Rare-ARC-068	58,65,000.00	1,000.00	586.50	-	-	-
RARE ARC 06803	10,95,000.00	1,000.00	109.50	-	-	-
Invent/2223/IIFL Samasta/P18 Trust	5,12,958.00	1,000.00	51.30	8,04,678.00	1,000.00	80.46
Invent/2223/IIFL Samasta/P19 Trust	6,01,205.00	1,000.00	60.12	7,99,000.00	1,000.00	79.90
INVENT/2324/P23	5,91,311.00	1,000.00	59.13		-	-
Total Gross			**4,067.07**			**3,840.90**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 10. OTHER FINANCIAL ASSETS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Security deposits	59.96	49.27
Deposit with Exchange	0.25	0.25
Interest strip asset on assignment	1,172.54	1,309.34
Staff advances	0.15	0.26
Insurance receivable	50.15	65.28
Less: Provisions on insurance receivables (refer note 10.1)	(39.38)	(36.77)
Other receivables	163.47	215.17
Accrued interest on investments	5.43	7.20
Other advance	5.56	5.56
Less : Impairment loss allowance on Other advances (refer note 10.2)	(5.56)	-
(Unsecured, considered doubtful)		
Security deposit for rented premises	0.89	0.98
Less: Impairment loss allowance on security deposit (refer note 10.3)	(0.89)	(0.98)
Total	**1,412.57**	**1,615.56**

NOTE 10.1 IMPAIRMENT LOSS ALLOWANCE ON INSURANCE RECEIVABLE

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	**36.77**	**26.63**
Addition	6.88	11.74
Reduction	(4.27)	(1.60)
Closing	**39.38**	**36.77**

NOTE 10.2 IMPAIRMENT LOSS ALLOWANCE ON OTHER ADVANCES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	**-**	**-**
Addition	5.56	-
Reduction	-	-
Closing	**5.56**	**-**

NOTE 10.3: IMPAIRMENT LOSS ALLOWANCE ON SECURITY DEPOSIT

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	**0.98**	**1.12**
Addition	0.33	0.41
Reduction	(0.42)	(0.55)
Closing	**0.89**	**0.98**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 11. DEFERRED TAX ASSETS AND LIABILITIES

Significant components of deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

(₹ in Crores)

(A) Deferred tax asset	Opening balance (as on April 01, 2023)	Recognized in profit or loss	Recognized in/ reclassified from OCI	Closing balance (as on March 31, 2024)
Deferred tax assets				
Property, plant and equipment	32.31	5.60	-	37.91
Provisions, allowances for doubtful receivables / loans	323.84	(19.82)	-	304.02
Compensated absences and retirement benefits	10.01	4.13	1.66	15.80
MTM on derivative financial instruments	40.03	(17.70)	14.12	36.45
Expenses deductible in future years	(10.52)	(6.07)	-	(16.59)
Cash flow hedge reserve	3.44	-	1.85	5.29
Fair value of financial instruments	(6.49)	(1.49)	0.40	(7.58)
Leases - Ind AS 116	7.03	(0.26)	-	6.77
Income amortization (net)	(276.98)	44.92	-	(232.06)
Provision on Investment	-	1.78	-	1.78
Deferred tax assets (net)	**122.67**	**11.09**	**18.03**	**151.79**

(₹ in Crores)

(B) Deferred tax liability	Opening balance (as on April 01, 2023)	Recognized in profit or loss	Recognized in/ reclassified from OCI	Closing balance (as on March 31, 2024)
Deferred tax liability				
Property, plant and equipment	(0.00)	0.00	-	(0.00)
Bonuses, Compensated absences and retirement benefits	-	0.03	-	0.03
Expenses deductible in future years	0.02	0.43	-	0.46
C/f losses on investments	(0.63)	(1.06)	-	(1.69)
Deferred tax liability (net)	**(0.61)**	**(0.60)**	**-**	**(1.21)**

Significant components of deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

(₹ in Crores)

(A) Deferred tax asset	Opening balance (as on April 01, 2022)	Recognized in profit or loss	Recognized in/ reclassified from OCI	Closing balance (as on March 31, 2023)
Deferred tax assets				
Property, plant and equipment	27.74	4.57	-	32.31
Provisions, allowances for doubtful receivables / loans	331.14	(7.30)	-	323.84
Compensated absences and retirement benefits	6.60	2.73	0.68	10.01
MTM on derivative financial instruments	76.45	(23.94)	(12.48)	40.03
Expenses deductible in future years	(6.07)	(4.45)	-	(10.52)
Cash flow hedge reserve	10.89	-	(7.45)	3.44
Fair value of financial instruments	(3.23)	(3.45)	0.19	(6.49)
Leases - Ind AS 116	8.48	(1.45)	-	7.03
Income amortization (net)	(166.18)	(110.80)	-	(276.98)
Deferred tax assets (net)	**285.82**	**(144.09)**	**(19.06)**	**122.67**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

(B) Deferred tax liability	Opening balance (as on April 01, 2022)	Recognized in profit or loss	Recognized in/ reclassified from OCI	Closing balance (as on March 31, 2023)
Deferred tax liability				
Property, plant and equipment	-	(0.00)	-	(0.00)
Expenses deductible in future years	-	0.02	-	0.02
C/f losses on investments	-	(0.63)	-	(0.63)
Deferred tax liability (net)	-	**(0.61)**	-	**(0.61)**

NOTE 12. INVESTMENT PROPERTY (AT COST)

(₹ in Crores)

Particulars	Property (Flats) (refer note 12.1)*	Building	Land (refer note 12.1)	Total
Gross carrying value				
As at April 01, 2023	**155.60**	**2.75**	**138.16**	**296.51**
Deductions/adjustments during the year	-	-	-	-
As at March 31, 2024	**155.60**	**2.75**	**138.16**	**296.51**
Less : Adjustments / Depreciation	(0.01)	(0.60)	-	(0.61)
Net carrying value as at March 31, 2024	**155.59**	**2.15**	**138.16**	**295.90**
Fair value as on March 31, 2024 (Fair value hierarchy : Level 2 / Level 3)	193.43	13.88	151.66	358.97

*Distress value of above flats is ₹ 159.27 Crore.

(₹ in Crores)

Particulars	Property (Flats) (refer note 12.1)*	Building	Land (refer note 12.1)	Total
Gross carrying value				
As at April 01, 2022	**155.60**	**7.48**	**138.16**	**301.24**
Deductions/adjustments during the year	-	(4.73)	-	(4.73)
As at March 31, 2023	**155.60**	**2.75**	**138.16**	**296.51**
Less : Adjustments / Depreciation	(0.01)	(0.46)	-	(0.47)
Net carrying value as at March 31, 2023	**155.59**	**2.29**	**138.16**	**296.04**
Fair value as on March 31, 2023 (Fair value hierarchy : Level 2 / Level 3)	192.18	14.09	150.66	356.94

*Distress value of above flats is ₹ 158.23 Crore.

NOTE 12.1: The management of the parent Company has acquired possession of these properties in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. These properties have been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, percentage of completion of construction (as for some properties the construction is currently on hold), residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation and ready reckoner published by government. These valuations has been performed by an independent registered valuer registered under rule 2 of Companies (Registered Valuers and Valuation) Rules,2017. The fair values are based on market values, being the estimated amount for which a property could be exchanged in an arm's length transaction. These properties are not depreciated as they have not been ready to use.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Freehold Land *	Electrical Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 01, 2023	**0.09**	**4.00**	**174.42**	**2.26**	**45.11**	**24.55**	**51.64**	**87.94**	**390.01**
Additions during the year	-	1.87	31.11	1.93	17.55	-	8.92	24.32	**85.70**
Deductions/adjustments	-	(0.27)	(14.97)	(1.15)	(4.08)	(24.55)	(2.38)	(11.71)	**(59.11)**
As at March 31, 2024	**0.09**	**5.60**	**190.56**	**3.04**	**58.58**	**(0.00)**	**58.18**	**100.55**	**416.60**
Depreciation									
As at April 01, 2023	**-**	**1.97**	**95.09**	**1.60**	**17.47**	**8.47**	**29.92**	**59.36**	**213.88**
Depreciation for the year	-	0.87	33.11	0.57	11.01	0.35	9.38	19.73	**75.02**
Deductions/adjustments	-	(0.18)	(13.96)	(1.15)	(3.94)	(8.82)	(2.16)	(10.56)	**(40.77)**
Up to March 31, 2024	**-**	**2.66**	**114.24**	**1.02**	**24.54**	**(0.00)**	**37.14**	**68.53**	**248.13**
Net block As at March 31, 2024	**0.09**	**2.94**	**76.32**	**2.02**	**34.04**	**(0.00)**	**21.04**	**32.02**	**168.47**

* The above freehold Land is hypothecated with Debenture Trustee(s) for issue of secured non-convertible debentures.

During the year, the Group has not revalued any of its property, plant or equipment.

(₹ in Crores)

Particulars	Freehold Land *	Electrical Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 01, 2022	**0.09**	**2.26**	**135.96**	**1.57**	**28.98**	**24.55**	**40.19**	**69.89**	**303.49**
Additions during the year	-	1.82	40.91	0.69	16.25	-	12.60	22.35	**94.62**
Deductions/adjustments	-	(0.08)	(2.45)	-	(0.12)	-	(1.15)	(4.30)	**(8.10)**
As at March 31, 2023	**0.09**	**4.00**	**174.42**	**2.26**	**45.11**	**24.55**	**51.64**	**87.94**	**390.01**
Depreciation									
As at April 01, 2022	**-**	**1.43**	**65.08**	**1.53**	**10.92**	**7.05**	**21.18**	**45.78**	**152.97**
Depreciation for the year	-	0.60	32.09	0.07	6.69	1.42	9.66	15.31	**65.84**
Deductions/adjustments	-	(0.06)	(2.08)	-	(0.14)	-	(0.92)	(1.73)	**(4.93)**
Up to March 31, 2023	**-**	**1.97**	**95.09**	**1.60**	**17.47**	**8.47**	**29.92**	**59.36**	**213.88**
Net block As at March 31, 2023	**0.09**	**2.03**	**79.33**	**0.66**	**27.64**	**16.08**	**21.72**	**28.58**	**176.13**

* The above freehold Land is hypothecated with Debenture Trustee(s) for issue of secured non-convertible debentures.

During the year, the Group has not revalued any of its property, plant or equipment.

NOTE 13.1. CAPITAL-WORK-IN PROGRESS (CWIP)

Ageing schedule

FY 2023-24

(₹ in Crores)

Particulars	As at March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	41.72	10.11	-	-	51.83
Projects temporarily suspended	-	-	-	-	-

FY 2022-23

(₹ in Crores)

Particulars	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	26.92	0.04	0.06	-	27.02
Projects temporarily suspended	-	-	-	-	-

No projects were delayed for completion or had exceeded its cost compared to its original plan.

Note 13.2. Intangible assets under development

Ageing schedule

FY 2023-24

(₹ in Crores)

Particulars	As at March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.50	-	-	-	0.50
Projects temporarily suspended	-	-	-	-	-

FY 2022-23

(₹ in Crores)

Particulars	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.49	-	-	-	0.49
Projects temporarily suspended	-	-	-	-	-

No projects were delayed for completion or had exceeded its cost compared to its original plan.

NOTE 14. LEASES

(i) As a Lessee

a) Changes in the carrying value of right to use assets:

(₹ in Crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2023	**383.14**	**3.46**	**386.60**
Addition during the year	120.85	1.81	122.66
Deduction/Adjustment	30.07	(0.08)	29.99
Depreciation during the year	(101.67)	(1.47)	(103.14)
Closing Balance As at March 31, 2024	**432.39**	**3.72**	**436.11**

(₹ in Crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2022	**326.18**	**1.19**	**327.37**
Addition during the year	162.13	3.28	165.41
Deduction/Adjustment	(21.74)	(0.08)	(21.82)
Depreciation during the year	(83.43)	(0.92)	(84.35)
Closing Balance As at March 31, 2023	**383.14**	**3.46**	**386.60**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

b) Break up value of the Current and Non - Current Lease Liabilities:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	104.67	96.43
Non-current lease liabilities	356.83	317.00
Total	**461.50**	**413.43**

c) Movement in lease liabilities:

(₹ in Crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2023	**409.77**	**3.66**	**413.43**
Addition during the year	120.39	1.81	122.20
Deduction/Adjustment	27.76	(0.08)	27.68
Finance cost accrued during the period	39.01	0.33	39.34
Payment of lease liabilities	(139.40)	(1.75)	(141.15)
Closing Balance As at March 31, 2024	**457.53**	**3.97**	**461.50**

(₹ in Crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2022	**359.40**	**1.28**	**360.68**
Addition during the year	159.61	3.29	162.90
Deduction/Adjustment	(25.27)	(0.06)	(25.33)
Finance cost accrued during the period	34.42	0.20	34.62
Payment of lease liabilities	(118.39)	(1.05)	(119.44)
Closing Balance As at March 31, 2023	**409.77**	**3.66**	**413.43**

d) Details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	138.07	125.21
One to two years	110.44	104.18
Two to five years	204.33	189.51
More than five years	142.53	108.60
Total	**595.37**	**527.49**

e) Rental expense recorded for short-term leases was ₹ 45.35 Crore (P.Y ₹ 31.04 Crore)

f) Amounts recognized in profit or loss

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Interest on lease liabilities	39.35	34.62
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.29	0.43
Depreciation relating to leases	103.14	84.35
Total	**142.78**	**119.40**

g) Amounts recognized in the statement of cash flows

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Total cash outflow for leases	141.14	119.44

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 15. OTHER INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Software
Cost or valuation as at April 01, 2023	**13.27**
Additions during the year	3.82
Deductions /Adjustments	-
As at March 31, 2024	**17.09**
Amortization	
As at April 01, 2023	**9.89**
Additions during the year	2.52
Deductions /Adjustments	-
Up to March 31, 2024	**12.41**
Net block As at March 31, 2024	**4.68**

(₹ in Crores)

Particulars	Software
Cost or valuation as at April 01, 2022	**9.96**
Additions during the year	3.31
Deductions /Adjustments	-
As at March 31, 2023	**13.27**
Amortization	-
As at April 01, 2022	**7.85**
Additions during the year	2.04
Deductions /Adjustments	-
Up to March 31, 2023	**9.89**
Net block As at March 31, 2023	**3.38**

Note 15.1: The Group has not revalued its Intangible Assets.

Note 15.2: None of the intangible assets are internally generated.

NOTE 16. OTHER NON-FINANCIAL ASSETS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Prepaid expenses	87.42	134.31
Receivable from securitization trust	25.00	80.00
Advances for operational expenses*	9.30	25.93
Deposit with government	1.98	1.98
GST / Service tax input	19.07	11.06
Capital Advance	0.07	0.20
Other assets	11.99	18.94
Total	**154.83**	**272.42**

* Includes foreign currency payments amounting to ₹ 0.51 Crore (P.Y ₹ 9.32 Crore)

NOTE 17. NON CURRENT ASSETS HELD FOR SALE

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Non current assets held for sale	-	7.85
Total	**-**	**7.85**

(i) Non current assets held for sale include Group's owned property which it intends to sell in the near future.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 18. PAYABLES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(I) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 18.1)	8.84	3.02
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Outstanding dues of creditors	23.24	38.28
Accrued salaries and benefits	9.81	1.49
Provision for expenses	172.05	153.26
Other trade payables *	2.74	1.25
Sub-Total (ii)	**207.84**	**194.28**
Total (i+ii)	**216.68**	**197.30**
(II) Other Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total (II)	**-**	**-**

* including payable to other related parties (refer note 42.2)

Note 18.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2016 ("MSMED Act") on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED:

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
(a) Principal amount remaining unpaid to any supplier at the year end	8.84	3.02
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	0.00
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-

The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act.

Note 18.2 Trade Payables ageing schedule

(₹ in Crores)

Particulars As at March 31, 2024	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3.08	5.76	-	-	-	8.84
(ii) Others	154.04	53.35	0.36	0.05	0.04	207.84
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

(₹ in Crores)

Particulars As at March 31, 2023	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3.00	0.02	-	-	-	**3.02**
(ii) Others	143.76	49.96	0.55	0.00	0.01	**194.28**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	**-**

NOTE 19. DEBT SECURITIES

(₹ in Crores)

Particulars	At Amortized Cost	
	As at March 31, 2024	As at March 31, 2023
(i) Non Convertible Debentures (refer note (a), (b), 19.1 and 19.2) - Secured	7,420.65	7,659.78
Less : Unamortized debenture issue expenses	(60.16)	(25.73)
Less : Unexpired discount on NCD	-	(0.07)
(ii) Commercial Papers - Unsecured (refer note 19.1)	1,335.00	-
Less : Unexpired discount on Commercial Paper	(31.34)	-
(iii) Interest accrued but not due	366.19	291.32
Total (A)	**9,030.34**	**7,925.30**
Debt Securities in India	9,030.34	5,614.20
Debt Securities outside India	-	2,311.10
Total (B)	**9,030.34**	**7,925.30**

Notes:

(a) These Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, investment property, loans and advances including receivables other than those specifically charged.

(b) Non Convertible Debentures – Secured includes redeemable non convertible debenture which carries call option and contains a repayment clause by way of reduction in face value ₹ 15.00 Crore (from March 20, 2024) {As at March 31, 2023 ₹ 15.00 Crore (from December 20, 2023) and ₹ 15.00 Crore (from March 20, 2024)} and NCDs carrying call and put option of ₹ 280.00 Crore (from April 02, 2025) {As at March 31, 2023 ₹ 280.00 Crore (from April 02, 2025)}.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 19.1 TERMS OF REPAYMENT

Residual Maturity		As at March 31, 2024		As at March 31, 2023	
		Rate of Interest / Yield	Amount (₹ in Crores)	Rate of Interest / Yield	Amount (₹ in Crores)
(A)	**Non Convertible Debenture (Secured):**		**7,420.65**		**7,659.78**
	Fixed:		**6,995.33**		**7,181.21**
	More than 5 years	5.00% - 9.45%	1,958.22	5.00% - 9.45%	2,458.92
	3- 5 years	5.00% - 10.50%	1,891.87	8.20% - 9.00%	812.24
	1-3 years	5.00% - 10.05%	2,417.35	8.25% - 10.33%	946.45
	Less than 1 years	5.00% - 8.75%	727.89	8.25% - 11.50%	2,963.60
	Floating:^		**133.80**		**115.00**
	1-3 years		-	8.25%	115.00
	Less than 1 years	9.00%	133.80		-
	Zero Coupon:		**291.52**		**363.57**
	More than 5 years		-	8.75%	5.53
	3- 5 years	8.75%	5.53	8.50% - 8.75%	31.44
	1-3 years	8.50% - 8.75%	31.17	8.00% - 10.30%	255.30
	Less than 1 years	8.00% - 10.30%	254.82	8.25%	71.30
(B)	**Commercial Papers (net) (Unsecured):**		**1,335.00**		
	Less than 1 years	9.00% - 9.95%	1,335.00		-
Total (A+B)			**8,755.65**		**7,659.78**

^ The floating rate non convertible debentures are linked with Government securities / Treasury Bills interest rates plus applicable spread.

Note 19.2 Non Convertible Debentures - Secured - Instrument Wise Details

(₹ in Crores)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
8.50% Secured Rated Annual Listed Redeemable Non convertible Debentures Series D23. Date of Maturity April 15, 2024	8.50%	125.00	0.00
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity April 25, 2024	9.12%	51.30	51.30
9.00% Secured Rated Annual Listed Redeemable Non convertible Debentures (MLD). Date of Maturity April 30, 2024	9.00%	74.80	74.80
9.00% Secured Rated Annual Listed Redeemable Non convertible Debentures (MLD). Date of Maturity April 30, 2024	9.00%	59.00	59.00
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date Of Maturity June 27, 2024	10.30%	20.00	20.00
G-Sec Linked Secured Rated Listed Principal Proctected Market Linked Redeemable Non Convertible Debentures Series D21 Date Of Maturity July 25, 2024	8.50%	26.00	26.00
Gsec Linked Secured Rated Listed Principal Protected Market Linked Redeemable Non Convertible Debenture. Series D19. Date Of Maturity September 02, 2024	8.25%	115.00	115.00
Gsec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series D14. Date Of Maturity September 07, 2024	8.00%	100.00	100.00

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series III. Date Of Maturity October 14, 2024	8.50%	92.83	93.88
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series IV. Date Of Maturity October 14, 2024	8.50%	56.79	57.27
8.25% Secured Rated Listed Redeemable Non Convertible Debenture. Series I Tranche II. Date Of Maturity January 03, 2025	8.25%	225.72	225.72
Secured Rated Listed Redeemable Non Convertible Debenture. Series II Tranche II. Date Of Maturity January 03, 2025	8.25%	26.73	26.73
8.50% Secured Rated Listed Non Convertible Debentures Redeemable Series I Date Of Maturity January 24, 2025	8.50%	45.63	45.63
Secured Rated Listed Redeemable Non Convertible Debentures Series II Date Of Maturity January 24, 2025	8.50%	30.07	30.07
8.35% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. SERIES I. Date Of Maturity June 28, 2025	8.35%	46.99	0.00
8.35% Secured Rated Listed Redeemable Senior Non Convertible Debentures. SERIES II. Date Of Maturity June 28, 2025	8.35%	14.24	0.00
8.50% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. SERIES III. Date Of Maturity June 28, 2025	8.50%	123.58	0.00
8.50% Secured Rated Listed Redeemable Senior Non Convertible Debentures. SERIES IV. Date Of Maturity June 28, 2025	8.50%	8.91	0.00
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - December 19, 2025	10.33%	0.00	15.00
9.21% Secured Rated Annual Listed Redeemable Non convertible Debentures Series I. Date of Maturity December 21, 2025	9.21%	49.57	0.00
9.60% Secured Rated Annual Listed Redeemable Non convertible Debentures Series II. Date of Maturity December 21, 2025	9.60%	116.84	0.00
Secured Rated Listed Redeemable Non Convertible Debentures Series IV. Date Of Maturity January 24, 2026	8.75%	24.13	24.13
8.75% Secured Rated Listed Redemable Non Convertible Debentuers Series III Date Of Maturity January 24, 2026	8.75%	57.21	57.21
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Maturity Date : March 20, 2026	10.05%	15.00	15.00
8.50% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D8 Maturity March 31, 2026	8.50%	280.00	280.00
8.50% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D9 Maturity May 22, 2026	8.50%	320.00	0.00
8.20% Secured Rated Listed Redeemable Non Convertible Debentures.Series D7.Date Of Maturity September 28, 2026	8.20%	112.00	112.00
8.42% Secured Rated Monthly Listed Redeemable Senior Non Convertible Debentures. Series V. Date Of Maturity October 14, 2026	8.42%	144.22	146.22
8.75% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series VI. Date Of Maturity October 14, 2026	8.75%	134.12	135.72
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series VII. Date Of Maturity October 14, 2026	8.75%	26.92	27.19
10.00% Secured Rated Annual Listed Redeemable Non convertible Debentures. Date of Maturity November 26, 2026	10.00%	150.00	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
9.57% Secured Rated Annual Listed Redeemable Non convertible Debentures Series III. Date of Maturity December 21, 2026	9.57%	34.05	-
10.00% Secured Rated Annual Listed Redeemable Non convertible Debentures Series IV. Date of Maturity December 21, 2026	10.00%	73.45	-
8.20% Secured Rated Listed Redeemable Non Convertible Debenture. Series III Tranche II. Date Of Maturity January 03, 2027	8.20%	52.65	52.65
Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche II. Date Of Maturity January 03, 2027	8.50%	4.25	4.25
8.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series IV Tranche II. Date Of Maturity January 03, 2027	8.50%	13.60	13.60
9.50% Secured Rated Semi Annually Listed Redeemable Senior Non Convertible Debentures. Date Of Maturity March 10, 2027	9.50%	500.00	-
8.36% Secured Rated Redeemable Non Convertible Debenture. Series D10. Date Of Maturity August 15, 2027	8.36%	273.33	-
9.00% Secured Rated Listed Redeemable Non Convertible Debentures Series VI. Date Of Maturity January 24, 2028	9.00%	118.93	118.93
Secured Rated Listed Redeemable Non Convertible Debentures Series VII. Date Of Maturity January 24, 2028	9.00%	37.86	37.86
8.65% Secured Rated Listed Redeemable Non Convertible Debentures Series V Date Of Maturity January 24, 2028	8.65%	157.24	158.27
8.60% Secured Redeemable Non Convertible Debentures. Series D3. Maturity Date: February 11, 2028	8.60%	18.00	18.00
8.62% Secured Redeemable Non Convertible Debentures. Series D4. Maturity Date: March 12, 2028	8.62%	19.00	19.00
8.65% Secured Rated Monthly Listed Senior Redeemable Non Convertible Debentures Series V Date Of Maturity June 28, 2028	8.65%	88.91	-
9.00% Secured Rated Annually Listed Senior Redeemable Non Convertible Debentures Series VI Date Of Maturity June 28, 2028	9.00%	131.94	-
9.00% Secured Rated Listed Senior Redeemable Non Convertible Debentures Series VII Date Of Maturity June 28, 2028	9.00%	37.52	-
8.36% Secured Rated Redeemable Non Convertible Debenture. Series D10. Date Of Maturity August 15, 2028	8.36%	273.33	-
8.36% Secured Rated Redeemable Non Convertible Debenture. Series D10. Date Of Maturity August 15, 2029	8.36%	273.33	-
10.03% Secured Rated Annual Listed Redeemable Non convertible Debentures Series V. Date of Maturity December 21, 2028	10.03%	80.39	-
10.50% Secured Rated Annual Listed Redeemable Non convertible Debentures Series VI. Date of Maturity December 21, 2028	10.50%	157.72	-
8.43% Secured Rated Listed Redeemable Non Convertible Debenture. Series VI Tranche II. Date Of Maturity January 03, 2029	8.43%	53.74	53.74
8.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series VII Tranche II. Date Of Maturity January 03, 2029	8.75%	22.18	22.18
Secured Rated Listed Redeemable Non Convertible Debenture. Series VIII Tranche II. Date Of Maturity January 03, 2029	8.75%	5.53	5.53
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D5.Date Of Maturity April 16, 2029	8.70%	36.00	36.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
9.18% Secured Redeemable Non Convertible Debentures. Series C15. Maturity Date - October 03, 2029	9.18%	300.00	300.00
8.585% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad I.Date Of Maturity February 25, 2030	8.59%	371.40	433.30
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D6.Date Of Maturity May 14, 2030	8.70%	109.00	109.00
8.69% Secured Redeemable Non Convertible Debentures. Series. Series D2. Maturity Date: November 12, 2030	8.69%	300.00	300.00
5.00% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad II. Date Of Maturity February 28, 2031	5.00%	74.70	74.70
8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity June 30, 2031	8.33%	500.00	500.00
8.50% Secured Rated Listed Non Convertible Debentures. Series D15. Date Of Maturity January 21, 2032	8.50%	10.00	10.00
8.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series D16 Option A. Date Of Maturity March 24, 2032	8.60%	60.00	60.00
9.00% Secured Rated Listed Non Convertible Debenture. Series D17. Date Of Maturity July 15, 2032	9.00%	10.00	10.00
9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity November 01, 2032	9.45%	550.00	550.00
5.875% Secured Medium Term Note. Date of Maturity- April 20, 2023 *	11.03%	-	2,251.39
11.50% Secured Rated Annual Listed Redeemable Non convertible Debentures. Date of Maturity April 21, 2023	11.50%	-	15.00
11.50% Secured Rated Annual Listed Redeemable Non convertible Debentures Series. Date of Maturity April 21, 2023	11.50%	-	100.00
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D5. Date of maturity May 08, 2023	9.00%	-	100.00
11.50% Secured Rated Annual Listed Redeemable Non convertible Debentures. Date of Maturity June 05, 2023	11.50%	-	20.00
11.50% Secured Rated Annual Listed Redeemable Non convertible Debentures. Date of Maturity June 05, 2023	11.50%	-	15.00
11.50% Secured Rated Annual Listed Redeemable Non convertible Debentures. Date of Maturity June 05, 2023	11.50%	-	25.00
11.50% Secured Rated Annual Listed Redeemable Non convertible Debentures. Date of Maturity July 10, 2023	11.50%	-	25.00
11.01%% Secured Rated Annual Listed Redeemable Non convertible Debentures (MLD). Date of Maturity September 01, 2023	11.01%	-	25.00
11.01% Secured Rated Annual Listed Redeemable Non convertible Debentures (MLD). Date of Maturity September 01, 2023	11.01%	-	80.00
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity October 14, 2023	8.25%	-	307.21
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series II Date Of Maturity October 14, 2023	8.25%	-	71.30
Total		**7,420.65**	**7,659.78**

* Includes hedging cost

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 20. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Crores)

Particulars	At Amortized Cost	
	As at March 31, 2024	**As at March 31, 2023**
(A)		
(a) Term loan (refer note (a))		
(i) From Banks, NHB and Financial Institutions (refer notes (b) to (f), (h), (i), (j) and 20.1)	30,450.20	25,946.45
(ii) From others (refer note (g) and 20.1)	1,250.94	1,232.55
Less : Prepaid expenses	(152.62)	(117.39)
(b) Other loans - (refer note (a))		
(i) Cash credit/ overdraft (refer note 20.2)	2,203.15	620.90
(ii) Securitization liability (refer note 20.2)	280.45	743.94
Less : Prepaid expenses	(1.56)	(4.16)
(c) Interest accrued but not due	92.64	53.98
Total (A)	**34,123.20**	**28,476.27**
(B)		
Borrowings in India	30,172.37	25,591.00
Borrowings outside India	3,950.83	2,885.27
Total (B)	**34,123.20**	**28,476.27**

Notes:

(a) These loans are secured by way of a first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically/exclusively charged.

(b) During the year FY 2023-24 the Group had borrowed ₹ 614.48 Crore (equivalent to US$ 75 Million) under External commercial borrowing. These are secured by way of a first ranking pari passu charge by way of hypothecation on all the borrower's charged asset in favor of the security holder in accordance with the Deed of Hypothecation.

(c) During the year, Group borrowed ₹ 410.25 Crore (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu against all receivables/current assets of the borrower including book debts/receivables with both present and future but excluding book debt/receivables pertaining to capital market exposure and securitized asset .

(d) During the year, Group borrowed ₹ 410.11 Crore (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge over all receivables/current assets of the borrower including book debts/receivables both present and future and which are "standard assets" but excluding book debt/receivables pertaining to capital market exposure and securitized assets.

(e) During the year, the Group borrowed ₹ 416.68 Crore denominated in Japanese Yen (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge on all present and future standard loan receivables (excluding the receivables given on exclusive charge, if any), book debts, loan and advances and current assets of the borrower.

(f) During the previous year, the Group borrowed 395.28 Crore (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge by way of hypothecation on all borrower's charged asset in favor of the security trustee and specity exclusive charge.

(g) During the previous year, the Group borrowed 822.00 Crore (equivalent to US$ 100 Million) under External commercial borrowing. These are secured by way of first ranking pari passu against all reivables/current assets of the borrower including book debts/receivables with both present and future but excluding book debt/recevables pertaining to capital market exposure and securitized asset.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(h) Out of the total borrowing from Banks, borrowings amounting to ₹ 20.00 Crore (As at March 31, 2023 ₹ 20.00 Crore) and Refinance Facility from NHB amounting to ₹ 390.32 Crore (As at March 31, 2023 ₹ 564.94 Crore) are also guaranteed by Holding Company i.e. IIFL Finance Limited.

(i) The term loans from banks, Financial Institution and NHB and cash credits from banks are secured by way of first pari passu charge by way of hypothecation on receivables of the Group, both present and future, book debts, loans & advances, except those receivables present and/or future specifically and exclusively charged in favor of certain existing charge holders. Further, borrowings from Financial Institution amounting to ₹ 413.10 Crore {before interest accrued but not due, exchange fluctuation and EIR adjustments} (As at March 31, 2023 Nil) are secured by way of first priority exclusive charge on the identified receivables of the Group.

(j) Borrowings from NHB includes ₹ 4,401.16 Crore (As at March 31, 2023 ₹ 2,520.49 Crore) secured by way of first exclusive charge on unencumbered individual housing loan portfolio in Favor of NHB.

Note 20.1 Terms of repayment from Banks, NHB and Financial Institutions

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Rate of Interest / Yield	Amount (₹ in Crore)	Rate of Interest / Yield	Amount (₹ in Crore)
Term loans from Banks and Financial institutions:*				
Fixed:		**5,972.65**		**6,716.95**
More than 5 years	5.84%	198.84		-
3- 5 years	5.75% - 9.85%	341.80	8.45% - 9.80%	786.39
1-3 years	5.75% - 11.25%	3,627.95	8.00% - 11.50%	3,118.88
Less than 1 year	5.75% - 11.50%	1,804.06	8.00% -11.50%	2,811.68
Floating:		**19,686.07**		**16,144.06**
More than 5 years	8.49% - 9.30%	1,252.53	7.70% - 9.75%	1,602.85
3- 5 years	8.49% - 10.60%	2,948.34	7.70% -9.75%	1,985.13
1-3 years	8.39% - 11.10%	7,810.29	7.70% -11.00%	5,852.14
Less than 1 year	8.35% - 11.10%	7,674.91	7.70% -11.00%	6,703.94
Term loans from NHB:				
Fixed:		**4,791.48**		**3,085.44**
More than 5 years	2.80% - 8.50%	1,435.70	2.80% -7.90%	783.14
3- 5 years	2.80% - 8.50%	1,227.19	2.80% -7.90%	723.31
1-3 years	2.80% - 9.00%	1,415.93	2.80% - 8.40%	1,092.71
Less than 1 year	2.80% - 9.00%	712.66	2.80% - 8.40%	486.28
Term loans from others:**				
Fixed:		**1,250.94**		**1,232.55**
3 - 5 Years		-	8.44% -9.20%	1,232.55
1 - 3 Years	9.20%	416.89		**-**
Less than 1 year	8.62%	834.05		-
Total		**31,701.14**		**27,179.00**

* The rate of interest for the above term loans is linked to marginal cost of funds based lending rate/ treasury bills plus applicable spread. The above categorization of loans has been based on the interest rates prevalent as on the respective reporting dates.

** The rate of interest for the above loan is linked to the benchmark plus appropriate spread.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Note 20.2 Terms of repayment of Other loans

(₹ in Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Rate of Interest / Yield	Amount (₹ in Crore)	Rate of Interest / Yield	Amount (₹ in Crore)
Floating:				
Less than 1 year - CC/ ODFD ***	6.70% - 9.75%	2,203.15	6.00% - 9.75%	620.90
Securitization:		**280.45**		**743.94**
Fixed:		**135.43**		**564.26**
Less than 1 year	8.42%	135.43	7.72%	564.26
Floating:		**145.01**		**179.68**
More than 5 years	8.10% - 9.35%	145.01	7.30% - 8.05%	143.05
3- 5 years			7.30% - 8.05%	15.22
1-3 years			7.30% - 8.05%	14.56
Less than 1 year			7.30% - 8.05%	6.85
Total		**2,483.60**		**1,364.84**

***The rate of interest for the above loans is linked to base rate of Bank's plus applicable spread. The above categorization of loans has been based on the interest rates prevalent as on the respective reporting dates.

NOTE 21. UNSECURED/SUBORDINATED LIABILITIES

I. Unsecured, Unsubordinated Non Convertible Debentures

(₹ in Crores)

Particulars	At Amortized Cost	
	As at March 31, 2024	As at March 31, 2023
(A)		
(i) Unsecured Non Convertible Debentures - Other than Sub Debt	107.50	140.00
Less: Unamortized Debenture Issue Expenses	(19.81)	(0.99)
(ii) Interest Accrued but not due	0.41	0.81
Total (A)	**88.10**	**139.82**
(B)		
Unsubordinated liabilities in India	88.10	139.82
Unsubordinated liabilities outside India	-	-
Total (B)	**88.10**	**139.82**

II. Unsecured, Subordinated Non Convertible Debentures

(₹ in Crores)

Particulars	At Amortized Cost	
	As at March 31, 2024	As at March 31, 2023
(A)		
(i) Non Convertible Debentures	3,167.91	2,858.98
Less : Unamortized debenture issue expenses	(45.19)	(53.30)
(ii) Interest accrued but not due	334.84	256.92
Total (A)	**3,457.56**	**3,062.60**
(B)		
Subordinated liabilities in India	3,109.94	2,715.29
Subordinated liabilities outside India	347.62	347.31
Total (B)	**3,457.56**	**3,062.60**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Note 21.1 - Terms of repayment

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Rate of Interest / Yield	Amount (₹ in Crore)	Rate of Interest / Yield	Amount (₹ in Crore)
Non Convertible Debenture (Unsecured)				
Fixed:		**3,025.18**		**2,748.53**
More than 5 years	9.20% - 11.25%	757.00	9.35% - 11.25%	2,226.92
3- 5 years	8.70% - 11.25%	2,034.75	8.80% - 9.05%	185.00
1-3 years	10.00% - 10.48%	75.93	9.05% - 11.40%	179.11
Less than 1 years	9.05% - 11.40%	157.50	8.93% - 12.10%	157.50
Zero Coupon		**250.23**		**250.45**
More than 5 years		-	9.35% - 10.03%	244.67
3- 5 years	9.35% - 10.03%	244.45		-
1-3 years	10.50%	5.78	10.50%	5.78
Total		**3,275.41**		**2,998.98**

Notes:

(a) Non Convertible Debentures – Includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024), ₹ 15.45 Crore (from August 07, 2024), ₹ 10.00 Crore. (from February 28, 2024), ₹ 126.52 Crore (from May 14, 2024), ₹ 40.00 Crore (from June 18, 2025) and ₹ 30.00 Crore. (from July 14, 2025){ As at March 31, 2023 ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024), ₹ 15.45 Crore (from August 07, 2024), ₹ 10.00 Crore. (from February 28, 2024), ₹ 126.52 Crore. (from May 14, 2024), ₹ 40.00 Crore. (from June 18, 2025) and ₹ 30.00 Crore. (from July 14, 2025)}

(b) Unsecured Non convertible Debentures - Sub Debt includes debentures amounting to ₹ 11 Crore (P.Y. ₹11 Crore) in respect of which the company was having a call option which got matured in July' 23.

Note 21.2 - Non Convertible Debentures - instrument wise details

(₹ in Crores)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
9.05% Unsecured Redeemable Non Convertible Debentures (MLD - Sub Debt). Date of Maturity April 18, 2024	9.05%	11.00	6.68
10.15% Unsecured Redeemable Non Convertible Debentures (MLD - Sub Debt). Date of Maturity April 19, 2024	10.15%	67.15	67.15
10.24% Unsecured Redeemable Non Convertible Debentures (MLD - Sub Debt). Date of Maturity April 19, 2024	10.24%	21.85	21.85
11.40% Unsecured Redeemable Non Convertible Debentures. Date of Maturity December 19, 2024	11.40%	37.50	50.00
10.75% Unsecured Redeemable Non Convertible Debentures. Date of Maturity February 23, 2025	10.75%	20.00	40.00
10.00% Unsecured Redeemable Non Convertible Debentures. Tranche II. Series V. Date of Maturity June 06, 2025	10.00%	25.93	25.93
Zero Coupon Unsecured Redeemable Non Convertible Debentures. Tranche II. Series VI. Date of Maturity June 06, 2025	10.50%	5.78	5.78
10.48% Unsecured Redeemable Non Convertible Debentures. Date of Maturity February 28, 2027	10.48%	50.00	-
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date Of Maturity July 27, 2027	8.85%	75.00	75.00
8.70% Unsecured Redeemable Non-Convertible Subordinated Debentures – Series U03. Date of Maturity November 19, 2027	8.70%	100.00	100.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date Of Maturity February 28, 2028	9.05%	10.00	10.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date Of Maturity June 16, 2028	9.85%	40.00	40.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series I . Date of Maturity June 24, 2028	10.00%	274.69	274.69
9.60% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series II . Date of Maturity June 24, 2028	9.60%	328.02	328.02
Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Debenture. Series III . Date of Maturity June 24, 2028	10.03%	68.15	68.14
9.00% India Infoline (Regs) 18-2028_Rupee Denominated Bond. Date of Maturity June 28, 2028	9.00%	325.00	325.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date Of Maturity July 13, 2028	9.85%	30.00	30.00
11.25% Unsecured Redeemable Non Convertible Debentures (Sub Debt). Date of Maturity July 19, 2028	11.25%	100.00	100.00
11.25% Unsecured Redeemable Non Convertible Debentures (Sub Debt). Date of Maturity July 19, 2028	11.25%	50.00	50.00
Zero Coupon G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date Of Maturity August 11, 2028	9.40%	126.30	126.30
Zero coupon Unsecured Rated Listed Redeemable Non Convertible Subordinated Debentures IIFL MLD-2028. Series U04. Date of Maturity August 25, 2028	9.35%	50.00	50.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series I.Date Of Maturity: November 03, 2028	10.00%	232.72	232.72
9.60% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series II.Date Of Maturity : November 03, 2028	9.60%	382.82	382.82
Unsecured Rated Listed Redeemable Non Convertible Debentures. Series III.Date Of Maturity : November 03, 2028	10.02%	40.28	40.28
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Date of Maturity February 07, 2029	10.00%	30.77	30.77
10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Date of Maturity February 07, 2029	10.50%	15.45	15.45
11.25% Unsecured Redeemable Non Convertible Debentures (Sub Debt). Date of Maturity April 02, 2029	11.25%	25.00	25.00
10.77% Unsecured Redeemable Non Convertible Debentures (Sub Debt). Date of Maturity February 07, 2030	10.77%	97.00	-
11.00% Unsecured Redeemable Non Convertible Debentures (Sub Debt). Date of Maturity May 18, 2030	11.00%	150.00	-
11.00% Unsecured Redeemable Non Convertible Debentures (Sub Debt). Date of Maturity June 13, 2030	11.00%	100.00	-

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
9.35% Unsecured Rated Listed Subordinated Redeemable Non Convertible Debenture Series D16 Option B.Date of Maturity March 24, 2032	9.35%	50.00	50.00
9.65% Unsecured Rated Listed Subordinate Tier II Non Convertible Debenture. Series D18. Date Of Maturity July 26, 2032	9.65%	235.00	236.70
9.45% Unsecured Rated Listed Redeemable Non Convertible Debentures Series D22 Date Maturity December 27, 2032	9.45%	65.00	65.69
9.20% UNSECURED RATED LISTED REDEEMABLE SUBORDINATE TIER 2 NON CONVERTIBLE SERIS D24 DATE OF MATURITY May 08, 2033	9.20%	35.00	-
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date Of Maturity April 14, 2023	8.93%	-	50.00
12.10% Unsecured Redeemable Non Convertible Debentures. Series 1. Date of Maturity May 24, 2023	12.10%	-	10.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U05. Date Of Maturity May 29, 2023	9.30%	-	15.00
10.50% Unsecured Redeemable Non Convertible Debentures. Date of Maturity December 19, 2023	10.50%	-	50.00
Total		**3,275.41**	**2,998.98**

NOTE 22. OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Temporary overdrawn bank balances	952.05	787.68
Payable on account of assignment/securitization	1,496.80	1,037.22
Payable towards NCD	1.55	2.26
Unclaimed dividend and redemption proceeds of NCDs	4.93	5.13
Other payables (auction proceeds, retention payable, etc.) (refer note 22.1 and 22.2)	164.53	194.22
Total	**2,619.86**	**2,026.51**

Note 22.1: During the year, amount of ₹ 0.95 Crore (P.Y ₹ 0.35 Crore) was transferred to Investor Education and Protection Fund (IEPF). As of March 31, 2024, ₹ 0.00 Crore. (as at March 31, 2023 ₹ 0.00 Crore) was due for transfer to the IEPF.

Note 22.2: Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.04 Crore. (as at March 31, 2023 ₹ 0.04 Crore) and liability towards assignment payable.

NOTE 23. PROVISIONS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits	23.02	50.36
Provision for leave encashment	33.44	24.55
Provision for gratuity (refer note 33.2)	25.67	9.64
Expected loan loss provision on loans sanctioned but undrawn	1.48	0.22
Total	**83.61**	**84.77**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 24. OTHER NON-FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Income received in advance	11.50	0.04
Advances from customers	136.15	316.04
Others	36.55	17.78
Statutory remittances	57.25	51.99
Total	**241.45**	**385.85**

NOTE 25. EQUITY SHARE CAPITAL

(i) Authorized, Issued, Subscribed and Paid-up Share Capital

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized Share Capital		
2,355,250,000 Equity Shares (P.Y 2,355,250,000) of ₹ 2 each	471.05	471.05
500,000,000 Preference Shares (P.Y 500,000,000) of ₹ 10 each	500.00	500.00
Total	**971.05**	**971.05**
Issued, Subscribed and Paid-up Share Capital		
38,15,48,435 Equity Shares (P.Y 38,04,30,389) of ₹ 2 each fully paid with voting rights	76.31	76.09
Total	**76.31**	**76.09**

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Equity Shares				
At the beginning of the year	38,04,30,389	76.09	37,95,98,711	75.92
Add: Shares issued during the year	11,18,046	0.22	8,31,678	0.17
Outstanding at the end of the year	**38,15,48,435**	**76.31**	**38,04,30,389**	**76.09**

(iii) Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended March 31, 2024, equity shareholders were paid an interim dividend of ₹ 4.00/- (P.Y ₹ 4.00/-) per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Equity shares of ₹ 2 each fully paid up				
FIH Mauritius Investments Ltd.	5,76,41,445	15.11%	8,46,41,445	22.25%
Nirmal Bhanwarlal Jain	4,77,19,154	12.51%	4,77,19,154	12.54%
Smallcap World Fund, Inc	2,70,53,256	7.09%	2,82,78,861	7.43%
Parajia Bharat Himatlal	1,77,20,000	4.64%	1,97,20,000	5.18%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(v) Details of Shareholding of Promoters

Promoter name	As at March 31, 2024		
	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	4,77,19,154	12.51%	(0.03%)
Madhu N Jain	1,20,75,000	3.16%	(0.01%)
Venkataraman Rajamani	1,09,84,432	2.88%	(0.01%)
Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,00,00,000	2.62%	(0.01%)
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.36%	(0.01%)
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.78%**	

* The change in percentage is due to dilution of Share Capital

Promoter name	As at March 31, 2023		
	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	4,77,19,154	12.54%	(0.04%)
Madhu N Jain	1,20,75,000	3.17%	(0.01%)
Venkataraman Rajamani	1,09,84,432	2.89%	0.00%
Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)**	1,00,00,000	2.63%	0.00%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.37%	0.00%
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.85%**	

* The change in percentage is due to dilution of Share Capital

**As on March 31, 2023, trustee(s) of Nirmal Madhu Family Private Trust were changed to Mansukhlal Jain and Pritesh Ashwin Mehta (from the earlier trustee(s) as on March 31, 2022 which was Harshita Jain and Mansukhlal Jain).

(vi) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back except for 58,654,556 equity shares alloted on account of merger during the year ended March 31, 2020.

(vii) Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments, including the terms and amount: Refer note 40 for details of shares reserved for issue under Employee Stock Option Plan of the Group.

(viii) Pursuant to the Board of Directors approval dated March 13, 2024, for issue of equity shares up to by way of rights issue ('Rights Issue") for an amount not exceeding ₹ 1,500.00 Crore, the parent Company had filed Letter of Offer on April 17, 2024. The issue opened for subscription on April 30, 2024, and closed on May 14, 2024. The SIC Committee on May 17, 2024, approved the allotment of 4,23,94,270 fully paid-up equity shares at a price of ₹ 300.00/- per equity share (Including premium of ₹ 298.00/- per equity share) aggregating to ₹ 1,271.83 Crore to the eligible shareholders and the same has been allotted on May 17, 2024.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Note 25.1 OTHER EQUITY

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Share application money	**0.49**	**-**
Capital Reserve		
Opening Balance	85.49	83.89
Changes in accounting policy/prior period errors	-	1.60
Closing balance	**85.49**	**85.49**
Securities Premium Reserve		
Opening Balance	3,427.32	1,845.85
Add: Share issue expenses	-	(24.13)
Add/(Less): Change in minority	-	(689.64)
Add: Addition during the year	19.20	2,289.17
Add : Transfer to reserves	4.39	6.07
Closing balance	**3,450.91**	**3,427.32**
General Reserve		
Opening Balance	624.95	653.22
Add/(Less): Change in minority	-	(29.36)
Add/(Less): Transfer (to)/ from reserves	(0.45)	1.09
Closing Balance	**624.50**	**624.95**
Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934		
Opening Balance	1,032.11	845.60
Add/(Less): Transfer (to)/ from reserves	217.19	186.51
Closing Balance	**1,249.30**	**1,032.11**
Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987		
Opening Balance	468.68	402.97
Add/(Less): Change in minority	-	(92.39)
Add/(Less): Transfer (to)/ from reserves	205.40	158.10
Closing Balance	**674.08**	**468.68**
Capital Redemption Reserve	**230.11**	**230.11**
Debenture Redemption Reserve	**12.80**	**12.80**
Retained Earnings		
Opening Balance	3,026.10	2,332.71
Changes in accounting policy/prior period errors	-	(1.60)
Restated balance at the beginning of the reporting period	**3,026.10**	**2,331.11**
Add: Profit for the year	1,763.54	1,500.30
Less: Interim dividend	(182.24)	(173.63)
Add: Change in minority	(0.22)	(287.07)
Add/(Less): Transfer (to)/ from reserves	(422.59)	(344.61)
Closing Balance	**4,184.59**	**3,026.10**
Share Options Outstanding Account		
Opening Balance	9.65	14.19
Add: Addition during the year	59.71	2.62
Add/(Less): Transfer (to)/ from reserves	(3.94)	(7.16)
Closing Balance	**65.42**	**9.65**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Particulars	As at March 31, 2024	As at March 31, 2023
Effective portion of Cash Flow Hedges		
Opening Balance	(4.63)	(39.39)
Add: Other comprehensive income/ (loss)	(9.71)	34.76
Closing Balance	**(14.34)**	**(4.63)**
Fair value of loans carried at FVTOCI		
Opening Balance	9.09	9.65
Add: Other comprehensive income/ (loss)	(1.27)	(0.56)
Closing Balance	**7.82**	**9.09**
Remeasurements of defined benefit		
Opening Balance	(5.70)	(3.69)
Add: Other comprehensive income / (loss)	(4.79)	(2.01)
Closing Balance	**(10.49)**	**(5.70)**
Total	**10,560.68**	**8,915.97**

Non-Controlling Interest

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	1,210.08	5.90
Profit for the year	210.68	107.25
Other comprehensive income	(1.53)	(1.52)
Change in minority	0.22	1,098.46
Closing Balance	**1,419.45**	**1,210.08**

NOTE 26.1 INTEREST INCOME

(₹ in Crores)

Particulars	FY 2023-24				FY 2022-23			
	On financial assets measured at amortized cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortized cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total
Interest on loans	8,749.96	23.67	824.07	9,597.70	6,312.47	-	795.64	7,108.11
Interest on investments	34.58	38.39	-	72.97	28.02	45.98	-	74.00
Interest on deposits with banks*	155.35	-	-	155.35	167.44	-	-	167.44
Interest on inter corporate deposit	12.61	-	-	12.61	16.41	-	-	16.41
Total	**8,952.50**	**62.06**	**824.07**	**9,838.63**	**6,524.34**	**45.98**	**795.64**	**7,365.96**

*Includes interest income on security deposits.

NOTE 26.2 DIVIDEND INCOME

The Group received dividend income amounting to ₹ 0.06 Crore (P.Y ₹ 0.00 Crore).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 27. FEES AND COMMISSION INCOME

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Administration Fees & Other charges	248.15	180.19
Insurance Commission	162.59	48.76
Total	**410.74**	**228.95**

NOTE 28. NET GAIN/(LOSS) ON FAIR VALUE CHANGES

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	(159.59)	160.97
- Others	(21.29)	-
Fair value changes		
- Realized	73.38	82.67
- Unrealized	(254.26)	78.30
Total net gain/(loss) on fair value changes	**(180.88)**	**160.97**

NOTE 29. OTHER INCOME

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Interest on income tax refund	0.79	25.53
Profit on sale of fixed assets	18.13	3.07
Marketing, advertisement and support service fees	221.16	148.74
Miscellaneous income	0.96	0.27
Total	**241.04**	**177.61**

NOTE 30. FINANCE COSTS

(₹ in Crores)

Particulars	On Financial liabilities measured at Amortized Cost	
	FY 2023-24	FY 2022-23
Interest on debt securities (refer note 30.1)	644.45	629.27
Interest on borrowings (other than debt securities) (refer note 30.1)	2,662.38	2,144.83
Interest on subordinated liabilities	325.33	273.86
Discount on Commercial Paper	13.16	2.72
Interest on inter corporate deposit	28.61	1.07
Interest expense on lease - Ind AS 116	39.35	34.62
Other borrowing cost (refer note 30.1)	157.88	124.66
Interest Expense on other borrowings	11.75	10.97
Total	**3,882.91**	**3,222.02**

Note 30.1: Includes foreign currency expenditure on accrual basis amounting to ₹ 401.72 Crore (P.Y ₹ 427.48 Crore)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 31. NET (GAIN)/ LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER FVTOCI CATEGORY

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
(A) Net (gain) on derecognition of financial instruments under FVTOCI category		
- Interest strip on assignment of loans	136.79	(513.81)

NOTE 32. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Crores)

Particulars	FY 2023-24			FY 2022-23		
	On financial assets measured at amortized cost	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortized cost	On financial assets classified at fair value through OCI	Total
Loans (refer note 8.3)	(14.80)	13.10	(1.70)	(71.48)	(14.46)	(85.94)
Bad debts written off (net)	911.13	-	911.13	934.98	-	934.98
Other financial assets	1.86	-	1.86	17.09	-	17.09
Total	**898.19**	**13.10**	**911.29**	**880.59**	**(14.46)**	**866.13**

NOTE 33. EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Salaries	1,444.17	1,190.27
Contribution to provident and other funds (refer note 33.1)	88.52	74.19
Leave encashment	19.50	14.22
Gratuity (refer note 33.2)	9.91	8.08
Staff welfare expenses	63.13	28.36
Share based payments	59.62	14.38
Total	**1,684.85**	**1,329.50**

33.1 Defined contribution plans

The Group has recognized the following amounts as an expense and included in the Employee benefit expenses

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Contribution to Provident fund	52.04	40.96
Contribution to Employee State Insurance Corporation	12.28	10.04
Contribution to Labour welfare fund	0.25	0.20
Company contribution to employee pension scheme	22.99	22.32
Contribution to NPS	0.96	0.67
Total	**88.52**	**74.19**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

33.2 Gratuity disclosure statement

Particulars	FY 2023-24			FY 2022-23		
	Finance	HFC	Samasta	Finance	HFC	Samasta
Type of Benefit	Gratuity			Gratuity		
Country	India			India		
Reporting Currency	₹			₹		
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)			Indian Accounting Standard 19 (Ind AS 19)		
Funding Status	Funded			Funded		
Starting Period	April 01, 2023			April 01, 2022		
Date of Reporting	March 31, 2024			March 31, 2023		
Period of Reporting	12 Months			12 Months		

Assumptions	FY 2023-24			FY 2022-23		
Expected Return on Plan Assets	7.16% - 7.20%			7.29% - 7.46%		
Rate of Discounting	7.16% - 7.20%			7.29% - 7.46%		
Rate of Salary Increase	6.00% - 9.00%			6.00% - 9.00%		
Rate of Employee Turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below: 35%p.a For service 5 years and above: 10% p.a	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below: 35%p.a For service 5 years and above: 10% p.a
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Ultimate)			Indian Assured Lives Mortality 2012-14 (Ultimate)		
Mortality Rate After Employment	N.A.			N.A.		

Table Showing Change in the Present Value of Projected Benefit Obligation

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Present Value of Benefit Obligation at the Beginning of the Year	**40.82**	**32.82**
Interest Cost	3.03	2.20
Current Service Cost	9.21	7.87
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	0.08	0.14
(Liability Transferred Out/ Divestments)	(0.04)	(0.17)
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	(6.63)	(4.05)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1.61	(3.69)
Actuarial (Gains)/Losses on Obligations - Due to Experience	5.67	5.70
Present Value of Benefit Obligation at the End of the Year	**53.75**	**40.82**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Table Showing Change in the Fair Value of Plan Assets	FY 2023-24	FY 2022-23
Fair Value of Plan Assets at the Beginning of the Year	**31.17**	**29.20**
Interest Income	2.32	2.01
Contributions by the Employer	0.49	4.69
Expected Contributions by the Employees	-	-
Assets transferred in/ acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	(6.63)	(4.05)
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	0.73	(0.68)
Fair Value of Plan Assets at the End of the Year	**28.08**	**31.17**

(₹ in Crores)

Amount Recognized in the Balance Sheet	FY 2023-24	FY 2022-23
(Present Value of Benefit Obligation at the end of the Year)	**(53.75)**	**(40.82)**
Fair Value of Plan Assets at the end of the Year	28.08	31.17
Funded Status (Surplus/ (Deficit))	(25.67)	(9.64)
Net (Liability)/Asset Recognized in the Balance Sheet	(25.67)	(9.64)
Liabilities recognized in the Balance Sheet under "Provisions"	(25.67)	(9.64)

(₹ in Crores)

Net Interest Cost for Current Year	FY 2023-24	FY 2022-23
Present Value of Benefit Obligation at the Beginning of the Year	40.82	32.82
(Fair Value of Plan Assets at the Beginning of the Year)	(31.17)	(29.20)
Net Liability/(Asset) at the Beginning	**9.65**	**3.63**
Interest Cost	3.03	2.20
(Interest Income)	(2.32)	(2.01)
Net Interest Cost for Current Year	**0.71**	**0.19**

(₹ in Crores)

Expenses Recognized in the Statement of Profit or Loss for Current Year	FY 2023-24	FY 2022-23
Current Service Cost	9.21	7.87
Net Interest Cost	0.70	0.19
Past Service Cost	-	-
Expenses Recognized	**9.91**	**8.06**

(₹ in Crores)

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year	FY 2023-24	FY 2022-23
Actuarial (Gains)/Losses on Obligation For the Year	7.29	2.02
Return on Plan Assets, Excluding Interest Income	(0.72)	0.68
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Year Recognized in OCI	**6.57**	**2.70**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Balance Sheet Reconciliation	FY 2023-24	FY 2022-23
Opening Net Liability	9.64	3.63
Expenses Recognized in Statement of Profit or Loss	9.91	8.06
Expenses Recognized in OCI	6.57	2.69
Net Liability/(Asset) Transfer In	0.08	0.12
Net (Liability)/Asset Transfer Out	(0.04)	(0.17)
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(0.49)	(4.69)
Net Liability/(Asset) Recognized in the Balance Sheet	**25.67**	**9.64**

(₹ in Crores)

Category of Assets	FY 2023-24	FY 2022-23
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	0.00	0.00
Insurance fund	28.08	31.17
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	**28.08**	**31.17**

(₹ in Crores)

Expenses recognized in the Statement of Profit or Loss for next year	FY 2023-24	FY 2022-23
Current service cost	12.24	9.21
Net interest cost	1.84	0.71
(Expected contributions by the employees)	-	-
Expenses recognized	**14.08**	**9.91**

(₹ in Crores)

Maturity Analysis of the Benefit Payments: From the Fund	FY 2023-24	FY 2022-23
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	5.07	3.92
2nd Following Year	1.66	1.31
3rd Following Year	1.84	1.39
4th Following Year	2.31	1.51
5th Following Year	2.21	1.87
Sum of Years 6 To 10	12.77	9.51
Sum of Years 11 and above	149.57	119.09

(₹ in Crores)

Sensitivity analysis	FY 2023-24	FY 2022-23
Projected Benefit Obligation on Current Assumptions	53.74	40.81
Delta Effect of +1% Change in Rate of Discounting	(6.68)	(5.05)
Delta Effect of -1% Change in Rate of Discounting	7.36	5.56
Delta Effect of +1% Change in Rate of Salary Increase	7.27	5.38
Delta Effect of -1% Change in Rate of Salary Increase	(6.15)	(4.56)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.03)	0.15
Delta Effect of -1% Change in Rate of Employee Turnover	(0.03)	(0.22)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation. Salary escalation & attrition rate are in line with the industry practice considering promotion and demand and supply of the employees. Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above. Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation. Value of asset is considered as fair value of plan asset for the period of reporting. Expected Rate of Return taken same as discount rate as described in Indian Accounting Standard 19. Expected Contribution in the Next Year is the amount as expected by Entity to be contributed to the Plan Assets over the next year.

Qualitative disclosures

Characteristics of defined benefit plan The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. During the year, there were no plan amendments, curtailments and settlements. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Risks associated with defined benefit plan Gratuity is a defined benefit plan and company is exposed to the following risks:
Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

A separate trust fund is created to manage the Gratuity plan.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 34. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Depreciation on property, plant and equipment	75.02	65.84
Depreciation on right to use assets	103.14	84.35
Depreciation on investment property	0.13	0.36
Amortization on other intangible assets	2.52	2.04
Total	**180.82**	**152.59**

NOTE 35. OTHER EXPENSES

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Advertisement and marketing expenses (refer note 35.1)	172.95	75.74
Direct operating expenses	74.30	102.16
Bank charges	27.79	23.35
Commission to non whole-time directors	0.49	0.66
Communication costs	14.99	14.73
Electricity	24.99	22.75
Exchange and statutory charges	4.41	3.83
Legal & professional fees (refer note 35.1)	168.65	143.86
Directors sitting fees	2.64	1.48
Office expenses	21.56	24.05
Postage & courier	8.04	7.63
Printing & stationery	13.30	14.62
Rates & taxes	5.03	2.18
Rent	45.35	31.04
Repairs & maintenance		
- Computer	2.30	2.44
- Others (refer note 35.1)	14.96	15.44
Remuneration to auditors		
- Audit fees	2.25	1.26
- Certification / other services (refer note 35.2)	0.60	0.63
- Out of pocket expenses	0.27	0.14
Software charges (refer note 35.1)	82.97	46.39
Travelling & conveyance (refer note 35.1)	87.76	71.51
Corporate social responsibility expenses (refer note 44)	31.17	21.80
Miscellaneous expenses (refer note 35.1)	20.49	15.09
Insurance premium	14.03	14.46
Security expenses	99.69	106.34
Loss on sale of fixed assets (net)	0.03	0.94
Total	**941.02**	**764.54**

Note 35.1: Includes below payments done in foreign currency

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Advertisement and marketing expenses	6.89	0.19
Legal & professional fees	0.12	0.26
Repairs & maintenance- Others	-	0.00
Software charges	1.61	0.14
Travelling & conveyance	0.16	0.40
Miscellaneous expenses	0.06	0.05

Note 35.2: During the year the Group has paid ₹ 0.27 Crore (P.Y ₹ 0.25 Crore) to the auditors towards certification required under its public issue of Non Convertible Debentures, the same has been amortized over the tenure of the borrowings.

NOTE 36. INCOME TAXES

(₹ in Crores)

Amounts recognized in statement of profit or loss	FY 2023-24	FY 2022-23
Current tax expense		
Current year	610.57	362.70
Changes in estimates related to prior years	(2.40)	(2.41)
Deferred tax expense		
Origination and reversal of temporary differences	(10.48)	144.68
Total	**597.69**	**504.97**

(₹ in Crores)

Amounts recognized in other comprehensive income	FY 2023-24		
	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit liability/ (asset)	(6.58)	1.66	(4.92)
Cash flow hedge (net)	(14.96)	3.77	(11.19)
Fair value of loans carried at FVTOCI	(1.59)	0.40	(1.19)
Total	**(23.13)**	**5.83**	**(17.30)**

(₹ in Crores)

Amounts recognized in other comprehensive income	FY 2022-23		
	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit liability/ (asset)	(2.69)	0.68	(2.01)
Cash flow hedge (net)	46.45	(11.69)	34.76
Fair value of loans carried at FVTOCI	(0.75)	0.19	(0.56)
Total	**43.01**	**(10.82)**	**32.19**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Reconciliation of income tax expense of the year to accounting year	FY 2023-24	FY 2022-23
Profit before tax	**2,571.91**	**2,112.52**
Tax using the Group's domestic tax rate	680.50	555.38
Tax effect of:		
Non-deductible expenses	8.78	16.13
Tax-exempt income - others (includes deduction under section 80JJAA)	(44.73)	(32.08)
Tax-exempt income- dividend	(33.23)	(22.35)
Income taxed at different rates	(1.32)	(0.82)
Others	(12.05)	(9.01)
Adjustments for current tax for prior periods	(2.40)	(2.41)
Differential tax rate in subsidiary	0.22	0.70
Past-year losses for which no deferred tax asset is recognized	-	(1.34)
Recognition of previously unrecognized deductible temporary differences	1.92	0.77
Total income tax expense	**597.69**	**504.97**

NOTE 37. EARNINGS PER SHARE

Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with INDAS 33 "Earnings per share".

Particulars	FY 2023-24	FY 2022-23
Face value of equity shares in ₹ fully paid up	2.00	2.00
BASIC		
Profit after tax as per statement of Profit and Loss (₹ in Crore)	1,763.54	1,500.30
Profit after tax attributable to equity share holders (₹ in Crore) (A)	1,763.54	1,500.30
Weighted average number of equity shares outstanding (B)	38,10,07,838	37,98,80,425
Basic EPS (In ₹) (A)/(B)	**46.29**	**39.49**
DILUTED		
Profit after tax attributable to equity share holders (₹ in Crore) for calculating Diluted EPS (C)	1,763.54	1,500.30
Weighted average number of equity shares for computation of basic EPS	38,10,07,838	37,98,80,425
Add: Potential equity shares on account conversion of Employees Stock Options	48,24,533	30,15,015
Weighted average number of equity shares for computation of diluted EPS	38,58,32,371	38,28,95,439
Diluted EPS (In ₹)	**45.71**	**39.18**

NOTE 38. RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk.

Risk management is integral to the Group's strategy. An enterprise wide risk management framework is in place to govern the Group's risk management processes. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed to ensure minimal impact on the Group's growth and performance.

The Group has developed the necessary competency to identify early stress signals and has also defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage.

A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement.

The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing. The Group operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross non-performing assets and net non-performing assets, leverage, funding and liquidity, etc.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Group's growth and performance.

Risk Management Structure

The Group has established multi-level risk governance for monitoring & control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee ("RMC") which is responsible for monitoring the overall risk process within the Group. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer ("CRO") who reports to the Chief Executive Officer ("CEO") with oversight of RMC of the Board reports to the Chairman and independently to RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The group has a well –defined risk framework constituting various lines of defence – the first line of defence, consisting of management, is responsible for seamless integration of risk principles across all businesses. Additionally, it ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Group has well-defined internal control measures in every process.

Independent risk and policy team constitutes second line of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control and self assessment (Operational risk)

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

Risk Management Practices

The Group has developed the necessary competency to identify early stress signals and has also defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the Group.

The Group has initiated a detailed portfolio quality review mechanism which enables analysis of portfolio along various behavioral, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Group to standardize credit underwriting & improve sourcing quality in the long run.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analyzed and tested on timely basis. The same is presented to Risk Management Committee at periodic intervals.

In order to minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures.

The Group's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

38A.1. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables.

Credit quality analysis

The following tables sets out information about the credit quality of financial assets measured at amortized cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Crores)

Particulars	As at March 31, 2024				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach	Total
Cash and cash equivalents	-	-	-	2,469.87	**2,469.87**
Bank Balance other than above	-	-	-	1,775.85	**1,775.85**
Receivables					
(i) Trade Receivables	-	0.20	-	108.05	**108.25**
(ii) Other Receivables	-	-	-	29.65	**29.65**
Loans *	43,583.44	2,557.69	1,179.36	-	**47,320.49**
Investments	-	-	-	380.32	**380.32**
Other Financial assets	-	-	-	1,458.40	**1,458.40**

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

(₹ in Crores)

Particulars	As at March 31, 2023				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured using simplified approach/ cost	Total
Cash and cash equivalents	-	-	-	3,632.13	**3,632.13**
Bank Balance other than above	-	-	-	2,208.36	**2,208.36**
Receivables					
(i) Trade Receivables	-	0.10	8.11	120.52	**128.73**
(ii) Other Receivables	-	-	-	15.47	**15.47**
Loans *	31,053.32	2,061.96	736.77	-	**33,852.05**
Investments	-	-	-	1,051.40	**1,051.40**
Other Financial assets	-	-	-	1,653.32	**1,653.32**

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

Financial Assets measured using simplified approach:

The Group follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Trade Receivables, other receivables and Other Financial Assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

38A.2. Collateral Held

The Group holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralized against equitable mortgage of property, pledge of shares, hypothecation of assets, physical gold, undertaking to create security.

38A.3.Loss allowance and Exposure at default

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

(₹ in Crores)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Apr-2023	**716.03**	**65.55**	**138.89**	**10.23**	**304.83**	**-**	**1,159.75**	**75.78**
New loans disbursed during the year	272.16	28.71	35.57	10.78	209.13	-	516.86	39.49
Loans closed/written off during the year	(324.52)	(42.24)	(42.48)	(4.02)	(229.18)	-	(596.18)	(46.26)
Movement in provision without change in asset staging	(252.91)	(10.37)	38.05	14.14	58.69	-	(156.17)	3.77
Movement in provision due to change in asset staging	3.34	(0.19)	(4.42)	1.15	236.87	-	235.79	0.96
Closing ECL Mar-2024	**414.10**	**41.46**	**165.61**	**32.28**	**580.34**	**-**	**1,160.05**	**73.74**

The Group has a management overlay of ₹ 116.38 Crore included in total ECL provision.

(₹ in Crores)

Reconciliation of loss allowance	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Apr-2022	**642.46**	**61.84**	**196.20**	**11.38**	**413.78**	**-**	**1,252.44**	**73.22**
New loans disbursed during the year	376.19	25.55	15.55	2.30	87.66	-	479.40	27.85
Loans closed/written off during the year	(213.75)	(33.06)	(65.91)	(4.77)	(329.32)	-	(608.98)	(37.83)
Movement in provision without change in asset staging	(34.07)	14.03	(51.78)	(1.93)	54.89	-	(30.96)	12.10
Movement in provision due to change in asset staging	(54.80)	(2.81)	44.83	3.25	77.82	-	67.85	0.44
Closing ECL Mar-2023	**716.03**	**65.55**	**138.89**	**10.23**	**304.83**	**-**	**1,159.75**	**75.78**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

The following tables show reconciliations from the opening to the closing balance of the exposure at default (EAD) by class of financial instrument.

(₹ in Crores)

Reconciliation of exposure at default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Apr-2023	**37,407.66**	**2,756.91**	**1,971.83**	**118.10**	**736.77**	**-**	**40,116.26**	**2,875.01**
New loans disbursed during the year	32,106.23	3,139.16	835.46	122.17	431.85	-	33,373.54	3,261.33
Loans closed/written off during the year	(13,386.29)	(757.07)	(924.29)	(53.57)	(497.15)	-	(14,807.73)	(810.64)
Movement in EAD without change in asset staging	(7,206.36)	(695.40)	(80.85)	0.54	(48.85)	-	(7,336.06)	(694.86)
Movement in EAD due to change in asset staging	(1,607.19)	(66.34)	545.21	60.45	556.74	-	(505.24)	(5.89)
Closing EAD Mar-2024	**47,314.05**	**4,377.26**	**2,347.36**	**247.69**	**1,179.36**	**-**	**50,840.77**	**4,624.95**

(₹ in Crores)

Reconciliation of exposure at default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Apr-2022	**31,177.42**	**3,046.16**	**2,039.70**	**137.24**	**872.11**	**-**	**34,089.23**	**3,183.40**
New loans disbursed during the year	26,097.34	1,667.06	649.39	39.68	180.38	-	26,927.11	1,706.74
Loans closed/written off during the year	(12,748.07)	(691.29)	(1,003.28)	(50.65)	(677.17)	-	(14,428.52)	(741.94)
Movement in EAD without change in asset staging	(6,963.42)	(1,259.51)	329.74	(9.09)	484.41	-	(6,149.27)	(1,268.60)
Movement in EAD due to change in asset staging	(155.61)	(5.51)	(43.72)	0.92	(122.96)	-	(322.29)	(4.59)
Closing EAD Mar-2023	**37,407.66**	**2,756.91**	**1,971.83**	**118.10**	**736.77**	**-**	**40,116.26**	**2,875.01**

38A.4. Write Off

Contractual amount outstanding on financial assets that were written off during the reporting period is ₹ 911.14 Crore (P.Y ₹ 934.98 Crore)

38A.5. Modified Financial Instruments

For financial assets, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Group has recorded a modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in Crores)

Particulars	FY 2023-2024	FY 2022-2023
Carrying amount of Modified financial assets	311.04	614.61

The terms of the assets have been modified in accordance with NHB (Directions)/RBI (HFC) Directions and as per RBI Notification "Resolution Framework for COVID-19-related Stress".

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

38A.6. Credit Risk Grading of loans

Credit Risk Grading is an important tool for credit risk management as it helps in understanding and evaluating risks for different credit transactions.

The Group has established overall credit limits at the level of individual borrowers and counterparties, and groups of connected counterparties. It manages and controls credit risk by confining the amount of risk it is willing to accept for individual counterparties, for geographical concentrations, and by closely monitoring such exposures.

The Group has a Credit Risk Policy which is board approved and shared with all credit approving authorities. All customers will be evaluated on a set of pre-defined parameters as detailed below and accordingly classified into any of the following categories:

1. Low Risk
2. Medium Risk
3. High Risk

The high risk category of customers will not be actively sourced by the Group. Any customer, identified as High Risk, can be funded by the Group basis exceptional comfort and availability of justifying mitigates. The extent and nature of due diligence will be the highest for this category.

The assessment of a customer being classified into high, medium or low is based on various parameters at the time of on-boarding which are captured in the Credit Approval Memorandum by the credit manager and validated by the relevant approving authority. The parameters are as follows:

1. Customer Profile
2. Financial health
3. Business vintage
4. Credit history
5. Industry feedback
6. Other qualitative/ quantitative factors as mentioned in the policy

Every customer once being stamped into a risk category on a periodic basis would further be subjected to change of his risk profile depending on the repayment history and DPDs through an independent credit quality review process. This process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Credit Grading details :

(₹ in Crores)

Period	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2024	51,691.32	2,595.04	1,179.36	55,465.72
March 31, 2023	40,164.57	2,089.94	736.77	42,991.27

38A.7. Concentration of Credit Risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Group does not have concentration risk.

38B LIQUIDITY RISK

Liquidity risk refers to the risk that the Group may not be able to meet its short-term financial obligations. The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Group has well defined Asset Liability Management (ALM) framework with an appropriate organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Group seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(i) Maturities of financial liabilities

(₹ in Crores)

Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2024	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	33.53	6.17	-	-	27.36	-	-
Trade payables	216.68	216.68	-	-	-	-	-
Finance lease obligation (refer note 2)	595.37	40.04	34.87	65.37	195.08	117.57	142.44
Debt securities	9,030.34	1,531.90	380.13	850.29	2,425.87	1,903.46	1,938.69
Borrowings (other than debt securities) (refer note 1)	34,123.20	2,660.31	3,494.34	5,746.24	14,630.55	4,626.45	2,965.31
Subordinated liabilities	3,545.66	293.08	64.23	26.02	74.18	2,349.69	738.46
Other financial liabilities	2,619.86	2,608.11	1.61	-	10.14	-	-
Financial guarantee contracts	410.32	410.32	-	-	-	-	-
Total	**50,574.96**	**7,766.61**	**3,975.18**	**6,687.92**	**17,363.18**	**8,997.17**	**5,784.90**

(₹ in Crores)

Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2023	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	42.37	28.40	0.96	9.22	3.79	-	-
Trade payables	197.30	195.61	0.47	0.65	0.56	0.01	-
Finance lease obligation (refer note 2)	527.49	34.07	31.20	59.62	179.16	112.82	110.62
Debt securities	7,925.30	2,623.59	157.63	449.74	1,394.34	848.36	2,451.64
Borrowings (other than debt securities) (refer note 1)	28,476.27	3,045.37	2,813.52	4,664.40	11,824.89	3,636.58	2,491.51
Subordinated liabilities	3,202.42	113.46	65.99	59.69	242.06	180.92	2,540.30
Other financial liabilities	2,026.51	1,997.15	18.48	7.41	3.47	-	-
Financial guarantee contracts	584.94	584.94	-	-	-	-	-
Total	**42,982.60**	**8,622.59**	**3,088.25**	**5,250.73**	**13,648.27**	**4,778.69**	**7,594.07**

Note 1: Borrowings includes cash credit facilities, has been slotted in "over 6 months to 1 year" and "over 1 year to 3 years" in the ratio of 40% and 60% respectively.

Note 2: The amount represent undiscounted cash flows.

(ii) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	1,743.03	1,301.04

(iii) Change in liabilities arising from financing activities as per IND AS 7 "Statement of cash flows":

(₹ in Crores)

Particulars	As at March 31, 2023	Cash flows	Others*	As at March 31, 2024
Debt Securities (Including subordinated liabilities)	11,127.72	746.83	701.45	12,576.00
Borrowings (Other than debt securities)	28,476.27	5,446.28	200.65	34,123.20
Total Liabilities from Financial Activities	**39,603.99**	**6,193.11**	**902.10**	**46,699.20**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Particulars	As at March 31, 2022	Cash flows	Others*	As at March 31, 2023
Debt Securities (Including subordinated liabilities)	10,406.13	172.54	549.05	11,127.72
Borrowings (Other than debt securities)	25,319.37	3,071.45	85.45	28,476.27
Total Liabilities from Financial Activities	**35,725.50**	**3,243.99**	**634.50**	**39,603.99**

*includes the effect of amortization of borrowing cost, interest accrued on borrowings, and exchange differences.

38C Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Group's exposure to market risk is primarily on account of interest rate risk and Foreign exchange risk.

38C.1 Interest Rate Risk

(a) The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	22,168.03	17,059.64
Fixed rate borrowings	24,047.76	22,142.97
Total borrowings	**46,215.79**	**39,202.61**

The Group had the following variable rate borrowings outstanding and cross currency interest rate swap contracts outstanding:

(₹ in Crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Bank overdrafts, bank loans	9.52%	22,304.23	47.68%	9.28%	16,944.64	43.22%
Non convertible debentures	9.00%	133.80	0.29%	8.25%	115.00	0.29%
Net exposure to cash flow interest rate risk		**22,168.03**			**17,059.64**	
Currency Interest Rate Swaps	7.74%	**1,523.99**	3.30%	8.97%	**1,394.53**	3.56%

An analysis by maturities is provided in note 38(B)(i) above. The percentage of total loans shows the proportion of loans that are currently at floating rates in relation to the total amount of borrowings.

The Group had the following variable rate loans outstanding:

(₹ in Crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Floating rate loans	12.65%	23,485.10	45.00%	12.93%	18,215.21	44.02%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates (assuming other variable constant)

(₹ in Crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interest rates – increase by 50 basis points	(82.94)	(63.83)	-	-
Interest rates – decrease by 50 basis points	82.94	63.83	-	-

Profit or loss is sensitive to higher/lower interest income from loans as a result of changes in interest rates (assuming other variable constant)

(₹ in Crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interest rates – increase by 50 basis points	87.87	68.15	-	-
Interest rates – decrease by 50 basis points	(87.87)	(68.15)	-	-

38C.2. Exposure to currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

The Group follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps (CCRIS) in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Group's profit before tax (PBT) and equity. However for the unhedged foreign currency exposure(s) there would be an impact on Group's profitability.

The Group's currency position is as under

As at March 31, 2024

(₹ in Crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets (in ₹)	157.69	-	-	-	-	-
Foreign Currency Liabilities (in ₹)	13.54	-	-	19.99	-	-
Net Gap as at March 31, 2024	**144.15**	**-**	**-**	**(19.99)**	**-**	**-**

As at March 31, 2023

(₹ in Crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets (in ₹)	223.58	-	-	-	-	-
Foreign Currency Liabilities (in ₹)	42.37	-	-	-	-	-
Net Gap as at March 31, 2023	**181.21**	**-**	**-**	**-**	**-**	**-**

Sensitivity :

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Currency sensitivity				
Increase by 5%	(15.41)	-	(143.79)	(182.45)
Decrease by 5%	15.41	-	143.79	182.45

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

The sensitivity on profit and loss is due to the timing difference of the maturity of the Cross currency interest rate swap. On the date of maturity of the Cross currency interest rate swap, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

38C.3. Price Risk

(a) Exposure

The Group's exposure to assets having price risk is as under

(₹ in Crores)

Particulars	Equity Share	Mutual Funds /Alternate investment funds/ others	Bonds / Debt securities	Security Receipts	Total
Market Value as on March 31, 2024	24.18	482.50	369.31	3,182.99	4,058.98
Market Value as on March 31, 2023	0.05	2,284.73	346.52	879.70	3,511.00

To manage its price risk arising from investments in equity securities/other assets, the Group diversifies its portfolio.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the index on the Group's equity/other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased by 5% or decreased by 5% with all other variables held constant.

(₹ in Crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Increase by 5%	151.87	131.37	-	-
Decrease by 5%	(151.87)	(131.37)	-	-

38D.Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the shareholder value. The Group monitors capital in accordance with the capital adequacy ratio prescribed by the Reserve Bank of India ("RBI")/ National Housing Bank ("NHB") as applicable.

38E. Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

The following table shows an analysis of financial instruments recorded at Fair Value hierarchy:

(₹ in Crores)

Particulars	As at March 31, 2024		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortized cost / Cost
Financial assets			
Cash and cash equivalents	-	-	2,469.87
Bank Balance other than (a) above	-	-	1,775.85
Derivative financial instruments	-	157.69	-
Receivables			
(i) Trade receivables	-	-	102.42
(ii) Other receivables	-	-	29.65

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Particulars	As at March 31, 2024		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortized cost / Cost
Loans	-	4,520.43	46,431.89
Investments	3,679.66	-	379.32
Other financial assets	-	-	1,412.57
Total financial assets	**3,679.65**	**4,678.12**	**52,601.57**
Financial liabilities			
Derivative financial instruments	-	33.53	-
Trade payables	-	-	216.68
Finance lease obligation	-	-	461.50
Debt securities	-	-	9,030.34
Borrowings (other than debt securities)	-	-	34,123.20
Subordinated liabilities	-	-	3,545.66
Other financial liabilities	-	-	2,619.86
Total financial liabilities	**-**	**33.53**	**49,997.24**

(₹ in Crores)

Particulars	As at March 31, 2023		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortized cost / Cost
Financial assets			
Cash and cash equivalents	-	-	3,632.13
Bank Balance other than (a) above	-	-	2,208.36
Derivative financial instruments	9.22	214.36	-
Receivables			
(i) Trade receivables	-	-	121.43
(ii) Other receivables	-	-	15.47
Loans	-	6,923.97	33,219.10
Investments	2,459.60	-	1,051.40
Other financial assets	-	-	1,615.56
Total financial assets	**2,468.82**	**7,138.33**	**41,863.45**
Financial liabilities			
Derivative financial instruments	9.22	33.15	-
Trade payables	-	-	197.29
Finance lease obligation	-	-	413.43
Debt securities	-	-	7,925.30
Borrowings (other than debt securities)	-	-	28,476.27
Subordinated liabilities	-	-	3,202.42
Other financial liabilities	-	-	2,026.51
Total financial liabilities	**9.22**	**33.15**	**42,241.22**

38E. 1. Financial instruments measured at fair value – Fair value hierarchy

The following table analyzes financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

38E.2. Valuation methodologies of financial instruments measured at fair value

(i) Quoted equity/instruments are measured based on the last traded price in the exchange and are classified as level 1.

(ii) Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.

(iii) Alternate Investment Funds are measured based on the latest NAV provided by the fund house and are classified as level 3.

(iv) Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued by external independent valuer and classified as Level 3.

(v) Preference shares (unquoted) are classified as Level 2, based on the fair valuation conducted by an external independent valuer.

(vi) Government Securities are valued based on the closing price published by CCIL/ FIMMDA and are classified as level 2.

(vii) Unquoted debt securities are measured based on average of security level prices received from AMFI appointed/ designated agencies viz: CRISIL and ICRA and are classified as level 2.

(viii) The fair value of interest rate swaps is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs.

(ix) Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.

(x) Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (Strike) and forward exchange rates at the testing date and are classified as Level 2.

(xi) The fair value principal swap is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs and spot exchange rate as of the testing date and are classified as Level 2.

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total	Carrying Value
As at March 31, 2024					
Financial assets					
Forward rate agreements and interest rate swaps	-	157.69	-	157.69	157.69
Call option included under Debt securities & Subordinated liabilities	-	-	-	-	-
Loans - classified under FVOCI	-	-	4,520.43	4,520.43	4,520.43
Investments	**379.28**	**95.62**	**3,204.76**	**3,679.66**	**3,679.66**
(i) Mutual Funds/Alternate Investment fund / Others	61.70	-	13.68	75.38	75.38
(ii) Security Receipts	-	-	3,191.08	3,191.08	3,191.08
(iii) Debt Securities	293.45	-	-	293.45	293.45
(iv) Government Securities	-	55.46	-	55.46	55.46
(v) Preference Shares	-	40.16	-	40.16	40.16
(vi) Equity shares	24.13	-	-	24.13	24.13
Total financial assets	**379.28**	**253.31**	**7,725.19**	**8,357.78**	**8,357.78**
Financial liabilities					
Forward rate agreements /CCIRS	-	35.18	-	35.18	35.18
Forward exchange contract	-	(1.65)	-	(1.65)	(1.65)
Call option included under Debt securities & Subordinated liabilities	-	-	-	-	-
Total financial liabilities	**-**	**33.53**	**-**	**33.53**	**33.53**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total	Carrying Value
As at March 31, 2023					
Financial assets					
Forward rate agreements and interest rate swaps	-	214.36	-	214.36	214.36
Call option included under Debt securities & Subordinated liabilities	-	9.22	-	9.22	9.22
Loans - classified under FVOCI	-	-	6,923.97	6,923.97	6,923.97
Investments	**404.01**	**43.21**	**2,012.38**	**2,459.60**	**2,459.60**
(i) Mutual Funds/Alternate Investment fund / Others	57.49	-	1,132.68	1,190.17	1,190.17
(ii) Security Receipts	-	-	879.70	879.70	879.70
(iii) Debt Securities	346.52	-	-	346.52	346.52
(iv) Government Securities	-	5.04	-	5.04	5.04
(v) Preference Shares	-	38.17	-	38.17	38.17
Total financial assets	**404.01**	**266.79**	**8,936.35**	**9,607.15**	**9,607.15**
Financial liabilities					
Forward rate agreements /CCIRS	-	33.15	-	33.15	33.15
Call option included under Debt securities & Subordinated liabilities	-	9.22	-	9.22	9.22
Total financial liabilities	**-**	**42.37**	**-**	**42.37**	**42.37**

38E.3. Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables.

Loans, Debts, Borrowings and Subordinated Debts

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identitical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value. Loans and advances are presented net of provisions for impairment.

(₹ in Crores)

Assets and liabilities which are measured at amortized cost for which fair values are disclosed	Total fair value	Carrying Value	Valuation Hierarchy
As at March 31, 2024			
Financial assets			
Cash and cash equivalents	2,469.87	2,469.87	
Bank Balance other than included above	1,775.86	1,775.86	
Receivables			
(i) Trade Receivables	102.42	102.42	
(ii) Other Receivables	29.65	29.65	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Assets and liabilities which are measured at amortized cost for which fair values are disclosed	Total fair value	Carrying Value	Valuation Hierarchy
Loans	46,519.62	46,431.89	Level 3
Investment in debt securities	380.43	379.32	
Other Financial assets	1,412.57	1,412.57	
Total financial assets	**52,690.42**	**52,601.58**	
Financial Liabilities			
Trade Payables	216.68	216.68	
Finance lease obligation	461.50	461.50	
Debt Securities	8,804.87	9,030.34	Level 3
Borrowings (Other than debt securities)	34,123.20	34,123.20	Level 3
Subordinated Liabilities	3,557.71	3,545.66	Level 3
Other financial liabilities	2,619.86	2,619.86	
Total financial liabilities	**49,783.80**	**49,997.23**	

(₹ in Crores)

Assets and liabilities which are measured at amortized cost for which fair values are disclosed	Total fair value	Carrying Value	Valuation Hierarchy
As at March 31, 2023			
Financial assets			
Cash and cash equivalents	3,632.13	3,632.13	
Bank Balance other than included above	2,208.36	2,208.36	
Receivables			
(i) Trade Receivables	121.43	121.43	
(ii) Other Receivables	15.47	15.47	
Loans	33,036.99	33,219.10	Level 3
Investment in debt securities	1,051.40	1,051.40	
Other Financial assets	1,615.56	1,615.56	
Total financial assets	**41,681.35**	**41,863.45**	
Financial Liabilities			
Trade Payables	197.30	197.30	
Finance lease obligation	413.43	413.43	
Debt Securities *	7,551.37	7,925.30	Level 3
Borrowings (Other than Debt Securities)	28,476.27	28,476.27	Level 3
Subordinated Liabilities	3,161.48	3,202.42	Level 3
Other financial liabilities	2,026.51	2,026.51	
Total financial liabilities	**41,826.36**	**42,241.24**	

* For MTN Bond book value is been considered as fair value.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

38.E.4 Movements in Level 3 financial instruments measured at fair value :

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in Crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts	Equity
Balances as at April 01, 2023	**6,923.96**	**1,132.69**	**879.70**	-
Issuances	9,110.96	31.74	2,128.60	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(11,514.50)	(1,001.38)	(41.38)	-
Total gain /losses recognized in profit and loss	-	(149.36)	224.16	-
Balances As at March 31, 2024	**4,520.42**	**13.69**	**3,191.08**	-
Unrealized gain /losses related to balances held at the end of financial year	-	(1.15)	-	-

(₹ in Crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts	Equity
Balances as at April 01, 2022	5,662.46	1,099.22	**83.30**	-
Issuances	13,599.47	79.82	913.70	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(12,337.96)	(143.43)	(95.39)	-
Total gain /losses recognized in profit and loss	-	97.08	(21.91)	-
Balances As at March 31, 2023	**6,923.96**	**1,132.69**	**879.70**	-
Unrealized gain /losses related to balances held at the end of financial year	-	165.65	(21.91)	-

38 F. Transferred financial assets that are derecognized in their entirety

The Group has sold some loans and advances measured at FVTOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Group's business model remains to hold the assets for collecting contractual cash flows.

The following table provide a summary of the amount of the derecognized financial assets during the year and the gain/(loss) on derecognition, which qualify for derecognition:

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Financial assets derecognized during the year	14,338.07	14,645.44
Net loss / (gain) on derecognition of financial instruments under FVTOCI category	136.79	(513.81)

38 G. Transferred financial assets that are recognized in their entirety:

The Group uses securitizations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitized assets since the Group retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Securitizations	As at March 31, 2024	As at March 31, 2023
Carrying amount of transferred assets measured at amortized cost	280.45	743.94
Carrying amount of associated liabilities	280.73	743.94
Fair value of assets	280.43	743.81
Fair value of associated liabilities	280.73	743.94

NOTE 39. CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

Contingent Liabilities:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Claim against the Company not acknowledged as debt:		
In respect of Income tax demands (refer note a and b)	77.08	79.51
In respect of Service tax/ Gst demands (including interest accrued and refer note c)	70.26	65.84
In respect of Profession Tax demands (refer note d)	0.16	0.16
In respect of legal case/ penalties/others	15.73	1.17
In respect of Stamp Duty (refer note e)	16.66	16.66
Bank Guarantee:		
In respect of Bank guarantees given (refer note f)	410.32	584.94
Other money for which the company is contingently liable:		
In respect of Corporate guarantees given	23.34	23.34
Contingent liability in respect of credit enhancement for securitization transaction	79.91	79.95

(a) The Group has filed appeal against the said demands raised by the Income Tax Department.

(b) Amount paid under protest with respect to income tax demand is 76.32 Crore (P.Y ₹ 68.89 Crore).

(c) Amount paid under protest with respect to service tax and GST demands are ₹ 1.59 Crore (P.Y ₹ 1.89 Crore).

(d) Amount paid under protest with respect to profession tax demand ₹ 0.05 Crore (P.Y ₹ 0.05 Crore).

(e) The Group had received demand towards stamp duty on account of the Composite Scheme of Arrangement.The demand had been raised for a sum of ₹ 75.00 Crore. As per the scheme document any incidental expenses will be borne by the resulting companies i.e IIFL Finance Limited, IIFL Securities Limited and 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited) equally. The Group has appealed against the same and paid ₹ 8.34 Crore under protest towards its share of the liability and shown ₹ 16.66 Crore as Contingent.The matter is pending before the court.

(f) Guarantee has been given on behalf of subsidiary.

(g) Apart from the above, group is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Group's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Group's financial position.

Commitments not provided for:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Commitments related to loans sanctioned but undrawn	3,689.95	2,139.07
Estimated amount of contracts remaining to be executed on capital and operating account	25.60	19.90
Commitments related to alternate investment funds	12.88	9.77

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 40. EMPLOYEE STOCK OPTION

40.1 Stock option schemes of the Parent Company (IIFL Finance Limited)

The Company has implemented various Employee Stock Option Schemes (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

The details of various Employee Stock Option Schemes are as under:

i. ESOP-2008

Particulars	As at March 2024 ESOP 2008	As at March 2023 ESOP 2008
Number of Option outstanding	40,80,321	9,36,947
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven/Five years from the date of grant	
Grant Date	May 06, 2021, August 20, 2021, December 22, 2021, August 26, 2022, October 15, 2022, August 04, 2023, January 05, 2024	March 08, 2016, April 29, 2017, May 06, 2021, August 20, 2021, December 22, 2021, August 26, 2022, October 15, 2022.
Grant Price (₹ Per Share)	₹ 252.00, ₹ 252.00, ₹ 271.40, ₹ 341.65, ₹ 350.00, ₹ 10.00, ₹625.00	₹ 82.02, ₹ 218.71, ₹ 252.00, ₹ 252.00, ₹ 271.40, ₹ 341.65, ₹ 350.00

(b) (i) Movement of options during the year ended March 31, 2024

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2023	**9,36,947**	**82.02-350.00**	**274.97**	**5.44**
Granted during the year	35,00,000	10.00-625.00	97.86	-
Expired/forfeited during the year	2,31,402	10.00-341.65	146.95	-
Exercised during the year	1,25,224	218.71-341.65	278.16	-
Outstanding as on March 31, 2024	**40,80,321**	**10.00-625.00**	**130.21**	**6.07**
Exercisable as on March 31, 2024	**1,10,240**	**252.00-350.00**	**263.42**	**4.39**

b) (ii) Movement of options during year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2022	**11,47,105**	**82.02-271.40**	**222.89**	**5.44**
Granted during the year	2,00,000	341.65-350.00	343.74	-
Expired/forfeited during the year	2,67,233	82.02- 252.00	215.90	-
Exercised during the year	1,42,925	82.02- 271.40	174.85	-
Outstanding as on March 31, 2023	**9,36,947**	**82.02-350.00**	**274.97**	**5.44**
Exercisable as on March 31, 2023	**75,788**	**252.00-271.40**	**288.15**	**4.54**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	January 05, 2024	August 04, 2023	October 15, 2022	August 26, 2022
Stock price (₹)	641.65	575.50	350.00	341.65
Volatility	10.00%	52.22%	10.00%	10.00%
Risk-free Rate	7.00%	7.04%	7.37%	7.02%
Exercise price (₹)	625.00	10.00	350.00	341.65
Time to Maturity (Years)	5.00	4.00	5.00	5.00
Dividend yield	3.00%	1.43%	3.00%	3.00%
Weight Average Value (₹)	89.05	535.83	45.31	42.15

Particulars	December 22, 2021	August 20, 2021	May 06, 2021	April 29, 2017
Stock price (₹)	271.40	252.00	252.00	218.71
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	5.81%	5.77%	5.66%	6.66%
Exercise price (₹)	271.40	252.00	252.00	218.71
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	35.40	35.40	34.72	201.65

Particulars	March 08, 2016
Stock price (₹)	82.02
Volatility	10.00%
Risk-free Rate	7.47%
Exercise price (₹)	82.02
Time to Maturity (Years)	5.00
Dividend yield	3.00%
Weight Average Value (₹)	76.59

Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

ii. ESOP-2020

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2024	As at March 2023
Number of Option outstanding	16,71,891	27,05,444
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	February 08, 2017, May 02, 2018, November 21, 2018 and January 18, 2019	February 08, 2017, May 02, 2018, November 21, 2018 and January 18, 2019
Grant Price (₹ Per Share)	₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 182.22	₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 182.22

(b) (i) Movement of options during the year ended March 31, 2024

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2023	**27,05,444**	**106.67- 182.22**	**212.21**	**3.19**
Granted during the year	-	-	-	-
Expired/forfeited during the year	40,731	61.48-182.22	232.37	-
Exercised during the year	9,92,822	106.67- 182.22	221.16	-
Outstanding as on March 31, 2024	**16,71,891**	**106.67- 182.22**	**206.41**	**1.25**
Exercisable as on March 31, 2024	**11,31,891**	**106.67- 182.22**	**213.29**	**1.33**

(b) (ii) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2022	**35,72,033**	**61.48-182.22**	**154.91**	**3.19**
Granted during the year	-	-	-	-
Expired/forfeited during the year	1,77,836	106.67- 182.22	238.57	-
Exercised during the year	6,88,753	61.48-182.22	189.43	-
Outstanding as on March 31, 2023	**27,05,444**	**106.67- 182.22**	**212.21**	**2.29**
Exercisable as on March 31, 2023	**20,62,979**	**106.67- 182.22**	**218.51**	**2.35**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	Jan 18, 2019	Jan 18, 2019	November 21, 2018	May 02, 2018
Stock price (₹)	179.63	179.63	179.63	179.63
Volatility	59.00%	59.00%	59.00%	59.00%
Risk-free Rate	7.28% - 7.49%	7.28% - 7.49%	7.21% - 7.40%	7.13% - 7.40%
Exercise price (₹)	182.22	182.22	177.04	142.22
Time to Maturity (Years)	5.80	5.55	5.39	5.09
Dividend yield	1.00%	1.00%	1.00%	1.00%
Weight Average Value (₹)	161.25	102.16	102.29	106.78

Particulars	ESOP 2020	
	May 02, 2018	February 08, 2017
Stock price (₹)	179.63	179.63
Volatility	59.00%	59.00%
Risk-free Rate	7.13% - 7.34%	6.94% - 7.21%
Exercise price (₹)	142.22	106.67
Time to Maturity (Years)	4.84	3.87
Dividend yield	1.00%	1.00%
Weight Average Value (₹)	106.90	110.78

Stock Price: The fair value of stock as on Appointed Date, i.e., April 01, 2018 ("the Effective date" or the "Date of Modification") has been used to value the outstanding grants based on Mercahnt Banker's Report.

Volatility: The daily volatility of the stock prices on BSE, based on post demerger traded prices, has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered based on equity swap ratio of the Composite Scheme of Arrangement.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

40.2 Stock option schemes of the Subsidiary Companies:

a. IIFL Home Finance Limited

The Company has IIFL HFL ESOP PLAN-2022, under which options have been granted to eligible employees to be vested from time to time. The plan is established as per the approval granted by the shareholders by a special resolution on August 04, 2022. The Plan is amended vide Board resolution dated June 17, 2023 and approved by shareholders vide resolution dated June 29, 2023.

ESOP will vest to eligible employees as per vesting schedule and vesting ratio. All options will vest with minimum vesting period of 1year and maximum vesting period of 4 years having Graded vesting @ 25%p.a.(vesting ratio of 25:25:25:25). As per ESOP Plan, the Vested Options can be exercised by the Option Grantees only in connection with or upon the happening of a Liquidity Event and within such period as prescribed by the Board in this regard.

The Nomination and Remuneration Committee may at any time proceed to settle any or all the unexercised Vested Options held by the Option Grantees, either continuing or separated, by way of cash payment.

Particulars	FY 2023-24	FY 2022-23
Grant Date	01-10-2023	N.A
Option Price Model	Black Scholes Method	N.A
Exercise Price	1,338.00	N.A
Share Price on Grant Date	4,513.38	N.A
Expected Volatility	50.00%	N.A
Expected life of options (Years)	4	N.A
Risk-free rate of return	7.37%	N.A
Dividend Yield	0.86%	N.A
Fair Value of ESOP at Grant Date	3,423.18	N.A
Weighted average remaining contractual life of the options (Years)	3.50	N.A

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Fair Value Methodology:

The fair value of the employee share options has been measured using Black-Scholes Option pricing model.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year.

Table Showing options movement during year:

Particulars	FY 2023-24	FY 2022-23
Outstanding at the beginning of the year	-	N.A
Granted during the year	2,42,563	N.A
Forfeited during the year	3,935	N.A
Expired during the year	-	N.A
Exercised during the year	-	N.A
Outstanding at the end of the year	2,38,628	N.A
Exercisable at the end of the year	-	N.A

Weighted-average exercise prices of options granted during the year is ₹ 1,338.00 /- option

Weighted average share price at the date of exercise date : N.A. as no ESOP exercise in year

Table showing Weighted-average exercise prices of options:

Particulars	FY 2023-24	FY 2022-23
Opening ESOP Outstanding Reserve Balance	-	N.A.
Expense Recognised/ (Reversed) during the year	19.77	N.A.
Closing ESOP Outstanding Reserve Balance	19.77	N.A.

b. IIFL Samasta Finance Limited

The Company's Employee Stock Option Plan - 2023 ("ESOP Plan") provide for the grant of stock options to eligible employees. The ESOPs are administered through Direct route by the company. The company transfers share to the eligible employees upon exercise of the options by such employees.

The Company had an ESOP scheme called ESOP Plan 2023. The ESOP plan 2023 came into force on March 24, 2023.

During the financial year 2022-23, the Company has introduced a new stock option scheme namely "ESOS 2023" effective from March 24, 2023. The grant price shall be as decided by the Nomination and Remuneration Committee ('N&RC') of the Company. The number of options and terms could vary at the discretion of the N&RC.

The total number of Employee Stock Options to be granted, which shall not exceed 5% of the Paid up share Capital of the Company, as expanded from time to time, comprising 3,34,21,867 (Three Crore Thirty Four Lakhs Twenty One Thousand Eight Hundred and Sixty Seven) Options which shall be convertible into equal number of Shares

The Company has established share option plans that entitle the employees of the Company to purchase the shares of the Company. Under these plans, holders of the vested options are entitled to purchase shares at the exercise price of the shares determined at the respective date of grant of options. The details are ESOP scheme are as follows.

Particulars	Grant	Number of Options	Vesting period	Vesting Conditions
ESOP Scheme 2023	Grant I	84, 41,758	3 Years	20%,40% and 40% vests every year subject to continuance of services.
ESOP Scheme 2023	Grant II	8,17,662		
ESOP Scheme 2023	Grant III	60,37,500		

Exercise period for all the above schemes is 3 years from the date of grant of the options.

Measurement of fair values

The fair value of the employee share options has been measured using Black-Scholes Option pricing model.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year are as follows:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Particulars	Financial Year 2023-24
Grant Date	21-Jul-23
	15-Jan-24
Option Price Model	Black Scholes Method
Exercise Price	23.38 - 26.74
Share Price on Grant Date	23.38 - 26.74
Expected Volatility	50%
Expected time to exercise shares	2 to 4 years
Risk-free rate of return	7.13% - 7.21%
Dividend Yield	0.50%
Fair Value of ESOP at Grant Date	7.54 - 12.21
Weighted Average Fair Value of ESOP at Grant Date	10.69
Method used to determine expected volatility	The expected volatility is based on similar listed companies in finance sector.

Table Showing options movement during year:

Particulars	FY 2023-24
Outstanding at the beginning of the year	84,41,758
Granted during the year	68,55,162
Forfeited during the year	15,44,173
Expired during the year	-
Exercised during the year	-
Outstanding at the end of the year	1,37,52,747
Exercisable at the end of the year	13,87,717

Table showing Weighted-average exercise prices of options:

Particulars	FY 2023-24
Outstanding at the beginning of the year	20.96
Granted during the year	26.34
Forfeited during the year	21.11
Expired during the year	N.A.
Exercised during the year	N.A.
Outstanding at the end of the year	23.62
Exercisable at the end of the year	20.96

Table Showing Stock Options outstanding at the end of period

Particulars	31-Mar-24
Exercise Price (₹)	
Grant Date: 31-03-2023	20.96
Grant Date: 21-07-2023	23.38
Grant Date: 15-01-2024	26.74
Weighted average remaining contractual life (Years)	
Grant Date: 31-03-2023	4.20
Grant Date: 21-07-2023	4.51
Grant Date: 15-01-2024	5.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

No ESOP exercised during the year.

Table Showing movement of ESOP Outstanding Reserve:

(₹ in Crores)

Particulars	FY 2023-24
Opening ESOP Outstanding Reserve Balance	-
Expense Recognised/ (Reversed) during the year	3.11
Closing ESOP Outstanding Reserve Balance	3.11

NOTE 41. ADDITIONAL DISLCOURE REQUIREMENTS

(i) Relationship with Struck off Companies

During the year, the Group has not entered into any transactions with the Companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, except with the parties as disclosed below:

Name of the struck off Company	Balance outstanding as at		Relationship with Struck off Group	Name of IIFL group Company
	March 31, 2024	March 31, 2023		
Loans and Advances:				
Unicorn Hospitality Services Private Limited	0.01	0.01	None	IIFL Finance Limited
9 media Networks Private Limited	0.24	0.24	None	IIFL Finance Limited
Fedify Technologies Private Limited	0.07	0.07	None	IIFL Finance Limited
Niche Events And Promotions Private Limited	0.15	0.17	None	IIFL Finance Limited
Rainbow Infrastructure Private Limited	0.00	0.02	None	IIFL Finance Limited
Gopikrishna Engineers And Contractors Private Limited	0.05	0.05	None	IIFL Finance Limited
CP Hydro Projects India Private Limited	0.06	0.06	None	IIFL Finance Limited
Pushpa Clinic Private Limited	0.02	0.02	None	IIFL Finance Limited
Corporate Rooms Hospitality Private Limited	0.03	0.03	None	IIFL Finance Limited
Multitask Excel Hi Care (opc) Private Limited	0.07	0.07	None	IIFL Finance Limited
Apm Air Travels (India) Private Limited	0.04	0.04	None	IIFL Finance Limited
Tei Medias Private Limited	-	0.08	None	IIFL Finance Limited
Tourkraft Travel Services Private Limitedd	-	0.01	None	IIFL Finance Limited
Cross Links Hospitality Private Limited	-	0.20	None	IIFL Finance Limited
Dominion Expo Ventures Private Limited	-	0.09	None	IIFL Finance Limited
Devi Singha Advisory Private Limited	-	0.05	None	IIFL Finance Limited
Asp International Trading Company Private Limited	-	0.03	None	IIFL Finance Limited
Seven oaks engineering Private Limited	0.06	0.06	None	IIFL Finance Limited
Jasmin Infraproject Group Private Limited	0.47	0.49	None	IIFL Home Finance Limited
Creative Pulse Marketing Private Limited	-	0.12	None	IIFL Home Finance Limited
Beauty Channel Salon & Spa Private Limited	1.42	1.45	None	IIFL Home Finance Limited
Iconic Products India Private Limited	2.76	-	None	IIFL Home Finance Limited
Shares held by the Company:				
Vaishak Shares Limited	0.00	0.00	None	IIFL Finance Limited
Ethopps advisory services Private Limited	0.00	0.00	None	IIFL Finance Limited
Kothari intergroup Limited	0.00	0.00	None	IIFL Finance Limited
Unclaimed dividend:				
Vaishak shares Limited	0.00	0.00	None	IIFL Finance Limited
Ethopps advisory services Private Limited	0.00	0.00	None	IIFL Finance Limited
Vendor:				
Epicenter Technologies Pvt Ltd	0.00	-	None	IIFL Home Finance Limited

*0.00 denotes amount less than ₹ fifty thousand

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(ii) Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(iii) Compliance with number of layers of companies

The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Group.

(iv) Utilization of Borrowed funds and share premium

(A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:-

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) Undisclosed income

The Group has disclosed all its Income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognised by the relavant tax authorities.

(vi) Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) Disclosure of Benami Property

The Group does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules made thereunder.

(viii) Disclosure of Borrowings

(a) The quarterly returns and statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(b) The Group has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken as at March 31, 2024.

(ix) Wilful Defaulter

The Group has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

(x) Title Deeds Of Immovable Properties Not Held In Name Of The Group

Except the details as disclosed below all the title deeds of immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favor of the lessee) are held in the name of the Group.

Title deeds of Immovable Property not held in name of the Group

As at March 31, 2024

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Group
Investment Property (Refer note 12)	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

As at March 31, 2023

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Group
Investment Property (Refer note 12)	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings

Note: Due to the voluminous nature of transactions and sensitivity of the information, individual borrower wise details, in whose name the title deeds are held are not disclosed.

(xi) Disclosure on Loans and Advances

The Group has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

NOTE 42. LIST OF RELATED PARTIES

Nature of relationship	Name of party *
Key managerial personnel (KMP)	Mr.Kapish Jain (w.e.f. November 01, 2022)
	Mr.Rajesh Rajak (upto October 31, 2022)
	Mrs. Sneha Patwardhan (upto July 01, 2023)
	Ms Rupal Jain (w.e.f June 20, 2023 upto March 13, 2024)
	Ms Mauli Agarwal (w.e.f March 13, 2024)
	Directors:
	Mr. Nirmal Jain
	Mr. Venkataraman Rajamani
	Mr. Nilesh Vikamsey (upto March 31, 2024)
	Mr. Vibhore Sharma (upto August 31, 2022)
	Mr. Vijay Kumar Chopra
	Mr. Chandran Ratnaswami
	Ms. Geeta Mathur
	Mr. Ramakrishnan Subramanian
	Mr. Arun Kumar Purwar^
	Mr. T. S. Ramakrishnan (w.e.f October 26, 2023)
	Mr. Bijou Kurien (w.e.f March 13, 2024)
	Mr. Nihar Niranjan Jambusaria (w.e.f March 13, 2024)
Close members of KMP	Mr. Shankar Subramanian (Brother of Independent Director Mr. Ramakrishnan Subramanian)
Other related parties	IIFL Securities Limited
	5paisa Capital Limited
	5paisa P2P Limited
	India Infoline Commodities Limited
	IIFL Facilities Services Limited
	360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)
	360 ONE Prime Limited (Formerly known as IIFL Wealth Finance Limited)
	IIFL Management Services Limited
	Livlong Protection & Wellness Solutions Limited(Formerly known as IIFL Corporate Services Limited)
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	Open Financial Technologies Private Limited
	India Infoline Employee Trust Limited
	India Infoline Foundation

* The above list includes related parties with whom transactions have been carried out during the year.
^ Acting as Independent Director upto March 31, 2024, subsequently appointed as an Additional Non-executive Director (Non Independent) and Chairperson of the Company w.e.f April 01, 2024.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

42.1 Significant transactions with related parties

(₹ in Crores)

Nature of Transaction	Other related parties	KMP and close members of KMP	Total
Interest income			
5paisa Capital Limited	7.69	-	7.69
	(3.47)	-	(3.47)
IIFL Securities Limited	12.18	-	12.18
	(5.28)	-	(5.28)
Mr. Shankar Subramanian	-	0.02	0.02
	-	(0.04)	(0.04)
Interest expense			
IIFL Facilities Services Limited	-	-	-
	(0.00)	-	(0.00)
IIFL Management Services Limited	0.16	-	0.16
	(0.46)	-	(0.46)
360 ONE WAM LIMITED	1.61	-	1.61
(Formerly known as IIFL Wealth Management Limited)	(8.86)	-	(8.86)
360 ONE Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	-
	(4.37)	-	(4.37)
IIFL Securities Limited	0.57	-	0.57
	(2.24)	-	(2.24)
Donation paid			
India Infoline Foundation	22.22	-	22.22
	(17.22)	-	(17.22)
Arranger/ processing fees /brokerage on non convertible debenture/ merchant banking fees			
360 ONE WAM LIMITED	1.78	-	1.78
(Formerly known as IIFL Wealth Management Limited)	(6.77)	-	(6.77)
IIFL Securities Limited	0.84	-	0.84
	(7.46)	-	(7.46)
IIFL Management Services Limited	-	-	-
	(0.50)	-	(0.50)
Livlong Protection & Wellness Solutions Limited	-	-	-
(Formerly known as IIFL Corporate Services Limited)	(0.07)	-	(0.07)
5paisa Capital Limited	0.82	-	0.82
	-	-	-
Rent expenses			
IIFL Facilities Services Limited	6.57	-	6.57
	(3.82)	-	(3.82)
Referral fees income/Other charges Income			
Livlong Protection & Wellness Solutions Limited	57.83	-	57.83
(Formerly known as IIFL Corporate Services Limited)	(10.85)	-	(10.85)
Mr. Shankar Subramanian	-	0.04	0.04
	-	(0.00)	(0.00)
Commission / brokerage expense			
360 ONE WAM LIMITED	-	-	-
(Formerly known as IIFL Wealth Management Limited)	(0.09)	-	(0.09)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Nature of Transaction	Other related parties	KMP and close members of KMP	Total
IIFL Securities Limited	9.52	-	9.52
	(1.48)	-	(1.48)
Equity dividend paid			
India Infoline Employee Trust	0.03	-	0.03
	(0.03)	-	(0.03)
ICD/loan taken			
IIFL Securities Limited	100.00	-	100.00
	-	-	-
ICD/loan returned			
IIFL Securities Limited	100.00	-	100.00
	-	-	-
ICD/loan given			
5paisa Capital Limited	580.00	-	580.00
	(700.00)	-	(700.00)
IIFL Securities Limited	2,100.00	-	2,100.00
	(1,435.00)	-	(1,435.00)
ICD/loan received back			
5paisa Capital Limited	580.00	-	580.00
	(700.00)	-	(700.00)
IIFL Securities Limited	2,100.00	-	2,100.00
	(1,435.00)	-	(1,435.00)
Mr. Shankar Subramanian	-	0.09	0.09
	-	(0.06)	(0.06)
Allocation / reimbursement of expenses paid			
IIFL Securities Limited	14.23	-	14.23
	(12.73)	-	(12.73)
IIFL Management Services Limited	0.15	-	0.15
	(0.48)	-	(0.48)
IIFL Facilities Services Limited	3.10	-	3.10
	(3.03)	-	(3.03)
5paisa Capital Limited	0.38	-	0.38
	(0.06)	-	(0.06)
Allocation / reimbursement of expenses paid others			
IIFL Facilities Services Limited	0.08	-	0.08
	(0.09)	-	(0.09)
5paisa Capital Limited	0.02	-	0.02
	(0.27)	-	(0.27)
IIFL Management Services Limited	0.00	-	0.00
	(0.01)	-	(0.01)
IIFL Securities Limited	0.24	-	0.24
	(0.92)	-	(0.92)
India Infoline Commodities Limited	0.02	-	0.02
	-	-	-
Livlong Insurance Brokers Limited	0.01	-	0.01
(Formerly IIFL Insurance Brokers Limited)	(0.00)	-	(0.00)

(₹ in Crores)

Nature of Transaction	Other related parties	KMP and close members of KMP	Total
Livlong Protection & Wellness Solutions Limited	0.00	-	0.00
(Formerly known as IIFL Corporate Services Limited)	(0.05)	-	(0.05)
Allocation / reimbursement of expenses received			
IIFL Facilities Services Limited	0.06	-	0.06
	(0.08)	-	(0.08)
5paisa Capital Limited	2.05	-	2.05
	(1.56)	-	(1.56)
IIFL Management Services Limited	0.15	-	0.15
	(0.14)	-	(0.14)
IIFL Securities Limited	4.14	-	4.14
	(3.54)	-	(3.54)
Livlong Protection & Wellness Solutions Limited	0.31	-	0.31
(Formerly known as IIFL Corporate Services Limited)	(0.22)	-	(0.22)
Allocation / reimbursement of expenses received others			
IIFL Facilities Services Limited	0.00	-	0.00
	(0.01)	-	(0.01)
IIFL Management Services Limited	0.17	-	0.17
	(0.10)	-	(0.10)
India Infoline Foundation	0.01	-	0.01
	(0.00)	-	(0.00)
5paisa Capital Limited	0.02	-	0.02
	(0.22)	-	(0.22)
5paisa P2P Limited	-	-	-
	(0.00)	-	(0.00)
Livlong Insurance Brokers Limited	0.00	-	0.00
(Formerly IIFL Insurance Brokers Limited)	(0.03)	-	(0.03)
Livlong Protection & Wellness Solutions Limited	-	-	-
(Formerly known as IIFL Corporate Services Limited)	(0.06)	-	(0.06)
IIFL Securities Limited	0.10	-	0.10
	(1.14)	-	(1.14)
Security Deposit Paid			
IIFL Facilities Services Limited	2.45	-	2.45
	(0.53)	-	(0.53)
Repayment towards Borrowing			
IIFL Management Services Limited	-	-	-
	(0.12)	-	(0.12)
Security Deposit Received			
IIFL Facilities Services Limited	-	-	-
	(0.01)	-	(0.01)
Non convertible debenture Issued			
360 ONE WAM LIMITED	-	-	-
(Formerly Known as IIFL Wealth Management Limited)	(6.10)	-	(6.10)
360 ONE Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	-
	(25.07)	-	(25.07)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Nature of Transaction	Other related parties	KMP and close members of KMP	Total
IIFL Management Services Limited	-	-	-
	(55.09)	-	(55.09)
Branding Income			
Livlong Insurance Brokers Limited	-	5.64	5.64
	-	-	-
Cross charge, platform fees and marketing Spends			
Open Financial Technologies Private Limited	-	40.78	40.78
	-	-	-
Interest Accrued			
IIFL Securities Limited	-	0.00	0.00
	-	-	-
IIFL Management Services Limited	-	0.00	0.00
	-	-	-
360 ONE Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	0.07	0.07
	-	-	-
Short term employee benefit			
Mr. Nirmal Jain	-	11.09	11.09
	-	(10.20)	(10.20)
Mr. Kapish Jain	-	2.25	2.25
	-	(0.88)	(0.88)
Mrs. Sneha Patwardhan	-	0.15	0.15
	-	(0.74)	(0.74)
Mr. Rajesh Rajak	-	-	-
	-	(1.82)	(1.82)
Ms. Rupal Jain	-	0.14	0.14
	-	-	-
Ms. Mauli Agarwal	-	0.02	0.02
	-	-	-
Long term employee benefit			
Mr. Nirmal Jain	-	0.20	0.20
	-	(0.24)	(0.24)
Mr. Kapish Jain	-	0.05	0.05
	-	(0.02)	(0.02)
Mrs. Sneha Patwardhan	-	(0.01)	(0.01)
	-	(0.02)	(0.02)
Ms. Rupal Jain	-	0.00	0.00
	-	-	-
Ms. Mauli Agarwal	-	0.01	0.01
	-	-	-
Share based payments			
Mrs. Sneha Patwardhan	-	0.06	0.06
	-	-	-
Post employment benefits			
Mr.Kapish Jain	-	0.10	0.10
	-	-	-

(₹ in Crores)

Nature of Transaction	Other related parties	KMP and close members of KMP	Total
Sitting fees and commission			
Mr. Arun Kumar Purwar	-	0.49	0.49
	-	(0.28)	(0.28)
Mr. Nilesh Vikamsey	-	0.48	0.48
	-	(0.25)	(0.25)
Mr. Ramakrishnan Subramanian	-	0.35	0.35
	-	(0.25)	(0.25)
Mr. Vijay Kumar Chopra	-	0.35	0.35
	-	(0.21)	(0.21)
Ms. Geeta Mathur	-	0.44	0.44
	-	(0.26)	(0.26)
Mr. T. S. Ramakrishnan	-	0.04	0.04
	-	-	-
Mr. Bijou Kurien	-	0.02	0.02
	-	-	-
Mr. Nihar Niranjan Jambusaria	-	0.02	0.02
	-	-	-
Mr. Vibhore Sharma	-	-	-
	-	(0.06)	(0.06)

Note 42.2 Closing balances with related parties

(₹ in Crores)

Nature of Transaction	Other related parties	KMP and close members of KMP	Total
Other payable			
IIFL Facilities Services Limited	0.30	-	0.30
	(0.14)	-	(0.14)
5paisa Capital Limited	-	-	-
	(0.02)	-	(0.02)
360 ONE WAM LIMITED	0.34	-	0.34
(Formerly known as IIFL Wealth Management Limited)	(1.52)	-	(1.52)
IIFL Management Services Limited	-	-	-
	(0.11)	-	(0.11)
IIFL Securities Limited	1.17	-	1.17
	-	-	-
Other receivable			
IIFL Management Services Limited	0.01	-	0.01
	-	-	-
IIFL Securities Limited	-	-	-
	(0.73)	-	(0.73)
Livlong Insurance Brokers Limited	0.95	-	0.95
(Formerly IIFL Insurance Brokers Limited)	(0.01)	-	(0.01)
Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL	8.47	-	8.47
Corporate Services Limited)	(3.11)	-	(3.11)
5paisa Capital Limited	0.33	-	0.33
	-	-	-
India Infoline Foundation	0.00	-	0.00
	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Nature of Transaction	Other related parties	KMP and close members of KMP	Total
Security Deposit receivable			
IIFL Facilities Services Limited	3.88	-	3.88
	(1.44)	-	(1.44)
Outstanding non convertible debenture issued			
IIFL Management Services Limited	-	-	-
	(4.00)	-	(4.00)
IIFL Securities Limited	-	-	-
	(8.00)	-	(8.00)
360 ONE WAM LIMITED	4.13	-	4.13
(Formerly known as IIFL Wealth Management Limited)	(39.21)	-	(39.21)
360 ONE Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	-
	(7.60)	-	(7.60)
Interest accrued on outstanding non convertible debenture issued			
360 ONE Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	-
	(4.37)	-	(4.37)
IIFL Management Services Limited	0.00	-	0.00
	-	-	-
IIFL Securities Limited	0.00	-	0.00
	-	-	-
360 ONE WAM LIMITED	1.50	-	1.50
(Formerly known as IIFL Wealth Management Limited)	(11.94)	-	(11.94)
Loan & other receivable			
Mr. Shankar Subramanian	-	0.01	0.01
	-	(0.14)	(0.14)
Gratuity payable*			
Mr.Nirmal Jain	-	0.16	0.16
	-	(0.15)	(0.15)
Mr.Kapish Jain	-	0.03	0.03
	-	(0.01)	(0.01)
Mrs. Sneha Patwardhan	-	-	-
	-	(0.01)	(0.01)
Ms Rupal Jain	-	0.00	0.00
	-	-	-
Ms Mauli Agarwal	-	0.00	0.00
	-	-	-
Leave encashment payable *			
Mr. Nirmal Jain	-	1.10	1.10
	-	(0.89)	(0.89)
Mr. Kapish Jain	-	0.02	0.02
	-	(0.02)	(0.02)
Mrs. Sneha Patwardhan	-	-	-
	-	(0.00)	(0.00)
Ms. Rupal Jain	-	0.00	0.00
	-	-	-
Ms. Mauli Agarwal	-	0.01	0.01
	-	-	-

* Based on acturial valuation report
#0.00 denotes amount less than ₹ fifty thousand
(Figure in bracket represents previous year figures)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Note 43.1. Maturity analysis of assets and liabilities as at March 31, 2024

(₹ in Crores)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
	(a) Cash and cash equivalents	2,469.87	-	2,469.87
	(b) Bank balance other than (a) above	1,440.00	335.85	1,775.85
	(c) Derivative financial instruments	149.89	7.80	157.69
	(d) Receivables			
	(i) Trade receivables	102.42	-	102.42
	(ii) Other receivables	29.65	-	29.65
	(e) Loans	23,994.09	26,958.23	50,952.32
	(f) Investments	385.39	3,673.59	4,058.98
	(g) Other financial assets	665.90	746.67	1,412.57
[2]	**Non-financial assets**			
	(a) Current tax assets (net)	177.15	20.55	197.70
	(b) Deferred tax assets (net)	-	151.79	151.79
	(c) Investment property	-	295.90	295.90
	(d) Property, plant and equipment	-	168.47	168.47
	(e) Capital work-in-progress	-	51.83	51.83
	(f) Right to use assets	-	436.11	436.11
	(g) Intangible assets under development	-	0.50	0.50
	(h) Other intangible assets	-	4.68	4.68
	(i) Other non-financial assets	58.12	96.71	154.83
	Total Assets	**29,472.48**	**32,948.68**	**62,421.16**
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
	(a) Derivative financial instruments	3.56	29.97	33.53
	(b) Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	8.84	-	8.84
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	207.84	-	207.84
	(c) Finance lease obligation	104.66	356.84	461.50
	(d) Debt securities	2,762.33	6,268.01	9,030.34
	(e) Borrowings (other than debt securities)	11,900.88	22,222.32	34,123.20
	(f) Subordinated liabilities	383.34	3,162.32	3,545.66
	(g) Other financial liabilities	2,609.72	10.14	2,619.86
[2]	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	7.68	-	7.68
	(b) Provisions	54.15	29.46	83.61
	(c) Deferred tax liabilities (net)	-	1.21	1.21
	(d) Other non-financial liabilities	241.27	0.18	241.45

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Sr. No	Particulars	Within 12 months	After 12 months	Total
[3]	**EQUITY**			
	(a) Equity share capital	-	76.31	76.31
	(b) Other equity	-	10,560.68	10,560.68
	(c) Non-controlling interest	-	1,419.45	1,419.45
	Total Liabilities and Equity	**18,284.27**	**44,136.89**	**62,421.16**

Note 43.2. Maturity analysis of assets and liabilities As at March 31, 2023

(₹ in Crores)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
	(a) Cash and cash equivalents	3,631.84	0.29	3,632.13
	(b) Bank balance other than (a) above	1,761.21	447.15	2,208.36
	(c) Derivative financial instruments	95.21	128.37	223.58
	(d) Receivables			
	(i) Trade receivables	120.51	0.92	121.43
	(ii) Other receivables	15.47	-	15.47
	(e) Loans	18,201.25	21,941.82	40,143.07
	(f) Investments	1,557.08	1,953.92	3,511.00
	(g) Other financial assets	747.80	867.76	1,615.56
[2]	**Non-financial assets**			
	(a) Current tax assets (net)	2.15	237.44	239.59
	(b) Deferred tax assets (net)	-	122.67	122.67
	(c) Investment property	-	296.04	296.04
	(d) Property, plant and equipment	-	176.13	176.13
	(e) Capital work-in-progress	26.92	0.10	27.02
	(f) Right to use assets	-	386.60	386.60
	(g) Intangible assets under development	0.49	-	0.49
	(h) Other intangible assets	-	3.38	3.38
	(i) Other non-financial assets	199.18	73.24	272.42
	(j) Non current assets held for sale	7.85	-	7.85
	Total Assets	**26,366.96**	**26,635.83**	**53,002.79**
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
	(a) Derivative financial instruments	38.59	3.78	42.37
	(b) Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	3.02	-	3.02
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	194.28	-	194.28
	(c) Finance lease obligation	96.43	317.00	413.43

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Crores)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	(d) Debt securities	3,230.95	4,694.35	7,925.30
	(e) Borrowings (other than debt securities)	10,523.29	17,952.98	28,476.27
	(f) Subordinated liabilities	243.45	2,958.97	3,202.42
	(g) Other financial liabilities	2,017.83	8.68	2,026.51
[2]	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	45.82	-	45.82
	(b) Provisions	66.22	18.55	84.77
	(c) Deferred tax liabilities (net)	0.61	-	0.61
	(d) Other non-financial liabilities	385.85	-	385.85
[3]	**EQUITY**			
	(a) Equity share capital	-	76.09	76.09
	(b) Other equity	-	8,915.97	8,915.97
	(c) Non-controlling interest	-	1,210.08	1,210.08
	Total Liabilities and Equity	**16,846.35**	**36,156.44**	**53,002.79**

NOTE 44. CORPORATE SOCIAL RESPONSIBILITY:

During the financial year 2023-24, the Group has spent ₹ 27.87 Crore (P.Y. ₹ 21.35 Crore) towards corporate social responsibility. There is a shortfall of ₹ 8.51 Crore (P.Y. ₹ 6.05 Crore), most of which pertains to the ongoing projects.

The unspent amount towards the ongoing projects have been transferred to separate bank accounts as per the regulation. In respect of other than ongoing projects, the Group has transferred unspent amount of ₹ 0.01 Crore to the PM Cares Fund, a fund specified in Schedule VII to the Companies Act.

NOTE 45. ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATIONS OF CONSOLIDATED FINANCIAL STATEMENTS:

(₹ in Crores)

Name of entity in the Group	Net Assets i.e Total Assets less Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit or loss	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
IIFL Finance Limited	28.93%	3,488.10	22.94%	452.82	45.92%	(7.94)	22.73%	444.88
Indian Subsidiaries								
IIFL Home Finance Limited	42.34%	5,104.73	40.98%	809.09	34.44%	(5.97)	41.04%	803.12
IIFL Samasta Finance Limited	16.60%	2,001.17	25.36%	500.72	10.74%	(1.86)	25.49%	498.86
IIFL Open Fintech Private Limited	0.36%	42.99	0.05%	0.91	0.01%	(0.00)	0.05%	0.91
Subtotal	**88.23%**	**10,636.99**	**89.33%**	**1,763.54**	**91.11%**	**(15.77)**	**89.31%**	**1,747.77**
Non Controlling interest in subsidiaries	11.77%	1,419.45	10.67%	210.68	8.89%	(1.53)	10.69%	209.15
Total		**12,056.44**		**1,974.22**		**(17.30)**		**1,956.92**

*0.00 denotes amount less than ₹ fifty thousand.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 46. SEGMENT REPORTING

The Group's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 on 'Segment Reporting'.

NOTE 47. SHARED SERVICES

The Group operates from and uses the premises, infrastructure and other facilities and services as provided to it by its group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Group were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

NOTE 48. ACTION BY THE RESERVE BANK OF INDIA (RBI) AGAINST THE PARENT COMPANY

On March 04, 2024, the Reserve Bank of India (RBI), under Section 45L(1)(b) of the Reserve Bank of India Act, 1934, imposed supervisory restrictions on the parent Company. This followed an RBI inspection of the parent Company's financial position as of March 31, 2023, which identified significant concerns in our gold loan portfolio. These include:

- Disbursals and collections of loan amounts in cash exceeding statutory limits.
- Non-compliance with the standard auction process.
- Deviations in assaying and certifying the purity and net weight of gold at both the time of loan sanction and auction upon default.
- Breaches in the Loan-to-Value ratio.
- Lack of transparency in charges levied on customer accounts.

Consequently, the RBI directed the parent Company to cease the sanctioning or disbursing of new gold loans and the assignment, securitization, or sale of existing gold loans with immediate effect. However, the parent Company is permitted to continue servicing its existing gold loan portfolio, including loan collections and recoveries, and to maintain its other business operations as usual.

The RBI has initiated a special audit by an independent professional agency, which commenced on April 23, 2024, and has since concluded. The parent Company has taken necessary measures to address the identified concerns and prevent their recurrence. The Board has thoroughly reviewed these deviations and non-compliances, forming a team to implement corrective actions and revise policies and procedures as needed. Management is confident that these actions will resolve all issues raised by the RBI. The Group remains committed to adhering to the highest standards of compliance with RBI regulations, in both letter and spirit.

NOTE 49 IMPACT OF RBI'S ACTION ON THE PARENT COMPANY'S OPERATIONS

The RBI's order, effective March 05, 2024, placed an embargo on the parent Company's gold loan business. While the Gold Loan Business is a major segment of the standalone Company, its consolidated operations benefit significantly from other businesses operating in the standalone company and its subsidiaries. To mitigate any risks to the parent Company's status as a going concern, the following steps have been taken:

1. **Capital infusion:** Raised ₹ 1,271.83 Crore through an equity rights issue in May 2024.
2. **Funding:** Secured ₹ 500.00 Crore via Non-Convertible Debentures from long-term investors.
3. **Cost control:** Implemented cost control measures, including the reduction of major discretionary expenditures.

These actions ensure that the parent Company's projected cash flows over the next three years will meet its financial obligations, maintaining robust capital adequacy. Management is confident in resolving all issues raised by the RBI and has prepared the financial statements on a going concern basis.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

NOTE 50. THE CODE ON SOCIAL SECURITY, 2020

a. Social security means the measures of protection afforded to employees, inclusive of unorganized workers, gig workers and platform workers to ensure access to health care and to provide income security, particularly in cases of old age, unemployment, sickness, invalidity, work injury, maternity or loss of a breadwinner by means of rights conferred on them and schemes framed, under the Code on Social Security, 2020 ("Code").

b. The Code subsumes nine central labour legislations.ie., The Employees' Compensation Act, 1923, The Employees' State Insurance Act, 1948, The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, The Maternity Benefit Act, 1961, The Payment of Gratuity Act, 1972, The Cine Workers Welfare Fund Act, 1981, The Building and Other Construction Workers Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act 2008.

c. The objective of the Code is to amend and consolidate the existing labour laws relating to social security with the wider goal of extending social security benefits to all employees and workers irrespective of belonging to the organised or unorganised sector. The Code brings, within itself the self-employed workers, home workers, wage workers, migrant workers, the workers in the unorganised sector, gig workers and platform workers for the purpose of social security schemes, including life insurance and disability insurance, health and maternity benefits, provident fund.

NOTE 51. Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary & Compliance Officer

Place : Mumbai
Dated: June 15, 2024

FORM AOC-I

Salient features of financial statements of Subsidiaries as per Companies Act, 2013 as on March 31, 2024

(₹ in Crores)

Sr. No.	Particulars	IIFL Home Finance Limited	IIFL Samasta Finance Limited	IIFL Open Fintech Private Limited	IIHFL Sales Limited
1	Share Capital	26.34	668.44	16.84	0.05
2	Other Equity	6,421.06	1,341.28	103.73	13.69
3	Total Assets	25,434.31	11,400.26	122.90	40.50
4	Total Liabilities	18,986.91	9,390.54	2.33	26.76
5	Investments	582.13	370.54	61.70	-
6	Total Turnover	3,293.59	2,770.03	9.62	49.69
7	Profit/ (loss) before taxation	1,328.21	657.14	2.39	(0.62)
8	Provision for taxation (including deferred tax)	301.37	154.10	0.60	(0.24)
9	Total Comprehensive Income	1,019.34	501.16	1.79	(0.36)
10	Proposed preference dividend	-	-	-	-
11	Extent of interest in subsidiary	79.59%	99.56%	51.02%	100.00%

Note: Reporting period for the subsidiary is the same as holding company.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary & Compliance Officer

Place : Mumbai
Dated: June 15, 2024

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IIFL Finance Limited
CIN: L67100MH1995PLC093797

Registered Office:
IIFL House, Sun Infotech Park, Road No. 16V,
Plot No. B-23, Thane Industrial Area,
Wagle Estate, Thane - 400 604

Corporate Office:
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N. S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai - 400 069
Tel: +91 22 6788 1000
Email: shareholders@iifl.com | ir@iifl.com
Website: **www.iifl.com**

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/IIFLCorporate

IIFL (India Infoline Group)

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