

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IIFL HOME
FINANCE LIMITED (FORMERLY KNOWN AS INDIA INFOLINE HOUSING
FINANCE LIMITED) ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **IIFL Home Finance Limited (formerly known as India Infoline Housing Finance Limited)** (hereinafter referred to as “the Company”), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information.

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 the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021 and profit, total comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under subsection (10) of section 143 of the Act (“the SAs”). Our responsibilities under those SAs 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 (“the 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.

Emphasis of Matter

We draw attention to Note 7.1 to the Financial Statements on possible effects of COVID-19 pandemic.

Our opinion is not modified in respect of this matter.



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matter	How the matter was addressed in our audit
<p>Expected Credit Loss – Impairment of carrying value of loans and advances</p> <p>Profit before Tax for F.Y. 20-21 was ₹5,099.84 million after considering an impairment of ₹2,304.40 million vis-à-vis Profit before Tax for F.Y. 19-20 was ₹3,304.40 million after considering an impairment of ₹ 471.78 million.</p> <p>Under Ind AS 109, Expected Credit Loss (ECL) is required to be determined for recognising impairment loss on financial assets which are stated at amortised cost or carried at fair value through other comprehensive income. The Company exercises significant judgement using assumptions over both when and how much to record as impairment for loans and advances and estimation of the amount of the impairment provision for loans and advances.</p> <p>The calculation of impairment loss or ECL is based on significant management estimates and judgements, which are as under:</p> <ul style="list-style-type: none"> • Judgements about credit risk characteristics for collective evaluation of impairment under various stages of ECL. • Loan staging criteria • Calculation of Probability of Default (PD) and Loss Given Default (LGD). • Consideration of probability scenarios and forward looking macro-economic factors 	<p>We performed audit procedures set out below:</p> <ul style="list-style-type: none"> • Read the Company’s Board approved Ind-AS 109 based impairment provisioning policy • Understood and assessed the Company’s process and controls on measurement and recognition of impairment in the loan portfolio. • Test checked loans in stage 1, 2 and 3 to ascertain that they were allocated to the appropriate stage. • Test checked PD and LGD calculation workings performed by management, including testing data used in assessment and evaluation of whether the results support appropriateness of the PDs at portfolio level. • Test checked the calculations of determining Exposure at Default (EAD). • Test checked the manner of determining significant increase in credit risk and the resultant basis for classification of exposures into various stages.



Key Audit Matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 pandemic <p>ECL requires a large variety of data as an input to the model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</p> <p>In view of the criticality of the item to the Financial Statements, complex nature of assumptions & judgements exercised by the management and loans forming a major portion of the Company's assets and impairment charge for the year being material to the net profit for the year, in our opinion this is considered as a Key Audit Matter.</p>	<ul style="list-style-type: none"> Performed an assessment of the ECL provision levels at each stage including management's assessment on COVID 19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.
<p>IT Systems and controls</p> <p>The Company financial accounting and reporting systems are highly dependent on the effective working of the operating and accounting system.</p> <p>The company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to these software are critical for accurate compilation of financial information.</p> <p>Due to extensive volumes, variety and complexity of transactions the operating system is functioning, consistently and accurately, specifically with respect to following:</p> <ul style="list-style-type: none"> Interest, Fee income and other charges collected on Loans 	<p>We have carried out the following procedures to verify the effectiveness of IT controls:</p> <ul style="list-style-type: none"> We obtained an understanding of the Company's business IT environment and key changes if any during the audit period that may be relevant to the audit. Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the key automated and manual business cycle controls and logic for system generated reports relevant to the audit by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis We have tested and reviewed the reconciliations between the loan origination/ servicing application and

Key Audit Matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> Bifurcation of the Loan Portfolio based on maturity pattern and Assets Classification based on ageing of default <p>We have identified ‘IT systems and controls’ as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture. Our audit outcome is dependent on the effective functioning of such operating and accounting system.</p>	<p>the accounting software to mitigate the risk of incorrect data flow to/from separate application software.</p> <ul style="list-style-type: none"> We have also obtained management representations wherever considered necessary.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Director’s report and Management Discussion & Analysis (MD&A) report but does not include the Financial Statements and our auditor’s report thereon. The Director’s report and MD&A 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 identified above when it becomes available 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 Other Information, if, we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company’s management and Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.



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 and Board of Directors are 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 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 Standards on Auditing 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. 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.
- ii. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the 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.



- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 Company 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.
- v. 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.

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 financial year ended 31st March 2021 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 of the Company for the year ended March 31, 2020 were audited by predecessor auditor who expressed an unmodified opinion on those Financial Statements vide their report dated June 05, 2020.

Our opinion on the Financial Statements is not modified in respect of the above matter.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
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;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
 - e. on the basis of written representations received from the directors, as on March 31, 2021 taken on record by the Board of Directors, none of the other directors is disqualified as on March 31, 2021, 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 with reference to Financial Statements 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 36(b) to 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 been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.



3. 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, including sitting fees paid to directors, during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act;

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W



Harnish Shah
Partner

Membership No.: 145160

UDIN: 21145160AAAAAH7987

Place: Mumbai

Date: April 28, 2021

**ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT
(REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS
OF IIFL HOME FINANCE LIMITED (FORMERLY KNOWN AS INDIA INFOLINE
HOUSING FINANCE LIMITED) OF EVEN DATE)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) Pursuant to the Company's program of verifying Property, Plant and Equipment over period of 3 years, the Company has physically verified by the Management during the year. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its business. We are informed that no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, we report that, the title deeds, comprising all the immovable properties classified as Property Plant and Equipment, are held in the name of the Company as at the balance sheet date.
- (ii) The Company is in business of Housing Finance. Therefore, it does not hold any physical inventories. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to information and explanations given to us and the records examined by us, in respect of Inter Corporate Deposits, secured or unsecured, granted to four companies that are covered in the register maintained under section 189 are as under:
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (b) According to information and explanation given to us and the records examined by us, the schedule of repayment of principal and payment of interest has been stipulated. Repayments of principal amounts and interest payments (wherever applicable) are regular.
- (c) Since there is no amount outstanding at the year end, the question of overdue amount over 90 days does not arise.
- (iv) In our opinion and according to information and explanation given to us and the records examined by us, the Company has complied with provision of section 185 of the Act. The Company has complied with section 186 (1) of the Act in respect of investments made. The Company being housing finance company, nothing contained in section 186, except sub-section (1), shall apply.



- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year, and hence reporting under clause (v) of CARO 2016 is not applicable.
- (vi) According to the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended for the services of the Company, and, hence, reporting under paragraph 3 (vi) of the order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, and on the basis of examination of the books of account of the company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it . According to information and explanations given to us, no undisputed amount payable were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders. Repayment of certain principal instalment and interest aggregating to ₹ 395.83 million and ₹ 83.24 million respectively have been paid post due date since communication/ confirmation from Banks on Moratorium was awaited. The Company has not taken loans or borrowings from Government.
- (ix) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised, other than temporary deployment of borrowings aggregating to ₹ 6,000 million in Bank accounts/ Bank Fixed Deposit and Mutual Fund, pending utilization of funds as per respective sanction terms. Apart from money raised by way of term loan, the Company has not raised any moneys by way of initial public offer / further public offer.
- (x) According to the information and explanations given to us, no material fraud by Company or on the Company by its officers or employees has been noticed or reported during the year.



- (xi) According to the information and explanations given to us and on the basis of our examination of the records, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence, reporting under paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records, the Company is in compliance with Section 177 and 188 of the Act where applicable, for all transactions with the related parties.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion and according to information and explanation given to us, the Company is not required to be registered under section 45-IA Reserve Bank of India Act, 1934.

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W



Harnish Shah

Partner

Membership No.: 145160

UDIN: 21145160AAAAAH7987

Place: Mumbai

Date: April 28, 2021

**ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT
(REFERRED TO IN PARAGRAPH 2(F) UNDER 'REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS
OF IIFL HOME FINANCE LIMITED (FORMERLY KNOWN AS INDIA INFOLINE
HOUSING FINANCE LIMITED) OF EVEN DATE)**

**REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE
AFORESAID FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION (3)
OF SECTION 143 OF THE COMPANIES ACT, 2013 (THE 'ACT')**

We have audited the internal financial controls with reference to financial reporting of **IIFL Home Finance Limited (formerly known as India Infoline Housing Finance Limited)** (hereinafter referred to as “the Company”) as of March 31, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to the audit of internal financial controls with reference to Financial Statements. 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 with reference to 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 with reference to financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, 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 internal financial controls with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements.

A Company's internal financial control with reference to Financial Statements 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 with reference to Financial Statements 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 With reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to Financial Statements 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.

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W



Harnish Shah
Partner

Membership No.: 145160

UDIN: 21145160AAAAAH7987

Place: Mumbai

Date: April 28, 2021

FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Millions)

Sr. no.	Particulars	Note no.	March 31, 2021	March 31, 2020
	ASSETS			
1	Financial Assets			
(a)	Cash and cash equivalents	4A	4,123.27	9,251.67
(b)	Bank balance other than (a) above	4B	4,437.40	3,556.63
(c)	Receivables	6		
	(I) Trade receivables		308.23	181.63
(d)	Loans	7	145,649.23	129,373.21
(e)	Investments	8	1,672.20	534.09
(f)	Other financial assets	9	2,337.85	1,375.78
2	Non-financial Assets			
(a)	Current tax assets (net)		143.57	128.05
(b)	Deferred tax assets (net)	10	701.71	336.60
(c)	Investment Property	11A	70.05	111.83
(d)	Property, plant and equipment	11B	24.84	48.72
(e)	Right of use assets	12A	131.68	238.35
(f)	Other intangible assets	12B	1.26	2.94
(g)	Other non-financial assets	13	37.35	35.44
(h)	Assets held for sale	14	139.46	-
	Total Assets		159,778.10	145,174.94
	LIABILITIES AND EQUITY			
1	Financial Liabilities			
(a)	Derivative financial instruments	5	292.08	150.27
(b)	Payables	15		
	(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		351.58	290.74
(c)	Lease Liabilities	12A	149.03	253.49
(d)	Debt securities	16	21,027.50	23,667.61
(e)	Borrowings (other than debt securities)	17	104,708.22	95,034.18
(f)	Subordinated liabilities	18	4,366.73	4,748.75
(g)	Other financial liabilities	19	5,853.89	2,582.77
2	Non-financial Liabilities			
(a)	Current tax liabilities (net)		312.59	76.14
(b)	Provisions	20	125.78	160.10
(c)	Other non-financial liabilities	21	1,133.61	210.75
3	Equity			
(a)	Equity share capital	22	209.68	209.68
(b)	Other equity	23	21,247.41	17,790.46
	Total liabilities and equity		159,778.10	145,174.94
See accompanying notes forming part of the financial statements		1-46		

As per our reports attached of even date.

For M. P. Chitale & Co.
Chartered Accountants

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

Harnish Shah
Partner

R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram



Ajay Jaiswal
Company Secretary
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Place: Mumbai
Date: April 28, 2021



FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Millions)

Sr. no.	Particulars	Note no.	FY 2020-21	FY 2019-20
	Revenue from Operations			
(i)	Interest income	24	17,786.63	16,370.31
(ii)	Dividend Income	25	40.71	-
(iii)	Fees and commission income	26	647.38	619.94
(iv)	Net gain on fair value changes	27	185.01	203.52
(v)	Net gain on derecognition of financial instruments under amortised cost category	28	909.93	234.86
(I)	Total Revenue from Operations		19,569.66	17,428.63
(II)	Other Income	29	1,107.84	601.58
(III)	Total Income (I+II)		20,677.50	18,030.21
	Expenses			
(i)	Finance cost	30	10,532.73	10,866.45
(ii)	Net loss on modification of financial instruments under amortised cost category		73.27	-
(iii)	Impairment on financial instruments, including write-offs	31	2,716.87	1,294.01
(iv)	Employee benefits expenses	32	1,584.43	1,696.30
(v)	Depreciation, amortization and impairment	11A-12B	81.43	88.92
(vi)	Other expenses	33	588.93	780.13
(IV)	Total Expenses		15,577.66	14,725.81
(V)	Profit Before Exceptional Items and Tax (III-IV)		5,099.84	3,304.40
(VI)	Exceptional Item		-	15.04
(VII)	Profit Before Tax (V -VI)		5,099.84	3,289.36
(VIII)	Tax Expenses:			
(i)	Current tax	34	1,419.33	855.10
(ii)	Deferred tax	10	(331.41)	(117.43)
(iii)	Tax of earlier years	34	0.97	(8.63)
	Total Tax Expenses		1,088.89	729.04
(IX)	Profit before impact of change in the rate of Corporate tax on Opening Deferred Tax (VII-VIII)		4,010.95	2,560.32
(X)	Impact of change in the rate of Corporate tax on Opening Deferred Tax	34	-	111.10
(XI)	Profit for the year (IX-X)		4,010.95	2,449.22
(XII)	Other Comprehensive Income			
A (i)	Items that will not be reclassified to profit or loss			
(a)	Remeasurement of defined benefit (liabilities)/assets		15.58	(5.51)
(ii)	Income tax relating to items that will not be reclassified to profit or loss		(3.92)	1.39
	Subtotal (A)		11.66	(4.12)
B (i)	Items that will be reclassified to profit or loss			
(a)	Cash Flow Hedge (net)		(47.75)	(43.58)
(b)	Fair value of loans carried at FVTOCI		(7.64)	-
(ii)	Income tax relating to items that will be reclassified to profit or loss		13.94	10.97
	Subtotal (B)		(41.45)	(32.61)
	Other Comprehensive Income (A+B)		(29.79)	(36.73)
(XIII)	Total Comprehensive Income for the year (XI+XII)		3,981.16	2,412.49
(XIV)	Earnings per Equity Share of face value of Rs. 10 each (for continuing operations)			
	Basic (Rs.)	35	191.29	116.81
	Diluted (Rs.)		191.29	116.81
See accompanying notes forming part of the financial statements		1-46		

As per our reports attached of even date.

For M. P. Chitale & Co.
Chartered Accountants

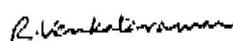


Harnish Shah
Partner

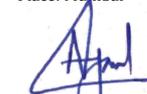
Place: Mumbai
Date: April 28, 2021



For and on behalf of the Board of Directors of
IIFL Home Finance Limited



R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai



Ajay Jaiswal
Company Secretary
Place: Gurugram



Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram



Amit Gupta
Chief Financial Officer
Place: Gurugram

FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A. Equity Share Capital

(₹ in Millions)

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at March 31, 2021	209.68	-	209.68
As at March 31, 2020	209.68	-	209.68

B. Other Equity

(₹ in Millions)

Particulars	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Debenture Redemption Reserve	Retained Earnings	Other Comprehensive Income			Total
						Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance as at March 31, 2019	7,991.57	938.60	1,575.70	416.75	4,945.96	(13.42)	(98.01)	-	15,757.14
Profit for the year	-	-	-	-	2,449.22	-	-	-	2,449.22
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 3)	-	-	-	-	-	-	(32.61)	-	(32.61)
Remeasurement of defined benefit (Net of Tax) (Refer Note 4)	-	-	-	-	-	(4.12)	-	-	(4.12)
Equity Dividend (Refer Note 5)	-	-	-	-	(314.52)	-	-	-	(314.52)
Dividend Distribution Tax	-	-	-	-	(64.65)	-	-	-	(64.65)
Transfer to General Reserve (Refer Note 1)	-	500.00	-	(500.00)	-	-	-	-	-
Transfer to Special Reserve (Refer Note 2)	-	-	493.00	-	(493.00)	-	-	-	-
Transfer to Debenture Redemption Reserve	-	-	-	83.25	(83.25)	-	-	-	-
Balance as at March 31, 2020	7,991.57	1,438.60	2,068.70	-	6,439.76	(17.54)	(130.62)	-	17,790.46
Profit for the year	-	-	-	-	4,010.95	-	-	-	4,010.95
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 3)	-	-	-	-	-	-	(35.74)	-	(35.74)
Remeasurement of defined benefit (Net of Tax) (Refer Note 4)	-	-	-	-	-	11.66	-	-	11.66
Equity Dividend (Refer Note 5)	-	-	-	-	(524.20)	-	-	-	(524.20)
Transfer to Special Reserve (Refer Note 2)	-	-	805.00	-	(805.00)	-	-	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	(5.72)	(5.72)
Balance as at March 31, 2021	7,991.57	1,438.60	2,873.70	-	9,121.51	(5.89)	(166.36)	(5.72)	21,247.41

1. The General Reserve can be distributed / utilised by the Company in accordance with the Companies Act, 2013. During the year the Company has transferred ₹ Nil/- (P.Y. ₹ 500.00 Millions) from Debenture Redemption Reserve to General Reserve on account of redemption of debenture offered through public issue.

2. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer.

3. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.

4. The amount 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.

5. During the year, the Board of Directors of the Company has declared and paid interim dividend of ₹ 25/- (P.Y. ₹ 15/-) per equity share.

See accompanying notes forming part of the financial statements

As per our reports attached of even date.

For M. P. Chitale & Co.
Chartered Accountants

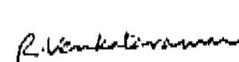


Harnish Shah
Partner

Place: Mumbai
Date: April 28, 2021



For and on behalf of the Board of Directors of
IIFL Home Finance Limited



R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai



Monu Ratra
Executive Director
(DIN: 07406284)
Place: Gurugram



Amit Gupta
Chief Financial Officer
Place: Gurugram



Ajay Jaiswal
Company Secretary
Place: Gurugram

FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Millions)

Particulars	Note No.	FY 2020-21	FY 2019-20
Cash Flows from Operating Activities			
Profit before tax		5,099.84	3,289.36
Adjustments for:			
Depreciation, amortization and impairment		81.43	88.92
Impairment on financial instruments - loans		2,214.18	471.78
Interest expense		10,532.73	10,866.45
Interest on Loans		(17,783.79)	(16,370.31)
Net gain on derecognition of financial instruments		(866.01)	(176.89)
Net (gain)/loss on fair value changes		(183.56)	(172.40)
Loss on Sale of assets [net]		14.29	0.56
Interest paid		(11,067.45)	(10,131.61)
(Gain)/Loss on termination		(6.20)	(0.33)
(Gain)/Loss on Modification		73.27	-
Interest received on loans		17,954.16	16,107.84
(Gain)/ Loss on buy back of Debt Securities		(1.45)	(29.42)
Operating Profit before Working Capital changes		6,061.44	3,943.95
Changes in Working Capital:			
Adjustments for (increase)/decrease in Other Financial assets		(191.31)	(82.48)
Adjustments for (increase)/decrease in Trade Receivables		(126.60)	109.77
Adjustments for (increase)/decrease in Other Non Financial assets		(1.26)	9.60
Adjustments for (increase)/decrease in Assets held for sale		(139.46)	-
Adjustments for (increase)/decrease in Balances with banks - Lien marked		1,058.78	(1,061.34)
Adjustments for increase/(decrease) in Trade Payables		60.84	(186.70)
Adjustments for increase/(decrease) in Other financial liabilities		3,271.12	(2,760.65)
Adjustments for increase/(decrease) in Other non-financial liabilities		922.86	(287.69)
Adjustments for increase/(decrease) in Provisions		(24.65)	22.19
Operating Profit after Working Capital changes		10,891.76	(293.35)
Direct Taxes Paid		(1,223.05)	(997.90)
Cash generated from/ (used in) Operations		9,668.71	(1,291.25)
Loans (disbursed) / repaid (net)		(18,645.17)	4,525.54
Net cash generated from / (used in) Operating Activities (A)		(8,976.46)	3,234.29
Cash flow from Investing Activities			
Purchase of fixed assets		(9.39)	(50.64)
Sale of fixed assets		3.98	18.57
Fixed deposits placed		(82,622.53)	(2,465.78)
Fixed deposits matured		80,681.91	1,942.93
Purchase of investments		(165,446.23)	(808,392.13)
Proceeds from sale of investments		164,491.68	808,030.44
Purchase of investment property		-	(111.83)
Proceeds from sale of investment property		24.10	-
Net Cash used in Investing Activities (B)		(2,876.48)	(1,028.45)
Cash flow from Financing Activities			
Dividend paid (including Dividend Distribution Tax)		(524.20)	(379.17)
Proceeds from Borrowings		32,980.00	27,335.44
Repayment of Borrowings		(23,157.85)	(18,319.21)
Proceeds from issue of Debt & Sub-Ordinated Debt Securities		14,620.00	36,400.00
Repayment of Debt & Sub-Ordinated Debt Securities		(17,136.06)	(45,993.23)
Payment of lease liabilities		(57.35)	(66.41)
Net Cash from/(used in) Financing Activities (C)		6,724.54	(1,022.58)
Net increase in cash and cash equivalents (A+B+C)		(5,128.40)	1,183.26
Cash and cash equivalents as at the beginning of the year		9,251.67	8,068.41
Cash and cash equivalents as at the end of the year		4,123.27	9,251.67
See accompanying notes forming part of the financial statements	1-46		

As per our reports attached of even date.

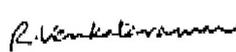
For M. P. Chitale & Co.
Chartered Accountants


Harnish Shah
Partner

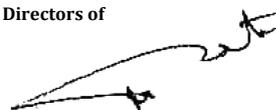
Place: Mumbai
Date: April 28, 2021



For and on behalf of the Board of Directors of
IIFL Home Finance Limited


R. Venkataraman
Director
(DIN: 00011919)
Place: Mumbai


Ajay Jaiswal
Company Secretary
Place: Gurugram



Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram


Amit Gupta
Chief Financial Officer
Place: Gurugram

IIFL HOME FINANCE LIMITED

(Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Financial Statements as at and for year ended March 31, 2021

Note 1. CORPORATE INFORMATION

(a) Company overview

IIFL Home Finance Limited (formerly known as India Infoline Housing Finance Limited) ("IIFL HFL"/ "the Company") (CIN No. U65993MH2006PLC166475), is a wholly owned subsidiary of IIFL Finance Limited (formerly known as IIFL Holdings Limited). IIFL HFL received a Certificate of Registration from the National Housing Bank ("NHB") in February 2009 to carry on the business of a housing finance institution. IIFL HFL offers housing finance in line with 'The Housing Finance Companies (NHB) Directions, 2010' ("NHB Directions") and RBI Master Direction - Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time. The redeemable and Non-Convertible debentures of the company are listed on National Stock Exchange (NSE).

Note 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 ("the Act") and the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable and the relevant provisions of the Act.

(b) Basis of Preparation

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 Standards is initially adopted or a revision to an existing Accounting Standards requires a change in the accounting policy hitherto in use.

(c) Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. 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



IIFL HOME FINANCE LIMITED

(Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Financial Statements as at and for year ended March 31, 2021

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 NHB and RBI. The Company presents its Balance Sheet in the order of liquidity.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to millions except when otherwise stated.

(d) Basis of measurements

The financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair value.

A historical cost is a measure of value used in accounting in which the price of an asset on the balance sheet is based on its nominal or original cost when acquired by the company.

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 measurements under Ind AS are categorised 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 observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

(e) 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 assets and liabilities at the date of the 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



IIFL HOME FINANCE LIMITED

(Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Financial Statements as at and for year ended March 31, 2021

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 changes are made and, if material, their effects are disclosed in the notes to the financial statements.

i. Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding (“SPPI”) and the business model test. The Company determines the business model at a level that reflects how the Company’s financial instruments are managed together to achieve a particular business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

ii. Determination of Expected Credit Loss (“ECL”)

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Company’s historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Company’s criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.

iii. Effective interest rate computation

Computation of effective interest rate involves significant estimates and judgements with respect to expected loan tenure (period within which all cash flows pertaining to such financial instruments are expected to be received), nature and timings of such estimated cashflows considering the contractual terms of the financial instrument. These estimations are done considering various factors such as historical behaviour patterns of the instrument with respect to



IIFL HOME FINANCE LIMITED

(Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Financial Statements as at and for year ended March 31, 2021

average repayment period and cash flows behaviours. Such estimates and assumptions are reviewed by the company at each reporting date and changes, if any are given effect to.

iv. Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in financial statements the company uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

v. Income Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/recovered for certain tax positions.

vi. Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

vii. Defined Benefit Plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



IIFL HOME FINANCE LIMITED

(Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Financial Statements as at and for year ended March 31, 2021

Note 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is recognised 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.

i. Interest income and dividend income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

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 contractual terms of the instrument.

Interest income/expenses is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

Penal Interest are recognised as income only when revenue is virtually certain which generally coincides with receipts.

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 recognised in the Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.



IIFL HOME FINANCE LIMITED

(Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Financial Statements as at and for year ended March 31, 2021

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. Fees and charges are recognised as income only when revenue is virtually certain which generally coincides with receipts.

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. Other Income

Other income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(b) Property, plant and equipment ("PPE")

PPE is recognised 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 cost of acquisition (net of tax), if any, less accumulated depreciation and cumulative impairment losses (if any). Cost includes freight, duties, taxes and expenses incidental to acquisition and installation.

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.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the opening written down value as per Previous GAAP on the transition date of April 1, 2017.

An item of property, plant and equipment is derecognised 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 property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Projects under which tangible fixed assets 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".



IIFL HOME FINANCE LIMITED

(Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Financial Statements as at and for year ended March 31, 2021

(c) Intangible assets

Intangible assets are recognised 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 amortisation and cumulative impairment.

An intangible asset is derecognised 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets not ready for the intended use on the date of Balance Sheet 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 derecognised 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 or Loss in the period in which the Investment property is derecognised.

(e) Depreciation and Amortisation

Depreciation is charged using the straight-line method, based on the useful life of fixed assets as estimated by the Management, as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged from the month in which assets are sold. In case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset. Individual 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.



IIFL HOME FINANCE LIMITED

(Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Financial Statements as at and for year ended March 31, 2021

The estimated useful life of assets is as under:

Class of assets	Useful Life as per Schedule II Companies Act	Useful life as per Company
Investment property Real Estate*	60 years / 30 years	20 years
Computers	3 years	3 years
Office equipment	5 years	5 years
Electrical Equipment*	10 years	5 years
Furniture and fixtures*	10 years	5 years
Vehicles*	8 years	5 years

* For these 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. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Intangible assets i.e. Software are amortised on straight-line basis over the estimated useful life of 3 years.

Depreciation and amortisation on impaired asset is provided on the revised carrying amount of the asset over its remaining useful life.

(f) 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.

The Company repossess properties or other assets to settle outstanding recoverable and the surplus (if any) post auction is refunded to the obligors. These assets physically acquired by the company under SARFASI Act, 2002 and sale is highly probable has been classified as assets held for sale, as their carrying amounts will be recovered principally through a sale of asset. In accordance with Ind AS 105, the company is committed to sell these assets. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.



IIFL HOME FINANCE LIMITED

(Formerly known as India Infoline Housing Finance Limited)

Notes forming part of Financial Statements as at and for year ended March 31, 2021

(g) Impairment of Assets other than financial 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.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

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 recognised 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 subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(h) Employee benefits

i. Defined contribution plans

The Company's contribution towards Provident Fund, Family Pension Fund and ESIC 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 recognised in the Statement of Profit and loss.

ii. 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 recognised 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.



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Postemployment 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 recognised 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 recognised in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises 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 recognise the obligation on a net basis.

Long term employee benefits: The obligation recognised 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 Company and is recognised in a similar manner as in the case of defined benefit plan above.

(i) 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.



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As a lessee

The Company recognises 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 amortised 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.



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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 recognise 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 recognises 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.

(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 recognised 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 assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive



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income or in equity, is recorded along with the tax as applicable.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(k) Financial instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. Purchase and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Recognised 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 recognised immediately in Statement of Profit and Loss.

Financial assets

Classification and Subsequent measurement

The Company classifies its financial assets into the following measurement categories: amortised cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised 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, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost.



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Financial Assets measured at amortised cost

Debt instruments that meet the following criteria are measured at amortised 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 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 amortised 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



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- 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 recognised in Statement of profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised 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 or Loss.

Financial instruments measured at fair value through Profit and Loss (“FVTPL”)

Instruments that do not meet the amortised 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 recognised in the Statement of Profit and Loss. The gain or loss on disposal is recognised in the Statement of Profit and Loss.

Interest income is recognised in the Statement of Profit and Loss for FVTPL debt instruments.

All equity investments in scope of Ind AS 109 are measured at fair value are classified as at FVTPL. The Company may make an irrevocable election to present certain equity investments measured at fair value through other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Company may transfer the cumulative gain or loss within equity.

Reclassifications

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company’s management determines change in the business model as a result of external or internal changes which are significant to the Company’s operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



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Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

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.

ECL is required to be 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).



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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 company has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

Based on the above process, the company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: When a loan has shown an increase in credit risk since origination, the Company records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans shows significant increase in credit risk and/or are considered credit-impaired, the company records an allowance for the life time expected credit losses.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Key elements of ECL computation are outlined below:

- Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.
- 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-recognised and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.



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- Loss given default (“LGD”) estimates the normalised loss which Company incurs post customer default. It is computed using historical loss and recovery experience. It is usually expressed as a percentage of the Exposure at default (“EAD”).

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. If there has been a significant increase in credit risk the company measures the loss allowance based on lifetime rather than 12-month ECL. 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 recognised. 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.

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.



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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 is based on both qualitative and quantitative indicators such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

Modification and de-recognition 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 maximise collection and minimise 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



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at the original effective interest.

In the case where the financial asset is derecognised, 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 recognised 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 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 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 derecognises 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 recognises 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



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financial asset, the Company continues to recognise the financial asset and also recognises a collateralised 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 recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Assignment transactions

Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognised and gains/losses are accounted for, only if the company transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding loan is derecognised from the Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest strip receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset.

Securitisation transactions

In case of securitisation transactions, the Company retains substantially all the risks and rewards of ownership of a portion of the transferred loan assets. The Company continues to recognise the entire loan and also recognises a collateralised borrowing for the proceeds received.

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.



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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 recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised 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 amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises 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 derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

(I) Derivative financial instrument

Derivative financial instruments

The Company 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 recognised 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 recognised in profit or loss immediately unless the derivative is designated



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and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Company 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 Company 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 recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognised 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 recognised 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 recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(m) Investments in Subsidiaries, Joint Ventures and Associates

Investments in Subsidiaries and Associates are measured at cost as per Ind AS 27 – Separate Financial Statements.



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(n) Cash and cash equivalents

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. 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.

(o) 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/utilising the credits.

(p) Borrowing costs

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost.

(q) Foreign currencies

In preparing the financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised 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 recognised 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 recognised in the Statement of Profit and Loss in the period in which they arise.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). CODM is responsible for allocating the resources, assess the financial performance and position of the Company and makes strategic decision.



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Notes forming part of Financial Statements as at and for year ended March 31, 2021

(s) Provisions, contingent liabilities and contingent assets

Provisions are recognised 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 recognised 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. 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 recognised and measured as provisions. An onerous contract is considered to exist where the Company 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 not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(t) 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.

(u) 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



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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.

(v) 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;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised 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.

(w) Dividend

Final dividend on equity shares are recorded as a liability on the date of the approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Company's Board of Directors.

(x) 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.



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Notes forming part of Financial Statements as at and for year ended March 31, 2021

Note 4A. Cash and Cash Equivalents

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Cash on hand	5.54	0.65
Balance with banks		
-In current accounts	3,117.66	8,870.80
Fixed deposits (original maturity less than or equal to three months)	1,000.07	380.22
Cash and cash equivalents	4,123.27	9,251.67

Note 4B. Bank balances other than Cash and Cash Equivalents

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Other bank balances		
In earmarked accounts		
- Unclaimed interest and redemption proceeds of NCDs	14.58	1,073.35
Fixed deposits (original maturity less than or equal to three months) - lien marked	2,276.88	-
Fixed deposits (original maturity more than three months)	2,145.94	2,483.28
Total	4,437.40	3,556.63

Out of the fixed deposits shown above:

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Lien marked	2,476.34	190.89
Margin for credit enhancement	1,909.03	1,884.67
Total	4,385.37	2,075.56



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Notes forming part of Financial Statements as at and for year ended March 31, 2021

Note 5. Derivatives financial instruments

(₹ in Millions)

Part I	As at March 31, 2021			As at March 31, 2020		
	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities
(i) Currency derivatives:						
-Cross currency interest rate swaps	3,630.75	-	292.08	3,630.75	-	150.27
Subtotal (i)	3,630.75	-	292.08	3,630.75	-	150.27
(ii) Other derivatives						
-Forward exchange contract	-	-	-	-	-	-
Subtotal (ii)	-	-	-	-	-	-
Total derivative (i+ii)	3,630.75	-	292.08	3,630.75	-	150.27

(₹ in Millions)

Part II	As at March 31, 2021			As at March 31, 2020		
	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) Cash flow hedging:						
- Currency derivatives	3,630.75	-	292.08	3,630.75	-	150.27
(ii) Undesignated derivatives	-	-	-	-	-	-
Total derivative financial instruments (i+ii)	3,630.75	-	292.08	3,630.75	-	150.27

Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. 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. Refer Note 5.1.

(₹ in Millions)

Particulars	Total		Exchange traded		Over the counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2021						
Derivative asset	-	-	-	-	-	-
Derivative liabilities	3,630.75	292.08	-	-	3,630.75	292.08
As at March 31, 2020						
Derivative asset	-	-	-	-	-	-
Derivative liabilities	3,630.75	150.27	-	-	3,630.75	150.27



IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Financial Statements as at and for year ended March 31, 2021

5.1 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.

5.1.1 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 Company is exposed to interest rate risk arising from its foreign currency borrowings amounting to USD 50 Millions (March 31, 2020 USD 50 Millions) Interest on the borrowing is payable at a floating rate linked to USD LIBOR. The Company hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap.

The Company 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 arising from foreign currency loans / external commercial borrowings. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date.

The company uses Critical Terms Matching to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Profit and Loss Account. If the hedge is effective, the movement in the Fair Value of the underlying and the derivative instrument is transferred to "Other Comprehensive Income" in Statement Of Changes In Equity.

There is an economic relationship between the hedged item and the hedging instrument as the critical 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 Company 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 Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Notional amount	3,630.75	3,630.75
Carrying amount	292.08	150.27
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	(35.73)	(32.61)

(₹ in Millions)

Impact of hedging item	FY 2020-21	FY 2019-20
Change in fair value	(35.73)	(32.61)
Cash flow hedge reserve	(35.73)	(32.61)
Cost of hedging	-	-

(₹ in Millions)

Effect of Cash flow hedge	FY 2020-21	FY 2019-20
Total hedging gain / (loss) recognised in OCI	(35.73)	(32.61)
Line item in the statement of profit or loss	-	-

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
(Gain)/Loss On Swap Transaction	(141.81)	271.05
(Gain)/Loss On Mark To Market On Fluctuation Of Foreign Exchange	94.06	(314.63)
Tax implication on above	12.02	10.97
Total	(35.73)	(32.61)



IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Financial Statements as at and for year ended March 31, 2021

Note 6. Receivables

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Trade receivables		
Receivables considered good - unsecured	308.23	181.63
Total - gross	308.23	181.63
Less: Impairment loss allowance	-	-
Total	308.23	181.63

No trade receivables are due from Directors or any other officers of the Company either severally or jointly with any other person nor any trade receivables are due from firms or private companies respectively in which any Director is a Partner, Director or a Member.

Trade Receivables are not interest bearing.

Note 7. Loans

(₹ in Millions)

Particulars	As at March 31, 2021		
	Amortised cost	FVTOCI	Total
	1	2	(3=1+2)
Loans			
(A)			
(i) Term loans	126,720.45	23,523.44	150,243.89
Total (A) - Gross	126,720.45	23,523.44	150,243.89
Less: Impairment loss allowance	(4,338.14)	(256.52)	(4,594.66)
Total (A) - Net	122,382.31	23,266.92	145,649.23
(B)			
(i) Secured by tangible assets	124,813.75	23,488.53	148,302.28
(ii) Secured by Government Guarantee	1,881.62	34.91	1,916.53
(iii) Unsecured	25.08	-	25.08
Total (B) - Gross	126,720.45	23,523.44	150,243.89
Less: Impairment loss allowance	(4,338.14)	(256.52)	(4,594.66)
Total (B) - Net	122,382.31	23,266.92	145,649.23
(C)			
Loans in India	126,720.45	23,523.44	150,243.89
(i) Public sector	-	-	-
(ii) Others	126,720.45	23,523.44	150,243.89
Less: Impairment loss allowance	(4,338.14)	(256.52)	(4,594.66)
Total (C) - Net	122,382.31	23,266.92	145,649.23

(₹ in Millions)

Particulars	As at March 31, 2020		
	Amortised cost	FVTOCI	Total
	1	2	(3=1+2)
Loans			
(A)			
(i) Term loans	99,901.19	30,000.00	129,901.19
(ii) Inter-corporate deposits	1,535.10	-	1,535.10
Total (A) - Gross	101,436.29	30,000.00	131,436.29
Less: Impairment loss allowance	(1,925.64)	(137.44)	(2,063.08)
Total (A) - Net	99,510.65	29,862.56	129,373.21
(B)			
(i) Secured by tangible assets	99,901.19	30,000.00	129,901.19
(ii) Secured by Government Guarantee	-	-	-
(iii) Unsecured	1,535.10	-	1,535.10
Total (B) - Gross	101,436.29	30,000.00	131,436.29
Less: Impairment loss allowance	(1,925.64)	(137.44)	(2,063.09)
Total (B) - Net	99,510.65	29,862.56	129,373.21
(C)			
(I) Loans in India	101,436.29	30,000.00	131,436.29
(i) Public sector	-	-	-
(ii) Others	101,436.29	30,000.00	131,436.29
Less: Impairment loss allowance	(1,925.64)	(137.44)	(2,063.09)
Total (C) - Net	99,510.65	29,862.56	129,373.21

The above Term Loans includes ₹ 1,959.22 Millions (as at March 31, 2020, ₹ 1,669.64 Millions) towards interest accrued, unamortised processing fee, gain/loss on modification of financial assets, gain/loss on FVTOCI.

a. Secured loans given to customers are secured by equitable mortgage of property. 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.

b. Secured loans include loans aggregating in ₹ 13.22 Millions (as at March 31, 2020, ₹ 32.73 Millions) in respect of which the creation of security is under process.



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Notes forming part of Financial Statements as at and for year ended March 31, 2021

Note 7.1:

The Covid-19 pandemic has impacted most economies and banking systems globally, including India. The nation-wide lockdown in April-May 2020 substantially impacted economic activity. The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy. These developments resulted in regulatory measures like moratorium on payment of dues and standstill in asset classification to mitigate the economic consequences on borrower etc. It also resulted in increase in provisioning reflecting higher actual and expected additions to non-performing loans following the cessation of moratorium and asset classification standstill. The current second wave of Covid-19 pandemic, where the number of new cases has increased significantly in India, has resulted in re-imposition of localised/regional lockdown measures in various parts of the country. The impact of the second wave on the Company's results remains uncertain and dependent on future developments, which are often outside of the Company's control and accordingly, actuals may differ from the estimates used in the preparation of the financial statements on the reporting date.

The impact, including credit quality and provision, of the Covid-19 pandemic, on company, is uncertain and will depend on the spread of Covid-19, the effectiveness of current and future steps taken by the governments and central bank to mitigate the economic impact, steps taken by the company and the time it takes for economic activities to return to pre-pandemic levels. The Companies capital and liquidity position is strong.

The Supreme Court, in a writ petition, through its interim order dated September 3, 2020 had directed that accounts which were not declared as NPA till August 31, 2020 shall not be declared as NPA till further orders. Pursuant to the Supreme Court's final order in Q4-2021 and the related RBI notification issued on April 7, 2021, the Company has classified these borrower accounts as per the extant IRAC Norms and the resultant provision have been suitably alligned.

Note 8. Investments

(₹ in Millions)

Particulars	As at March 31, 2021			Total
	FVTPL	At Amortised Cost	At Cost	
(A)				
Debt securities	-	125.97	-	125.97
Equity instruments	-	-	1,546.23	1,546.23
Total - Gross (A)	-	125.97	1,546.23	1,672.20
(B)				
(i) Investments in India	-	125.97	1,546.23	1,672.20
Total (B)	-	125.97	1,546.23	1,672.20
(C)				
Less: Impairment loss allowance	-	-	-	-
Total- Net (A-C)	-	125.97	1,546.23	1,672.20

(₹ in Millions)

Particulars	As at March 31, 2020		
	FVTPL	At Amortised Cost	Total
(A)			
Debt securities	-	155.57	155.57
Equity instruments	378.52	-	378.52
Total - Gross (A)	378.52	155.57	534.09
(B)			
(i) Investments in India	378.52	155.57	534.09
Total (B)	378.52	155.57	534.09
(C)			
Less: Impairment loss allowance	-	-	-
Total- Net (A-C)	378.52	155.57	534.09

Note 8.1 Investment Details Script Wise

Particulars	As at March 31, 2021	
	Quantity (in actuals)	Carrying Value (₹ in Millions)
Debt instruments		
Elite Mortgage HL Trust June 2019 Series A PTC	5	125.97
Equity instruments in Associate		
Samasta Microfinance Limited	80,203,334	1,546.23

Particulars	As at March 31, 2020	
	Quantity (in actuals)	Carrying Value (₹ in Millions)
Debt instruments		
Elite Mortgage HL Trust June 2019 Series A PTC (Face value in Mns)	5	155.57
Equity instruments		
SBI Cards and Payment Services Limited	611,849	378.52



Note 9. Other financial assets

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposit		
- Unsecured, considered good	15.46	20.58
- Unsecured, considered doubtful	8.46	8.09
Less: Provisions (Refer Note 9.1 below)	(8.46)	(8.09)
Interest strip asset on assignment	1,984.91	1,214.15
Other receivables	337.48	141.05
Total	2,337.85	1,375.78

Note 9.1. Provision on Security Deposits

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening provision	8.09	8.29
Additions	0.37	0.63
Reductions	-	(0.83)
Closing provision	8.46	8.09

Note 10. Deferred tax assets (Net)

Significant components of deferred tax assets and liabilities as at March 31, 2021 are as follows:

(₹ in Millions)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, plant and equipment	3.85	2.99	-	6.84
Provisions for expected credit losses	436.66	579.98	-	1,016.64
Provision for employee benefits	23.43	(6.95)	(3.92)	12.55
Fair value of derivative financial instruments	37.81	-	35.69	73.50
Ind AS 116	3.81	0.68	-	4.49
Fair value of financial instruments	21.00	(21.00)	1.92	1.92
Adjustment pertaining to income and expenses recognition based on effective interest rate	115.63	46.31	-	161.94
Total deferred tax assets (A)	642.18	602.01	33.69	1,277.88
Deferred tax liabilities:				
Provision for 36(1)(viia)	-	(76.60)	-	(76.60)
Interest spread on assigned loans	(305.58)	(193.99)	-	(499.57)
Total deferred tax liabilities (B)	(305.58)	(270.59)	-	(576.17)
Deferred tax assets (A+B)	336.60	331.42	33.69	701.71

Significant components of deferred tax assets and liabilities as at March 31, 2020 are as follows:

(₹ in Millions)

Particulars	Opening balance	Transfer In (Refer note (a) below)	Effect of Rate Change	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:						
Property, plant and equipment	2.55	-	(0.71)	2.01	-	3.85
Provisions for expected credit losses	372.36	69.06	(123.50)	118.74	-	436.66
Provision for employee benefits	16.91	-	(4.73)	9.86	1.39	23.43
Fair value of derivative financial instruments	147.23	-	(41.19)	-	(68.23)	37.81
Ind AS 116	-	-	-	3.81	-	3.81
Fair value of financial instruments	-	-	-	21.00	-	21.00
Adjustment pertaining to income and expenses recognition based on effective interest rate	167.57	-	(39.77)	(12.18)	-	115.63
Total deferred tax assets (A)	706.62	69.06	(209.90)	143.24	(66.84)	642.18
Deferred tax liabilities:						
Provision for 36(1)(viia)	(16.11)	-	4.51	11.60	-	-
Interest spread on assigned loans	(370.43)	7.97	94.29	(37.41)	-	(305.58)
Total deferred tax liabilities (B)	(386.54)	7.97	98.80	(25.81)	-	(305.58)
Deferred tax assets (A+B)	320.08	77.03	(111.10)	117.43	(66.84)	336.60

a. Transfer in during the previous year refers to the impact of deferred taxes on the purchase of mortgage loan portfolio from India Infoline Finance Limited (then holding Company of the Company) w. e. f. June 30, 2019. India Infoline Finance Limited merged into the ultimate holding Company IIFL Finance Limited (Formerly known as IIFL Holdings Limited) w.e.f. March 30, 2020.

Note 11A. Investment Property

(₹ in Millions)

Particulars	Buildings
As at March 31, 2019	-
Additions	111.83
Deductions/Adjustments	-
As at March 31, 2020	111.83
Additions	-
Deductions/Adjustments	36.99
As at March 31, 2021	74.84
Accumulated Depreciation	
As at March 31, 2019	-
Depreciation for the year	-
Deductions/Adjustments	-
As at March 31, 2020	-
Depreciation for the year	4.79
Deductions/Adjustments	-
As at March 31, 2021	4.79
Net Block as at March 31, 2020	111.83
Net Block as at March 31, 2021	70.05



Note 11B. Property, Plant and Equipment

(₹ in Millions)

Particulars	Freehold Land*	Furniture & Fixture	Office Equipment	Electrical Equipment	Computers	Total
As at March 31, 2019	0.86	13.66	6.71	7.08	46.21	74.52
Additions	-	5.96	2.56	2.23	38.36	49.11
Deductions/Adjustments	-	2.62	1.17	0.83	29.85	34.47
As at March 31, 2020	0.86	17.00	8.10	8.48	54.72	89.16
Additions	-	2.39	0.51	0.53	10.68	14.11
Deductions/Adjustments	-	7.08	0.56	2.62	13.21	23.47
As at March 31, 2021	0.86	12.31	8.05	6.39	52.19	79.80
Accumulated Depreciation						
As at March 31, 2019	-	5.92	2.87	3.34	16.02	28.15
Depreciation for the year	-	3.31	1.67	1.60	21.05	27.63
Deductions/Adjustments	-	1.51	0.68	0.55	12.60	15.34
As at March 31, 2020	-	7.72	3.86	4.39	24.47	40.44
Depreciation for the year	-	2.50	1.44	1.40	21.10	26.44
Deductions/Adjustments	-	2.68	0.30	1.82	7.12	11.92
As at March 31, 2021	-	7.54	5.00	3.97	38.45	54.96
Net Block as at March 31, 2020	0.86	9.28	4.24	4.09	30.25	48.72
Net Block as at March 31, 2021	0.86	4.77	3.05	2.42	13.74	24.84

* The above freehold Land is hypothecated with Debenture Trustee(s) for issue of secured non-convertible debentures.

Note 12A. Leases

Statement showing movement in lease liabilities

(₹ in Millions)

Particulars	Premises	Vehicle	Total
As at April 01, 2019	237.50	21.41	258.91
Additions	46.09	2.20	48.29
Deductions/Adjustments	8.28	1.47	9.75
Finance cost accrued during the period	20.86	1.59	22.45
Payment of lease liabilities	56.78	9.63	66.41
As at March 31, 2020	239.39	14.10	253.49
Additions	4.81	0.99	5.80
Deductions/Adjustments	67.62	2.70	70.32
Finance cost accrued during the period	16.60	0.81	17.41
Payment of lease liabilities	48.64	8.71	57.35
As at March 31, 2021	144.54	4.49	149.03

Statement showing carrying value of right of use assets

(₹ in Millions)

Particulars	Premises	Vehicle	Total
As at April 01, 2019	237.50	21.41	258.91
Additions	46.09	2.20	48.29
Deductions/Adjustments	7.94	1.48	9.42
Depreciation	50.54	8.89	59.43
As at March 31, 2020	225.11	13.24	238.35
Additions	4.81	0.98	5.79
Deductions/Adjustments	61.61	2.51	64.12
Depreciation	40.60	7.74	48.34
As at March 31, 2021	127.70	3.97	131.68



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Statement showing break up value of the Current and Non - Current Lease

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	25.40	49.69
Non- Current lease liabilities	123.63	203.80

Statement showing contractual maturities of lease liabilities on an undiscounted basis

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Due for		
Up to One year	36.76	69.10
One year to Two years	33.01	61.44
Two to Five years	76.86	125.37
More than Five years	44.94	64.55
Total	191.57	320.46

Statement showing amount recognised in Statement of Profit and Loss:

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Interest on lease liabilities	17.42	22.45
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	1.82	2.37
Total	19.24	24.82

Statement showing amount recognised in Statement of Cash Flows:

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Total cash outflow for leases	57.35	66.41

Note 12B. Other Intangible Assets (Other than internally generated)

(₹ in Millions)

Particulars	Computer Software
As at March 31, 2019	8.32
Additions	1.51
Deductions/Adjustments	-
As at March 31, 2020	9.83
Additions	0.16
Deductions/Adjustments	-
As at March 31, 2021	9.99
Accumulated Depreciation	
As at March 31, 2019	5.03
Depreciation For the year	1.86
Deductions/Adjustments	-
As at March 31, 2020	6.89
Depreciation For the year	1.84
Deductions/Adjustments	-
As at March 31, 2021	8.73
Net Block as at March 31, 2020	2.94
Net Block as at March 31, 2021	1.26



Note 13. Other Non Financial Assets

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advance	1.82	0.53
Prepaid Expenses	27.19	31.13
Others	2.44	3.78
Gratuity Advance	5.90	-
Total	37.35	35.44

Note 14. Assets held for Sale

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Assets held for sale	139.46	-

Note 15. Trade Payables

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (Refer note 15A)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	351.58	290.74
Total	351.58	290.74

Note 15A. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

The Company had requested its suppliers to confirm the status as to whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 and is in the continuous process of obtaining such confirmation from its suppliers. The disclosure relating to unpaid amount as at the year-end together with interest paid/payable as required under the said Act have been given to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSME Act, 2006.

(₹ in Millions)

Particulars	FY 2020-2021	FY 2019-2020
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(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 Act	-	-

No interest has been paid / is payable by the Company during the year to the Suppliers registered under this Act.

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

Note 16. Debt Securities

(₹ in Millions)

Particulars	At Amortised Cost	
	As at March 31, 2021	As at March 31, 2020
Secured:		
Non-convertible debentures - (Refer Note (a), (b) and 16.1)	21,027.50	23,667.61
Total (A)	21,027.50	23,667.61
Debt securities in India	21,027.50	23,667.61
Debt securities outside India	-	-
Total (A+B)	21,027.50	23,667.61

a. The above Non Convertible Debentures are secured by way of charge on current assets, book debts, receivables (both present and future), identified immovable property and other assets of the Company.

b. Non Convertible Debentures - Secured includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 843.75 Millions (May 15, 2021 and every six months thereafter), ₹ 150.00 Millions (from December 20, 2023) and ₹ 150.00 Millions (from March 20, 2024) (as at March 31, 2020 ₹ 1,406.25 Millions (May 15, 2020 and every six months thereafter), ₹ 150.00 Millions (from December 20, 2023) and ₹ 150.00 Millions (from March 20, 2024)).



Note 16.1 - Terms of repayment

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Secured NCD (A)				
(a) Fixed:				
More than 5 years	5,985.99	8.69% - 9.18%	3,300.00	9.18% - 10.33%
3- 5 Years	300.00	10.03% - 10.33%	-	-
1-3 Years	-	-	550.00	8.90% - 9.38%
Less than 1 year	2,067.06	8.00% - 9.38%	1,251.57	8.65% - 9.87%
Sub-Total (a)	8,353.05		5,101.57	
(b) Floating:				
More than 5 years	-	-	-	-
3- 5 Years	-	-	-	-
1-3 Years	281.25	8.56%	2,843.75	8.56% - 9.85%
Less than 1 year	2,731.56	8.56% - 9.40%	755.77	8.56%
Sub-Total (b)	3,012.81		3,599.52	
Total Secured NCD (a+b)	11,365.86		8,701.09	
Secured Zero Coupon (B)				
More than 5 years	370.00	8.60% - 8.62%	-	-
3- 5 Years	856.60	9.12% - 10.30%	761.38	9.12% - 10.30%
1-3 Years	1,367.56	9.35% - 9.55%	7,730.65	8.20% - 10.20%
Less than 1 year	7,067.48	8.20% - 10.20%	6,474.49	8.10% - 9.40%
Total Secured Zero Coupon	9,661.64		14,966.52	
Total (A+B)	21,027.50		23,667.61	

Note 16.2 - Security wise details

(₹ in Millions)

Particulars	Coupon / Yield	As at March 31, 2021	As at March 31, 2020
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C5. Date Of Maturity 06/04/2020	9.20%	-	350.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B3 Option II. Date Of Maturity 07/04/2020	8.85%	-	110.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A13. Date Of Maturity 20/04/2020	9.40%	-	2,500.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B3 Option I. Date Of Maturity 12/05/2020	8.85%	-	640.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series B4. Date Of Maturity 12/05/2020	8.64%	-	180.00
Zero Coupon Secured Listed Redeemable Non Convertible Debentures. Series B5. Date Of Maturity 17/08/2020	8.10%	-	1,150.00
8.65% Secured Rated Listed Redeemable Non-Convertible Debentures. Series B9 Option A. Date Of Maturity 05/10/2020	8.65%	-	625.00
9.87% Secured Rated Listed Redeemable Non Convertible Debentures. Series C10. Date Of Maturity 20/11/2020	9.87%	-	500.00
Zero Coupon Secured Listed Redeemable Non Convertible Debentures. Series B8 Option B. Date Of Maturity 06/04/2021	8.20%	270.60	270.60
Zero Coupon Secured Rated Listed Redeemable Non-Convertible Debentures. Series B9 Option B. Date Of Maturity 30/04/2021	8.70%	532.56	532.56
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 1. Date Of Maturity 19/05/2021	9.25%	500.00	500.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option B. Date Of Maturity 25/05/2021	8.80%	260.00	260.00
IDFC MCLR Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series B11. Date Of Maturity 28/06/2021	9.85%	2,000.00	2,000.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 2. Date Of Maturity 15/07/2021	9.35%	240.00	240.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 1. Date Of Maturity 26/07/2021	9.35%	2,350.59	2,350.59
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 2. Date Of Maturity 05/08/2021	9.25%	250.00	250.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C4. Date Of Maturity 11/08/2021	9.35%	967.80	987.80
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C9. Date Of Maturity 26/10/2021	10.20%	100.00	100.00
8.90% Secured Redeemable Non-Convertible Debentures. Series B2 Option I. Date Of Maturity 03/11/2021	8.90%	50.00	50.00
9.38% Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 3. Date Of Maturity 24/01/2022	9.38%	500.00	500.00



(₹ in Millions)

Particulars	Coupon / Yield	As at March 31, 2021	As at March 31, 2020
8% Secured Redeemable Non Convertible Debentures. Series series D1. Maturity Date: 18/02/2022	8.00%	1,250.00	-
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C7. Date Of Maturity 04/04/2022	9.45%	240.00	240.00
G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6. Date Of Maturity 21/04/2022	9.35%	334.00	334.00
Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option A. Date Of Maturity 13/05/2022	8.56%	843.75	1,406.25
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date Of Maturity 29/09/2022	9.55%	580.00	580.00
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity 25/04/2024	9.12%	501.89	501.89
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date Of Maturity 27/06/2024	10.30%	200.00	200.00
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - 19/12/2025	10.33%	150.00	150.00
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Maturity Date : 20/03/2026	10.05%	150.00	150.00
8.60% Secured Redeemable Non Convertible Debentures. Series.Seris D3. Maturity Date: 11/02/2028	8.60%	180.00	-
8.62% Secured Redeemable Non Convertible Debentures. Series.Series D4. Maturity Date: 12/03/2028	8.62%	190.00	-
9.18% Secured Redeemable Non Convertible Debentures. Series C15. Maturity Date - 03/10/2029	9.18%	3,000.00	3,000.00
8.69% Secured Redeemable Non Convertible Debentures. Series. Series D2. Maturity Date: 12/11/2030.	8.69%	3,000.00	-
Total		18,641.19	20,658.69

Note: Statement showing contractual principal outstanding of Secured Non Convertible Debentures.

Note 17. Borrowings (other than debt securities)

(₹ in Millions)

Particulars	At Amortised Cost	
	As at March 31, 2021	As at March 31, 2020
Secured:		
(a) Term loans		
(i) from Banks (Refer Note (a), (b) and 17.1)	61,986.61	68,370.88
(ii) from NHB (Refer Note (a), (b) and 17.2)	27,455.97	19,485.06
(iii) from Financial Institution (Refer Note (b) and 17.3)	8,872.60	-
(b) Securitisation Liability (Refer Note 17.4)	5,453.04	6,698.24
(c) Cash credit / Overdraft from Banks (Refer Note (a), (b) and 17.4)	940.00	480.00
Total	104,708.22	95,034.18
Borrowings in India	101,057.33	91,298.92
Borrowings outside India	3,650.89	3,735.26
Total	104,708.22	95,034.18

a. Out of the total borrowing from Banks, borrowings amounting to ₹ 1,937.91 Millions (March 31, 2020 ₹ 5,039.31 Millions) and Refinance Facility from NHB amounting to ₹ 10,317.52 Millions (March 31, 2020 ₹ 12,485.06 Millions) are also guaranteed by Holding Company i.e. IIFL Finance Limited (Formerly known as IIFL Holdings Limited).

b. The term loans from banks, Financial Institution and NHB and cash credits from banks are secured by way of 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.

Note 17.1 - Terms of repayment of Term Loans from Banks

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	5,702.69	7.80% - 9.50%	3,593.03	9.10% - 9.50%
3- 5 Years	7,116.04	7.60% - 10.00%	12,787.11	8.40% - 10.05%
1-3 Years	29,645.77	7.50% - 10.00%	31,639.13	8.20% - 10.05%
Less than 1 year	19,522.12	7.20% - 10.00%	20,351.61	8.00% - 10.05%
Total	61,986.62		68,370.88	

Note 17.2 - Terms of repayment of term loans from NHB

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Fixed:				
More than 5 years	6,550.83	3.00% - 8.95%	6,425.64	4.86% - 8.95%
3- 5 Years	6,149.08	3.00% - 8.95%	5,302.38	4.61% - 8.95%
1-3 Years	7,366.22	3.00% - 8.95%	5,618.60	4.61% - 8.95%
Less than 1 year	7,389.84	3.00% - 8.95%	2,138.44	4.61% - 8.95%
Total	27,455.97		19,485.06	

Note 17.3 - Terms of repayment of term loans from Financial Institution

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	4,798.08	8.50% - 9.25%	-	-
3- 5 Years	1,727.40	8.50% - 9.25%	-	-
1-3 Years	1,604.98	8.50% - 9.25%	-	-
Less than 1 year	742.14	8.50% - 9.25%	-	-
Total	8,872.60		-	



Note 17.4 - Terms of repayment of other loans

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
Cash credit / Overdraft from Banks (A)				
Less than 1 year	940.00	8.60% - 10.00%	480.00	8.50% - 10.00%
Securitisation Liability (B)				
More than 5 years	3,852.22	6.45% - 8.20%	4,846.35	7.25% - 9.25%
3- 5 Years	641.88	6.45% - 8.20%	756.21	7.25% - 9.25%
1-3 Years	605.81	6.45% - 8.20%	667.77	7.25% - 9.25%
Less than 1 year	353.12	6.45% - 8.20%	427.91	7.25% - 9.25%
Sub-Total - Securitisation Liability	5,453.04		6,698.24	
Total (A+B)	6,393.04		7,178.24	

Note 18. Subordinated liabilities

(₹ in Millions)

Particulars	At Amortised Cost	
	As at March 31, 2021	As at March 31, 2020
(A)		
Non-convertible debentures - Unsecured	4,366.73	4,748.75
Total	4,366.73	4,748.75
Subordinated Liabilities in India	4,366.73	4,748.75
Subordinated Liabilities outside India	-	-
Total	4,366.73	4,748.75

Non Convertible Debentures - Unsecured includes redeemable non convertible debenture which carries call option ₹ 100.00 Millions (from February 28, 2024), ₹ 1,265.16 Millions (from May 14, 2024), ₹ 400.00 Millions (from June 18, 2025) and ₹ 300.00 Millions (from July 14, 2025) (as at March 31, 2020 Non Convertible Debentures - Unsecured includes redeemable non convertible debenture which carries call option ₹ 100.00 Millions (from February 28, 2024), ₹ 1,265.16 Millions (from May 14, 2024), ₹ 400.00 Millions (from June 18, 2025) and ₹ 300.00 Millions (from July 14, 2025)).

Note 18.1 - Terms of repayment of Subordinated Debt

(₹ in Millions)

Residual Maturity	As at March 31, 2021		As at March 31, 2020	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
(a) Fixed:				
More than 5 years	1,515.46	8.85% - 9.85%	1,550.00	8.85% - 9.85%
3- 5 Years	-	-	1,150.00	8.93% - 9.30%
1-3 Years	650.00	8.93% - 9.30%	470.00	9.30% - 10.50%
Less than 1 year	598.89	8.85% - 10.50%	154.14	8.85% - 10.50%
Total Fixed	2,764.35		3,324.14	
(b) Zero Coupon:				
More than 5 years	1,602.38	9.40%	1,424.61	9.40%
Total (a+b)	4,366.73		4,748.75	

These debentures are subordinated to present and future senior indebtedness of the Corporation and qualify as Tier II capital under RBI Directions for Housing Finance Companies for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2021, 78% (Previous Year 81%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

Note 18.2 - Security wise details

(₹ in Millions)

Particulars	Coupon/ Yield	As at March 31, 2021	As at March 31, 2020
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo1. Date Of Maturity 26/07/2021	10.50%	170.00	170.00
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo2. Date Of Maturity 10/08/2021	10.50%	100.00	100.00
9.30% Unsecured Subordinate Non Convertible Debentures. Series U03. Date Of Maturity 25/01/2022	9.30%	100.00	100.00
9.30% Unsecured Subordinate Non Convertible Debentures. Series U04. Date Of Maturity 11/02/2022	9.30%	100.00	100.00
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date Of Maturity 14/04/2023	8.93%	500.00	1,000.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo5. Date Of Maturity 29/05/2023	9.30%	150.00	150.00
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date Of Maturity 27/07/2027	8.85%	750.00	750.00
9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date Of Maturity 28/02/2028	9.05%	100.00	100.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date Of Maturity 16/06/2028	9.85%	400.00	400.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date Of Maturity 13/07/2028	9.85%	300.00	300.00
Zero Coupon G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date Of Maturity 11/08/2028	9.40%	1,265.16	1,265.16
Total		3,935.16	4,435.16

Note: Statement showing contractual principal outstanding of Subordinated Non Convertible Debentures.



Note 19. Other Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Book overdraft*	4,505.78	-
Unclaimed interest and redemption proceeds of NCDs**	14.26	1,070.55
Other Payables#	1,333.85	1,512.22
Total	5,853.89	2,582.77

* Book overdraft includes cheque issued towards disbursement to borrowers but not presented to banks as on March 31, 2021.

** As required under Section 125 of the Companies Act, 2013, the Company, during the year, has transferred ₹ 0.25 Millions (P.Y. Nil/-) to the Investor Education and Protection Fund (IEPF). As of March 31, 2021, ₹ 0.05 Millions (P.Y. Nil/-) was due for transfer to the IEPF.

1. Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.16 Millions (as at March 31, 2020 ₹ Nil/-).

2. In accordance with RBI notification dated April 7, 2021, the Company is required to refund/adjust 'interest on interest' to eligible borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks' Association. The Company is in the process of suitably implementing this methodology. As at March 31, 2021 the Company has created a liability towards estimated interest relief and reduced the same from the interest income.

Note 20. Provisions

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Provisions for Employee Benefits		
-Provision for Leave Encashment	47.76	36.80
-Provision for Gratuity (Refer 32.2)	-	11.60
-Provision for Bonus	78.02	111.70
Total	125.78	160.10

Note 20.1. Provision for Leave Encashment

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening provision	36.80	33.87
Additions	28.18	14.86
Reductions	(17.22)	(11.93)
Closing provision	47.76	36.80

Note 20.2. Provision for Bonus

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening provision	111.70	95.80
Additions	78.02	111.70
Reductions	(111.70)	(95.80)
Closing provision	78.02	111.70

Note 21. Other Non Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory remittances	85.72	48.25
Advances from customers	1,044.48	116.45
Income received in advance	3.41	46.05
Total	1,133.61	210.75



Note 22. Equity

(a) The Authorised, Issued, Subscribed and fully paid up share capital
Share Capital:

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Share Capital		
152,000,000 Equity Shares of ₹10/- each with voting rights (as at March 31, 2020 - 152,000,000)	1,520.00	1,520.00
20,000,000 Preference Shares of ₹10/- each (as at March 31, 2020 20,000,000)	200.00	200.00
Total	1,720.00	1,720.00
Issued, Subscribed and Paid Up		
Equity Share Capital		
20,968,181 Equity Shares of ₹10/- each fully paid-up (as at March 31, 2020 20,968,181)	209.68	209.68
Total	209.68	209.68

All the above equity shares are held by IIFL Finance Limited (Formerly Known as IIFL Holdings Limited) and its nominees.

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

(₹ in Millions)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	20,968,181	209.68	20,968,181	209.68
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	20,968,181	209.68	20,968,181	209.68

(c) Terms/rights attached to equity shares:

The Company has only one class of Equity Shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

(d) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Equity shares of 10 each fully paid				
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited) and its nominees	20,968,181	100.00%	20,968,181	100.00%

(e) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash or by way of bonus shares or shares bought back.



23. Other Equity

(₹ in Millions)

Particulars	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Debenture Redemption Reserve	Retained Earnings	Other Comprehensive Income			Total
						Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance as at March 31, 2019	7,991.57	938.60	1,575.70	416.75	4,945.96	(13.42)	(98.01)	-	15,757.14
Profit for the year	-	-	-	-	2,449.22	-	-	-	2,449.22
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax)	-	-	-	-	-	-	(32.61)	-	(32.61)
Remeasurement of defined benefit (Net of Tax)	-	-	-	-	-	(4.12)	-	-	(4.12)
Equity Dividend	-	-	-	-	(314.52)	-	-	-	(314.52)
Dividend Distribution Tax	-	-	-	-	(64.65)	-	-	-	(64.65)
Transfer to General Reserve	-	500.00	-	(500.00)	-	-	-	-	-
Transfer to Special Reserve	-	-	493.00	-	(493.00)	-	-	-	-
Transfer to Debenture Redemption Reserve	-	-	-	83.25	(83.25)	-	-	-	-
Balance as at March 31, 2020	7,991.57	1,438.60	2,068.70	-	6,439.76	(17.54)	(130.62)	-	17,790.46
Profit for the year	-	-	-	-	4,010.95	-	-	-	4,010.95
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax)	-	-	-	-	-	-	(35.74)	-	(35.74)
Remeasurement of defined benefit (Net of Tax)	-	-	-	-	-	11.66	-	-	11.66
Equity Dividend	-	-	-	-	(524.20)	-	-	-	(524.20)
Transfer to Special Reserve	-	-	805.00	-	(805.00)	-	-	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	(5.72)	(5.72)
Balance as at March 31, 2021	7,991.57	1,438.60	2,873.70	-	9,121.51	(5.89)	(166.36)	(5.72)	21,247.41



IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Financial Statements as at and for year ended March 31, 2021

Note 24. Interest Income

(₹ in Millions)

Particulars	FY 2020-21		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Interest on Loans*	1,972.82	15,159.48	17,132.30
Interest income from investments	-	12.34	12.34
Interest on inter corporate deposits	-	427.93	427.93
Interest on deposits with Banks	-	214.07	214.07
Total	1,972.82	15,813.82	17,786.63

*In accordance with RBI notification dated April 7, 2021, the Company is required to refund/adjust 'interest on interest' to eligible borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks' Association. The Company is in the process of suitably implementing this methodology. As at March 31, 2021 the Company has created a liability towards estimated interest relief and reduced the same from the interest income.

(₹ in Millions)

Particulars	FY 2019-20		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Interest on Loans	3,620.30	12,371.26	15,991.56
Interest income from investments	-	12.28	12.28
Interest on inter corporate deposits	-	220.39	220.39
Interest on deposits with Banks	-	146.08	146.08
Total	3,620.30	12,750.01	16,370.31

Note 25. Dividend Income

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Dividend income	40.71	-
Total	40.71	-

Note 26. Fees and Commission Income

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Fees & Other Charges	513.56	548.44
Insurance Commission	133.82	71.50
Total	647.38	619.94

Note 27. Net Gain on Fair Value Changes

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Net gain on financial instruments at FVTPL		
On trading portfolio		
- Investments	185.01	203.52
Total Net gain on fair value changes	185.01	203.52
Fair Value changes:		
-Realised	185.01	286.95
-Unrealised	-	(83.43)
Total Net gain on fair value changes	185.01	203.52

Note 28. Net Gain on derecognition of financial instruments under amortised cost category

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Assignment of loans	770.76	176.89
Foreclosure of loans	95.25	-
Bad debts recovery	43.92	57.97
Total	909.93	234.86



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Notes forming part of Financial Statements as at and for year ended March 31, 2021

Note 29. Other Income

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Marketing, advertisement and support service fees	1,107.84	601.58
Total	1,107.84	601.58

Note 30. Finance Cost

(₹ in Millions)

Particulars	On Financial liabilities measured at Amortised Cost	
	FY 2020-21	FY 2019-20
Interest on inter-corporate deposits	0.00	0.98
Interest on borrowings (other than debt securities)	8,094.33	7,721.15
Interest on debt securities	1,882.47	2,312.19
Interest on subordinated liabilities	416.33	680.62
Other interest expense		
Interest on lease liabilities	17.42	22.45
Other borrowing cost	122.18	129.06
Total	10,532.73	10,866.45

Statement showing exchange fluctuation on account of foreign currency borrowings measured through Other Comprehensive Income:

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Revaluation Gain/(Loss) on Foreign currency loan	94.06	(314.63)
Recognised in Other Comprehensive Income	(94.06)	314.63

Note 31. Impairment on Financial Instruments, including write-offs

(₹ in Millions)

Particulars	FY 2020-21		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	119.08	2,185.32	2,304.40
Bad debts written off	-	412.47	412.47
Total	119.08	2,597.79	2,716.87

(₹ in Millions)

Particulars	FY 2019-20		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	16.53	455.25	471.78
Bad debts written off	-	822.23	822.23
Total	16.53	1,277.48	1,294.01

Note 32. Employee Benefits Expenses

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Salaries and wages	1,441.57	1,541.27
Contribution to provident and other funds (Refer Note 32.1)	54.82	59.98
Leave Encashment	22.81	14.49
Gratuity (Refer Note 32.2)	18.74	16.11
Staff welfare expenses	46.49	64.45
Total	1,584.43	1,696.30

The Group company i.e. IIFL Finance Limited, IIFL Securities Limited and IIFL Wealth Limited have granted stock options to its employees as well as employees of the Company. Pursuant to the scheme, the Company has reimbursed the group companies ₹ 22.67 Millions (FY 2019-20 ₹ 31.66 Millions) during the year on account of such costs and the same is forming part of Employee benefit expenses.



IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Financial Statements as at and for year ended March 31, 2021

32.1 Defined Contribution Plans:

The Company has recognised the following amounts as an expense and included in the Employee Benefits Expenses.

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Contribution to Provident fund	27.82	31.57
Contribution to ESIC	3.87	4.42
Contribution to Labour Welfare Fund	0.23	0.21
Company contribution to EPS	21.68	23.09
Company contribution to NPS & IVTB	1.22	0.69
Total	54.82	59.98

32.2 Disclosures pursuant to Ind AS 19 on "Employee Benefits"

Particulars	FY 2020-21	FY 2019-20
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Funded	Funded
Starting Year	01-04-20	01-04-19
Date of Reporting	31-03-21	31-03-20
Period of Reporting	12 Months	12 Months

Assumptions (Current Year)

Particulars	FY 2020-21	FY 2019-20
Expected Return on Plan Assets	6.85%	6.84%
Rate of Discounting	6.85%	6.84%
Rate of Salary Increase	9.00%	9.00%
Rate of Employee Turnover	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 27.00% p.a. For service 5 years and above 1.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Table Showing Change in the Present Value of Projected Benefit Obligations

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Present Value of Benefit Obligation at the Beginning of the Year	73.96	51.29
Interest Cost	5.06	3.89
Current Service Cost	17.95	15.91
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	6.22	0.77
Liability Transferred Out/ Divestment	(3.97)	(0.19)
Benefit Paid Directly by the Employer	(0.08)	(0.27)
Benefit Paid From the Fund	(6.62)	(1.80)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.61)	1.39
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.14)	(0.67)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(9.71)	3.64
Present Value of Benefit Obligation at the End of the Year	82.05	73.96



IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
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Table Showing Change in the Fair Value of Plan Assets

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Fair Value of Plan Assets at the Beginning of the Year	62.36	48.55
Interest Income	4.27	3.69
Contributions by the Employer	22.84	13.06
Benefit Paid from the Fund	(6.62)	(1.80)
Return on Plan Assets, Excluding Interest Income	5.11	(1.14)
Fair Value of Plan Assets at the End of the Year	87.96	62.36

Amount Recognised in the Balance Sheet

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of Benefit Obligation at the end of the Year	82.05	73.96
Fair Value of Plan Assets at the end of the Year	87.96	62.36
Funded Status Surplus/ (Deficit)	5.91	(11.60)
Net (Liability)/Asset Recognised in the Balance Sheet	5.91	(11.60)

Net Interest Cost for Current Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Present Value of Benefit Obligation at the Beginning of the Year	73.96	51.29
Fair Value of Plan Assets at the Beginning of the Year	(62.36)	(48.55)
Net Liability/(Asset) at the Beginning of the Year	11.60	2.74
Interest Cost	5.06	3.89
Interest Income	(4.27)	(3.69)
Net Interest Cost for Current Year	0.79	0.20

Expenses Recognised in the Statement of Profit and Loss for Current Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Current Service Cost	17.95	15.91
Net Interest Cost	0.79	0.20
Past Service Cost	-	-
Expenses Recognised	18.74	16.11

Expenses Recognised in the Other Comprehensive Income (OCI) for Current Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Actuarial (Gains)/Losses on Obligation For the Year	(10.47)	4.37
Return on Plan Assets, Excluding Interest Income	(5.11)	1.14
Net (Income)/Expense For the Year Recognised in OCI	(15.58)	5.51

Balance Sheet Reconciliation

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Net Liability	11.60	2.74
Expenses Recognised in Statement of Profit and Loss	18.74	16.11
Expenses Recognised in OCI	(15.58)	5.51
Net Liability/(Asset) Transfer In	6.22	0.77
Net (Liability)/Asset Transfer Out	(3.97)	(0.19)
Benefit Paid Directly by the Employer	(0.08)	(0.27)
Employer's Contribution	(22.84)	(13.06)
Net Liability/(Asset) Recognised in the Balance Sheet	(5.91)	11.60



IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Financial Statements as at and for year ended March 31, 2021

Category of Assets

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	87.96	62.36
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	87.96	62.36

Information of major categories of plan assets of gratuity fund are not available with the Company and hence not disclosed as per the requirements of Ind AS 19 "Employee Benefits".

Other Details

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Prescribed Contribution For Next Year (12 Months)	10.43	29.55

Net Interest Cost for Next Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Present Value of Benefit Obligation at the End of the Year	82.05	73.96
Fair Value of Plan Assets at the End of the Year	(87.96)	(62.36)
Net Liability/(Asset) at the End of the Year	(5.91)	11.60
Interest Cost	5.62	5.06
Interest Income	(6.02)	(4.27)
Net Interest Cost for Next Year	(0.40)	0.79

Expenses Recognized in the Statement of Profit or Loss for Next Year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Current Service Cost	16.33	17.95
Net Interest Cost	(0.40)	0.79
Expected Contributions by the Employees	-	-
Expenses Recognised	15.93	18.74

Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	2.79	0.93
2nd Following Year	0.72	0.64
3rd Following Year	0.85	0.73
4th Following Year	0.95	0.85
5th Following Year	1.05	0.94
Sum of Years 6 To 10	8.95	7.01
Sum of Years 11 and above	307.19	292.78



IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Financial Statements as at and for year ended March 31, 2021

Sensitivity Analysis

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Projected Benefit Obligation on Current Assumptions	82.05	73.96
Delta Effect of +1% Change in Rate of Discounting	(12.92)	(12.16)
Delta Effect of -1% Change in Rate of Discounting	16.05	15.16
Delta Effect of +1% Change in Rate of Salary Increase	12.10	11.80
Delta Effect of -1% Change in Rate of Salary Increase	(10.84)	(10.40)
Delta Effect of +1% Change in Rate of Employee Turnover	(2.44)	(2.50)
Delta Effect of -1% Change in Rate of Employee Turnover	2.81	2.89

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.

Note: The above information is as provided by the Actuary, which has been relied upon by the auditors.

Note 33. Other Expenses

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Advertisement	20.04	22.94
Loan processing expenses	70.63	107.35
Marketing Expenses	19.55	48.82
Bank Charges	9.17	20.82
Communication	14.28	14.99
Electricity	14.01	25.50
Rating and Custodian Fees	1.18	16.41
Legal & Professional Fees	142.20	191.53
Commission & Sitting Fees	5.68	3.71
Miscellaneous Expenses	3.12	2.85
Office Expenses	60.05	64.60
Postage & Courier	6.48	8.74
Printing & Stationary	8.64	9.83
Rates & Taxes	1.02	0.30
Rent (Refer note 12A)	31.34	59.91
Repairs & Maintenance	7.30	8.08
Payments to auditors**	4.85	2.79
Software Charges*	27.63	32.73
Security Expenses	22.20	16.14
Travelling & Conveyance	26.21	58.05
Corporate Social Responsibility (CSR) Expenses (Refer note 38)	79.06	63.48
Loss on sale of assets	14.29	0.56
Total	588.93	780.13



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***Payments made in foreign currency on accrual basis** (₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
For Software Charges	-	0.23

****Payments to auditors** (₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Audit Fees	1.72	0.93
Limited Reviews	0.55	0.82
Other matters and certification	1.96	0.46
Out of Pocket Expenses	0.62	0.58
Total	4.85	2.79

Note 34. Income taxes

Amounts recognised in the Statement of Profit and Loss

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Current tax expense		
Current year	1,419.33	855.10
Tax of earlier years	0.97	(8.63)
Deferred tax expense		
Origination and reversal of temporary differences	(331.41)	(6.33)
Total	1,088.89	840.14

Reconciliation of total tax expense

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Profit before tax	5,099.84	3,289.36
Tax using the domestic tax rate	1,283.53	827.86
Tax effect of:		
Non-deductible expenses	21.37	13.31
Tax-exempt income (includes deduction u/s 80JAA)	(204.85)	(105.52)
Tax on Dividend	(10.25)	-
Income taxed at different rates	(4.23)	(0.94)
Change in Tax Rate	-	111.10
Recognition of previously unrecognised deductible temporary differences	2.34	2.96
Adjustments for current tax for prior periods	0.98	(8.63)
Total income tax expense	1,088.89	840.14



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Note 35. Earnings Per Share:

Basic and Diluted Earnings per share ["EPS"] computed in accordance with Ind AS 33 "Earnings per share"

(₹ in Millions)

Particulars		FY 2020-21	FY 2019-20
Nominal value of equity shares in ₹ fully paid up		10	10
BASIC			
Profit after tax as per Statement of Profit and Loss (Total operations)	A	4,010.95	2,449.22
Weighted Average Number of Equity Shares Outstanding	B	20,968,181	20,968,181
Basic EPS (In ₹) (i) Total operations	A/B	191.29	116.81
DILUTED			
Weighted Average Number of Equity shares for computation of diluted EPS	C	20,968,181	20,968,181
Diluted EPS (In ₹) (i) Total operations	A/C	191.29	116.81

Note 36. Capital / Other Commitments and Contingent Liabilities at Balance Sheet date

a. Commitments: As at the balance sheet date there were undrawn credit commitments of ₹ 14,757.15 Millions (P.Y. ₹ 12,718.37 Millions) representing the loan amounts sanctioned but not disbursed.

b. Contingent Liabilities (as certified by the management):

i. Claim against the Company not acknowledge as debt ₹ 1.15 Millions (P.Y. ₹ Nil/-).

ii. Credit enhancement and Guarantee given for securitisation and assignment transactions amounting to ₹ 1,900.56 Millions and ₹ 233.40 respectively (P.Y. ₹ 1,868.12 Millions and ₹ 233.40 Millions).

c. Guarantee: The Company has provided Guarantee of ₹ Nil/- (P.Y. ₹ 20.00 Millions).

Note 37. Disclosure as per Ind AS -108 "Operating Segments"

The Company's main business is financing by way of loans for the purchase or construction of residential houses, Loans against property and construction of real estate and certain other purposes, in India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting'.

Note 38. Corporate Social Responsibility

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
(a) Gross amount required to be spent by the Company during the year	78.05	63.16
(b) Amount spent in cash during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	79.06	63.48

The aforementioned amount spent during the year has been contributed to India Infoline Foundation and others.



Note 39 Financial Instruments

Note 39 A. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk comprising of interest rate risk, currency risk and price 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.

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.

Financial Risk Management Structure

The Company 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 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 Chief Executive Officer ("CEO") with oversight of RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

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.

The Company has a risk framework constituting various lines of defence – the first line of defence consisting of the Management of the Company being responsible for seamless integration of risk principles across all businesses. Additionally, it ensures managerial & supervisory controls to ensure compliance and highlight inadequate processes and unexpected events.

Independent risk & 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 & 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.

The Company has 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.

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 Risk Management Committee at periodic intervals.

39 A.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 trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables.

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, a 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.

39 A.1(I) Credit Risk Grading of loans and loss allowances

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 and carries out audit on periodic basis.

The Company has initiated 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 standardize credit underwriting & improve sourcing quality in the long run.

The Company applies general approach to provide for credit losses prescribed by Ind AS 109, which provides to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there has been significant increase in credit risk since initial recognition, considering all reasonable present and forward looking information, including that of forward looking.

Owing to the prevailing situation, additional Management overlay on account of COVID-19 has been considered in the ECL calculations for arriving at the impairment provisions required under IND AS 109.



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The company categorises loan assets into stages based on the Days Past Due status: -

Stage 1: [0-31 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination.

Stage 2: [32-90 days Past Due] The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

Stage 3: [More than 90 days Past Due] The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred.

Additionally, the Company evaluates risk based on staging which are as follows:

(₹ in Millions)

Risk Categorisation	As at March 31, 2021	As at March 31, 2020
Stage 1	137,579.44	121,756.08
Stage 2	9,366.35	7,279.85
Stage 3	3,298.10	2,400.36
Total	150,243.89	131,436.29

Financial Assets measured at Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Unsecured Inter Corporate Deposits to group companies 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.

The Management of the Company expects no defaults in the above mentioned financial assets and insignificant history of defaults has been observed by the Management in the previous years on such Financial Assets. Hence no ECL has been recognised on the above mentioned Financial assets as at the reporting date.

39 A.1(II) Credit quality analysis

(a). The following tables sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Millions)

As at March 31, 2021					
Particulars	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 at Simplified Approach	Total
Cash and cash equivalents	-	-	-	4,123.27	4,123.27
Bank Balance other than above	-	-	-	4,437.40	4,437.40
Receivables					
(i) Trade Receivables	308.23	-	-	-	308.23
Loans	114,299.32	9,127.89	3,293.24	-	126,720.45
Other Financial assets	-	-	-	2,346.31	2,346.31

(₹ in Millions)

As at March 31, 2020					
Particulars	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 at Simplified Approach	Total
Cash and cash equivalents	-	-	-	9,251.67	9,251.67
Bank Balance other than above	-	-	-	3,556.63	3,556.63
Receivables					
(i) Trade Receivables	-	-	-	181.63	181.63
Loans*	90,170.12	7,249.00	2,342.73	1,535.10	101,296.94
Other Financial assets	-	-	-	1,383.87	1,383.87

*Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.



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(b). The following tables show reconciliations from the opening to the closing balance of the Exposure At Default (EAD) and Expected Credit Loss (ECL) by class of financial instrument.

Loans and advances

(₹ in Millions)

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 Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD March 31, 2020	119,052.44	13,453.87	7,034.84	392.40	2,052.28	290.43	128,139.56	14,136.70
New Loans Disbursed during the year	50,371.84	7,855.07	457.91	7.13	42.94	-	50,872.69	7,862.20
Loan Derecognised	(14,402.98)	(191.35)	(268.38)	(23.14)	(530.84)	(41.45)	(15,202.20)	(255.94)
Movement in Stages								-
From Stage 1	(6,474.07)	(456.91)	5,837.79	397.10	636.28	59.82	-	-
From Stage 2	3,198.41	140.21	(3,991.10)	(192.55)	792.69	52.33	-	-
From Stage 3	134.03	9.39	155.07	10.87	(289.10)	(20.26)	-	-
Loans Repaid in part or full	(15,259.79)	(5,828.71)	(221.06)	126.31	(9.35)	261.76	(15,490.20)	(5,440.64)
Changes in contractual cash flow due to modification not resulting in de-recognition	-	(73.80)	-	0.04	-	0.57	-	(73.19)
Closing EAD March 31, 2021	136,619.88	14,907.77	9,005.07	718.16	2,694.90	603.20	148,319.85	16,229.13

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 14,305.09 Millions (As at March 31, 2020 ₹ 12,514.44 Millions)

(₹ in Millions)

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 Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD March 31, 2019	127,982.18	16,732.42	4,837.23	335.51	1,183.19	161.99	134,002.60	17,229.92
New Loans Disbursed during the year	29,274.86	5,473.17	2,020.28	39.53	400.57	64.64	31,695.71	5,577.34
Loan Derecognised	(17,216.48)	(142.63)	(477.00)	(38.12)	(393.77)	(51.56)	(18,087.25)	(232.32)
Movement in Stages								-
From Stage 1	(3,919.50)	(350.58)	3,323.34	269.61	596.16	80.97	-	-
From Stage 2	1,591.71	117.94	(2,139.21)	(159.59)	547.50	41.65	-	-
From Stage 3	174.95	22.83	50.50	4.43	(225.45)	(27.27)	-	-
Loans Repaid in part or full	(18,835.28)	(8,399.28)	(580.30)	(58.97)	(55.92)	20.01	(19,471.50)	(8,438.24)
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	-	-
Closing EAD March 31, 2020	119,052.44	13,453.87	7,034.84	392.40	2,052.28	290.43	128,139.56	14,136.70

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 12,514.44 Millions (As at March 31, 2019 ₹ 15,831.60 Millions)



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Loss Allowances

(₹ in Millions)

Reconciliation of Loss Allowances	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 Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL March 31, 2020	778.97	43.54	443.70	23.70	482.61	290.58	1,705.28	357.81
New Loans Disbursed during the year	440.23	53.19	31.73	1.30	15.12	2.27	487.07	56.77
Loan Derecognised	(54.55)	(3.19)	(10.59)	(1.13)	(162.10)	(38.91)	(227.24)	(43.23)
Movement in Stages								
From Stage 1	(64.79)	(2.11)	60.83	1.90	3.95	0.21	-	0.00
From Stage 2	174.87	1.88	(276.98)	(13.11)	102.11	11.23	-	0.00
From Stage 3	34.70	9.39	39.46	10.88	(74.16)	(20.26)	-	-
Loans Repaid in part or full	710.07	4.90	525.68	27.57	626.52	363.47	1,862.28	395.94
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	-	-
Closing ECL March 31, 2021	2,019.50	107.60	813.83	51.11	994.05	608.59	3,827.38	767.30

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 87.28 Millions (As at March 31, 2020 ₹ 29.70 Millions).

(₹ in Millions)

Reconciliation of Loss Allowances	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 Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL March 31, 2019	580.00	48.62	165.39	11.17	283.55	161.99	1,028.94	221.78
New Loans Disbursed /Purchased during the year	172.21	16.48	149.29	3.25	110.52	65.66	432.02	85.40
Loan Derecognised	(72.94)	(1.81)	(9.68)	(1.28)	(109.58)	(51.56)	(192.20)	(54.66)
Movement in Stages								
From Stage 1	(19.66)	(1.47)	16.67	1.16	2.99	0.31	-	0.00
From Stage 2	110.51	4.88	(116.94)	(5.99)	6.43	1.11	(0.00)	0.00
From Stage 3	39.81	22.83	11.73	4.43	(51.54)	(27.27)	-	-
Loans Repaid in part or full	(30.96)	(45.99)	227.24	10.96	240.24	140.33	436.52	105.29
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	-	-
Closing ECL March 31, 2020	778.97	43.54	443.70	23.70	482.61	290.58	1,705.28	357.81

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 29.70 Millions (As at March 31, 2019 ₹ 37.17 Millions).



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39 A.1(III) Concentrations 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 products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

63% of the Company's Loan outstanding is from Borrowers residing across 5 various states of India

39 A.1(IV) Contractual amount outstanding on financial assets that were written off during the reporting year

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Write off	412.47	822.23

39 A.1(V) Collateral held

The Company is in the business of extending secured loans backed by mortgage of property (residential or commercial). This also includes cross-collateralisation on other property(ies) of the borrower. The Company assesses and monitors value of the collaterals periodically on the basis of the internal policy. In case required, the Company also requests for additional collateral(s).

In normal course of business, the Company does not physically repossess properties or collaterals. Once contractual loan repayments are more than 90 days past due, repossession of property(ies) may be initiated under the provisions of the SARFAESI Act, 2002. Repossessed property(ies) is disposed of in the manner prescribed in the SARFAESI Act, 2002, to recover outstanding debt.

39 A.1(VI) Modified financial assets

For financial assets, such as a loan to a customer, where 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 modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in Millions)

Particulars	FY 2020-21	FY 2019-20
Amortised Cost of Modified Assets at the time of modification	4,515.80	-
Modification Loss for the year	73.27	-

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amount of Modified financial assets	3,986.79	-

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".



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39 A.2 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 by having access to funding through an adequate amount of credit lines. Further, The Company has defined Asset Liability Management (ALM) Framework with an 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 Millions)

Contractual maturities of financial liabilities As at March 31, 2021	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	292.08	-	-	-	292.08	-	-
Trade Payables	351.58	351.58	-	-	-	-	-
Lease Liabilities*	191.58	9.69	9.57	17.50	63.51	46.37	44.94
Debt Securities	21,027.50	4,523.06	5,024.82	2,318.21	1,648.81	1,156.61	6,355.99
Borrowings (Other than Debt Securities)	104,708.22	8,964.13	8,187.95	11,795.14	39,222.78	15,634.40	20,903.82
Subordinated Liabilities	4,366.73	31.09	367.15	200.65	650.00	-	3,117.84
Other financial liabilities	5,853.89	5,853.89	-	-	-	-	-

(₹ in Millions)

Contractual maturities of financial liabilities As at March 31, 2020	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	150.27	-	-	-	-	150.27	-
Trade Payables	290.74	290.74	-	-	-	-	-
Lease Liabilities*	320.46	17.06	17.34	34.70	106.75	80.06	64.55
Debt Securities	23,667.61	5,610.22	1,450.48	1,421.13	11,124.40	761.38	3,300.00
Borrowings (Other than Debt Securities)	95,034.18	5,574.10	6,395.73	11,140.13	38,213.49	18,845.71	14,865.02
Subordinated Liabilities	4,748.75	25.66	127.49	0.99	470.00	1,150.00	2,974.61
Other financial liabilities	2,582.77	2,582.77	-	-	-	-	-

*Contractual maturities of financial lease obligation are on undiscounted basis.

39 A.3 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 Company's exposure to market risk is primarily on account of interest rate risk, foreign exchange risk and price risk.

39 A.3(I) Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the entity's financial condition. The rise or fall in interest rates impact the Company's Net Interest Income.

Total Borrowings of the Company are as follows:

(₹ in Millions)

Particulars	As at March 31, 2021		As at March 31, 2020	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Floating rate borrowings	80,265.07	79,148.65		
Fixed rate borrowings	49,837.38	44,301.89		
Total borrowings	130,102.45	123,450.54		

As at the end of the reporting year, the Company had the following floating rate borrowings and cross currency interest rate swap contracts outstanding:

(₹ in Millions)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans and bank overdrafts and Securitisation Liability	8.54%	77,252.26	59.38%	9.10%	75,549.13	61.20%
Non Convertible Debentures	9.15%	3,012.81	2.32%	9.32%	3,599.52	2.92%
Net exposure to cash flow interest rate risk		80,265.07	61.70%		79,148.65	64.11%

An analysis by maturities is provided in note 39 A 2(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.

(₹ in Millions)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cross Currency Interest Rate Swaps	9.36%	3,675.23	2.82%	9.36%	3,769.29	3.05%



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The Company had following floating rate loans outstanding:

(₹ in Millions)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Loans*	11.66%	150,243.89	100.00%	11.87%	129,532.84	100.00%

*Since certain loans disbursed by Company carry a fix rate of interest only for an initial short tenure of the loan, all loans granted are considered to be floating rate loans

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in Millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Interest rates – increase by 30 basis points (30 bps) *	(180.19)	(177.69)	-	-
Interest rates – decrease by 30 basis points (30 bps) *	180.19	177.69	-	-

* Holding all other variables constant

Profit or loss is sensitive to higher/lower interest income from loans and advances as a result of changes in interest rates.

(₹ in Millions)

Particulars	Impact on profit after tax	
	FY 2020-21	FY 2019-20
Interest rates – increase by 30 basis points (30 bps) *	337.29	290.80
Interest rates – decrease by 30 basis points (30 bps) *	(337.29)	(290.80)

* Holding all other variables constant

39 A.3(II) 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 primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

In order to minimise 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 Company follows a conservative policy of hedging its foreign currency exposure through Forwards 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 profit before tax (PBT) and equity.

(in Millions)

Particulars	Amount Outstanding	
	In INR	In USD
Borrowing as on March 31, 2021	3,675.23	50.00
Borrowing as on March 31, 2020	(3,769.29)	50.00

Since the Company has entered into derivative transaction to hedge this borrowing, the Company is not exposed to any currency

39 A.3(III) Price Risk

The Company's equity investments carry a risk of change in prices. To manage its price risk arising from investments in equity securities, the Company periodically monitors the performance of the investee companies.

The Company's exposure to assets having price risk is as under

(₹ in Millions)

Particulars	Equity Shares	Total
Market value as on March 31, 2021	-	-
Market value as on March 31, 2020	378.52	378.52

Sensitivity

The table below summarises 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 Millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Increase by 5%	-	14.16	-	-
Decrease by 5%	-	(14.16)	-	-

39 A.3(IV) Competitions Risk

Company offers a range of mortgage products such as home loan, loans against property and construction of real estate. These are provided to a broad segment of customers including salaried and self-employed personnel and corporates. We face competition primarily from other HFCs. The major competitive factors among the peer group are an extensive branch network, greater funding capabilities, wider range of products and services, and advanced technology offerings.



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39.B 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 maximise the shareholder value. The Company monitors capital using a capital adequacy ratio as prescribed by the NHB Directions/ RBI Directions.

Particulars	As at March 31, 2021	As at March 31, 2020
Net Debt (₹ in Millions)	127,104.37	119,893.77
Total Equity (₹ in Millions)	21,243.40	17,796.16
Net Debt to Equity Ratio (times)	5.98	6.74

39.B.1 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.

The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

The following table shows an analysis of financial instruments recorded at Fair Value hierarchy:

(₹ in Millions)

Particulars	As at March 31, 2021			
	FVTPL	FVTOCI	Amortised cost	At Cost
Financial assets				
Cash and cash equivalents	-	-	4,123.27	-
Bank Balance other than cash and cash equivalents	-	-	4,437.40	-
Receivables				
(i) Trade Receivables	-	-	308.23	-
Loans	-	23,266.92	122,382.31	-
Investments	-	-	125.97	1,546.23
Other Financial assets	-	-	2,337.85	-
Total financial assets	-	23,266.92	133,715.03	1,546.23
Financial liabilities				
Derivative financial instruments	-	292.08	-	-
Trade Payables	-	-	351.58	-
Lease Liabilities	-	-	149.03	-
Debt Securities	-	-	21,027.50	-
Borrowings (Other than Debt Securities)	-	-	104,708.22	-
Subordinated Liabilities	-	-	4,366.73	-
Other financial liabilities	-	-	5,853.89	-
Total financial liabilities	-	292.08	136,456.97	-

(₹ in Millions)

Particulars	As at March 31, 2020		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	9,251.67
Bank Balance other than cash and cash equivalents	-	-	3,556.63
Receivables			
(i) Trade Receivables	-	-	181.63
Loans	-	29,862.56	99,510.65
Investments	378.52	-	155.57
Other Financial assets	-	-	1,375.78
Total financial assets	378.52	29,862.56	114,031.93
Financial liabilities			
Derivative financial instruments	-	150.27	-
Trade Payables	-	-	290.74
Lease Liabilities	-	-	253.49
Debt Securities	-	-	23,667.61
Borrowings (Other than Debt Securities)	-	-	95,034.18
Subordinated Liabilities	-	-	4,748.75
Other financial liabilities	-	-	2,582.77
Total financial liabilities	-	150.27	126,577.54



39.B.2 Financial instruments measured at fair value – Fair value hierarchy

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Company recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

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 categorised. The amounts are based on the values recognised in the statement of financial position.

(₹ in Millions)

<i>Financial assets and liabilities measured at fair value - recurring fair value measurements</i>	Level 1	Level 2	Level 3	Total
As at March 31, 2021				
Financial assets				
Loans - FVTOCI	-	-	23,266.92	23,266.92
Investments			-	-
(i) Equity	-	-	-	-
Total financial assets	-	-	23,266.92	23,266.92
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	292.08	-	292.08
Total financial liabilities	-	292.08	-	292.08

(₹ in Millions)

<i>Financial assets and liabilities measured at fair value - recurring fair value measurements</i>	Level 1	Level 2	Level 3	Total
As at March 31, 2020				
Financial assets				
Loans - FVTOCI	-	-	29,862.56	29,862.56
Investments			-	-
(i) Debt Securities	-	-	-	-
(ii) Equity	378.52	-	-	378.52
Total financial assets	378.52	-	29,862.56	30,241.08
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	150.27	-	150.27
Total financial liabilities	-	150.27	-	150.27

Valuation technique used to determine fair value

- 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 observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

(₹ in Millions)

<i>Assets and liabilities which are measured at amortised cost or cost for which fair values are disclosed</i>	Fair value	Carrying value	Fair value hierarchy
As at March 31, 2021			
Financial assets			
Loans	122,367.83	122,382.31	Level 3
Investments			
(i) Equity Instruments	1,623.77	1,546.23	Level 3
Total financial assets	123,991.60	123,928.54	
Financial Liabilities			
Debt Securities	19,517.03	21,027.50	Level 3
Subordinated Liabilities	4,035.09	4,366.73	Level 3
Total financial liabilities	23,552.12	25,394.23	



(₹ in Millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2020	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	99,510.65	99,510.65	Level 3
Total financial assets	99,510.65	99,510.65	
Financial Liabilities			
Debt Securities	20,353.31	23,667.61	Level 3
Subordinated Liabilities	6,037.69	4,748.75	Level 3
Total financial liabilities	26,391.00	28,416.36	

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.

(i) **Loans:** The cash flows at the fixed rate were discounted to present value at the applicable internal benchmark rates. This value, as estimated, was discounted to present value at the applicable rates to determine their fair value.

(ii) **Equity instruments:** Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 3.

(iii) **Debt Securities and Subordinated Liabilities:** 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 identical 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.

(iv) **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 cash equivalents, bank balances other than cash and cash equivalents, trade receivables, investment in debt securities, trade payables, lease liabilities, borrowings (other than debt securities), other financial assets & liabilities.

39.B.3 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value.

(₹ in Millions)

Particulars	Loans - FVTOCI	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	29,862.56	34,879.09
Sold during the year	(14,887.13)	(20,832.52)
Issuances	8,291.49	15,815.99
Closing Balance	23,266.92	29,862.56

39.B.4 Transferred financial assets that are derecognised in their entirety

During the year, the Company 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 Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at FVTOCI and the gain/(loss) on derecognition:

(₹ in Millions)

Loans and advances	FY 2020-21	FY 2019-20
Carrying amount of derecognised financial assets	14,887.13	20,832.52
Gain from derecognition for the year	770.76	176.89

The table below summarises the carrying amount of the continuing involvement in derecognised financial assets

(₹ in Millions)

Loans and advances	As at March 31, 2021	As at March 31, 2020
Carrying amount of continuing involvement in derecognised financial assets	8,039.49	8,202.04

39.B.5 Transferred financial assets that are not derecognised in their entirety:

The Company uses securitisations 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 securitised 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 derecognised in their entirety and associated liabilities.

(₹ in Millions)

Securitisations	As at March 31, 2021	As at March 31, 2020
Carrying amount of transferred assets measured at amortised cost	5,374.25	6,568.86
Carrying amount of associated liabilities	5,453.04	6,698.24
Fair value of assets	5,374.25	6,568.86
Fair value of associated liabilities	5,453.04	6,698.24

40. IIFL Home Finance Limited is exempt from preparation of consolidation of financial statements. The holding company i.e. IIFL Finance Limited (L67100MH1995PLC093797) will prepare consolidated financial statements as per Rule 6 of Companies (Accounts) Rules, 2014 as amended by Companies (Accounts) Amendment Rules, 2016 notified on July 27, 2016



IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Financial Statements as at and for year ended March 31, 2021

41. Related Party Disclosures as per Ind AS - 24 "Related Party Disclosure" for the year ended March 31, 2021

Nature of relationship	Name of Party
Holding company	IIFL Finance Limited (formerly known as IIFL Holdings Limited)
Fellow Subsidiary & Associate	Samasta Microfinance Limited
Fellow Subsidiary	Clara Developers Private Limited (ceased w.e.f. July 26, 2020)
Other Related Parties (Due to common Promoter)	IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)
	IIFL Securities Limited (Formerly known as India Infoline Limited)
	IIFL Wealth Management Limited
	IIFL Wealth Finance Limited
	IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)
	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)
	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
	5Paisa Capital Limited
	India Infoline Foundation
Key Management Personnel and other Directors	Mr. S. Sridhar - Chairman and Independent Director
	Mr. Nirmal Jain - Non Executive Director
	Mr. R. Venkataraman - Non Executive Director
	Mr. Kranti Sinha - Independent Director
	Ms. Suvalaxmi Chakraborty - Independent Director
	Mr. AK Purwar- Independent Director
	Mr. Monu Ratra - Executive Director & CEO

List includes related parties with whom transactions were carried out during current or previous year.



IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Financial Statements as at and for year ended March 31, 2021

41.A Significant transactions with related parties:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Interest Income					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	333.59	-	-	-	333.59
	(129.94)	(-)	(-)	(-)	(129.94)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	46.61	-	46.61
	(-)	(-)	(38.96)	(-)	(38.96)
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	28.17	-	28.17
	(-)	(-)	(62.01)	(-)	(62.01)
Samasta Microfinance Limited	-	19.56	-	-	19.56
	(-)	(-)	(-)	(-)	(-)
Interest Expense					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	28.38	-	-	-	28.38
	(45.32)	(-)	(-)	(-)	(45.32)
IIFL Wealth Finance Limited	-	-	-	-	-
	(-)	(-)	(5.14)	(-)	(5.14)
Service Fees Income for Mortgage Portfolio					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	6.47	-	-	-	6.47
	(16.20)	(-)	(-)	(-)	(16.20)
Service Fees Expense on Assignment transaction					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	-	-	-	-	-
	(0.77)	(-)	(-)	(-)	(0.77)
Corporate Social Responsibility Expense (CSR)					
India Infoline Foundation	-	-	71.50	-	71.50
	(-)	(-)	(58.62)	(-)	(58.62)
Arranger fees Expense					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	1.27	-	-	-	1.27
	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	4.08	-	4.08
	(-)	(-)	(-)	(-)	(-)
Commission Charges					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	-	-	-
	(-)	(-)	(4.85)	(-)	(4.85)
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	-	-	-	-	-
	(2.00)	(-)	(-)	(-)	(2.00)
Commission/ Brokerage Expense					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.00	-	0.00
	(-)	(-)	(0.04)	(-)	(0.04)



Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Remuneration and Compensation to KMP					
Mr. Monu Ratra - Short Term Benefit	-	-	-	38.61	38.61
	(-)	(-)	(-)	(55.42)	(55.42)
Mr. Monu Ratra - Post Employment Benefit	-	-	-	0.32	0.32
	(-)	(-)	(-)	(-)	(-)
Sitting Fees paid to Directors					
Mr. Kranti Sinha	-	-	-	0.57	0.57
	(-)	(-)	(-)	(0.48)	(0.48)
Mr. S. Sridhar	-	-	-	0.69	0.69
	(-)	(-)	(-)	(0.51)	(0.51)
Ms. Suvalaxmi Chakraborty	-	-	-	0.48	0.48
	(-)	(-)	(-)	(0.24)	(0.24)
Mr. AK Purwar	-	-	-	0.33	0.33
	(-)	(-)	(-)	(0.12)	(0.12)
Commission to Directors					
Mr. Kranti Sinha	-	-	-	1.00	1.00
	(-)	(-)	(-)	(-)	(-)
Mr. S. Sridhar	-	-	-	1.00	1.00
	(-)	(-)	(-)	(1.00)	(1.00)
Ms. Suvalaxmi Chakraborty	-	-	-	1.00	1.00
	(-)	(-)	(-)	(1.00)	(1.00)
Interim Dividend Payment					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	524.20	-	-	-	524.20
	(314.52)	(-)	(-)	(-)	(314.52)
Interim Dividend Received					
Samasta Microfinance Limited	-	40.10	-	-	40.10
	(-)	(-)	(-)	(-)	(-)
ICD Taken					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	11,950.00	-	-	-	11,950.00
	(25,566.94)	(-)	(-)	(-)	(25,566.94)
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	3,570.00	-	3,570.00
	(-)	(-)	(15,411.00)	(-)	(15,411.00)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	20.00	-	20.00
	(-)	(-)	(-)	(-)	(-)
ICD Returned					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	3,570.00	-	3,570.00
	(-)	(-)	(15,411.00)	(-)	(15,411.00)
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	11,950.00	-	-	-	11,950.00
	(25,566.94)	(-)	(-)	(-)	(25,566.94)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	20.00	-	20.00
	(-)	(-)	(-)	(-)	(-)



Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
ICD/Loan Given					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	82,387.10	-	-	-	82,387.10
	(67,796.20)	(-)	(-)	(-)	(67,796.20)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	7,073.50	-	7,073.50
	(-)	(-)	(33,983.20)	(-)	(33,983.20)
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	-	-	-
	(-)	(-)	(4,695.60)	(-)	(4,695.60)
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	327.50	-	327.50
	(-)	(-)	(-)	(-)	(-)
Samasta Microfinance Limited	-	1,000.00	-	-	1,000.00
	(-)	(-)	(-)	(-)	(-)
ICD/Loan received back					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	82,387.10	-	-	-	82,387.10
	(67,796.20)	(-)	(-)	(-)	(67,796.20)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	8,039.50	-	8,039.50
	(-)	(-)	(33,017.20)	(-)	(33,017.20)
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	569.10	-	569.10
	(-)	(-)	(4,126.50)	(-)	(4,126.50)
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	327.50	-	327.50
	(-)	(-)	(-)	(-)	(-)
Samasta Microfinance Limited	-	1,000.00	-	-	1,000.00
	(-)	(-)	(-)	(-)	(-)
Purchase of Investment					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	1,321.23	-	-	-	1,321.23
	(-)	(-)	(-)	(-)	(-)
Equity Shares Allotment					
Samasta Microfinance Limited	-	225.00	-	-	225.00
	(-)	(-)	(-)	(-)	(-)
Allocation of expenses paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	45.13	-	45.13
	(-)	(-)	(68.37)	(-)	(68.37)
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	1.27	-	1.27
	(-)	(-)	(6.00)	(-)	(6.00)
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	30.15	-	-	-	30.15
	(42.28)	(-)	(-)	(-)	(42.28)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	5.63	-	5.63
	(-)	(-)	(9.97)	(-)	(9.97)



Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Reimbursement paid					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	1.91	-	1.91
	(-)	(-)	(6.09)	(-)	(6.09)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.00	-	0.00
	(-)	(-)	(0.17)	(-)	(0.17)
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	9.94	-	-	-	9.94
	(22.11)	(-)	(-)	(-)	(22.11)
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.01	-	0.01
	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	0.07	-	0.07
	(-)	(-)	(0.45)	(-)	(0.45)
5Paisa Capital Limited	-	-	0.11	-	0.11
	(-)	(-)	(0.46)	(-)	(0.46)
ESOP					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.20	-	0.20
	(-)	(-)	(0.47)	(-)	(0.47)
IIFL Wealth Management Limited	-	-	0.06	-	0.06
	(-)	(-)	(0.13)	(-)	(0.13)
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	22.41	-	-	-	22.41
	(31.06)	(-)	(-)	(-)	(31.06)
Allocation of expenses received					
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.02	-	0.02
	(-)	(-)	(0.16)	(-)	(0.16)
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	5.29	-	5.29
	(-)	(-)	(10.81)	(-)	(10.81)
5Paisa Capital Limited	-	-	0.14	-	0.14
	(-)	(-)	(0.09)	(-)	(0.09)
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	5.55	-	-	-	5.55
	(6.99)	(-)	(-)	(-)	(6.99)
Reimbursement received					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	1.81	-	1.81
	(-)	(-)	(3.15)	(-)	(3.15)
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	13.12	-	-	-	13.12
	(31.76)	(-)	(-)	(-)	(31.76)
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	-	-	-
	(-)	(-)	(0.22)	(-)	(0.22)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.05	-	0.05
	(-)	(-)	(0.00)	(-)	(0.00)
5Paisa Capital Limited	-	-	0.06	-	0.06
	(-)	(-)	(2.06)	(-)	(2.06)
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	0.07	-	0.07
	(-)	(-)	(0.29)	(-)	(0.29)
IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	-	-	0.63	-	0.63
	(-)	(-)	(-)	(-)	(-)



Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Payment towards Assignment Transaction					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	-	-	-	-	-
	(4)	(-)	(-)	(-)	(4)
Purchase of Mortgage Portfolio					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	-	-	-	-	-
	(6,050.00)	(-)	(-)	(-)	(6,050.00)
Payment of Assignment Transactions					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	902.18	-	-	-	902.18
	(954.16)	(-)	(-)	(-)	(954.16)
Receipt towards Assignment Transaction					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	-	-	-	-	-
	(9.29)	(-)	(-)	(-)	(9.29)
Debentures Boughtback					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	500.00	-	-	-	500.00
	(-)	(-)	(-)	(-)	(-)
IIFL Wealth Finance Limited	-	-	224.97	-	224.97
	(-)	(-)	(739.83)	(-)	(739.83)

41 B. Closing balance:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.08	-	0.08
	(-)	(-)	(0.02)	(-)	(0.02)
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	1.78	-	1.78
	(-)	(-)	(0.41)	(-)	(0.41)
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	7.93	-	-	-	7.93
	(22.89)	(-)	(-)	(-)	(22.89)
5paise Capital Limited	-	-	0.09	-	0.09
	(-)	(-)	(-)	(-)	(-)
IIFL Wealth Management Limited	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	-	-	0.06	-	0.06
	(-)	(-)	(-)	(-)	(-)
Receivable from Group/Holding Company					
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	-	-	-
	(-)	(-)	(0.03)	(-)	(0.03)
Debt Securities Outstanding					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	-	-	-	-	-
	(500.00)	(-)	(-)	(-)	(500.00)
IIFL Wealth Finance Limited	-	-	218.00	-	218.00
	(-)	(-)	(-)	(-)	(-)



Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Interest accrued on outstanding debt securities					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	- (30.46)	- (-)	- (-)	- (-)	- (30.46)
Provision for Post Employment Benefits					
Mr. Monu Ratra	- (-)	- (-)	- (-)	2.31 (1.87)	2.31 (1.87)
Commission Payable					
Mr. Kranti Sinha	- (-)	- (-)	- (-)	1.00 (-)	1.00 (-)
Mr. S. Sridhar	- (-)	- (-)	- (-)	1.00 (1.00)	1.00 (1.00)
Ms. Suvalaxmi Chakraborty	- (-)	- (-)	- (-)	1.00 (1.00)	1.00 (1.00)
Corporate Guarantee					
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	12,255.43 (17,524.37)	- (-)	- (-)	- (-)	12,255.43 (17,524.37)
ICD/Loan Given					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	- (-)	- (-)	- (966.00)	- (-)	- (966.00)
IIFL Management Services Limited	- (-)	- (-)	- (569.10)	- (-)	- (569.10)

Figures in brackets represents previous year's figures.

41 C. 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 Millions)

Name of Related Party	Outstanding as on	Maximum Outstanding during the year
	March 31, 2021	
IIFL Finance Limited (Formerly Known as IIFL Holdings Limited)	-	8,242.10
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	3,000.00
IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	569.10
Samasta Microfinance Limited	-	1,000.00



IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Financial Statements as at and for year ended March 31, 2021

Note 42. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2021

(₹ in Millions)

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	Financial Assets			
(a)	Cash and cash equivalents	4,123.27	-	4,123.27
(b)	Bank balance other than (a) above	4,014.86	422.54	4,437.40
(c)	Receivables			
(I)	Trade receivables	308.23	-	308.23
(d)	Loans	30,849.89	114,799.34	145,649.23
(e)	Investments	4.23	1,667.97	1,672.20
(f)	Other financial assets	45.02	2,292.83	2,337.85
2	Non-financial Assets			
(a)	Current tax assets (net)	-	143.57	143.57
(b)	Deferred tax assets (net)	-	701.71	701.71
(c)	Investment Property	-	70.05	70.05
(d)	Property, plant and equipment	-	24.84	24.84
(e)	Right of use assets	-	131.68	131.68
(f)	Other intangible assets	-	1.26	1.26
(g)	Other non-financial assets	30.61	6.74	37.35
(h)	Assets held for sale	139.46	-	139.46
	Total Assets	39,515.57	120,262.53	159,778.10
	LIABILITIES AND EQUITY			
1	Financial Liabilities			
(a)	Derivative financial instruments	-	292.08	292.08
(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	351.58	-	351.58
(c)	Lease Liabilities	25.40	123.63	149.03
(d)	Debt securities	11,866.10	9,161.40	21,027.50
(e)	Borrowings (other than debt securities)	28,947.22	75,761.00	104,708.22
(f)	Subordinated liabilities	598.89	3,767.84	4,366.73
(g)	Other financial liabilities	5,853.89	0.00	5,853.89
2	Non-financial Liabilities			
(a)	Current tax liabilities (net)	312.59	-	312.59
(b)	Provisions	85.80	39.98	125.78
(c)	Other non-financial liabilities	1,133.61	-	1,133.61
3	Equity			
(a)	Equity share capital	-	209.68	209.68
(b)	Other equity	-	21,247.41	21,247.41
	Total liabilities and equity	49,175.08	110,603.02	159,778.10



IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Financial Statements as at and for year ended March 31, 2021

Note 42. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2020

(₹ in Millions)

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	Financial Assets			
(a)	Cash and cash equivalents	9,251.67	-	9,251.67
(b)	Bank balance other than (a) above	3,552.03	4.60	3,556.63
(c)	Receivables			
(I)	Trade receivables	181.63	-	181.63
(d)	Loans	38,039.43	91,333.78	129,373.21
(e)	Investments	385.34	148.75	534.09
(f)	Other financial assets	23.66	1,352.12	1,375.78
2	Non-financial Assets			
(a)	Current tax assets (net)	-	128.05	128.05
(b)	Deferred tax assets (net)	-	336.60	336.60
(c)	Investment Property	-	111.83	111.83
(d)	Property, plant and equipment	-	48.72	48.72
(e)	Right of use assets	-	238.35	238.35
(f)	Other intangible assets	-	2.94	2.94
(g)	Other non-financial assets	32.78	2.66	35.44
(h)	Assets held for sale	-	-	-
	Total Assets	51,466.54	93,708.40	145,174.94
	LIABILITIES AND EQUITY			
1	Financial Liabilities			
(a)	Derivative financial instruments	-	150.27	150.27
(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	290.74	-	290.74
(c)	Lease Liabilities	49.69	203.80	253.49
(d)	Debt securities	8,481.83	15,185.78	23,667.61
(e)	Borrowings (other than debt securities)	23,397.96	71,636.22	95,034.18
(f)	Subordinated liabilities	154.14	4,594.61	4,748.75
(g)	Other financial liabilities	2,582.77	-	2,582.77
2	Non-financial Liabilities			
(a)	Current tax liabilities (net)	76.14	-	76.14
(b)	Provisions	129.36	30.74	160.10
(c)	Other non-financial liabilities	210.75	-	210.75
3	Equity			
(a)	Equity share capital	-	209.68	209.68
(b)	Other equity	-	17,790.46	17,790.46
	Total liabilities and equity	35,373.38	109,801.56	145,174.94



43. RBI Disclosures

43 A. Disclosure made vide Notification no. DOR.No.BP.BC.63/21.04.048/2019-20 April 17, 2020 on COVID19 Regulatory Package - Asset Classification and Provisioning

Covid 19 and its impact on business

RBI through its circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 on Covid-19 regulatory package permitted HFC's to grant a moratorium to their customers on the payment of instalments and/or interest, falling due between March 1, 2020 and August 31, 2020. The Company had accordingly extended the moratorium option to its borrowers in accordance with its Board approved policies.

Post internal assessments and analysis company has provided moratorium to customers across different products. This moratorium will not impact the assets classifications of the accounts. Also extra provision in respect to these account is duly provided as per the regulatory notifications & ECL assessment.

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020
Respective amounts in overdue categories, where the moratorium/deferment was extended	13,158.19 [^]	13,555.14
Respective amount where asset classification benefits is extended*	-	2,566.53
Provisions made in terms of paragraph 5**	-	492.19
Provisions adjusted during the respective accounting periods against slippages and the residual provisions**	-	-
Residual provisions in terms of paragraph 6 of the circular**	-	492.19

[^] Position as at February 29, 2020.

*As per Supreme Court Judgement assets classification benefit has been withdrawn. Consequently, there are no assets as on march 31, 2021 wherein assets classification benefit has been extended.

**The Company has made adequate provision for impairment loss allowances (as per ECL Model) for the year ended March 31, 2021.

43 B. Disclosure made vide Notification "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.

(₹ in Millions)

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window*	(B) exposure to accounts mentioned at (A) before implementation of the plan*	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan**
Personal Loans	1064	1,259.78	-	-	-
Corporate persons of which MSMEs	3	172.32	-	-	-
Others	229	356.45	-	3.04	-
Total	1,296	1,788.55	-	3.04	-

* Consists of all the cases where resolution plan has been implemented.

**The Company has made adequate provision for impairment loss allowances (as per ECL Model) for the year ended March 31, 2021.

43 C. Disclosure made vide Notification No - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 on "Implementation of Indian Accounting Standards"

(₹ in Millions)

Asset Classification as per RBI Notes	Asset Classification as per Ind AS 109	Gross carrying Amount Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions 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)
Performing Assets						
Standard	Stage 1	137,577.71	2,043.02	135,534.69	851.73	1,191.29
	Stage 2	9,368.30	861.74	8,506.56	43.58	818.16
Subtotal		146,946.01	2,904.76	144,041.25	895.31	2,009.45
Non-Performing Asset						
Substandard	Stage 3	1,708.06	734.34	973.72	233.47	500.87
Doubtful upto 1 year	Stage 3	1,022.57	501.30	521.26	208.38	292.92
1 to 3 years	Stage 3	643.65	358.13	285.52	197.43	160.70
More than 3 years	Stage 3	153.51	98.38	55.14	97.42	0.95
Subtotal for doubtful		1,819.73	957.81	861.92	503.23	454.58
Loss	Stage3	-	-	-	-	-
Subtotal for NPA*		3,527.79	1,692.15	1,835.64	736.70	955.45
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norm	Stage 1	13,950.15	84.14	13,866.02	-	84.14
	Stage 2	354.93	3.14	351.80	-	3.14
	Stage 3	-	-	-	-	-
Subtotal for Other Items		14,305.09	87.27	14,217.81	-	87.27
Total	Stage 1	151,527.87	2,127.16	149,400.70	851.73	1,275.43
	Stage 2	9,723.24	864.88	8,858.36	43.58	821.30
	Stage 3	3,527.79	1,692.15	1,835.64	736.70	955.45
	Total	164,778.89	4,684.18	160,094.70	1,632.01	3,052.18

*Includes Assets held for sale aggregating to ₹ 139.46 Millions (Net of ECL Provision) for which disposal is under process as per SARFAESI Act.(Refer Note No. 14).

In terms of the requirement as per RBI notifications no.RBI/2019-20/170DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13,2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) as at March 31,2021 and accordingly, no amount is required to be transferred to impairment reserve.



43 D. Annex III Schedule to the Balance Sheet

(₹ in Millions)

Particulars	As at March 31, 2021		As at March 31, 2020			
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue		
Liabilities side						
1 Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:						
(a) Debentures : Secured	21,027.50	-	23,667.61	-		
: Unsecured	4,366.73	-	4,748.75	-		
(other than falling within the meaning of public deposits)						
(b) Deferred Credits	-	-	-	-		
(c) Term Loans	98,315.18	-	87,855.93	-		
(d) Inter-corporate loans and borrowing	-	-	-	-		
(e) Commercial Paper	-	-	-	-		
(f) Public Deposits	-	-	-	-		
(g) Other Loans	-	-	-	-		
Securitisation Liability	5,453.04	-	6,698.24	-		
Cash credit / Overdraft from Banks	940.00	-	480.00	-		
2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):						
(a) In the form of Unsecured debentures	-	-	-	-		
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-		
(c) Other public deposits	-	-	-	-		
Assets side						
3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	Amount outstanding		Amount outstanding			
(a) Secured			129,901.19			
(b) Unsecured	150,448.72		25.08			
4 Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities						
(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 asset financing activities						
(a) Loans where assets have been repossessed						
(b) Loans other than (a) above						
5 Break-up of Investments						
Current Investments						
1 Quoted						
(i) Shares						
(a) Equity			378.52			
(b) Preference						
(ii) Debentures and Bonds						
(iii) Units of mutual funds						
(iv) Government Securities						
(v) Others (please specify)						
2 Unquoted						
(i) Shares						
(a) Equity						
(b) Preference						
(ii) Debentures and Bonds						
(iii) Units of mutual funds						
(iv) Government Securities						
(v) Others (please specify)						
Long Term investments						
1 Quoted						
(i) Share						
(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	1,546.23					
(b) Preference						
(ii) Debentures and Bonds	125.97		155.57			
(iii) Units of mutual funds						
(iv) Government Securities						
(v) Others (please specify)						
6 Borrower group-wise classification of assets financed as in (3) and (4) above:						
Category	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	1,535.10	1,535.10
(c) Other related parties	-	-	-	-	-	-
2 Other than related parties	145,788.69	-	145,788.69	129,373.21	-	129,373.21
Total	145,788.69	-	145,788.69	129,373.21	1,535.10	130,908.31



43 D. Annex III Schedule to the Balance Sheet

(₹ in Millions)

Particulars	As at March 31, 2021		As at March 31, 2020		
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	
Liabilities side					
1	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:				
(a)	Debentures : Secured	21,027.50	-	23,667.61	
	: Unsecured	4,366.73	-	4,748.75	
	(other than falling within the meaning of public deposits)				
(b)	Deferred Credits	-	-	-	
(c)	Term Loans	98,315.18	-	87,855.93	
(d)	Inter-corporate loans and borrowing	-	-	-	
(e)	Commercial Paper	-	-	-	
(f)	Public Deposits	-	-	-	
(g)	Other Loans	-	-	-	
	Securitisation Liability	5,453.04	-	6,698.24	
	Cash credit / Overdraft from Banks	940.00	-	480.00	
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
(a)	In the form of Unsecured debentures	-	-	-	
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	
(c)	Other public deposits	-	-	-	
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1	Related Parties				
(a)	Subsidiaries	-	-	-	-
(b)	Companies in the same group	1,623.77	1,546.23	-	-
(c)	Other related parties	-	-	-	-
2	Other than related parties	125.97	125.97	534.09	534.09
	Total				
8	Other information				
	Particulars	Amount		Amount	
(i)	Gross Non-Performing Assets				
(a)	Related parties				
(b)	Other than related parties	3,527.79		2,342.73	
(ii)	Net Non-Performing Assets				
(a)	Related parties				
(b)	Other than related parties	1,835.64		1,569.54	
(iii)	Assets acquired in satisfaction of debt (Note)				

Note:

Assets classified as Assets held for sale are disclosed separately in the financial statement as per requirements of IND AS 105. For the purpose of reporting above, such assets aggregating to ₹ 229.68 Millions and ₹ 139.46 Millions have been presented as a part of Gross Non Performing Assets and Net Non-Performing Assets respectively.



44. Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021: The following additional disclosures have been given in terms of the Notification RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021.
The below mentioned notes have been prepared as per Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015 (“IND AS”). The comparative previous year figures, wherever applicable, have been presented on the basis of erstwhile IGAAP and hence may not be comparable.

44.1. Public disclosure on liquidity risk:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

(₹ in Millions)

No. of significant counterparties	Amount	% of Total Deposits	% of Total Liabilities*
15	111,784.13	NA	80.82%

*Note : Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity

(ii) Top 20 large deposits (amount in Rs Millions and % of total deposits) – Not Applicable

(iii) Top 10 borrowings

(₹ in Millions)

Amount	% of Total Borrowings
100,863.54	77.53%

(iv) Funding Concentration based on significant instrument / product

(₹ in Millions)

Name of the Product	Amount	% of Total Liabilities*
Non Convertible Debentures	25,394.23	18.36%
Term Loans	98,315.18	71.08%
Securitisation	5,453.04	3.94%
Cash Credit / Overdraft Facilities	940.00	0.68%

*Note : Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity

(v) Stock Ratios

Stock Ratio	%
Commercial papers as a % of total liabilities	0%
Commercial papers as a % of total assets	0%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil
Other short-term liabilities as a % of total liabilities	35.55%
Other short-term liabilities as a % of total assets	30.78%

(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 meetings are held once in a month or more frequently as warranted from time to time.

The Company also manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. 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.

44.2. Disclosure on Principal business criteria

Particulars	March 31, 2021
Total Housing Loans (%)	61.18%
Individual Housing Loans (%)	55.77%

*% of Total assets netted of intangible assets.



44.3. Other Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

I. Capital

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020
(i) CRAR %	22.98	23.71
(ii) CRAR - Tier I Capital (%)	19.61	18.35
(iii) CRAR - Tier II Capital (%)	3.36	5.36
(iv) Amount of subordinated debt raised as Tier- II Capital	3,935.16	4,435.16
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

II) Reserve fund u/s 29C of NHB Act, 1987

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year		
a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	1,844.41	1,458.16
b) Statutory Reserve U/s 29C of the NHB Act, 1987	224.29	117.54
c) Total	2,068.70	1,575.70
Addition/Appropriation/Withdrawal during the year		
Add: a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	780.16	386.25
b) Amount transferred U/s 29C of the NHB Act, 1987	24.84	106.75
Less: a) Amount withdrawn from the Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision U/s 29C of the NHB Act, 1987	-	-
b) Amount appropriated from the Statutory Reserve U/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	2,624.58	1,844.41
b) Statutory Reserve U/s 29C of the NHB Act, 1987	249.12	224.29
c) Total	2,873.70	2,068.70

III) Investments

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020
A) Value of Investments		
(i) Gross Value of Investments		
(a) In India*	1,747.04	617.51
(b) Outside India	-	-
(ii) Provision for Depreciation		
(a) In India	4.79	83.43
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	1,742.25	534.09
(b) Outside India	-	-
B) Movement of provisions held towards depreciation on investments		
(i) Opening balance	83.43	-
(ii) Add: Provisions made during the year	4.79	83.43
(iii) Less: Write-off / Write back of excess provisions during the year	83.43	-
(iv) Closing balance	4.79	83.43

* Includes investment property of ₹ 74.84 Millions.

IV) Derivatives

a. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020
(i) The notional principal of swap agreements	3,630.75	3,630.75
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from the swaps	The Company has entered into derivatives contract with the Schedule Commercial Banks.	
(v) The fair value of the swap book	292.08	150.27



b. Exchange Traded Interest Rate (IR) Derivative

(₹ in Millions)

Particulars	March 31, 2021
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2021 (instrument wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-

(₹ in Millions)

Particulars	March 31, 2020
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2020 (instrument-wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-

c. Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, exchange risk, interest rate risk and counterparty risk.

To manage these risks, the company has board approved policy framework for derivatives, consistent with its general corporate responsibility for corporate governance. The management of derivative activity would be further integrated into the company's overall risk management system.

The rationale for hedging risk in case of the company is to reduce potential costs of financial distress by making the company less vulnerable to adverse market movements in interest rate, exchange rate etc. and also create a stable planning environment to avoid huge fluctuations on the financials of the company due to market movements.

Objectives of the policy

- Identify and manage the company's debt and related interest rate risk
- Reduce overall interest cost of the company
- Management of foreign currency positions, derivative transactions and related risks
- To evaluate and measure these risks and their sensitivity to operations
- Establish processes for monitoring and control of the risks as per policy
- Effective MIS and regular reporting of positions and risks to the Risk Management Committee

B. Quantitative Disclosure

(₹ in Millions)

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2021	March 31, 2021
(i) Derivatives (Notional Principal Amount) For hedging	3,630.75	-
(ii) Marked to Market Positions		
(a) Assets (+)	-	-
(b) Liability (-)	292.08	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

(₹ in Millions)

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2020	March 31, 2020
(i) Derivatives (Notional Principal Amount) For hedging	3,630.75	-
(ii) Marked to Market Positions		
(a) Assets (+)	-	-
(b) Liability (-)	150.27	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-



V) Details on Securitisation

a) Securitisation transactions under SPV Structure sponsored by HFC

(₹ in Millions)

Particulars	March 31, 2021	March 31, 2020
1) No of SPVs sponsored by the HFC for securitisation transactions	9	9
2) Total amount of securitised assets as per books of the SPVs sponsored	5,374.25	6,408.61
3) Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet		
I) Off-balance sheet exposures towards Credit Enhancements	-	-
II) On-balance sheet exposures towards Credit Enhancements	1,437.69	1,437.69
4) Amount of exposures to securitisation transactions other than MRR		
I) Off-balance sheet exposures towards Credit Enhancements		
(a) Exposure to own securitizations	-	-
(b) Exposure to third party securitizations	-	-
II) On-balance sheet exposures towards Credit Enhancements		
(a) Exposure to own securitizations	462.87	430.43
(b) Exposure to third party securitizations	-	-

b) Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

(₹ in Millions)

Particulars	2020-21	2019-20
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / (loss) over net book value	-	-

c) Details of Assignment transactions undertaken

(₹ in Millions)

Particulars	2020-21	2019-20
(i) No. of accounts	10,967	11,305
(ii) Aggregate value (net of provisions) of accounts assigned	14,887.13	20,832.52
(iii) Aggregate consideration	14,887.13	20,832.52
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

d) Details of non-performing financial assets purchased/sold

Details of non-performing financial assets purchased

(₹ in Millions)

Particulars	2020-21	2019-20
1) (a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2) (a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-

Details of non-performing financial assets sold

(₹ in Millions)

Particulars	2020-21	2019-20
(i) No. of accounts sold	-	-
(ii) Aggregate outstanding	-	-
(iii) Aggregate consideration received	-	-



IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Financial Statements as at and for year ended March 31, 2021

VI) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)

(₹ in Millions)

Particulars	1 day to 7 days (one month)	8 day to 15 days (one month)	15 day to 30/31 days (one month)	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Borrowings from Bank	709.87	-	526.75	4,716.98	2,748.85	8,119.68	11,655.58	34,941.73	14,992.51	17,075.94	95,487.89
	-	-	(1,139.42)	(598.21)	(3,263.90)	(6,321.15)	(10,985.94)	(37,522.26)	(14,296.73)	(10,204.75)	(84,332.36)
Market Borrowing	434.80	83.44	684.22	1,299.68	2,197.30	5,460.25	2,658.42	3,154.63	3,613.64	11,260.89	30,847.27
	(460.00)	-	(2,500.00)	(1,101.25)	-	(1,150.00)	(1,406.25)	(10,509.30)	(3,367.05)	(4,600.00)	(25,093.85)
Foreign Currency Liabilities	-	-	-	116.38	-	-	-	3,650.89	-	-	3,767.27
	-	-	-	-	-	-	-	-	(3,769.30)	-	(3,769.30)
Assets											
Advances	861.28	693.14	4,094.22	2,744.67	2,747.76	7,406.85	13,590.95	44,229.94	25,045.16	44,374.71	145,788.68
	(187.57)	(33.71)	(3.09)	(229.02)	(1,110.54)	(3,862.69)	(5,725.36)	(32,621.27)	(19,758.79)	(58,061.76)	(121,593.80)
Investments	0.17	0.17	-	0.34	0.34	1.04	2.16	9.59	10.83	1,647.55	1,672.19
	(378.52)	-	-	-	-	-	-	-	-	-	(378.52)
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Figures in Brackets represents previous year's figures.

Maturity pattern of Advances disclosed above are based on behavioural maturity pattern.



VII) Exposure

a) Exposure to Real Estate Market

(₹ in Millions)

Category	March 31, 2021	March 31, 2020
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;	138,854.54	99,444.15
(ii) Commercial Real Estate-		
Lending secured by mortgages on commercial real estate's (office buildings retail space multipurpose commercial premises multi-family residential buildings multi-tenanted commercial premises industrial or warehouse space hotels land acquisition development and construction etc.). Exposure would also include non-fund based(NFB)limits;	11,619.26	24,094.95
(iii) Investments in Mortgage Backed Securities(MBS) and other securitized exposures-		
a. Residential	125.97	-
b. Commercial Real Estate	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank(NHB)and Housing Finance Companies(HFCs)	-	-

Exposure includes amount outstanding including principal, and interest accrued.

b) Exposure to Capital Market

(₹ in Millions)

Category	March 31, 2021	March 31, 2020
i) direct investment in equity shares, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	378.52
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii) bridge loans to companies against expected equity flows / issues;	-	-
viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-

Note: Investments are shown as net of provision for mark to market.

c) Details of financing of parent company products: The Company does not have any exposure in financing of parent company products

d) Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC: The Company has not exceeded the SGL and GBL Limits.

e) Unsecured Advances: The Company does not have any unsecured advances in the form of rights, licenses, authorisations, etc. that are charged as collateral for the purposes of financing. The Company does not have any unsecured advances other than those mentioned in Note 7.

f) Exposure to group companies engaged in real estate business

(₹ in Millions)

Description	March 31, 2021	March 31, 2020
i) Exposure to any single entity in a group engaged in real estate business	-	-
ii) Exposure to all entities in a group engaged in real estate business	-	-

44.4. Miscellaneous

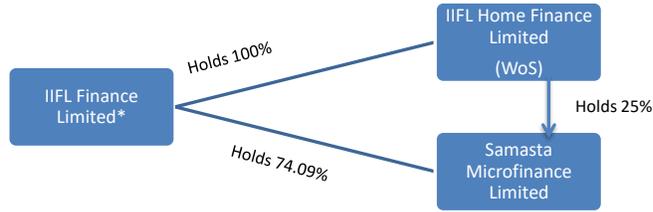
I) Details of registration obtained from other financial regulators: The Company is acting as corporate agent for general insurance business. It has obtained license from Insurance Regulatory and Development Authority of India (IRDA) (Registration Number CA0453).

II) Penalties imposed by NHB or any other regulators: During the year the company has paid a penalty of ₹ 1.85 Millions excluding GST.

III) Related Party Transactions: Related party transaction details have been disclosed under Note 41.



IV) Group Structure as on March 31, 2021:



*Formerly Known as IIFL Holdings Limited

V) Note on Rating assigned by Credit Rating Agencies and migration of rating during the year

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2021

(₹ in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable reaffirmed	21,520.00
Subordinated Debt	CRISIL Limited	CRISIL AA/Stable	2,000.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	2,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	3,000.00
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable reaffirmed	60,000.00
Commercial Paper	CRISIL Limited	CRISIL A1+ reaffirmed	50,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+ reaffirmed	50,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA / Negative reaffirmed	32,640.00
Subordinate Debt programme	ICRA Limited	[ICRA]AA / Negative Reaffirmed	4,000.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA / Negative Reaffirmed	50,000.00
Long term principal protected market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA / Negative Reaffirmed	2,000.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA; Negative [Double A; Outlook: Negative]	220.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	1,000.00
Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	2,350.00
Secured NCDs	Brickwork Ratings	BWR AA+ 'Negative'	250.00

b) Details of Migration of Ratings during the FY 2020-21

(₹ in Millions)

Instrument	Name of the Rating Agency	Amount Rated	Rating in 2020-21	Rating in 2019-20
Non-Convertible Debentures (NCD)	CARE Ratings	220.00	CARE AA; Negative [Double A; Outlook: Negative]	CARE AA; Stable [Double A; Outlook: Stable]

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2020

(₹ in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable	17,500.00
Subordinated Debt	CRISIL Limited	CRISIL AA/Stable	2,000.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable	2,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable	3,000.00
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable	45,000.00
Commercial Paper	CRISIL Limited	CRISIL A1+	50,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+	50,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA / Negative	40,000.00
Subordinate Debt programme	ICRA Limited	[ICRA]AA / Negative	6,000.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA / Negative	50,000.00
Long term principal protected market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA / Negative	2,000.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA; Stable [Double A; Outlook: Stable]	4,000.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	1,000.00
Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	2,350.00
Secured NCDs	Brickwork Ratings	BWR AA+ 'Negative'	250.00



b) Details of Migration of Ratings during the FY 2019-20

(₹ in Millions)

Instrument	Name of the Rating Agency	Amount Rated	Rating in 2019-20	Rating in 2018-19
Unsecured Subordinated NCDs	Brickwork Ratings	1,000.00	BWR AA+ 'Negative'	BWR AA+ Stable
Subordinated NCDs	Brickwork Ratings	2,350.00	BWR AA+ 'Negative'	BWR AA+ Stable
Secured NCDs	Brickwork Ratings	250.00	BWR AA+ 'Negative'	BWR AA+ Stable
Non-convertible Debenture Programme	ICRA Limited	40,000.00	[ICRA]AA / Negative	[ICRA]AA / Stable
Subordinate Debt programme	ICRA Limited	6,000.00	[ICRA]AA / Negative	[ICRA]AA / Stable
Long Term Fund Based Bank Lines Programme	ICRA Limited	50,000.00	[ICRA]AA / Negative	[ICRA]AA / Stable
Long term principal protected market linked debenture programme	ICRA Limited	2,000.00	PP-MLD[ICRA]AA / Negative	PP-MLD[ICRA]AA(stable)

VI) Remuneration of Non-Executive Directors

(₹ in Millions)

Name of Directors	Remuneration Paid	
	2020-21	2019-20
Mr. Kranti Sinha	1.57	0.48
Mr. S. Sridhar	1.69	1.51
Ms. Suvalaxmi Chakraborty	1.48	1.24
Mr. AK Purwar	0.33	0.12

VII) Management : Refer the Management Discussion and Analysis section

VIII) Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no impact in the profit and loss on account of prior period items on the current year profit and loss. For any change in accounting policies refer Significant Accounting Policies Note 3.

IX) Revenue Recognition : No revenue recognition has been postponed pending the resolution of significant uncertainties.

X) Applicability of Consolidation of Financial Statements: IIFL Home Finance Limited is exempt from preparation of consolidation of financial statements. The holding company i.e. IIFL Finance Limited (L67100MH1995PLC093797) will prepare consolidated financial statements as per Rule 6 of Companies (Accounts) Rules, 2014 as amended by Companies (Accounts) Amendment Rules, 2016 notified on July 27, 2016.

44.5. Additional Disclosures

I) Details on Provisions and Contingencies

a) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(₹ in Millions)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2020-21	2019-20
Provisions for depreciation on Investment	4.79	83.43
Provision made towards Income tax	1,088.89	651.28
Provision towards NPA	918.96	391.20
Provision for Standard Assets	1,702.11	629.60
CRE – Residential	45.93	190.82
CRE – Others	-32.67	6.78
Others	1,688.86	432.00

b) Break up of Loans and Advances and Provisions thereon

(₹ in Millions)

Breakup of Loans and Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2021*	As at March 31, 2020	As at March 31, 2021*	As at March 31, 2020
Standard Assets				
a) Total Outstanding Amount	99,871.14	82,351.88	47,074.87	39,222.67
b) Provisions made	1,836.19	663.36	1,155.84	485.64
Sub-Standard Assets				
a) Total Outstanding Amount	732.20	733.76	975.85	634.08
b) Provisions made	259.84	377.63	474.50	358.81
Doubtful Assets - Category I				
a) Total Outstanding Amount	577.30	241.59	445.27	94.56
b) Provisions made	254.19	170.41	247.11	70.04
Doubtful Assets - Category II				
a) Total Outstanding Amount	369.99	170.55	273.66	131.71
b) Provisions made	184.40	157.34	173.73	118.77
Doubtful Assets - Category III				
a) Total Outstanding Amount	69.59	-	83.92	-
b) Provisions made	42.91	-	55.47	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	101,620.22	83,497.79	48,853.57	40,083.01
b) Provisions Amount	2,577.53	1,368.74	2,106.65	1,033.26

II) Details on drawn down from reserves

The disclosure pertaining to drawn down from Reserves has been disclosed shown in Other Equity (Refer Note 23).

III) Concentration of Public Deposits, Advances, Exposures and NPAs

a) Concentration of Public Deposits: The Company, being a non-deposit taking housing finance company, does not hold any deposits from public.

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Total deposits of twenty largest depositors	-	-
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC	-	-



b) Concentration of Loans & Advances

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Loans & Advances to twenty largest borrowers	10,456.98	10,600.25
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	6.95%	8.71%

c) Concentration of all Exposure (including off-balance sheet exposure)

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers / customers	11,261.20	11,712.10
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	6.82%	8.57%

Note: Exposure includes amount outstanding including principal, interest accrued and sanctioned but undisbursed.

d) Concentration of NPAs

(₹ in Millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to top ten NPA accounts	733.45	424.02

e) Sector wise NPAs - Percentage of NPAs to Total Advances in that sector

(₹ in Millions)

Sector	As at March 31, 2021*	As at March 31, 2020
A. Housing Loans		
1. Individuals	1.82%	1.52%
2. Builders/Project Loans	0.75%	0.61%
3. Corporates	-	-
4. Others (specify)	-	-
B. Non-Housing Loans		
1. Individuals	3.61%	1.91%
2. Builders/Project Loans	4.21%	3.29%
3. Corporates	3.56%	2.51%
4. Others (specify)	-	-

*Includes interest accrued.

IV) Movement of NPAs

(₹ in Millions)

Particulars	As at March 31, 2021*	As at March 31, 2020
(I) Net NPAs to Net Advances (%)	1.24%	0.62%
(II) Movement of NPAs (Gross)		
a. Opening balance	2,342.73	1,153.63
b. Additions during the year	1,942.59	1,512.87
c. Reductions during the year	(757.54)	(660.26)
d. Closing balance	3,527.79	2,006.24
(III) Movement of NPAs (Net)		
a. Opening balance	1,569.54	388.64
b. Additions during the year	793.66	648.32
c. Reductions during the year	(527.57)	(283.71)
d. Closing balance	1,835.64	753.25
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a. Opening balance	773.19	765.00
b. Provisions made during the year	1,148.93	920.32
c. Write-off/write-back of excess provisions	(229.97)	(432.32)
d. Closing balance	1,692.15	1,253.00

*Closing and opening of Gross Non Performing Asset includes Interest Accrued and others of ₹ 603.20 Millions and ₹ 290.43 Millions respectively.

V) Overseas Assets

(₹ in Millions)

Particulars	2020-21	2019-20
N.A.	N.A.	N.A.

VI) Off-balance Sheet SPVs sponsored which are required to be consolidated as per accounting Norms

(₹ in Millions)

Name of the SPV Sponsored	Domestic	Overseas
NA.	N.A.	N.A.

VII) Percentage of outstanding loans granted against the collateral gold jewellery to the outstanding total assets is ₹ Nil. (P.Y. ₹ Nil.)

VIII) Information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries : The company have operations only in India and does not have any joint venture partners with regard to joint ventures and overseas subsidiaries.

44.6. Disclosure of Complaints

I) Details on Customer Complaints

Particulars	2020-21	2019-20
a) No. of complaints pending at the beginning of the year	24	21
b) No. of complaints received during the year	1,108	1,036
c) No. of complaints redressed during the year	1,099	1,033
d) No. of complaints pending at the end of the year	33	24



FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED (Formerly known as India Infoline Housing Finance Limited)
Notes forming part of Financial Statements as at and for year ended March 31, 2021

45. Previous Year's figure have been re-grouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

46. These financial statements were authorised for issue by the Company's Board of Directors on April 28, 2021.

**For and on behalf of the Board of Directors
of IIFL Home Finance Limited**

R. Venkatraman

R. Venkatraman
Director
(DIN: 00011919)
Place: Mumbai

Ajay Jaiswal
Ajay Jaiswal
Company Secretary
Place: Gurugram

Date: April 28, 2021

Monu Ratra

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Amit Gupta
Amit Gupta
Chief Financial Officer
Place: Gurugram

