



## **Performance review**

**Quarter ended June 30, 2022 (Q1FY23)**

**Bloomberg: IIFL IN**

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**IIFL Finance Limited**

**July 27, 2022**

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# Q1FY23 Performance snapshot

## Q1FY23 PAT ₹ 330 Crore (up 24% yoy); RoE at 20.5%



### Profit growth

PPOP<sup>1</sup> at ₹ 674 Cr; up 32% yoy  
Profit after tax at ₹ 330 Cr.; up 24% yoy  
TCI<sup>2</sup> at ₹ 332 Cr.; up 33% yoy

<sup>1</sup> Pre-provision operating profit  
<sup>2</sup> Total comprehensive Income

### Loan growth

Loan AUM at ₹ 52,761 Cr; up 22% yoy  
Core Loan AUM ₹ 49,667 Cr; up 26% yoy  
Non-Core Loan AUM ₹ 3,094 Cr; down 15% yoy

Core loan products are Gold, Home, Business & Microfinance loans. Non core loan products are CRE (Construction & Real Estate) and Capital Market

### Asset quality

GNPA<sup>1</sup> at 2.6%; down from 3.2% in FY22  
NNPA<sup>2</sup> at 1.5%; down from 1.8% in FY22  
PCR<sup>3</sup> at 137%; up from 123% in FY22

<sup>1</sup>GNPA- Gross NPA. <sup>2</sup>NNPA-Net NPA  
<sup>3</sup>Provision Coverage Ratio

### Balance sheet

Gearing (Net Debt to Equity) at 4.4  
CRAR<sup>1</sup> at 22.8%; a shade lower 23.9% FY22  
Free cash & liquid assets ₹ 5,520 Cr.

<sup>1</sup>Capital adequacy ratio  
Net debt equity is calculated after reducing free cash/ liquid asset and deemed debt as per Ind AS accounting from the gross debt

### Return ratios

RoE<sup>1</sup> at 20.5%; up from 19.7% yoy  
RoA<sup>2</sup> stable at 2.9%; up from 2.6% yoy

<sup>1</sup>Return on Equity  
<sup>2</sup>Return on Asset

### Per Share

EPS<sup>1</sup> at ₹ 8.7; up from ₹ 8.5 in Q4FY22  
BVPS<sup>2</sup> at ₹ 174.2; up from ₹ 165.3 in Q4FY22

<sup>1</sup>Earnings per share  
<sup>2</sup>Book value per share

## Q1FY23 Key highlights



Pre provision operating profit grew by a healthy 32%, but with higher provisions, PAT growth was 24%. Total Comprehensive Income (TCI) was up 33%. RoE for the quarter, annualized was 20.5%.



Q1 of the financial year is seasonally slack for some core products, but robust growth in gold loan and home loan, drove core products loan assets by 26% yoy. In line with our strategy, non- core portfolio has shrunk by 15% yoy.



Net interest margin remained at healthy level a little above 7.5%. The income from assigned and securitized assets also remain at similar levels. For most of our products, we are in a position to pass on interest rate hikes to the customers.



Operating cost rise is due to commissioning of 200 new branches, addition of 2000 manpower and annual salary hike, during the quarter. We expect cost to income to plateau for next 2 quarters and then start declining.



Gross NPA came down to 2.6%. Higher-than-expected provision was for loans coming out of restructuring time, specially micro-finance loans. With restructured time over for almost all loans, the provision is likely to begin tapering in 2-3 quarters



Liquidity (free cash, equivalent and undrawn lines) at ₹5,520 Cr, is adequate to meet near term obligations as well as planned growth in loan book. Net gearing was at a comfortable 4.4x and capital adequacy was at a safe 22.8%.

## Q1FY23 Results (Consolidated)

*Net profit up 24% yoy, income up 44% yoy*



₹ Cr	Q1FY23	Q1FY22	Y-o-Y	Q4FY22	Q-o-Q
Interest income	1,451.3	1,245.0	17%	1,423.4	2%
Interest expense	(776.0)	(700.9)	11%	(773.2)	0%
<b>Net interest income</b>	<b>675.3</b>	<b>544.1</b>	<b>24%</b>	<b>650.2</b>	<b>4%</b>
Non-fund based income	513.7	280.4	83%	488.3	5%
<b>Total income</b>	<b>1,189.0</b>	<b>824.5</b>	<b>44%</b>	<b>1,138.4</b>	<b>4%</b>
Operating expense	(515.0)	(315.2)	63%	(468.5)	10%
<b>Pre provision operating profit</b>	<b>674.0</b>	<b>509.3</b>	<b>32%</b>	<b>670.0</b>	<b>1%</b>
Loan losses & provision	(248.7)	(165.0)	51%	(256.4)	(3%)
<b>Core Profit before tax</b>	<b>425.3</b>	<b>344.3</b>	<b>24%</b>	<b>413.6</b>	<b>3%</b>
Net Gain/(Loss) on Fair Value Changes	8.6	6.2	38%	6.0	44%
<b>Profit before tax</b>	<b>433.9</b>	<b>350.5</b>	<b>24%</b>	<b>419.6</b>	<b>3%</b>
<b>Profit after tax</b>	<b>329.7</b>	<b>265.8</b>	<b>24%</b>	<b>321.0</b>	<b>3%</b>
<b>Total Comprehensive Income(TCI)</b>	<b>331.6</b>	<b>249.7</b>	<b>33%</b>	<b>338.2</b>	<b>(2%)</b>
Book value per share (₹)	174.2	145.6		165.3	
Earnings per share (₹ not annualized)	8.7	7.0		8.5	

# Income Analysis (Consolidated)

*Non fund income covers almost entire operating cost*



₹ Cr	Q1FY23	Q1FY22	Y-o-Y	Q4FY22	Q-o-Q
Loan book using risk capital	32,386	28,599	13%	31,670	2%
Securitized book	1,957	4,303	(55%)	2,397	(18%)
<b>Loan Book (Ind AS Balance sheet)</b>	<b>34,343</b>	<b>32,902</b>	<b>4%</b>	<b>34,067</b>	<b>1%</b>
Assigned assets	14,577	10,195	43%	14,298	2%
Co-lending book	3,842	64	5941%	2,845	35%
<b>Assets under management</b>	<b>52,761</b>	<b>43,160</b>	<b>22%</b>	<b>51,210</b>	<b>3%</b>
₹ Cr	Q1FY23	Q1FY22	Y-o-Y	Q4FY22	Q-o-Q
Interest income	1,451.3	1,245.0	17%	1,423.4	2%
Interest expense	(776.0)	(700.9)	11%	(773.2)	0%
<b>NII at IndAS balance sheet loan book (A)</b>	<b>675.3</b>	<b>544.1</b>	<b>24%</b>	<b>650.2</b>	<b>4%</b>
Income from assigned assets	427.8	240.9	78%	377.7	13%
Other Income (Fee and commission income)	85.9	39.5	118%	110.6	(22%)
<b>Non-fund based income (B)</b>	<b>513.7</b>	<b>280.4</b>	<b>83%</b>	<b>488.3</b>	<b>5%</b>
<b>Total Income (A)+(B)</b>	<b>1,189.0</b>	<b>824.5</b>	<b>44%</b>	<b>1,138.4</b>	<b>4%</b>
<b>Fund Based: Non fund based ratio (%)</b>					
Fund based income	57%	66%		57%	
Non-fund based income	43%	34%		43%	

# Consolidated Balance Sheet as at June 30, 2022

**Net Worth at ₹ 6,880 Cr**



ASSETS		₹ Cr	LIABILITIES AND EQUITY		₹ Cr
<b>1</b>	<b>Financial Assets</b>		<b>1</b>	<b>Financial Liabilities</b>	
(a)	Cash and Bank Balances	4,576	(a)	Payables	185
(b)	Receivables	157	(b)	Borrowings	
(c)	Loan Assets	34,143	-	NCDs	9,983
(d)	Investments	2,378	-	Others	24,782
(e)	Other financial assets	1,273	(c)	Other financial liabilities	1,971
	<b>Total Financial Assets (A)</b>	<b>42,527</b>		<b>Total Financial Liabilities (A)</b>	<b>36,921</b>
<b>2</b>	<b>Non-Financial Assets</b>		<b>2</b>	<b>Non-Financial Liabilities (B)</b>	<b>329</b>
(a)	Current & Deferred tax assets (Net)	477	<b>3</b>	<b>Net Worth</b>	
(b)	Property, Plant and Equipment etc.	781	(a)	Equity	76
(c)	Other non-financial assets	345	(b)	Reserves	6,804
	<b>Total Non-Finance Assets (B)</b>	<b>1,603</b>		<b>Net Worth (C)</b>	<b>6,880</b>
	<b>Total Assets (A)+(B)</b>	<b>44,130</b>		<b>Total Liabilities and Equity (A)+(B)+(C)</b>	<b>44,130</b>

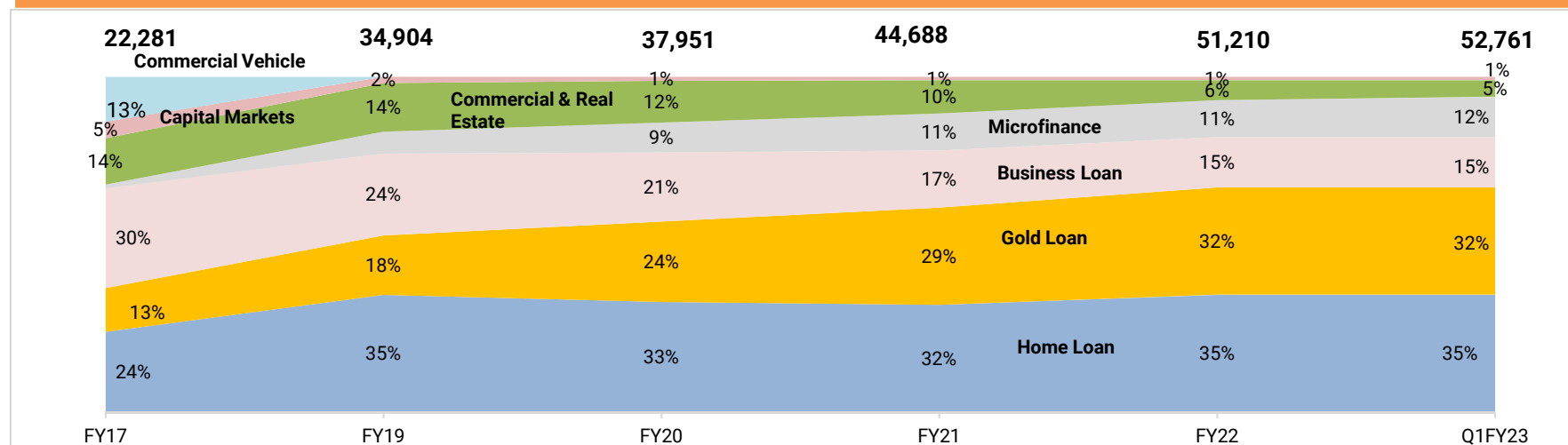
# Gold loan & home loan account for two thirds of Loan AUM

95% of loan portfolio is small ticket retail



Q1FY23	% AUM Share	AUM (₹ Cr)	Y-o-Y Growth (%)	Q-o-Q Growth (%)	GNPA%	NNPA%	Portfolio Yield%	Portfolio average ticket size (₹ Lakhs)
Home Loans	35%	18,618	26%	5%	2.4%	1.6%	10.4%	16.4
Gold Loans	32%	17,130	29%	6%	0.9%	0.7%	17.2%	0.7
Business Loans	15%	7,643	7%	1%	5.3%	3.1%	16.7%	9.5
Microfinance	12%	6,276	43%	2%	3.7%	1.2%	22.2%	0.3
<b>Core Products (A)</b>	<b>94%</b>	<b>49,667</b>	<b>26%</b>	<b>4%</b>				
Construction & Real Estate	5%	2,487	(11%)	(14%)	0.2%	0.1%	15.1%	2,702.5
Capital Market Finance	1%	607	(28%)	(6%)	0.0%	0.0%	12.2%	129.2
<b>Synergistic Products (B)</b>	<b>6%</b>	<b>3,094</b>	<b>(15%)</b>	<b>(13%)</b>				
<b>Total (A+B)</b>	<b>100%</b>	<b>52,761</b>	<b>22%</b>	<b>3%</b>	<b>2.6%</b>	<b>1.5%</b>	<b>15.3%</b>	

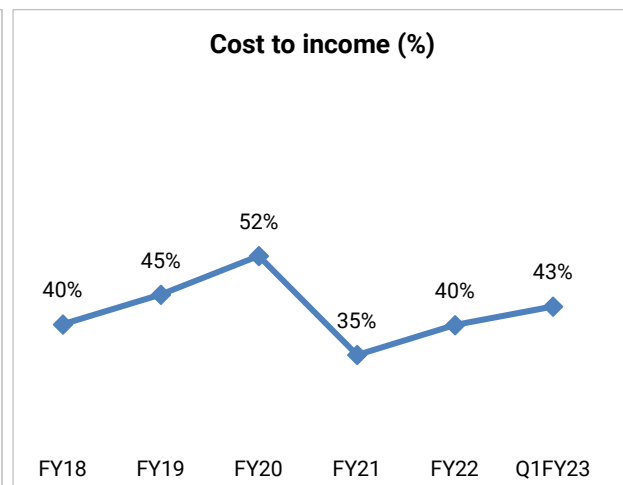
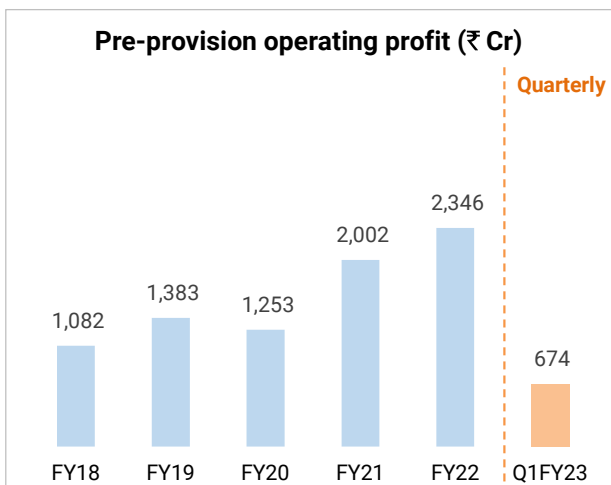
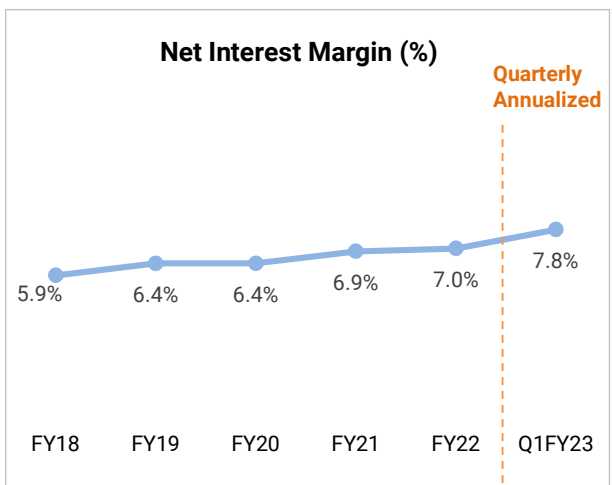
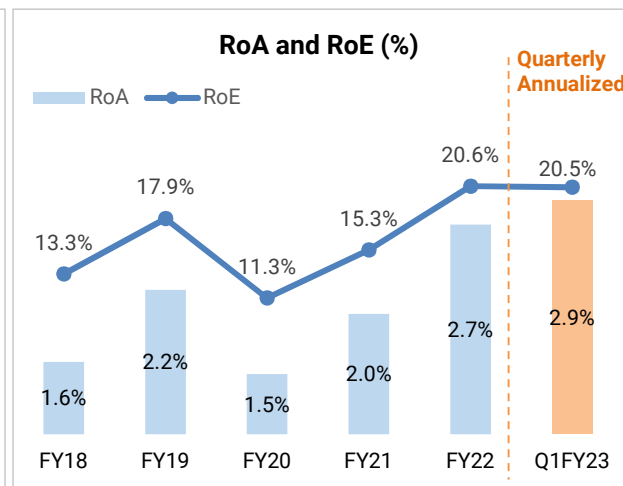
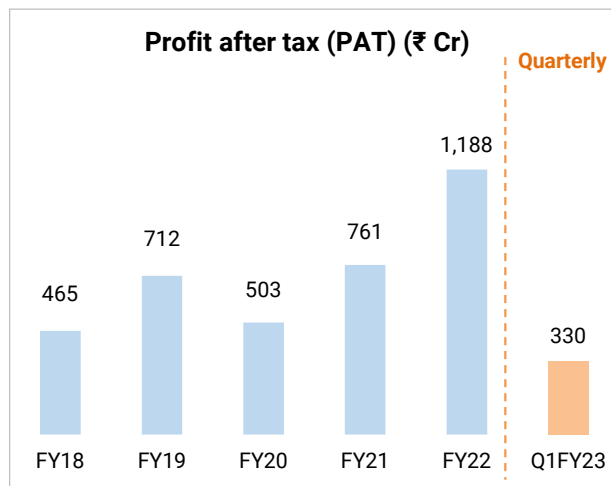
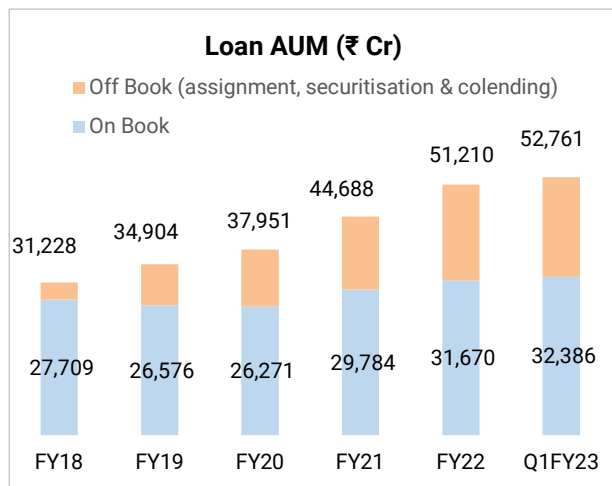
## Loan AUM (₹ Cr): Diversified portfolio mitigates risk of asset concentration and cyclical gyration





# Long term financial trends for the last 5 years

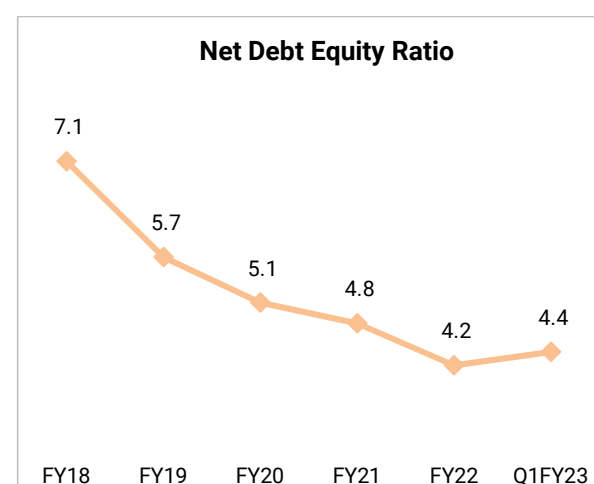
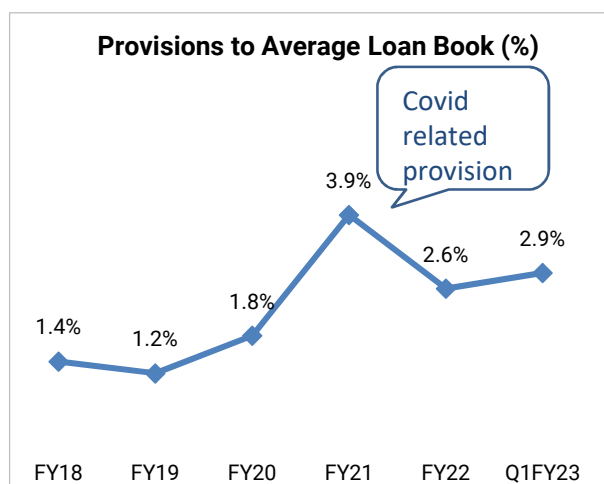
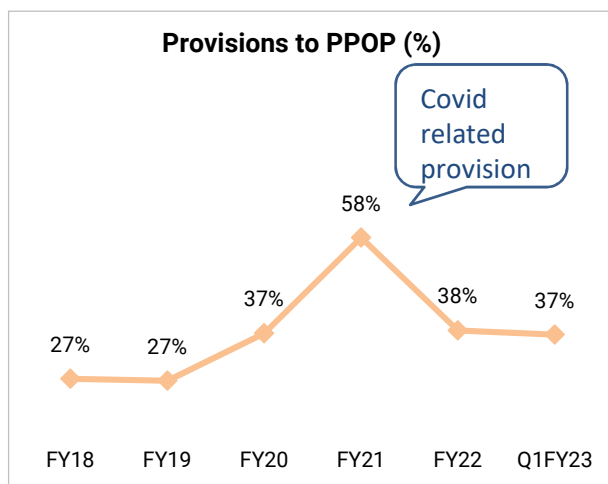
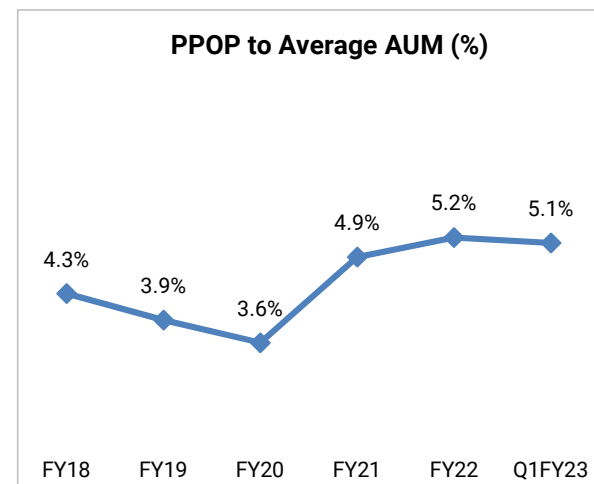
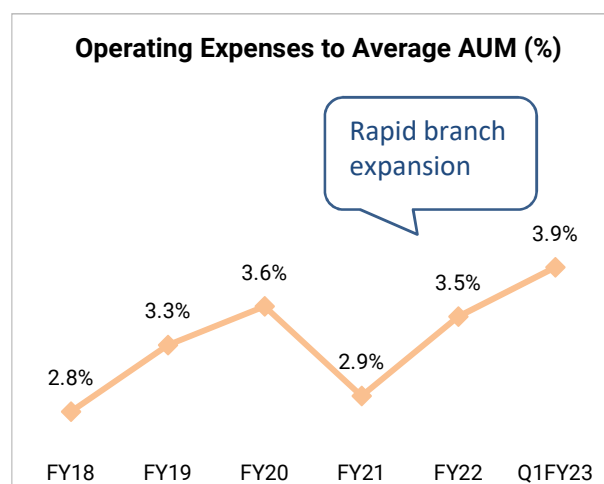
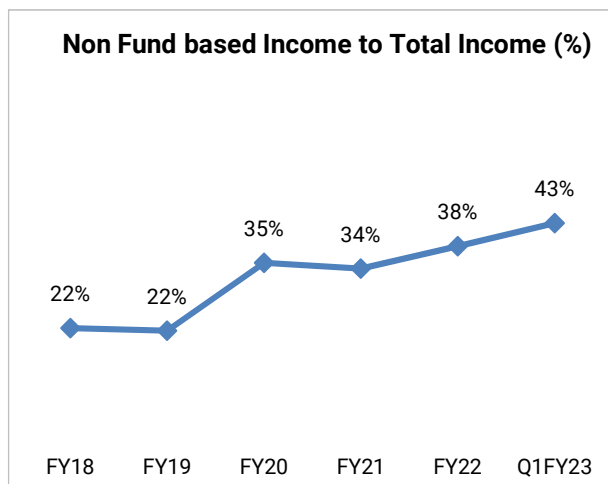
## Robust financial performance and growth



- Colending includes Business Correspondence and Co-origination

## Key ratios trends for the last 5 years

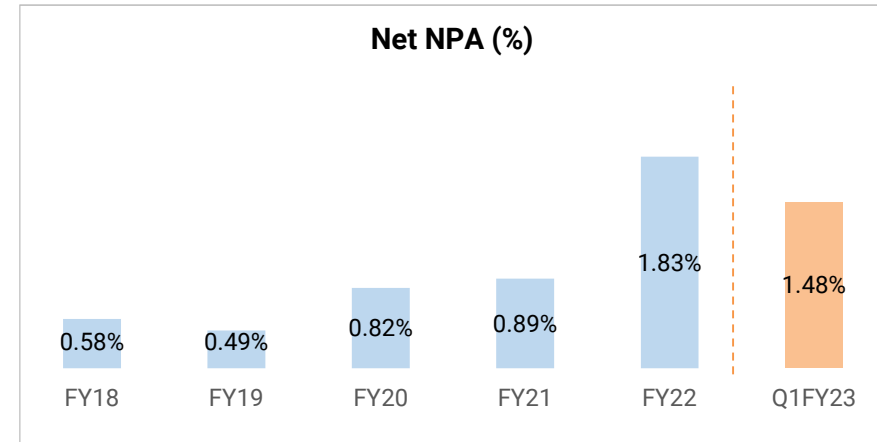
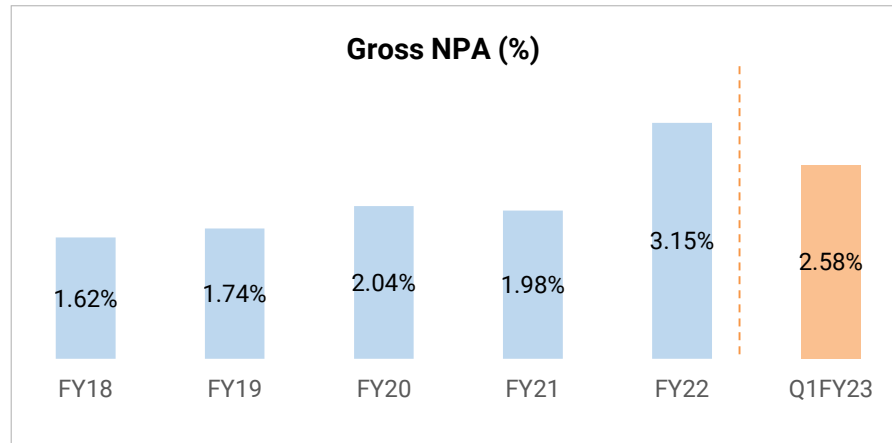
### Income, return, asset & leverage ratios



Note: Q1FY23 numbers are annualized wherever applicable

## Long term asset quality trends

*GNPA maintained at best in industry level through cycles*



### Details of Provision:

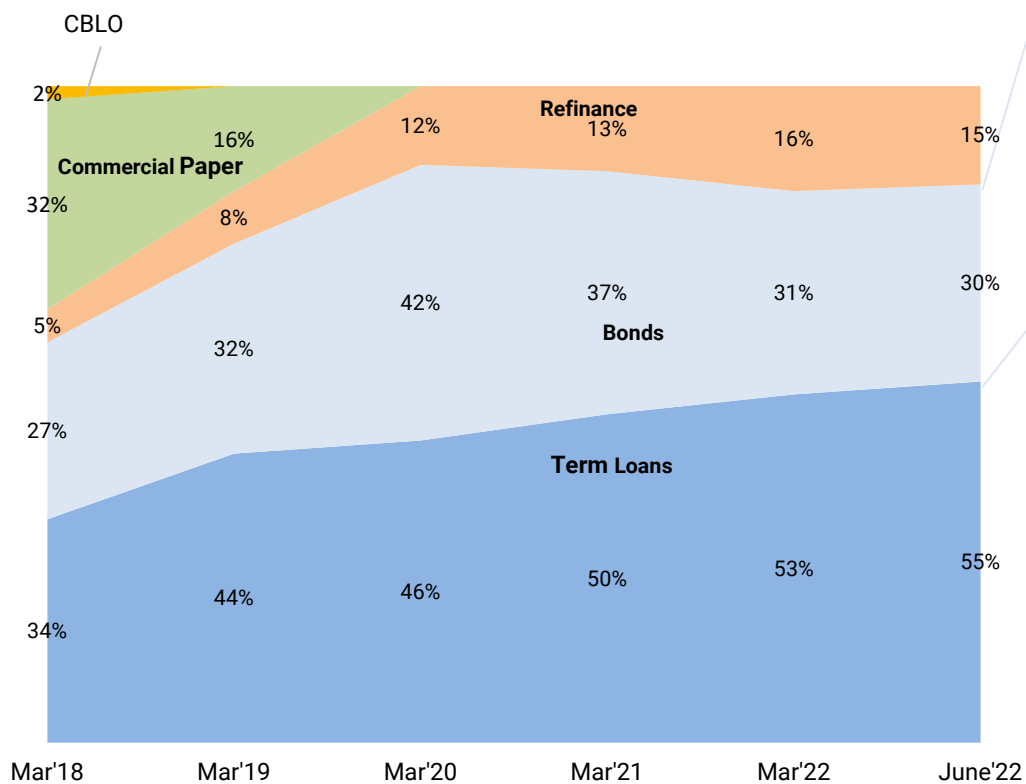
Business	0-30 dpd (Stage 1)	31-90 dpd (Stage 2)	90+ dpd (Stage 3)	Total loan book	Provision %			Provision (₹ in Cr)	
					Stage 1	Stage 2	Stage 3	As per RBI	As per ECL
Home Loans	10,659	415	273	11,347	1.7%	9.7%	32.6%	119	316
Business Loans	5,396	608	334	6,338	2.2%	14.8%	40.9%	119	343
Gold Loans	7,304	662	71	8,036	0.8%	1.1%	17.0%	44	81
Microfinance	4,930	395	202	5,528	2.2%	6.9%	66.7%	123	271
Construction & Real Estate	2,468	14	5	2,487	8.0%	6.4%	50.0%	44	202
Capital Market Finance	604	3	0	607	0.4%	0.4%	0.0%	2	3
<b>Total</b>	<b>31,361</b>	<b>2,097</b>	<b>885</b>	<b>34,343</b>	<b>2.1%</b>	<b>7.9%</b>	<b>42.4%</b>	<b>450</b>	<b>1,215</b>

## Well diversified sources of funding

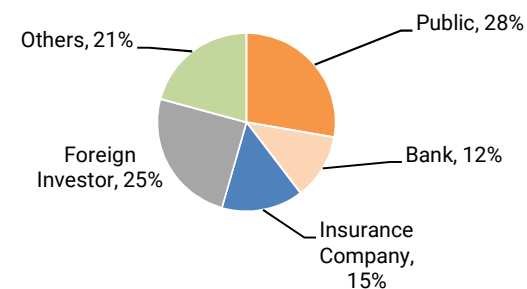
*Resource profile is well diversified, with increasing share of bank loans*



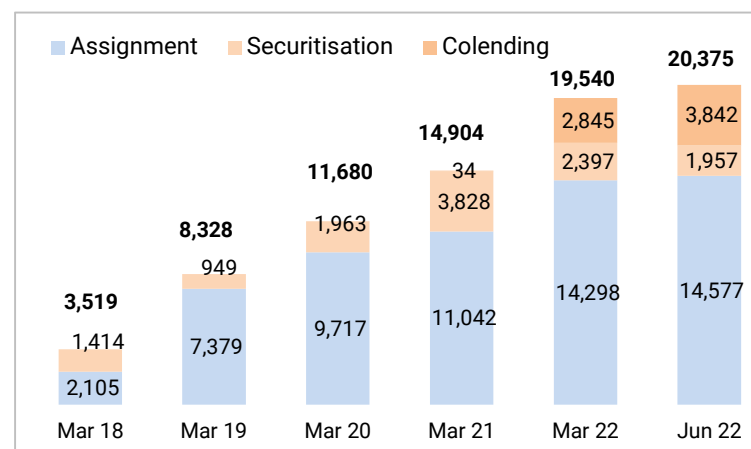
Outstanding borrowing (₹ Cr)					
24,539	26,141	25,734	28,426	33,340	32,819



**Bonds/NCDs investors split (%)**



**Outstanding assignment/securitization/colending (₹ Cr)**



## Our conservative ALM & well covered debt repayment schedule



*Provide resilience during crisis to not only meet obligations but sustain growth as well*

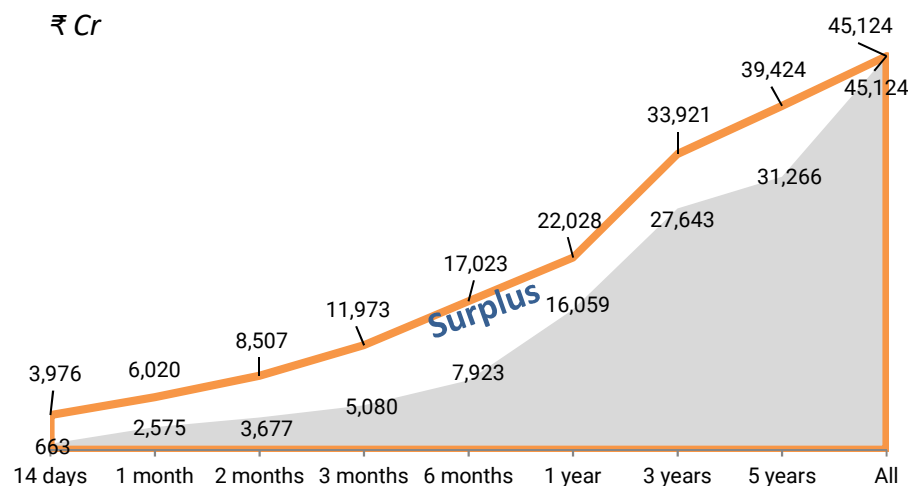
### Fund raising

During the quarter we have raised ₹ 1,511 Cr of debt including ₹ 1,345 Cr via **Term Loans**. During the quarter we also raised ₹ 3,210 Cr through **securitized/ assigned loans**.

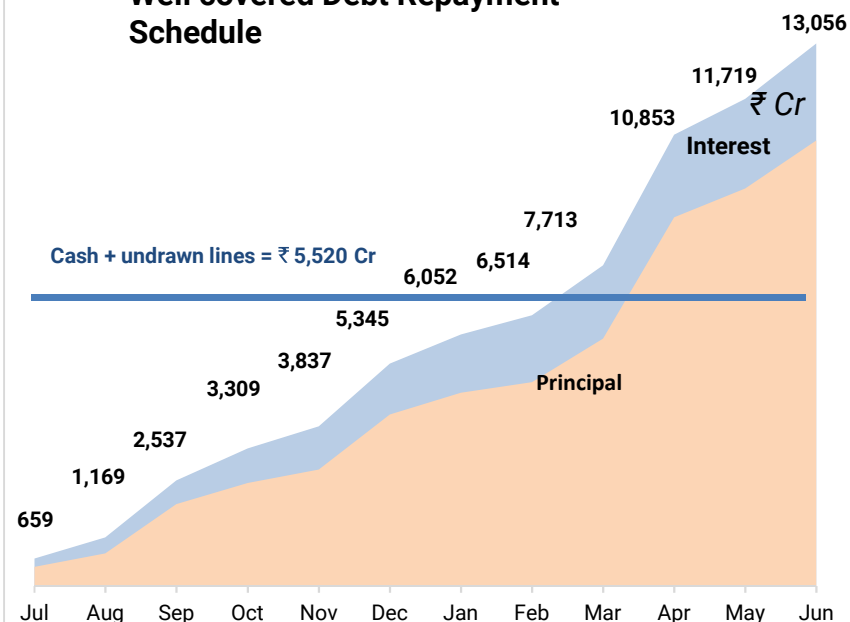
### Credit Rating

CRISIL maintains rating at **AA (Stable)** for IIFL Finance as well as IIFL Home Finance.

### Asset Liability Match (ALM) – Surplus across all buckets



### Well covered Debt Repayment Schedule



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Financial Performance Q1FY23

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**Business Segment Overview**

**15-23**

- Home Loan

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- Business Loan

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- Gold Loan

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- Microfinance Loan

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- Construction Real Estate and Capital Markets

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Corporate, Strategy and Others

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# Home loans – product overview

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



- ✓ Primary focus on **affordable** and non-metro customers.
- ✓ **74%** of home loans under **Priority Sector Lending category**.
- ✓ Focus is on first time home buyers.
- ✓ **96% home loans** are on-boarded and decisioned through **digital platform**
- ✓ **Market Opportunity:** Affordable housing market to touch **₹13 trillion** by **FY25** from the current ₹ 9 trillion. Also, by 2030, **41%** of India's population is expected to **reside in urban areas**

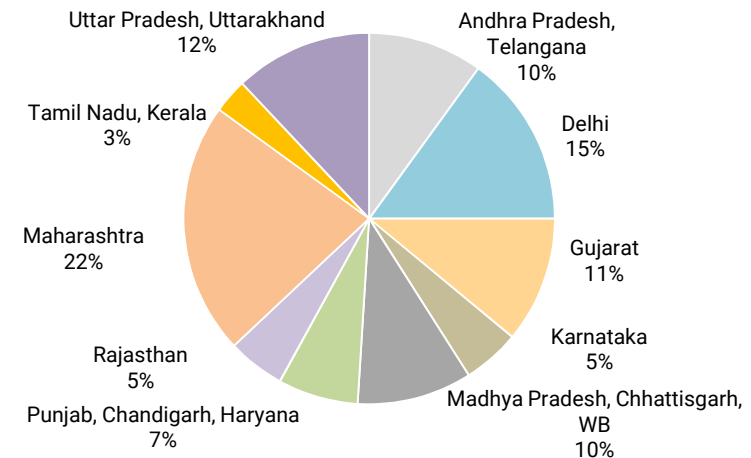
Onboarding Average Ticket Size  
₹ 15.6 Lakhs

Tenor  
up to 20 years

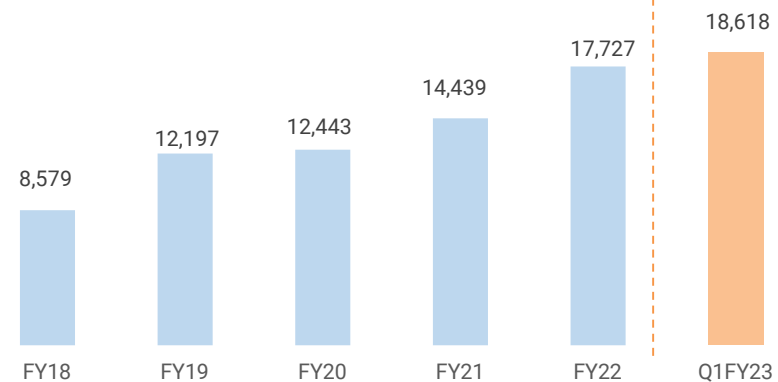
Loan to Value  
72%

Salaried / Self employed  
64% / 36%

**Distribution of AUM as at June 30, 2022 (₹ Cr)**

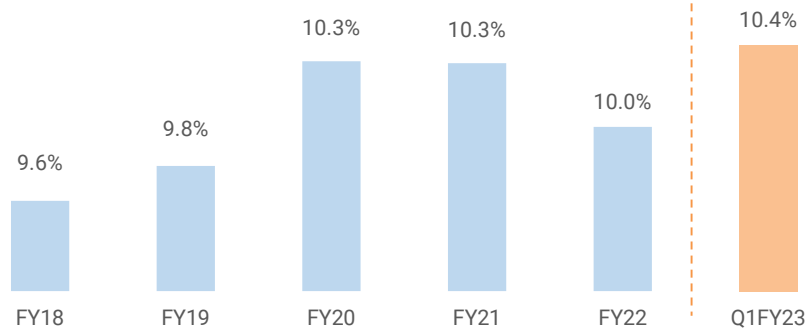


**Asset Under Management (₹ in Cr)**

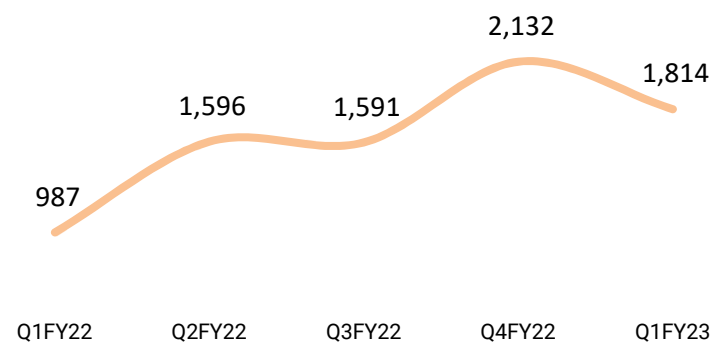


## Home loans – financial overview

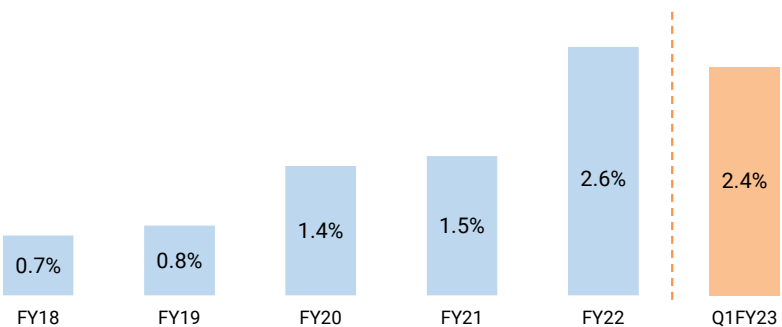
**Portfolio Yield (%)**



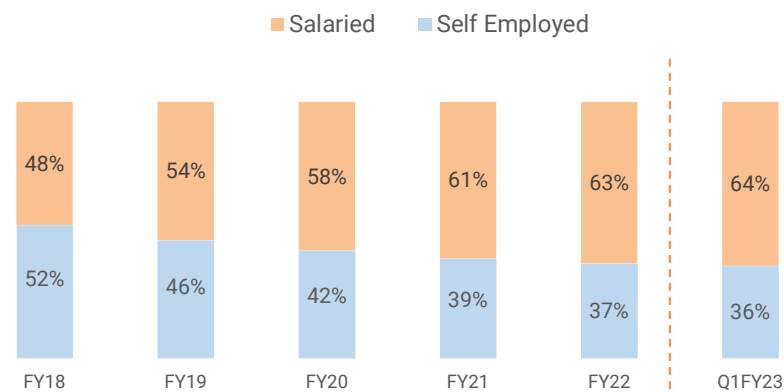
**Quarterly Disbursement (₹ in Cr)**



**GNPA (%)**



**Salaried and Self Employed Mix (%)**



GNPA on AUM stood at 1.87% as on June 30, 2022



## Business loans – product overview

### Focus on small ticket MSME loans



- ✓ For business loans backed by cash flows
- ✓ Focus on balancing prudent credit underwriting with instant in-principle decision and automated disbursements based on analytical scorecards
- ✓ **Partnerships with leading fintechs** with appropriate risk sharing arrangements
- ✓ Average security cover of over **2x** for secured loans
- ✓ **Market Opportunity:** Overall credit gap in the MSME sector is ~ **₹20-25 trillion** according to a RBI 2019 report. Only **16% MSMEs** received financing from formal institutions

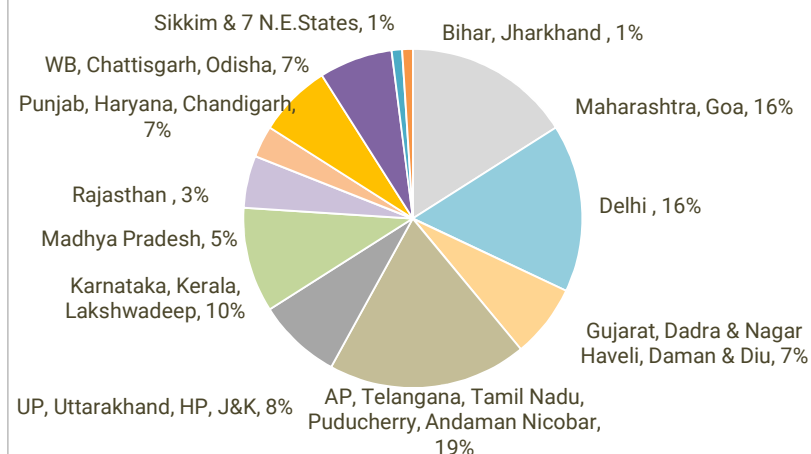
**Onboarding Average Ticket Size**  
₹ 5.9 Lakhs

**Tenor**  
up to 12 years

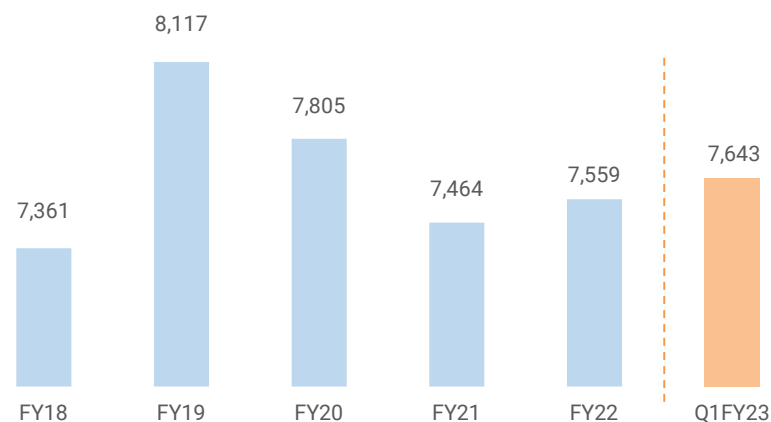
**Secured / Unsecured**  
75% / 25%

**CGTMSE Coverage (Unsecured)**  
13%

**Distribution of AUM as at June 30, 2022 (₹ Cr)**

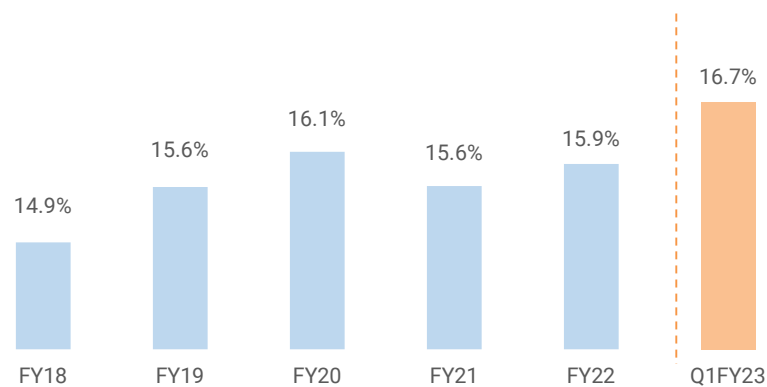


**Asset Under Management (₹ in Cr)**

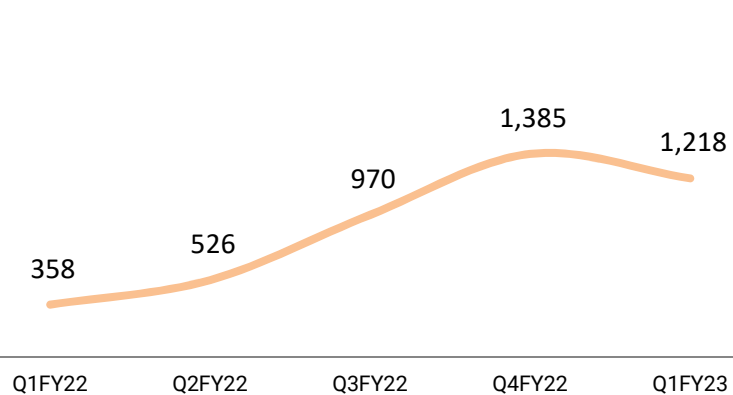


## Business loans – financial overview

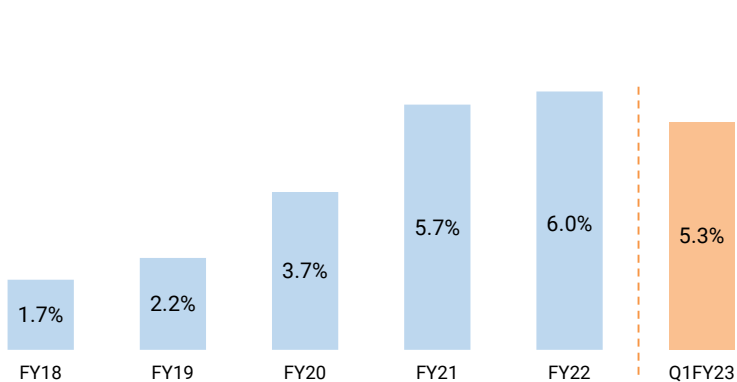
**Portfolio Yield (%)**



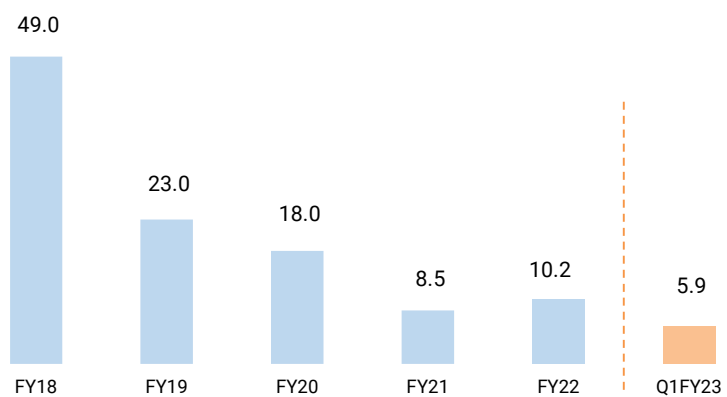
**Quarterly Disbursements (₹ in Cr)**



**GNPA (%)**



**Onboarding Average Ticket Size (₹ in Lakhs)**



## Gold loans – product overview

### Secured low-risk short term loans



- ✓ In-house loan origination tablet application equipped to screen customers for earlier defaults, frauds and negative customer lists
- ✓ Strong emphasis on collections and resolution resulting in negligible losses
- ✓ Launched digital gold loan – for top-up and online renewal of gold loans
- ✓ **Market Opportunity:** ₹12.3 trillion is the overall gold loan market in India. Only **35%** of the gold loan lending in India is done by the **formal** segment, rest 65% is still served by the informal segment

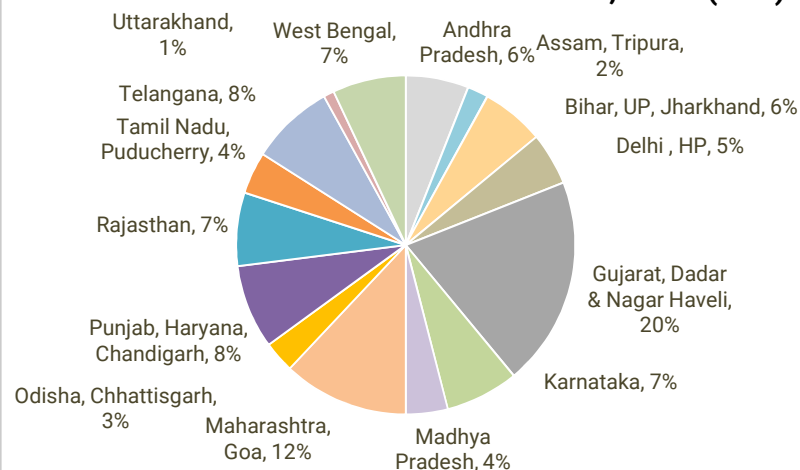
**Tenor**  
~2 years

**Footprint**  
1,313 towns/cities

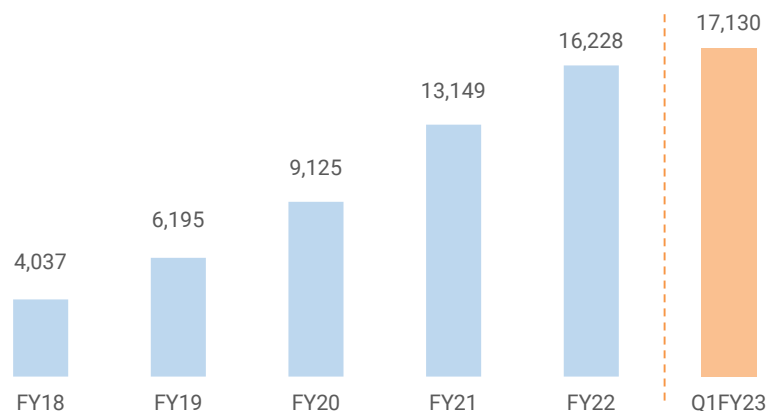
**Onboarding Average Ticket Size**  
₹ 0.63 Lakh

**Onboarding LTV%**  
~71%

**Distribution of AUM as at June 30, 2022 (₹ Cr)**

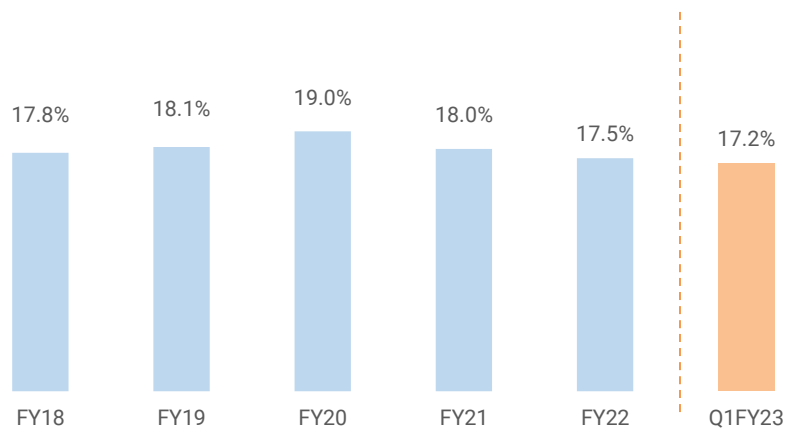


**Asset Under Management (₹ in Cr)**

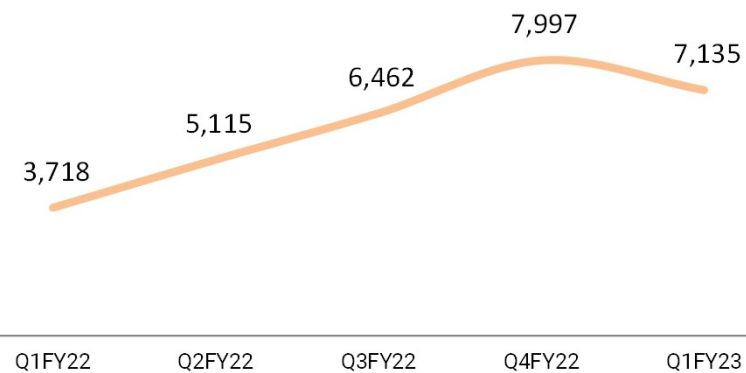


## Gold loans – financial overview

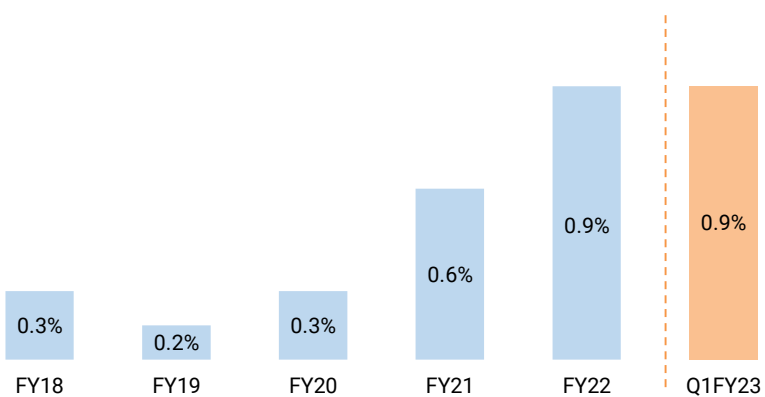
**Portfolio Yield (%)**



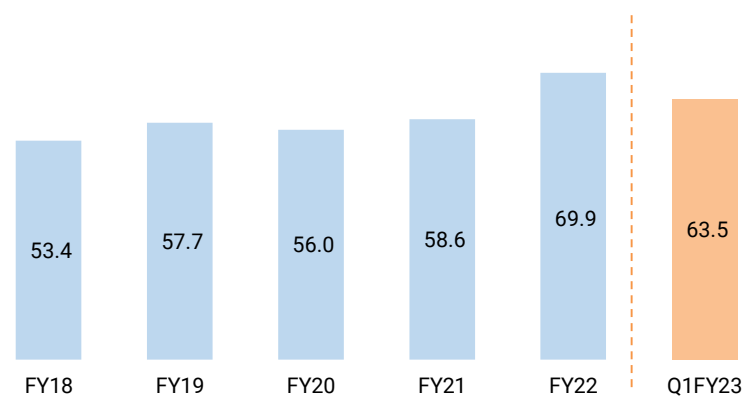
**Quarterly Disbursement (₹ in Cr.)**



**GNPA (%)**



**Onboarding Average Ticket Size (₹ in 000')**



## Microfinance loans – product overview

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



- ✓ **Small-ticket loans** for purpose of income generation activities
- ✓ Target segment is **rural** and **semi-urban self-employed women** in joint liability groups
- ✓ Strong emphasis on training and awareness of all customers detailing end use of funds, timely repayment and emphasis on joint liability
- ✓ **Market Opportunity:** Current MFI market in India is **₹2.6 trillion** (FY21). Indian MFI Market is anticipated to **grow at a CAGR** of more than **40%** through **2025**, driven by women oriented MSMEs

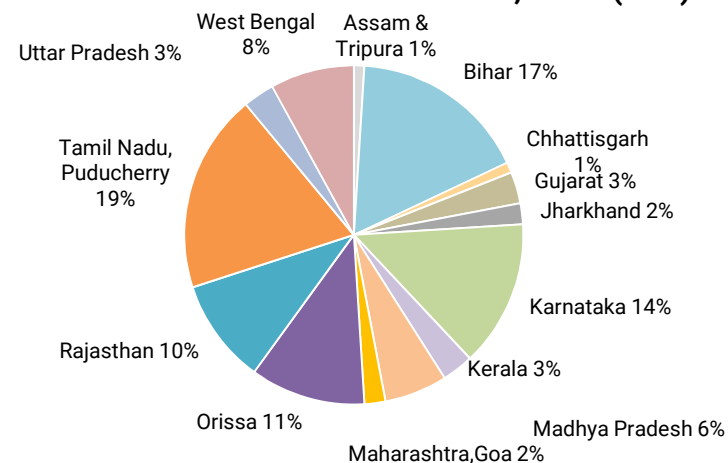
**Active Customers**  
17.9 Lakhs

**Tenor**  
~2 years

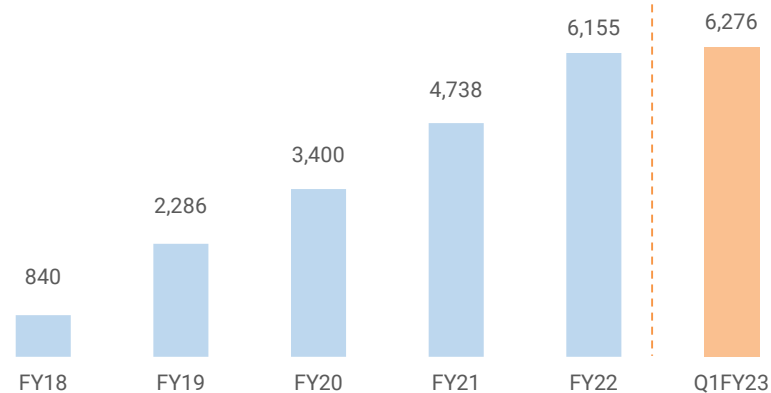
**100%**  
Credit linked insurance

**States / Districts**  
17 / 303

**Distribution of AUM as at June 30, 2022 (₹ Cr)**

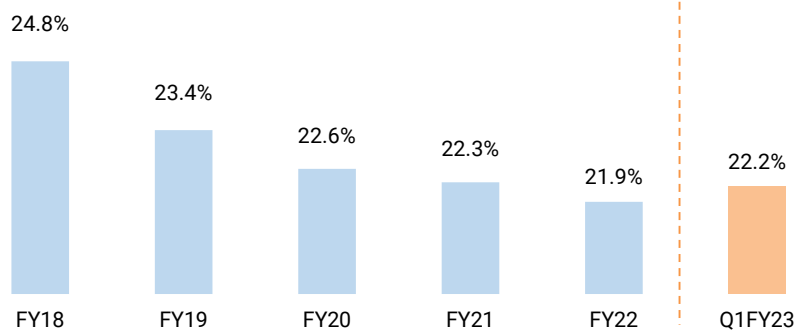


**Asset Under Management (₹ in Cr)**

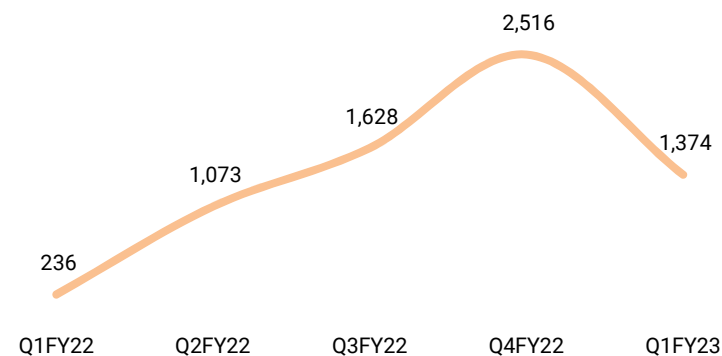


## Microfinance loans – financial overview

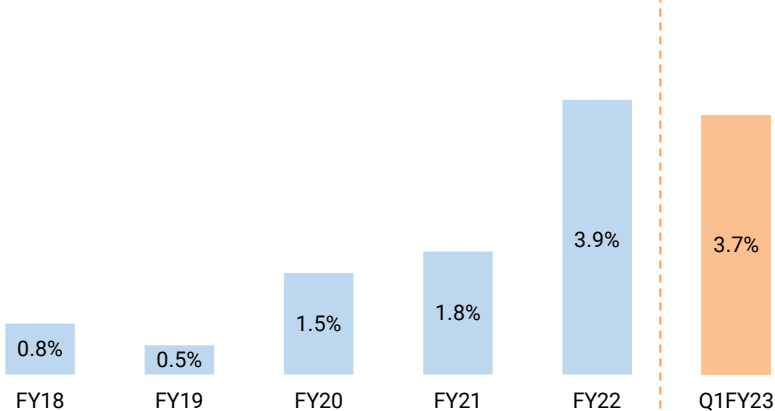
**Portfolio Yield (%)**



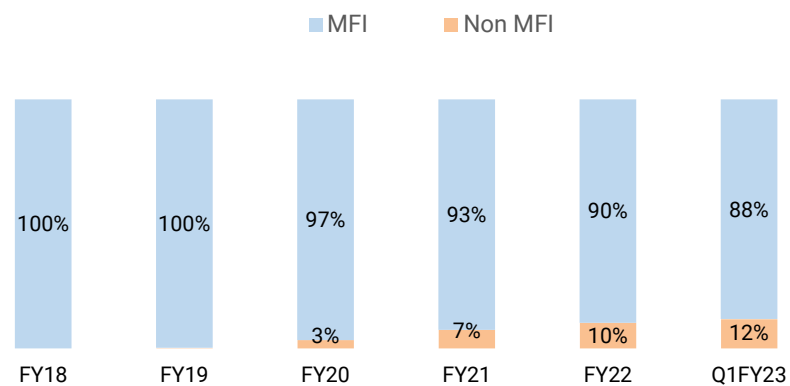
**Quarterly Disbursement (₹ in Cr.)**



**GNPA (%)**



**MFI - Non MFI Loan Mix (%)**



# Construction Real Estate (CRE) & Capital Market

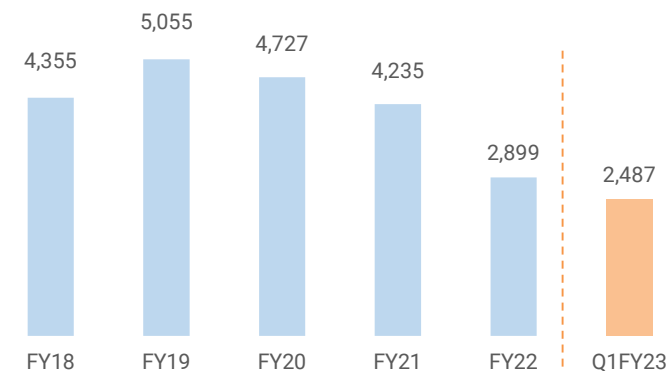
*Not core but businesses synergistic to Group's core businesses*



## Construction and Real Estate (CRE)

- IIFL Finance will continue to provide funding for completion of its already funded projects, with appropriate internal approvals and in compliance with RBI guidelines
- IIFL Finance subsidiary HFC provides funding for LAP (Loan against Property) and CF (Construction Finance) the way large established HFCs also do.

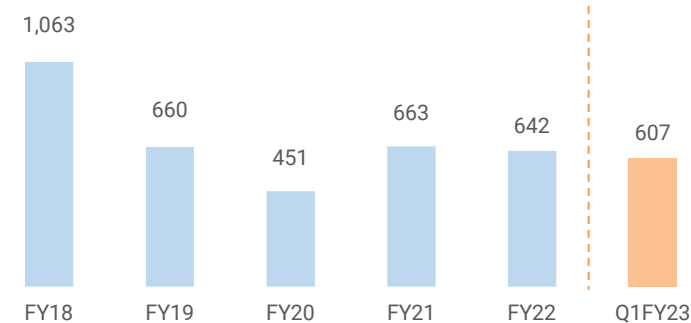
**CRE Asset Under Management (₹ in Cr)**



## Capital market

- The Loan Against Shares and capital market portfolio is not core focus for growth but synergistic with group businesses. The strategy is to restrict to clients of group companies, thereby minimising operating cost and with strict risk control of the lending portfolio.

**Capital Market  
Asset Under Management (₹ in Cr)**



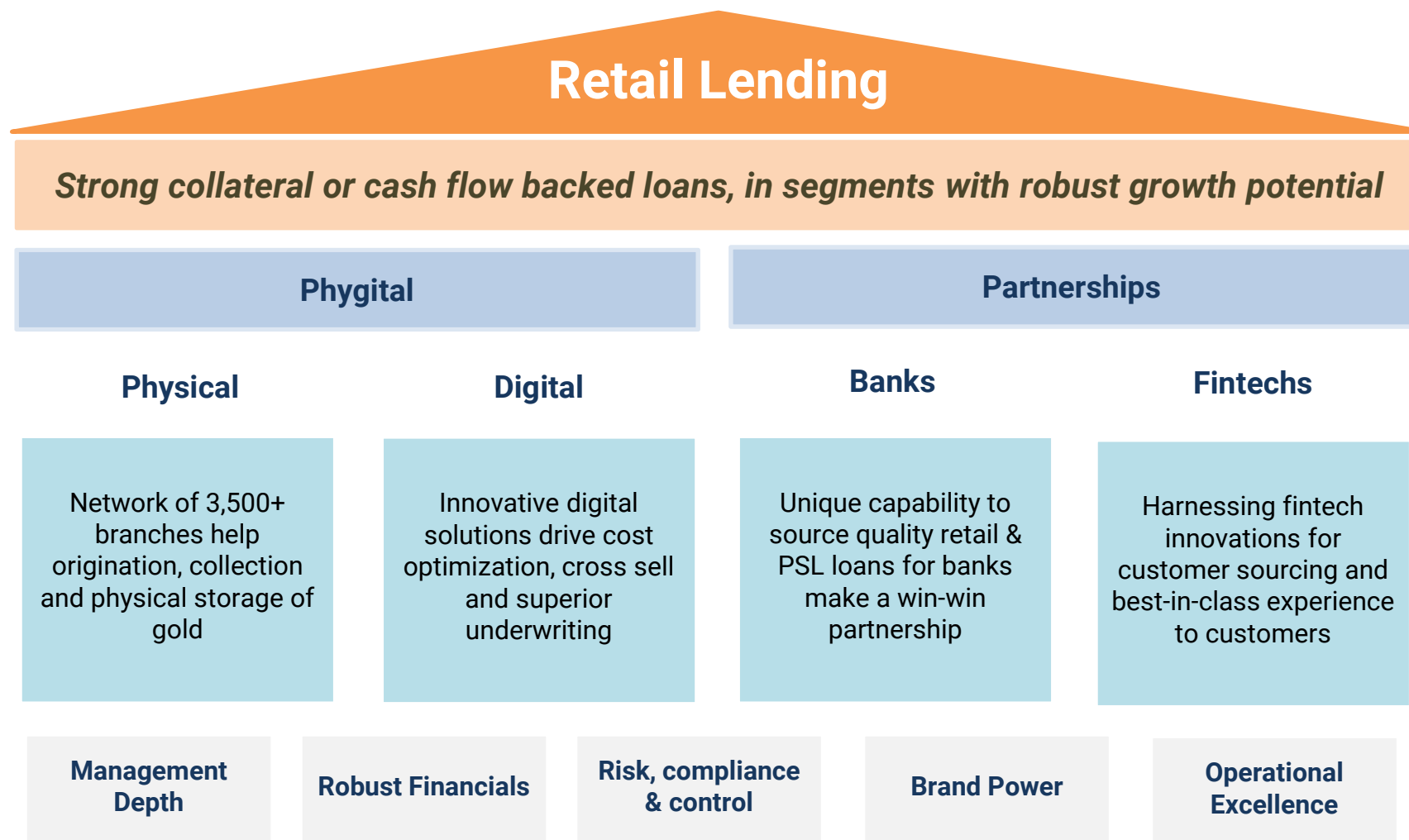
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Financial Performance Q1FY23	3-13
Business Segment Overview	15-23
<b>Corporate, Strategy and Others</b>	<b>25-35</b>

---



**We are uniquely placed to dominate non banking retail lending**  
*Our business is built on Phygital and Partnership model*

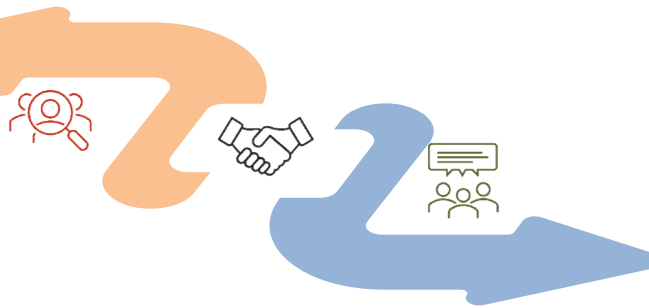


# IIFL OPEN Fintech Private Limited (51:49) JV



## Open

- **100<sup>th</sup> unicorn of India** and the largest SMB neobank.
- Total funding raised of \$185mn and backed by strong investors like **Tiger Global, Temasek, Visa, Beenext, Google.**
- Integrated with **17 large banks** with existing customer base of **2mn+ merchants**



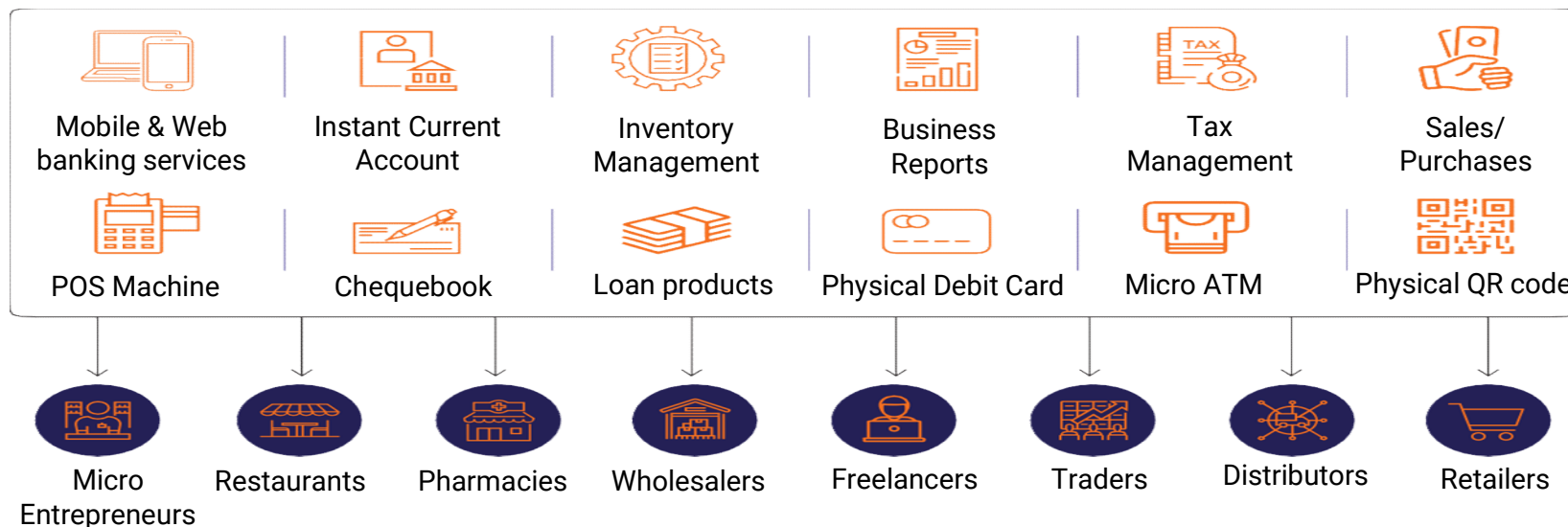
## IIFL Finance

- **IIFL Finance's existing lending book and infrastructure** to be used by Open to offer innovative lending solutions to these merchants on their platform.
- Access to insights into user's **business transaction** leading to better underwriting decisions.
- Growth in lending book by offering **credit solutions to Open's existing 2mn merchant base**

## IIFL Open Fintech Pvt Limited

- **Neobank for micro enterprises of India offering** billing, banking and accounting software
- Revenue potential from **lending services & transaction revenue** from payment, cards

### Various product offering and key target personas



# Our recent partnerships with banks for co-lending, co-origination and business correspondence..



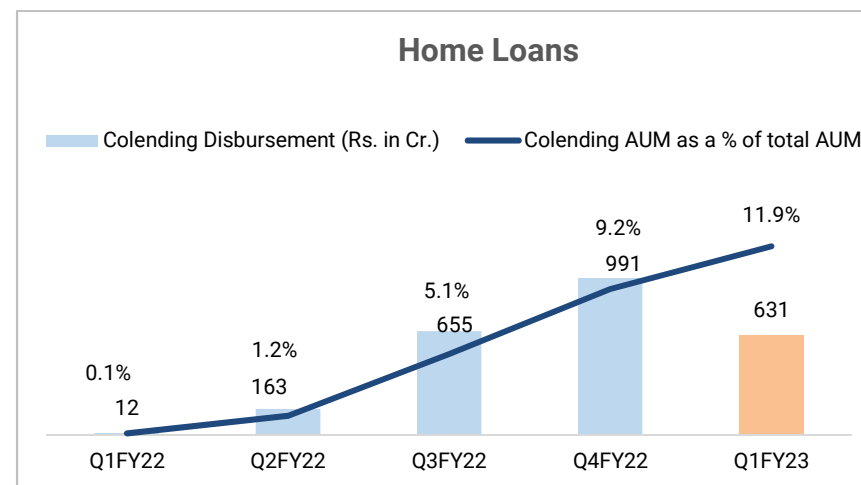
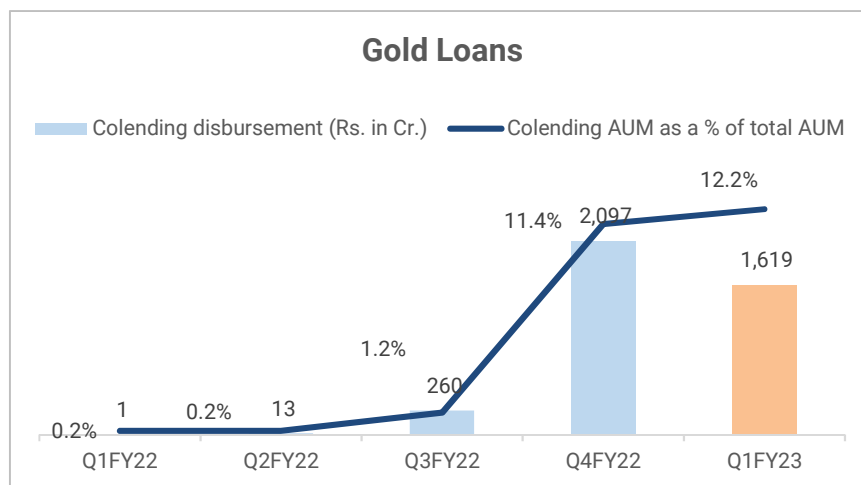
## Existing Tie-ups



## New Tie-up (Q1FY23)



## Co-Lending/ Co-Origination/ Business Correspondence disbursement picking up



## Our recent new initiatives continues to perform well



### ➤ Gold Loan at Home

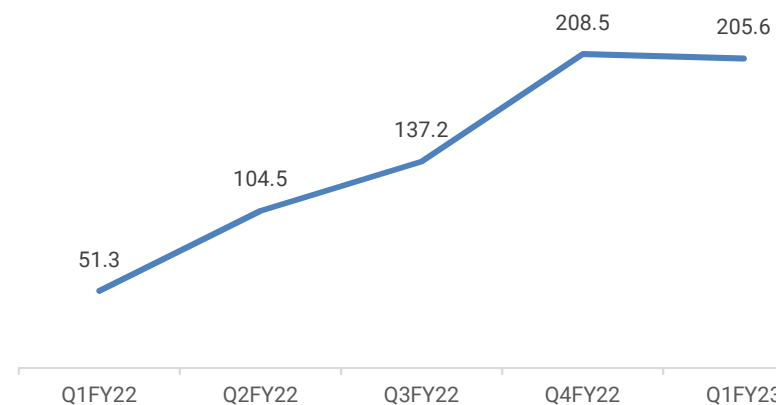
- a. Gold loan at customer's doorstep initiative targets branchless expansion of Gold Loan business.
- b. The initiative started a year ago, saw significant traction with disbursements.
- c. We have proprietary technology to provide high level of security, paperless and frictionless experience to the customer.
- d. We are currently operating in 35 cities which we plan to expand to ~50 cities by the end of this financial year.

### ➤ My Money app, website and Whatsapp loans:

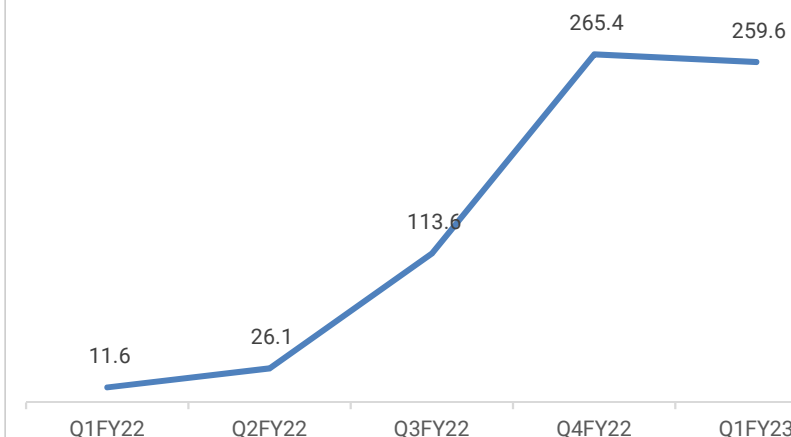
- a. 100% online loan application process.
- b. Loans ranging from ₹ 50,000 to ₹ 10 lakhs for Business Loans and from ₹ 5,000 to ₹2 lakhs for Personal Loans
- c. API Integration with fintech vendors

**More than 45,000 customers on boarded till date through MyMoney and WhatsApp.**

**Gold at Home  
disbursement (₹ Cr)**



**Digital DIY Disbursements (₹ Cr)**



# Distinguished Board of Directors



## IIFL Finance – Board of Directors



### **Nirmal Jain**

Managing Director  
MBA, IIM Ahmedabad;  
Rank holder CA & Cost accountant

Founded and led IIFL since 1995  
Worked with Unilever for 5 years



### **R Venkataraman**

Joint Managing Director  
MBA, IIM Bangalore;  
B-Tech, IIT Kharagpur

Co-founder of IIFL  
Worked with ICICI Bank, Barclays,  
GE Capital



### **A K Purwar**

Chairman and Independent  
Director  
M Com., Allahabad University

Chairman of Tadas Wind Energy Private  
Limited & Eroute Technologies Private  
Limited; Former Chairman, SBI



### **Chandran Ratnaswami**

Non-Executive Director  
MBA, University of Toronto  
BE, IIT Madras

Managing Director, Hamblin Watsa Investment  
Counsel Ltd.  
Director & CEO, Fairfax India Holdings



### **V. K. Chopra**

Independent Director  
Chartered Accountant

Former Whole-Time Member, SEBI  
Former Chairman & MD - Corporation Bank  
and SIDBI



### **Nilesh Vikamsey**

Independent Director  
Chartered Accountant

Senior Partner at Khimji Kunverji & Co; Past  
President of The Institute of Chartered  
Accountants of India



### **Geeta Mathur**

Independent Director  
Chartered Accountant

Co-chair for the India Chapter of Women  
Corporate Directors Foundation



### **Ramakrishnan Subramanian**

Independent Director  
Chartered Accountant

Sr. Advisor, Operating Partner, Consultant  
with PE, VC, FIs and Fintech in India










### **Vibhore Sharma**

Independent Director  
Engineer

Engineering & product leader with over 20  
years of experience  
Earliest members of InfoEdge India

# Experienced senior management team



IIFL Finance	IIFL Home Finance	IIFL Samasta
 <p><b>Rajesh Rajak</b> Chief Financial Officer <i>Chartered Accountant</i></p> <hr/> <p>SVP- heading Business Finance function with HDFC Bank Ltd for 14 years.</p>	 <p><b>Monu Ratra</b> Chief Executive Officer <i>Qualified architect and MBA</i></p> <hr/> <p>20+ years of experience with HDFC, ICICI Bank and Indiabulls Housing in mortgages.</p>	 <p><b>N Venkatesh</b> Chief Executive Officer <i>Strategic leadership Program in microfinance at Harvard</i></p> <hr/> <p>20 years of experience in the financial services sector</p>
 <p><b>Sanjeev Srivastava</b> Chief Risk Officer <i>Chartered Accountant</i></p> <hr/> <p>Over 20 years of experience in financial services</p>	 <p><b>Amit Gupta</b> Chief Financial Officer <i>Chartered Accountant</i></p> <hr/> <p>20+ years of experience in financial services in accounting, finance, audit &amp; compliance</p>	 <p><b>Anantha Kumar T</b> Chief Financial Officer <i>Chartered Accountant</i></p> <hr/> <p>10+ years of varied experience across industries such as financial services, steel, garments and IT</p>
 <p><b>Sneha Patwardhan</b> Compliance Officer <i>Company Secretary</i></p> <hr/> <p>13 years of experience in the field of Secretarial, Compliance, Legal.</p>	 <p><b>Abhishikta Munjal</b> Chief Risk Officer <i>Chartered Accountant</i></p> <hr/> <p>19 years of work experience with 17+ years experience in mortgages and housing finance</p>	 <p><b>Sabari Krishna</b> Chief Risk Officer <i>ACS, CAIIB</i></p> <hr/> <p>13+ years of experience in Risk Management, Operational Risk, Risk Assessment, Compliance</p>

## Environment, Social & Governance (ESG)

*Supporting a sustainable economy through focus on environment..*

### Adopting environmentally conscious solutions in our business initiatives as well



Pioneered **Green Building** concept in partnership with housing developers through "**Kutumb**" platform. It provides industry experts and housing developers, a platform to promote sustainable infrastructure.



IIFL has signed a **US\$ 68 million** loan with Asian Development Bank (ADB) to improve **funding** to **affordable green housing** for **lower-income groups** in India. **80%** will be earmarked for **women borrowers** and **20%** for **green-certified homes**.



**Reduced the paper consumption** by **3.9 tons** in FY21 by digitalizing and automating processes for loan application (approximately 7.8 lakh sheets of paper).



**Consistently reducing our energy consumption** by using energy efficient lighting at our branches. We replaced **4,207** incandescent lights with **light-emitting diode (LED) panels across 15 branches**, which is an ongoing process



We also **recycle excess water** from RO water purifier for use in toilets and urinals. During FY21, we **recycled 16.3 kl of water**. We have also installed sensors in washrooms that control water consumption



We measure our waste generation and aim to strengthen our waste management initiatives. **Dry and wet waste** is picked up by local municipal bodies. **E-waste** and paper waste is given to authorized vendors for **recycling**.

IIFL is firmly committed to support economic activity and financial inclusion through its loan offerings while adapting to changes in the external environment.



GOLD

- **67%** of gold loan disbursed are of less than ₹ 50,000 value
- **57%** of loans given till date are to small businesses
- **83%** of the branches are located in tier II, III cities and rural areas



BUSINESS  
LOAN

- **76%** of the Unsecured MSME loans given are of less than ₹ 1 Million
- **49%** of unsecured loans are to borrowers who are new to credit



HOME LOAN

- **55,700+** families benefitted under CLSS and 1300+ Cr. subsidy provided till date
- **69,900+** loans given to the informal segment
- **61%** loans given to female owners/co-owners
- **161,500+** loans to first time home buyers



MICRO-  
FINANCE

- Small-ticket loans for purpose of income generation activities
- **17.9 lakhs+** families benefitted in **17** states with financial intervention
- **10,500+** dairy farmers supported through **10** cattle health centers in **4** States.



# ESG: CSR projects continue amid covid with creative use of technology

## Agri-Drone to promote tech-based farming – Rajasthan

IIFL Foundation launched Rajasthan's first agriculture drone. The custom made Drone is built exclusively for Research in advancement of agriculture and thus donated to Maharana Pratap University of Agriculture & Technology (MPUAT), Udaipur, Rajasthan, handing to Dr. Narendra Singh Rathore, Vice-Chancellor, MPUAT.



The custom made drone is designed and built by **blueINFINITY Innovation Labs**, Mumbai., who previously also built a Drone for Covid-19 vaccine delivery via drone in Maharashtra, having a capacity to fly in a radius of 25 kms.

Speed	Load Carrying Capacity	All up weight (AUW)
3 Min/1 Acre	15 Ltr	25 kg

## Development of Botanical Garden (Medicinal) – The Institute of Science Mumbai

The Botanical Garden of the Institute of Science, Mumbai is spread over 0.8 hectare (approx.. 2 acre) area and is meant for teaching and research needs. It has many important and rare plants which are economically and medicinally important..



With IIFL Foundation's support, The Institute of Science (Mumbai) is developing a botanical garden spread across 6,000 sq. ft., helping conserve species of medicinal plants and herbs for purpose of conservation, research and development of medical importance.

Plantation	Total Area
1000 Medical trees	6000 Sq ft

## Sakhiyon ki Baadi (Rajasthan)



- **Sakhiyon ki Baadi** is an initiative aimed at eradication of female illiteracy from Rajasthan
- Learning centres has been set up for children in the age group of 4 yrs. to 14 yrs. old
- The centres are located in the areas dominated by native Scheduled Tribe communities, where girls often dropout of school or are never enrolled at one.



Total Number of Districts	Girls Enrolled till date	Boys Enrolled till date
13	32,264	3,495



## Governance

### *conducting our business with integrity*

Establishing vision, mission and values and determining, reviewing the goals and policies of the Company from time to time

Promote **sound corporate governance** practices, ethical standards, and compliance with the laws of the land.

Disclose our strategy, key targets and goals to all **key stakeholder groups** (internal and external), and report our progress annually.

**Incorporate ESG** aspects into our **policies and practices**, assess our performance through a robust internal ESG governance structure

**Corporate governance** and **ethical business** conduct are one of the fundamental pillars of a successful business. We strive to maintain the **highest standards of business ethics**.

**Corporate policies and guidelines:** Board Diversity Policy, Whistle Blower Policy, CSR Policy, Interest Rate Policy, Grievance Redressal Policy, etc.

**Business ethics and compliance:** Anti-Corruption Policy, Vigilance Policy & Code of Conduct.

In FY 21-22, we reported **zero cases of non-compliance** with financial, environmental, and socio-economic regulations.



# IIFL's brand and credibility recognized at various forums



IIFL Finance received '**Golden Peacock**' Award for Risk Management



IIFL Finance received '**Brand of the year Award**' at the **Great Indian BFSI Award**



IIFL Finance was recognized as '**Brand of the year Award**' by **India Today and Team Marksment**



IIFL Finance received '**The Economic Times Iconic Brand Award**'



IIFL Finance received '**Financial Inclusion Initiative of the year award**' at the **World BFSI Congress**



IIFL Finance was certified as '**Great Place to Work**' for the fourth year in a row



**Thank you**

Published in July 2022

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