IIFL HOME LOAN

Inclusive Growth

Our 30-Minutes Jhatpat Home Story

Integrated Annual Report

2022-23

IIFL Home Finance Limited

Inclusive Growth - Our 30 Minutes Jhatpat Home Story

IIFL Home Finance has been actively driving growth in Tier 1 and Tier 2 cities of India. With focus on Tier 3 and Tier 4 cities, IIFL Home Loans is actively achieving inclusivity and also 'serving the unserved'.

IIFL Home Finance is committed to aligning goals with the Government's agenda, be it 'Housing for All' or 'Make in India', through its product offerings of Home Loans and Secured Business Loan across India. We are proud to be contributing to the infusion of credit in economy to enable home ownership as well as encourage micro and medium sized enterprises.

India's visual culture has long been renowned for its vibrancy, reflecting the diverse tapestry of ethnicities, languages, and people that make up our nation.

The theme and narrative explores the significant position of India's heritage as it guides the harmonious relationship between humans and their living space.

In the world of IIFL Home Finance, we hold a deep conviction that extends far beyond the physical shell of residence. We recognise that a home symbolises much more than mere building materials; it encompasses the hopes, aspirations, and cherished moments of individuals and families. We believe in 'Jhatpat' solutions that signify efficient processes, intuitive responses, and instant results.

At IIFL Home Finance, we wholeheartedly, embrace the understanding and dedicate ourselves to promote inclusive growth for everyone.

About the Report

IIFL Home Finance Limited's Integrated Report (<IR>) has been developed with a comprehensive approach to achieving the Company's objectives and values. We acknowledge the importance of sharing our achievements, milestones, concerns, and opportunities with all our valued stakeholders on an annual basis. The Report serves as a crucial communication tool that provides comprehensive information on our business verticals and processes and valuable insights into our Company's economic, social, and environmental aspects. Additionally, the Report is aligned with our business strategy and highlights the material issues that could potentially impact our ability to create sustainable value.

Our Approach to Reporting

This report has been prepared for IIFL Home Finance Limited (hereinafter referred to as 'the Company' or 'IIFL HFL' or 'We') in accordance with the principles of Integrated Reporting <IR> as set out by the Value Reporting Foundation (VRF). Our goal is to enhance transparency for all stakeholders by providing a comprehensive overview of our operational environment, strategy, significant challenges, risks, opportunities, engagement with stakeholders, and approach to long-term sustainability. The Report is intended to integrate the creation of value across six capitals, encompassing both financial and non-financial aspects, and also provide insights into our commitment to generating sustainable value.

Reporting Period, Scope, and Boundary

The reporting period for this Integrated Report is from April 1, 2022 to March 31, 2023.

Reporting Standards and Frameworks

In developing this report, we have adhered to the principles of Integrated Reporting <IR> as set out by the Value Reporting Foundation (VRF) to meet the needs of our diverse stakeholders. The Company fully complies with the regulations and guidelines established by NSE and BSE listings, and SEBI. The statutory reports, including the Directors' Report, Management Discussion and Analysis (MD&A) section and Corporate Governance Report are strictly in accordance with the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the prescribed Secretarial Standards. Additionally, the non-financial information presented in this report is based on the sustainability reporting standards of the Global Reporting Initiative (GRI Standards).

Our Approach to Materiality

The Integrated Report provides a comprehensive overview of our business operations and associated efforts that contribute towards generating sustainable value in the long term. Moreover, the Report delves into several significant factors that may significantly affect the Company's potential to create value, and the corresponding measures taken to address these concerns.

Management Assurance

The content of the Report has been reviewed by our Company's senior management under the supervision of the CEO. Additionally, the Board members of the Company have provided the necessary oversight.

Across the Pages

Read the report online:
www.iiflhomeloans.com/annual-reports

Disclaimer:

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

Welcome to Our World

IIFL Home Finance Limited

Fulfilling India's Home-ownership Aspirations

IIFL Home Finance ('IIFL HFL' or 'We' or 'the Company'), a subsidiary of IIFL Finance Limited, is headquartered in Gurugram (Haryana), India. Since our establishment in 2006, we have been led by the ambition to support millions in achieving their first home. Over the years, we've emerged as a prominent player in the Indian affordable housing finance sector, weaving our story of Jhatpat loans and spreading happiness within 30 minutes.

In 2009, we obtained registration with the National Housing Bank (NHB), solidifying our position in the industry. Our meticulously crafted product portfolio encompasses small-ticket home loans, secured business loans, and project loans for affordable housing projects. This tailored approach enables us to cater to the diverse financial needs of our customers across the Economically Weaker Section (EWS) and Lower Income Group (LIG) segments. We have established a wide-reaching pan-India distribution network across Tier 1, 2, 3 and 4 cities and towns making loans easily accessible to those who need them the most.

Mission

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

Core Values

Our core values serve as a moral compass in all our activities. **Fairness**, **Integrity** and **Transparency** - **FIT** is the driving force behind all that we do.

- Fairness in our transactions with all stakeholders including employees, customers, communities, regulators, government, investors, and vendors, bereft of fear or favour.
- Integrity and honesty of the utmost nature, in letter, in spirit, and in all our dealings with people – internal or external.
- Transparency in all our dealings with stakeholders, media, investors, and the public at large.

Our Affordable and Accessible Products

Product Offering

We stand on a strong foundation within the housing finance sector and remain committed to social responsibility. In line with Government initiatives, we offer an efficient product portfolio designed to deliver substantial value to our customers, promoting socio-economic growth and stability. Our focus on building a sustainable future, coupled with affordable homes loans is aligned with the fundamental of 'accessibility' and 'affordability' for the marginalised sections of society.

Affordable Home Loans

We offer affordable home loans, focussing on first-time home buyers from Economically Weaker Section (EWS) and Lower Income Group (LIG) segments of the country. Our technological strengths give us an edge and allow us to deliver our services at the convenience of your doorstep. We provide customised home loan solutions, ranging from purchasing a new home, renovating an existing home, constructing on pre-owned land, and plot loans for purchase land for building a house.

96,600+
Loans given to informal income segment

₹1.4 Mn
Average home loan size*

₹17.5 Bn
/ USD 0.21 Bn
Credit-linked subsidy (under PMAY) facilitated

213,700+
First-time home buyers

138,400+
Women empowered (through mandatory ownership/co-ownership of the houses we have funded)

12,500+
Loans to Beneficiary Led Construction (BLC) and Affordable Housing in Partnership (AHP) in FY 2022-23

Secured Business Loans

IIFL HFL offers secured business loans to meet the working capital needs, business demands, and other related requirements of businesses. These loans are secured by mortgages on residential or commercial properties.

₹23 Bn
/ USD 0.28 Bn
SME loans disbursed

54,000+
Active customers

(All figures are as on March 31, 2023)

Shakthi Loans

Shakthi, a small ticket loan against property, was introduced to support inclusive growth for small-scale enterprises. According to NITI Aayog, India's micro-unorganised sector is over 70 Million units. However, a significant credit gap of 73% exists within the sector. IIFL HFL's Shakthi Loan bridges the same credit gap and addresses the varied financial needs of the last-mile micro-unorganized businesses such as small groceries stores, saloons, vegetable vendors, small traders, and agricultural ancillaries. Shakthi Loan contributes towards the national mission of 'Atmanirbhar Bharat' that promotes self-reliance and economic development for all.

₹0.5 Mn
Average loan size*

Affordable Housing Project Loan

We offer Project Loans - designed to cover construction costs related to affordable housing projects - to reputable developers. We are committed to endorsing sustainable and eco-friendly construction practices and ensure that most of these projects we support comply with Environmental, Social, and Governance (ESG) standards.

Moreover, the projects financed under our Project Loan vertical also contribute to and support our Home Loan vertical, creating a symbiotic relationship within our lending ecosystem.

Our Efficient Co-Lending Model

We are committed to expanding our presence in the affordable housing market through co-lending initiatives. Our objective is to partner with other entities to align our goals with the Government's agenda of improving access to credit for marginalised segments of society, enabling them to obtain home loans at affordable interest rates.

Captured below are some of our tie-ups under this initiative:

- State Bank of India
- Central Bank of India
- Indian Bank
- Punjab and Sind Bank
- Standard Chartered Bank
- Punjab National Bank
- ICICI Bank

*Average loan size is limited to loan sourcing of respective product offering in the FY 2022-23

Our Presence

Bringing Our Services Closer to You

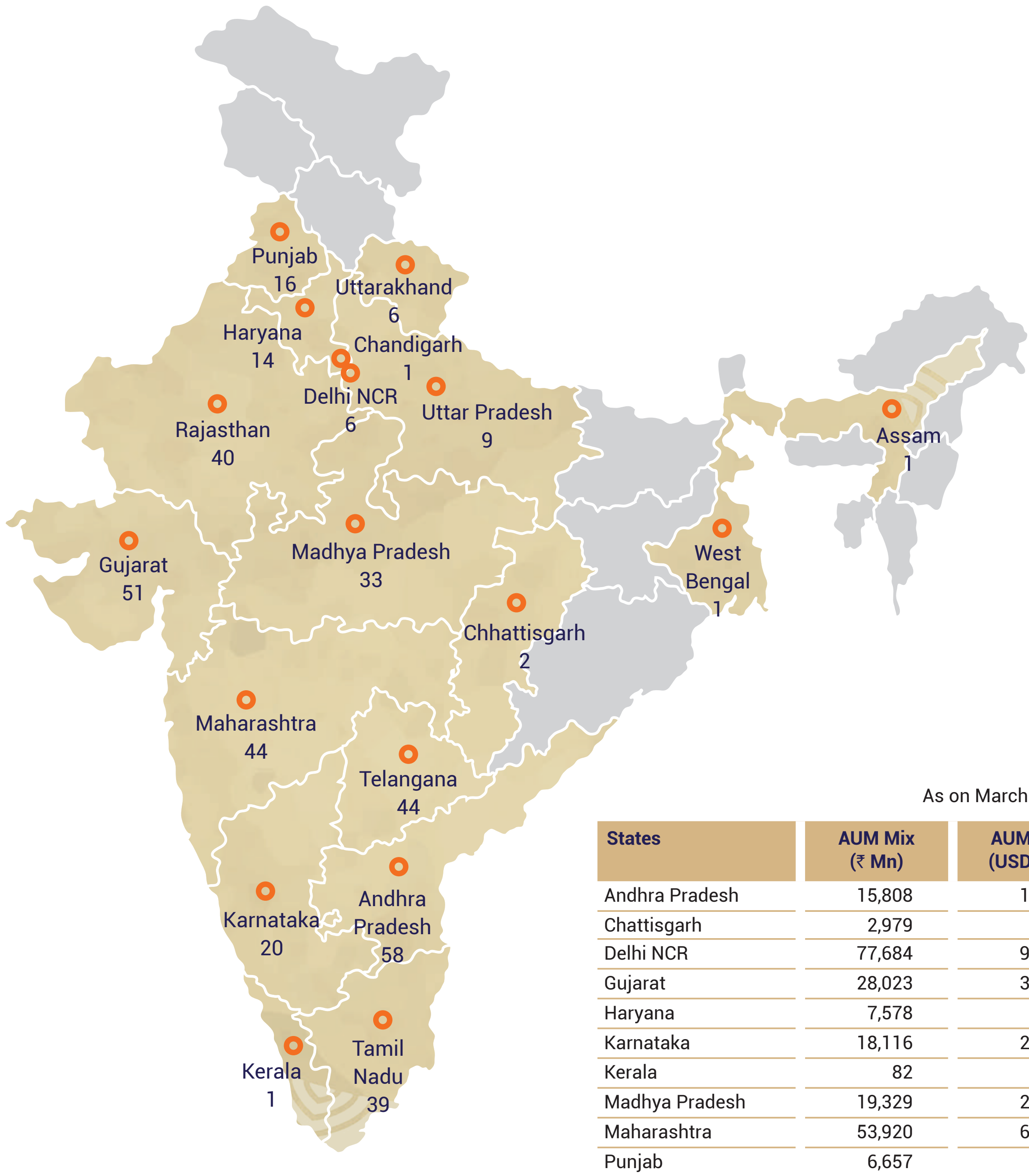
We are focussed to meet the credit needs of Lower Income Segments (LIG), and Economically Weaker Sections (EWS) by continuous and extensive growth in our branch network. We further amplify our reach by leveraging the IIFL Group's vast network of 4,200+ touchpoints, ensuring easy access to our services to individuals across the social spectrum.

16 States and
2 Union Territories
Our presence

386
No. of our branches

Established our
inaugural branch in
Assam

Asset Under Management (AUM) Mix and Branches Across States (₹ in Mn)



As on March 31, 2023

States	AUM Mix (₹ Mn)	AUM Mix (USD Mn)
Andhra Pradesh	15,808	1,910
Chattisgarh	2,979	360
Delhi NCR	77,684	9,388
Gujarat	28,023	3,387
Haryana	7,578	916
Karnataka	18,116	2,189
Kerala	82	10
Madhya Pradesh	19,329	2,336
Maharashtra	53,920	6,516
Punjab	6,657	804
Rajasthan	14,359	1,735
Tamil Nadu	7,651	925
Telangana	21,231	2,566
Uttar Pradesh	4,299	520
Uttarakhand	1,698	205
West Bengal & Assam	5,700	689

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

Rewarded for Excellence

Business

Received Certificate of Merit at the PMAY Empowering India Awards 2022

Awarded the 19th Best AR Worldwide, Best in the Category Banks and Most Improved Report Worldwide by the LACP Vision Awards

CSR

Won the Best CSR Impact Award and CSR Project of the Year at UBS Forums Corporate Social Responsibility Summit & Awards 2022

Awarded for Successful Use of CSR Activity by ACEF Global Customer Engagement Forum and Awards

Won Outstanding Leader in Affordable Housing Finance (Jhatpat and Kutumb)

Technology

Received the Best Use of Mobile Technology in Financial Services at the ET Ascent Business Leader of the Year - 21st Edition

Won the Best Financial Innovation Digital Strategy/ Campaign by/for a Financial Services/Banking Enterprise at the Inkspell & India Creative Industries Council 7th Annual Drivers of Digital 2022

Awarded for Quick Loan Approval by The Iconic Platinum Awards at the 2nd Elets NBFC100 Leader of Excellence Awards

ESG

Awarded for Sustainable and Green Housing at Inkspell India Content Leadership Award 2022

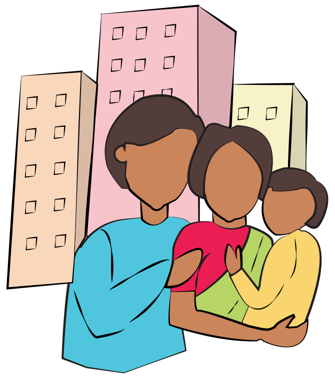
Awarded the Best ESG Performance in Health and Well-Being at the 2nd ESG Summit and Awards

Won Best ESG Performance in Financial Inclusion (BFSI) at 3rd ESG Summit and Awards

Our Journey

Through Milestones and Achievements

At IIFL HFL, we have embarked on a transformative journey by embedding technology into every facet of our operations. This comprehensive integration has led to the creation of a robust digital infrastructure, revolutionizing our customer service and setting new standards in the financial industry.



2006

Incorporated

2009

Received registration certificate from National Housing Bank

2014

Focussed on affordable home loans

12 Branches

2015

- Aligned with 'Housing for All' & Credit Linked Subsidy Scheme (PMAY)
- Conceived digital journey

₹13+ Mn CLSS subsidy disbursed | **60+** CLSS beneficiaries

2016

- Enabled digital onbaording via Jhatpat App
- Received ₹ 160 Bn refinance from NHB

14,000+ Customers | **59** Branches

2017

- Conceived the idea of 'Green Affordable Housing' & launched Kutumb
- Identified among top 3 PLI's by NHB for facilitating subsidy under PMAY (U)
- Received ₹ 8 Bn cumulative finances with second refinance from NHB

27,500+ Customers | **79** Branches

2018

- Awarded 2nd Best Performing PLI under CLSS for EWS/LIG, by MoHUA
- Received ₹ 10 Bn refinance from NHB, cumulative refinance of ₹ 18 Bn

50,000+ Customers | **127** Branches

2019

- Expansion into Tier 2 & 3 geographies
- Received ₹ 7 Bn refinance from NHB leading to cumulative refinance of ₹ 25 Bn

82,800+ Customers

2020

94,400+ Customers

127 Branches

2021

125,000+ Customers | **125** Branches | **118,000+** Loan to first time home buyers

- Collaborated with Asian Development Bank (ADB) through a Technical Assistance (TA) programme of USD 10 Mn and a loan of USD 58 Mn
- Launched our 1st Green Sustainable Handbook
- Enabled green pre-certified homes to 15,107 families through our Green Value Partners

2022

162,000+ Customers | **225** Branches

- Certified **'Great Place to Work'** 4th Year in a row

55,000+ CLSS beneficiaries | **₹13+ Bn** Amount of CLSS facilitated

2023

225,000+ Customers | **386** Branches

₹17.5 Bn Amount of CLSS facilitated | **73,000+** CLSS beneficiaries

12,500+ Loans to BLC and AHP

- LEED Gold Certification of IIFL HFL Head Office (Gurgaon) by USGBC
- Certified **'Great Place to Work'** 5th Year in a row
- Facilitated 15 Chapters of Kutumb

3,200+ Participants | **1,500+** Developers | **130+** Experts

Chairman's Message

Catering to the Aspirations of India and Bharat

Dear Stakeholders,

I am pleased to present the IIFL Home Finance Limited's Integrated Annual Report for the FY 2022-23.

During this critical year, we effectively reaffirmed our dedication to empowering individuals from diverse walks of life to fulfil their aspirations of homeownership. In doing so, we have witnessed significant growth across all aspects of our operations. As an affordable home finance company, we have continued to solidify our position through impressive achievements such as substantial growth in assets under management, a robust loan book, strong financial performance, and impactful sustainability initiatives that bring about positive transformations in people's lives. Our commitment to financial inclusion and creating a meaningful societal impact remains resolute.

Upon reflection, a notable highlight of the year emerged as the substantial investment of ₹ 2,200 Crore, signifying a 20.41% stake in our Company, made by the esteemed Abu Dhabi Investment Authority (ADIA). This strategic investment further propels our expansion strategy in new markets and addresses the escalating demand for home loans in India's affordable housing finance sector. It stands out as one of the largest equity investments in this segment, showcasing the confidence of our investors in our potential and prospects. With this substantial infusion of capital, IIFL HFL is well-positioned for its next phase of growth, enabling us to leverage emerging opportunities.

In FY 2022-23, we gained significant traction from the resilient performance of the Indian economy, as it went on to achieve 7% plus growth and secured its position arguably as the world's fastest-growing major economy. While inflationary challenges persisted, the Reserve Bank of India effectively implemented remedial measures, including interest rate hikes. Moreover, the Union Budget for FY 2023-24 has allocated an unprecedented amount of ₹ 79,000 Crore under the PMAY initiative which is 66% higher than the allocation for the previous year. This surge reinforces the Government's focus to address the housing needs of the population, which translates into the construction of more affordable houses. The enhanced budgetary allocation will undoubtedly enhance accessibility to safe and decent living spaces for all individuals across India, allowing us to build momentum.

Our unwavering efforts to strengthen our position in the industry have yielded commendable results, as reflected in our robust performance. In FY 2022-23, we achieved a remarkable strong 23% revenue growth, reaching ₹ 2,731 Crore, alongside a 15% expansion in our loan book to ₹ 18,055 Crore. We also achieved a persistent growth of 21% in our AUM, reaching ₹ 28,512 Crore. Furthermore, our NII has grown 34% YoY driven by increase in PLR (broadly in line with RBI's increase in Repo Rates), penetration in better yielding product (Shakthi) and investment from ADIA. These achievements underscore our resolute pursuit of strategic imperatives that drive progressive growth.

As we propel forward in our endeavour to reach new milestones, our focus remains on our commitment to serving the unserved and underserved segments of the population. We are steadfast in our dedication to meeting their financial needs within the domain in which we operate. Our partnerships with state governments and authorities have empowered us to extend affordable housing loans to first-time homebuyers, women buyers, salaried professionals, and employees in the informal sector. So far, cumulatively we have made 96,600 customers as proud home owners from the informal segment and provided government subsidies exceeding ₹ 17 billion to over 73,000 customers under CLSS.

As we propel forward in our endeavor to reach new milestones, our focus remains on our commitment to serving the unserved and underserved segments of the population. We are steadfast in our dedication to meeting their financial needs within the domain in which we operate.

In pursuit of our objective of expanding our physical presence, we have successfully expanded our branch network to 386 in FY 2022-23. Digitalisation has played a pivotal role in our growth, positioning us as an industry leader in digital delivery of finance for affordable homes. Our resilient and robust digital infrastructure has been instrumental in driving our growth, enabling us to expand our customer base and enhance productivity. By implementing cutting-edge technology for credit underwriting and deploying e-learning platforms for employee development, we have streamlined processes such as paperless client onboarding, loan processing, disbursement, and servicing. A testament to our exceptional service is Jhatpat Homes: our 30-Minutes story, showcasing our service prowess. Through fintech integrations, we have optimised our retail businesses with the under 30-Minutes Jhatpat loan process.

As we sprint ahead, we continue to foster an organisational culture that transcends the conventional employer-employee relationship. As we build a truly caring, empathetic and mutually reinforcing ecosystem across the organization, the impact on each employee is visible. We remain steadfast in our commitment to upskilling our employees, ensuring their knowledge and capabilities soar to new heights. Additionally, our comprehensive employee well-being initiatives are deeply embedded, prioritising the physical and mental health of our employees to enable them to make effective decisions.

Our sustainability initiatives are intrinsically linked to our evolving culture and integral to our success. We actively support long-term sustainable projects through our 'Kutumb' and 'Green Value Partner' initiatives. By focussing on green building practices and sustainable construction, we consistently strive to be a responsible corporate entity. Given that one of the pillars of our National Initiative of Amrit Kaal is green economy, we are happy that we are striving to make our humble contribution to the national mission.

In conclusion, I extend my heartfelt gratitude to all who have been steadfast companions in our remarkable journey. I express my sincere appreciation to our dedicated team members whose commitment, perseverance and motivation have been instrumental in achieving our organisational goals. To our esteemed business partners, I eagerly anticipate continuing the profound legacy we have built together, fostering even greater prospects. Your consistent cooperation is deeply valued, and we remain committed to nurturing our collective growth for the long haul.

Best Wishes,

S. Sridhar
Chairman

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From the CEO's Desk

Building a Sustainable Growth Paradigm

Our sustained commitment to empowering individuals from different strata of society to achieve their dream of owning a home remains at the forefront of our mission. We believe that homeownership creates a sense of belonging, stability, and pride, and we strive to make it accessible to everyone.

Dear Stakeholders,

I hope this letter finds you in good health and high spirits. I would like to begin by expressing my sincere gratitude to each stakeholder for their continued support throughout our journey. Your dedication and trust have been instrumental in driving our success and ensuring that we deliver on our commitments.

Building upon the valuable insights shared by our esteemed Chairman, Mr. S. Sridhar, regarding the macroeconomic trends impacting our economy and industry, I would now like to explore further. By delving deeper into our segment-wise performance, technological integration, and other key highlights that define our Company's position in the current operating landscape, I aim to provide a comprehensive understanding of the factors that have shaped our success and reinforced our competitive standing.

While assessing our segment-wise performance, we take immense pride in the remarkable strides we have made in the realm of home loans, particularly in sustainable and green housing initiatives. As an inclusive financial institution, our commitment is to cater to a diverse range of customers, with a particular focus on first-time home buyers from Economically Weaker Sections (EWS) and Low Income Groups (LIG). Recognising the significance of serving this underrepresented segment, we have not only mastered the art of evaluating their unique circumstances and needs but also provided tailored solutions through comprehensive and specialised assessment processes. Our dedication to leveraging technology in our assessment and loan approval processes has streamlined operations, making affordable housing accessible to a larger audience.

These efforts have allowed us to make a meaningful and sustainable impact in the lives of these deserving individuals while contributing to the growth of the affordable housing sector in the country. By aligning our objectives with environmental consciousness and utilising technology to enhance efficiency, we continue to push boundaries and advance towards our vision of providing affordable and green housing solutions to all.

As of March 31, 2023, IIFL Home Finance has been actively contributing to the realisation of the Government's "Housing for All" initiative and bolstering the MSME sector through our home loan and Shakthi loan initiatives, respectively. Through our home loan initiatives, we have had the privilege of fulfilling the dreams of 114,952 households and catering to 213,700 first-time home buyers. Our commitment to affordable housing is further demonstrated by our active participation in the credit-linked subsidy scheme under the PMAY initiative, which facilitated ₹ 17 Billion, supporting affordable housing for over 73,000 beneficiaries.

Moreover, in FY 2022-23, our Shakthi loan initiative empowered over 25,400 micro-businesses by disbursing credit worth ₹ 1,170 Million, contributing significantly to their growth and economic empowerment. This step reinforces our dedication to strengthening the MSME sector, playing a vital role in India's economic progress and the "Make in India" dream.

With a branch network of 386 branches spread across 16 states and 2 union territories, we have successfully established a robust branch footprint that enables us to effectively reach and serve a larger audience, particularly in Tier 3 and 4 cities. Our continuous efforts in expanding our sales team further enhance our capabilities to meet the needs of our growing customer base and align with the country's vision of inclusive growth and economic prosperity.

Our sustained commitment to empowering individuals from different strata of society to achieve their dream of owning a home remains at the forefront of our mission. We believe that homeownership creates a sense of belonging, stability, and pride, and we strive to make it accessible to everyone. In line with this vision, we have strengthened our lending profile through the co-lending model, partnering with banks to enhance access to credit for marginalised segments of society

At IIFL Home Finance, our core values revolve around fostering inclusive growth for our business, our people, and the communities we serve. Our sustainable strategy, 'Complete Profitability - An ESG Initiative', forms the DNA of our organisation, reflecting our impact-driven approach across four pillars of success: Employees, Organisation, Society, and Environment.

at affordable interest rates. This collaboration aligns with the Government's agenda of 'Housing for All' and enables us to reach the remotest areas of the country. In the FY 2022-23, we co-lent home loans of over ₹ 2,740 Crore with multiple banks.

Our partnership with the Asian Development Bank (ADB) through the Technical Assistance Program has been instrumental in strengthening our position as a leading provider of affordable housing solutions, particularly with a focus on empowering women. In FY 2022-23, our commitment to social impact and Corporate Social Responsibility (CSR) activations remained strong as we dedicated our resources and efforts to uplift communities and make a meaningful difference in people's lives. The Mission of IIFL Home Finance Ltd. Social Impact and CSR Activations is to support communities' access to healthy and sustainable housing, facilitating financial inclusion amongst the economic weaker section (EWS) and lower income groups (LIG), while also fostering social transformation through the encouragement of diversity, education, health, and awareness through Propagation, Technology, and Innovation. Our initiatives, including Disha, Sakhiyon ki Baadi, Chauras, and Smart Shaala, have effectively driven positive change and empowered our communities in the areas of housing, financial inclusion, and social transformation.

During FY 2022-23, we accomplished a marquee investment by securing a capital infusion of ₹ 2,200 Crore from Abu Dhabi Investment Authority in exchange for a 20.41% stake in the Company. This notable achievement stands as one of the largest equity investments in the affordable housing finance segment in India, a testament to the credibility of IIFL Home Finance Limited. The decision of Abu Dhabi Investment Authority to invest in our company highlights the trust and recognition of our capabilities. With this substantial capital injection, we are well-positioned to meet the burgeoning demand in India's large, underserved, and fast-growing affordable housing finance market, enabling us to expand our reach and further strengthen our impact on the housing finance sector.

Looking at our financial performance, we are delighted to report substantial growth in revenue and net interest income (NII), showcasing our commitment to financial prudence and performance. In the FY 2022-23, on a standalone basis, we achieved an impressive 37% growth in profit before tax (PBT) and profit after tax (PAT), amounting to ₹ 1,023 Crore and ₹ 790 Crore, respectively. Our return on equity (ROE) stood at 18.2%, and our return on assets (ROA) was at 4.0%. With a healthy capital-to-risk assets ratio of 47.3% that is boosted by capital infusion from ADIA we have maintained a robust balance sheet. Our gross stage 3 assets stood at 2.1%, with net stage 3 assets at 1.5% and overall PCR on the loan book of 126.5%. Despite significant investments in manpower and branches/infrastructure, we have been able to maintain our cost-to-income ratio at 23.6%. These financial indicators exemplify our dedication to delivering strong returns to our investors and effectively allocating capital to drive growth and success.

As a digitally native organisation, we continuously explore new developments in best-in-class technology, which plays a pivotal role in improving efficiency and providing a seamless customer experience. Our technological prowess not only drives our financial success but also supports our business strategy. In FY 2022-23, we achieved a remarkable milestone by conducting 99% of customer onboarding digitally, showcasing our dedication to delivering a streamlined digital experience. This integration of technology has proved transformative, significantly enhancing the performance of our sales and credit teams, reaffirming our commitment to efficient credit processing and ensuring exceptional customer service throughout our operations.

At IIFL Home Finance, our core values revolve around fostering inclusive growth for our business, our people, and the communities we serve. Our sustainable strategy, 'Complete Profitability - An ESG Initiative', forms the DNA of our organisation, reflecting our impact-driven approach across four pillars of success: Employees, Organisation, Society, and Environment. Moving forward, we continue to invest in expanding our branch network, enhancing our digital capabilities, and nurturing our talent pool to seize the vast opportunities within the Indian housing industry while remaining socially and environmentally responsible.

We recognise the importance of consolidation and product efficiency to ensure our business remains resilient. Alongside this, we prioritise the well-being of our human resources by fostering empathy and employee sensitivity in our organisation. Taking care of our ground staff and frontline workers is not only crucial for maintaining operational excellence but also for showing genuine concern for their welfare. We understand the challenges they face and are committed to providing the necessary support and understanding. Moreover, we acknowledge the industry consolidation taking place and seize this opportunity to reimagine our business. By staying ahead of the herd, we continuously strive for professional operational excellence, enabling us to adapt, innovate, and thrive in these dynamic times while ensuring that our employees feel valued, respected, and supported throughout the journey.

In conclusion, I would like to express my heartfelt appreciation once again for your unwavering support and trust. To our exceptional team, it has been a privilege to work alongside you as you consistently demonstrate immense motivation and commitment toward achieving our shared organisational objectives. We are committed to nurturing this partnership for the long term, and together, we will continue to accomplish even greater feats in the days ahead.

With warm regards,

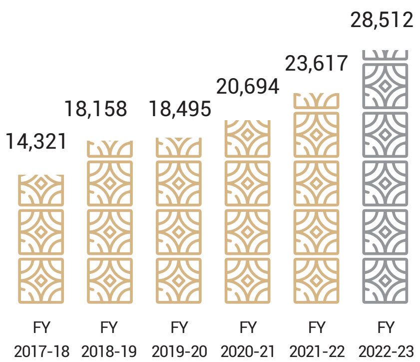
Monu Ratra
Chief Executive Officer (CEO)

Key Performance Indicators - Standalone

Reporting Responsible Growth

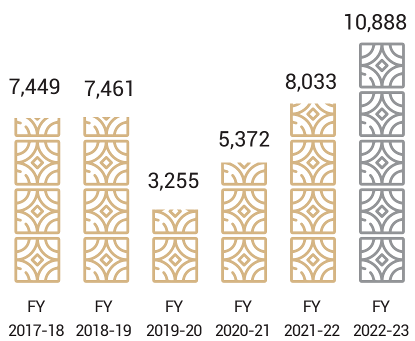
Assets Under Management (AUM) (₹ in Cr)

5 Year CAGR: **15%**



For the year ended March 31, 2023, the Assets Under Management (AUM) of the Company grew by 21% on a YoY basis

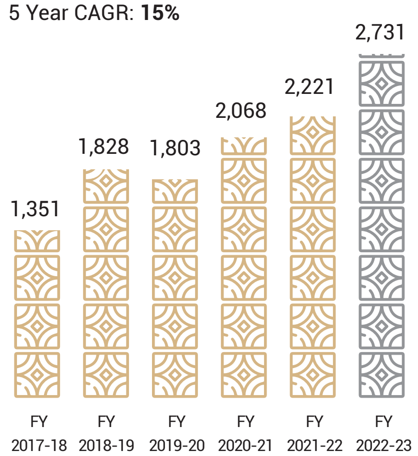
Disbursal (₹ in Cr)



For the year ended March 31, 2023, the total disbursals was 36% higher on a YoY basis.

Revenue (₹ in Cr)

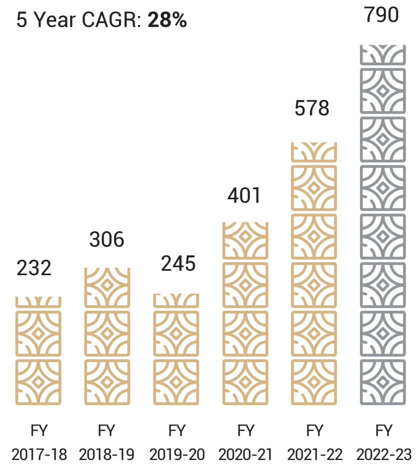
5 Year CAGR: **15%**



For the year ended March 31, 2023, the standalone revenue of the Company increased by 23% on a YoY basis driven by higher disbursals.

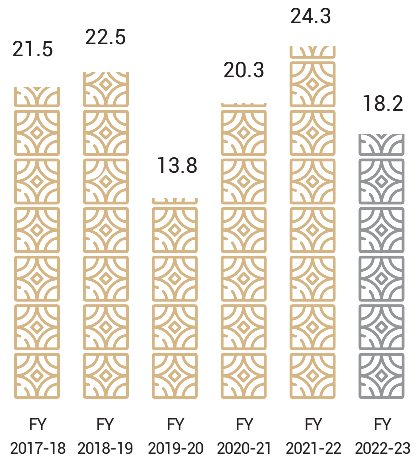
Profit After Tax (₹ in Cr)

5 Year CAGR: **28%**



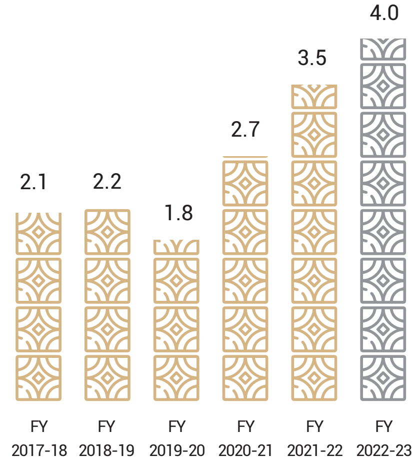
For the year ended March 31, 2023, the profit for the year increased by 37% on a YoY basis due to better realisation of margins, higher disbursals and lower credit costs.

Return on Equity (ROE) (%)



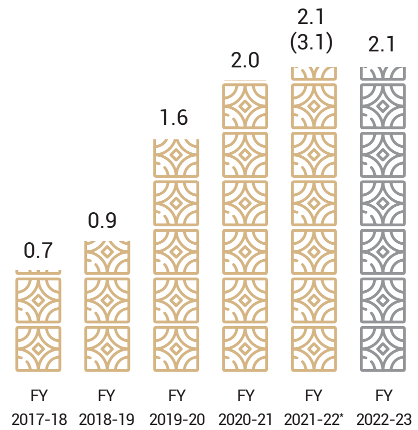
ROE for FY 2022-23 was lower primarily on account capital infusion of ₹ 2,200 Cr in August 2022.

Return on Assets (ROA) (%)



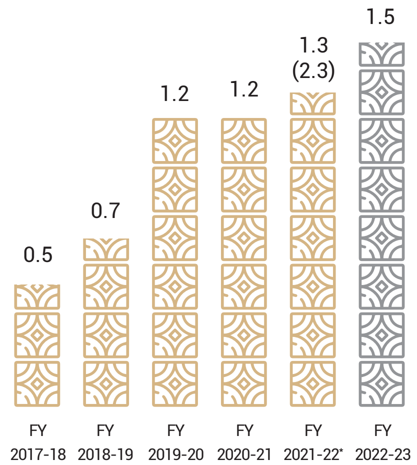
For FY 2022-23, the ROA of the Company stood at 4.0%. ROA has increased on a YoY basis due to better realisation of NII, higher disbursals and lower credit costs.

Gross Stage 3 (%)



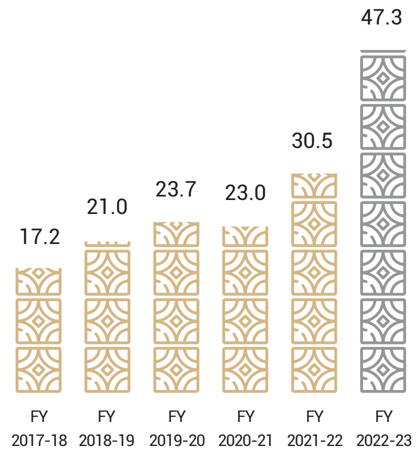
*Despite Covid concerns and change in the NPA recognition norms as per the RBI guidelines the Company's asset quality has improved by 100 bps on a YoY basis driven by strong legal and collection recovery mechanism. On a like to like basis Gross Stage 3 has moved from 3.10% to 2.10% for FY 2021-22 and FY 2022-23 respectively.

Net Stage 3 (%)



*Despite Covid concerns and changes in the NPA recognition norms as per the RBI guidelines, the Company continued to maintain an adequate provision coverage ratio on the Gross Stage 3 assets. Overall PCR on Gross Stage 3 assets stood at 126% as on March 31, 2023.

Capital to Risk (Weighted) Assets Ratio (CRAR) (%)



As on March 31, 2023, the overall CAR has increased to 47.3% from 30.5% as at the end of the previous fiscal, driven by Capital infusion of ₹ 2,200 Cr in August 2022 and higher profitability.

Value Creation Model

Our Jhatpat Approach to Value Creation

INPUT KPIs

Financial Capital

Our financial capital comprises equity and debt capital that enable us to extend credit for affordable housing to the customers and support our endeavours

- Equity Capital: ₹ 5,553.20 Cr/USD 0.67 Bn
- Debt Capital: ₹ 14,953.21 Cr/USD 1.82 Bn

Physical Capital

Our widespread physical presence helps us get in touch with the maximum number of customers at a time

- Total Branches: 386 • New Branches Added: 161
- Presence: 16 States, 2 Union Territories

Intellectual Capital

Our Intellectual Capital refers to the intangible prowess that enables our service effectiveness and gain the competitive edge

A complete Digital Transformation of our operations strengthening the business.

- Sales • Credit Underwriting • Customer Service • Collection and Operations

Human Capital

Being the backbone of the Organization, we keep nurturing our human resources with regular upskilling and well-being programs

- Average Learning Hours/Each Employee: 10.25 hours
- Total Employees: 4,565

Employee Experience:
- Multi-layered Employee Connects • Upskilling and Reskilling
- Building Gender Equity • Health & Safety Programs • Day-care Facility

Social and Relationship Capital

Empowering the society and community has been one of the key priorities for IIFL HFL

- Aligned with the Government's 'Housing for All' mission
- Initiatives towards Financial Literacy, Women Empowerment
- Compliant with SEBI, RBI and NHB regulations

Environment Capital

Acknowledging the direct implications of our operations on vital resources like energy, water, and climate, along with the substantial influence over the housing construction projects, we are steadfast in our dedication to minimizing our environmental footprint

- Encouraging Behaviour Shift Towards Green Building through DISHA: 20 RWA activations
- Kutumb, a Green Building Initiative: 9 Forums
- ESG Screening/Assesment of Construction Sites: 9 Projects
- Seeds Planted: 1,700

Unless stated otherwise, all the numbers are as on March 31, 2023

VALUE CREATION

Ensuring Financial Inclusions

Affordable Home Loan
₹ 80,758 Mn/USD 0.983 Bn loan disbursement in FY 2022-23

Secured Business Loan (HE, Samman, Shakthi)
Strengthening the micro unorganised sector through ₹ 23,250 Mn/USD 0.28 Bn loan disbursement in FY 2022-23

Project Loans
Provided credit to affordable housing projects ₹ 4,877 Mn/ USD 0.06 Bn loan disbursement in FY 2022-23

Smart Co-lending

Tied up with several banks for our co-lending partnership

- State Bank of India • Central Bank of India • Indian Bank • Punjab and Sind Bank • Standard Chartered Bank • Punjab National Bank • ICICI Bank

Strengthening the Lending Profile

Green Building Initiatives
Asian Development Bank's Technical Assistance Program for 'Enabling the ecosystem to improve access to green affordable housing for women'

Green Value Partner (GVP)
Providing comprehensive support on green building methodologies to the developers

Our Competitive Strengths

Extensive Physical Reach

Customer-centric Approach

Digitised Process

OUTPUT KPIS

Financial Capital

- Revenue: ₹ 27,310 Mn/USD 0.33 Bn
- Profit after Tax (PAT): ₹ 7,900 Mn/USD 0.10 Bn
- Return on Equity (ROE): 18.2%
- Return on Assets (ROA): 4.0%
- Assets Under Management: ₹ 28,512 Cr

Physical Capital

- 96,600+ Loans to Informal Income Segment
- New Customers Added: 55,700
- Shakti Loan Launched at over 250 Locations
- Supported over 4,600 Micro Businesses with Disbursement of ₹ 2,190 Mn

Intellectual Capital

- Loan Disbursed Under Co-lending : ₹ 27,460 Mn

Human Capital

- Motivated and Ambitious Workforce
- 'Great Place to Work' Awarded 5th Time in a Row
- 100% Return from Maternity and Paternity Leaves

Social and Relationship Capital

- Loans to First-time Home Buyers: 213,700+
- Loans to Women Borrowers/Co-borrowers: 138,400+
- Lives Impacted through CSR initiatives: 3.14 Lakh
  - Pankh and Chauras Schools at Construction Sites: 18
  - Children Attending Formal Education: 860
  - Financial Literacy Initiatives: 1,225 Women
  - Workshop for Construction Site Safety : 1,589 Men
- Disha: Sustainable Living Workshops: 30 Villages, 1,128 Men, 809 Women, 297 Children
- Sakhiyon Ki Badi: Community-based Learning Centres in Rajasthan: 386 Centres, 11,580 Girls, 386 Female Teachers
- Smart Shaala: Improving Learning Outcome of Students and Capacity Building of Teachers at Government Schools: 272,000 Students, 5,582 Teachers

Environment Capital

- Energy Savings: 3,323 MWH/Year
- Water Savings: 192 ML/Year
- GHG Emissions Offset: 3,057 TCO2e/Year
- Paper Saved: 19,70,094 Sheets

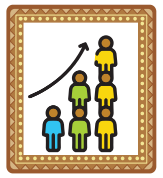
Our Operational Efficiency

India's Aspiring Home Ownership

In recent years, India's landscape of aspiring homeownership has experienced significant growth with a need for *jhatpat* home loans. Driven by favorable Government policies, easier access to housing finance, and the desire for stability and security, the demand for affordable housing in India has surged. This has led to the emergence of innovative financing options aimed at making homeownership more accessible to a broader segment of the population, seeking reliable and *jhatpat* solutions to fulfill their needs. Furthermore, the rise of technology and digital platforms have revolutionised the real estate industry, offering prospective homebuyers greater transparency, convenience, and access to information that enables them with more informed decisions.

Growing Population to Drive the Housing Market

India is home to a substantial share of the global population, and projections indicate that the country's total population is likely to reach 1.5 Billion by 2023. This, in turn, is anticipated to generate a huge demand for the housing sector and other real estate-related services in the near term. Among the overall population, the millennial generation which represents approximately 34% of the total population, exhibits a significant inclination towards homeownership. In 2020, this demographic accounted for more than 50% of the homes sold, and they played a significant role in propelling the Indian real estate market, surpassing the 54% mark in 2022.



1.5 Bn
Total population by 2023*

34%
of the population
are the millennials**

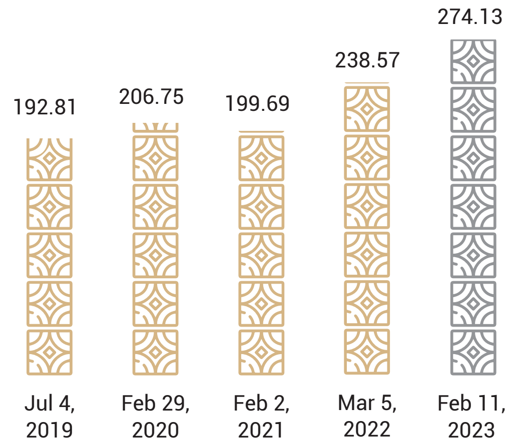
54%
of total housing sales
were made to the millennials in 2022#

* Source: https://www.bqprime.com/business/india-set-to-surpass-china-as-worlds-most-populous-nation-this-month-un
** Source: https://timesofindia.indiatimes.com/auto/policy-and-industry/millennials-driving-the-wheels-of-eco-friendly-climate-conscious-sustainable-lifestyles/articleshow/98207169.cms
# Source: https://timesofindia.indiatimes.com/blogs/voices/how-millennials-are-driving-indias-residential-real-estate-demand/?frmapp=yes

Growing Disposable Income

The nation has recently witnessed an upswing in the disposable incomes of its population, which is expected to have a catalytic impact on the housing market. In 2023, India's disposable personal income reached a significant milestone of ₹ 274.13 Trillion (USD 3,328.893 Billion), marking a substantial increase since 2020.

Growing Disposable Income (₹ in Trillion)



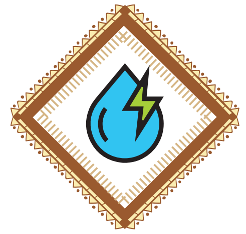
(Source: https://take-profit.org/en/statistics/disposable-personal-income/india/)

Shift to Green Affordable Housing

Green affordable housing refers to housing units that are designed, constructed, and operated in an environmentally sustainable manner while remaining affordable for low- to moderate-income individuals and families. It combines the principles of affordability and environmental sustainability, and incorporates various features that reduce energy consumption, water usage, and several other impacts such as efficient sanitisation, energy-efficient design, and usage of sustainable materials.

The Government's unwavering commitment to sustainability and its proactive role in promoting environmentally responsible practices have created a favorable environment for the growth of the Sustainable Housing sector. This positive momentum is set to continue as we witness growing investor interest in the sector and the expansion of Green Mortgages and Green Construction Loans offered by commercial banks and housing finance companies (HFCs) to developers. These developments are expected to provide a significant liquidity boost, fuelling the development of Green Housing across the country.

Benefits of Green Housing

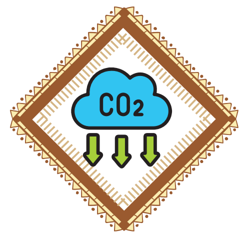


Sustainable and reduced consumption of water and energy

Improving Living Standards

Enhanced thermal comfort, health, hygiene and better sanitation for its occupants

Energy Savings through improved ventilation and light in the dwelling units

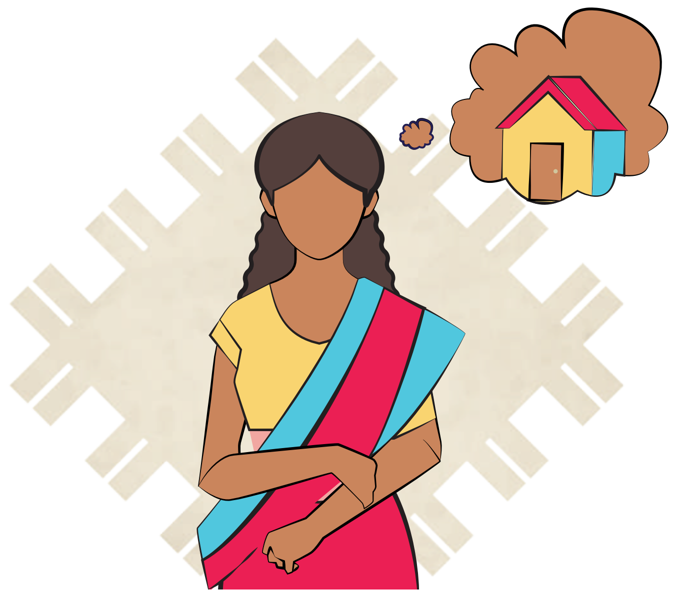


Reducing GHG Emissions

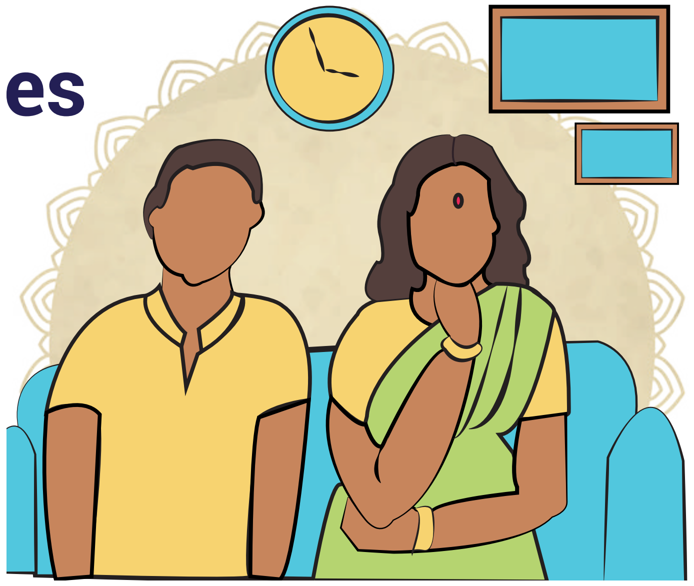
Green Housing Rating

Green certifications offer a structured framework for project teams to design, construct, and operate housing buildings in an environmentally sustainable manner. These certifications focus on achieving specific benchmarks by implementing cost-effective, sustainable and eco-friendly strategies and technologies. By adopting green measures, buildings can make significant contributions to environmental conservation, and facilitate the development of climate-resilient and affordable structures.

As of March 31, 2023, our Green Value Partners hand held **30 affordable housing projects** towards green certification under the Indian Green Building Council (IGBC)'s and GRIHA's Green Housing Rating.



Customer Stories



Rahul Prajapat, Manager, Petrol Pump
Indore, Madhya Pradesh

Home Loan of ₹ 13.27 Lakh

Rahul, a manager at a petrol pump in Madhya Pradesh, lived in his uncle's home with his parents. His parents had always dreamt of owning a home. On the recommendation of his friend, who was already a customer of IIFL HFL, Rahul also approached us with his need. IIFL HFL assisted him in availing of a Jhatpat Home Loan.

Laxmi Shankar, Security Guard
Lalganj, Raebareli, Uttar Pradesh

Home Loan of ₹ 5.54 Lakh

Laxmi Shankar, a security guard at a railways coach factory in Raebareli, Uttar Pradesh, lived in a small rented house with his wife and two sons. Tired of living in a cramped space with lack of basic facilities, Shankar wished to provide his family a home that they could call their own, but with a limitation of his meager monthly income. With the assistance of IIFL HFL, Shankar got on-the-spot loan sanction, with minimum documentation and a hassle-free process.

Budheswar Sinha, Garment Business Owner
Silchar, Assam

Home Loan of ₹ 12.06 Lakh

For Budheswar and his mother Prabhabati, owning a house became a necessity when they started struggling with the limited space in their joint family home. They got tired of lengthy documentation process that other financial institutions would seek, with no clarity on the processing of loan. They reached out to IIFL HFL, and received a Jhatpat Home Loan approval under 30 minutes.

Mor Singh, Farmer
Jhalawar, Rajasthan

Shakthi Loan (LAP) of ₹ 5.13 Lakh

Mor Singh, his elder son and his parents work relentlessly at their farm. With the hope of providing a better quality of life to his family, Mor Singh desired to expand the scope of his work and ventured into the agricultural business. IIFL HFL assisted him in availing Shakthi Loan, a small-size loan against property, for scaling up his day-to-day operations and meeting his credit needs.

Bharat Singh Rathore, Cleaning Supervisor
Dewas, Madhya Pradesh

Shakthi Loan (LAP) of ₹ 3.42 Lakh

Bharat Singh Rathore, a cleaning supervisor at a private company wanted to start his own cattle business with his wife Meera for a long time. He was disheartened with tideous loan approval process and documentation, but reached out to IIFL HFL for Shakthi Loan. IIFL HFL not only helped him fulfil his business dream but also got his life and finances back on track.

Our Business Model

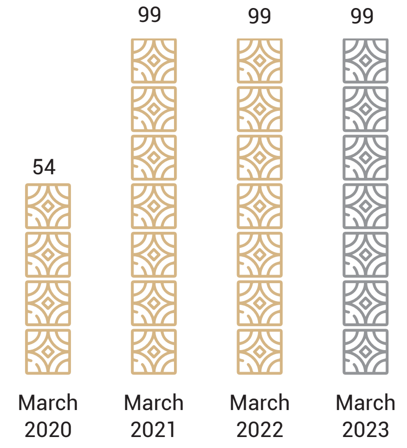
Our technology integration has enabled us to reduce the turnaround time, provide customised offerings, enhance operational efficiency, improve risk assessment accuracy and mitigate potential fraud and credit risks. We have implemented various innovative solutions based on artificial intelligence, machine learning, automation and analytics to augment our underwriting processes, collections and customer service. Our digital payment platforms also offer secure and speedy payment options for our customers.

During the past five years, our primary emphasis has been on achieving end-to-end digitisation of our processes while maintaining a symbiotic relationship with elements that still require physical intervention. These physical interventions are meticulously tracked and recorded in a digital format, ensuring seamless integration between our operations' digital and physical aspects.

Our 30 minutes Jhatpat Story

Expanded Reach	• Sales Point & Hub Branches • Website - Digital Business Rules Managed Lead Filteration
Increased Productivity	• Jhatpat for all products
Instant Decision	Business Rule Engine based on • Realtime KYC Validation • On-the-spot Banking and ITR Validation • Credit Score • Digital Policy
100% Digital Customer Onboarding	• Centralised Underwriting • Digital Policy and Workflows • Business Rule Engine Based Sanction and Deviations
Customer Service	• Multiple Digi-channel Support (Whatsapp, Chatbot, Client Portal, App) • DIY Procedure for Customer Convenience
Collection and Operations	• Extensive Collection Points (Branch Deposit - HDFC, SCB & SBI as well as Airtel Stores) • Online Channel for Payments (Debit Card, Netbanking, Wallets UPI, UPI) • Real Time Reconcilliation

Digital Customer Onboarding Journey (in %)



75%
Customer Service Requests
Handled by the automated Do-It-Yourself (DIY) tech-enabled solutions

We have unlocked four key aspects through our technology implementations and digital solutions

- Faster turnaround time through fintech integrations
- Reduced process duplication
- Increased productivity
- Reduced overall cost per file

Our Jhatpat Loan takes under 30 minutes to process, while the disbursement of home loans takes place within 24 hours and non-home loans are disbursed in just 3 days.

24%
Decrease in cost per file in FY 2022-23

19,70,094
sheets of paper
Usage reduction owing to digital initiatives supported by our vision of sustainability

Data Security and Customer Privacy at IIFL Home Finance

The subjects of data security and customer privacy are regarded as paramount considerations, both for ourselves and our stakeholders. As digital solutions continue to expand and integrate into our daily routines, the potential for privacy and security breaches becomes increasingly concerning. To combat this ever-evolving technological landscape, we have established an integrated, technology-enabled organisation that is well-equipped to address these issues and mitigate associated risks. We regularly educate our customers on our organisational policies and procedures to ensure compliance with our data privacy standards. Additionally, our Chief Information Security Officer (CISO) is responsible for overseeing the Information Security programme of the organisation.

Our ISO 27001:2013 certification attests to the good practices we employ in managing information security.

- ISO 27001:2013 Certified
- Regular Review of the Information Security Programme by Board & Top Management
- Board Approved IT Policy, Information & Cyber Security Policy and BCM Policy
- Implemented Firewall to Secure Data Centre Perimeter and Cloud Services
- Implemented Endpoint Security Controls such as Next-Generation Endpoint Antivirus, USB Access and Admin Access on Desktops and Laptops
- Regular Security Patching for Servers and Endpoints
- Regular Security Awareness through Weekly Mailers, Learning Management System (LMS) and Classroom Training & Periodic Email Phishing Simulation Exercise
- Cyber Insurance Cover for Protection Against Financial Loss in case of a Cyber Attack or Data Breach
- Periodic Internal & External Audits
- IT and Security Audits
- Protected Public-facing Web Applications by the Web Application Firewall Controlled Privileged Access via Privileged Identity Management (PIM)
- Half-Yearly User Access Review
- Implemented Secure VPN for Remote Access
- Robust BCM Framework and Periodic BCP Drills
- Security Operations Center (SOC) Monitor the Systems and Servers 24/7 for any Security Abnormality
- Periodically-tested Robust Security Incident Response

Effective Response Mechanism

Ensuring the security of our customers' data and privacy is a top priority for our organisation, and we have implemented a robust response process in the event of a potential breach. When a complaint is received, it is forwarded to our incident management team and the concerned department for investigation. In cases of cybersecurity emergencies, our specialised team takes over to manage the situation. We make every effort to address complaints promptly, with the goal of responding within 15 minutes to ensure the earliest resolution possible. Our commitment to data security and customer privacy is unwavering, and we remain dedicated to maintaining the highest standards of protection for our customers.

15 Minutes
Time taken for the Redressal Policy to address complaints

Achievements of Our Data Security and Customer Privacy Mechanism

0 Complaints
No complaints concerning breaches of customer privacy from outside parties and regulatory bodies, received to date

0 of Our Customers
were affected or raised any concerns regarding their data or personal details breach in FY 2022-23

Data Analytics Driving Efficiency to Business

The strategic use of data analytics has given the Company a significant advantage. By analyzing customer data, we gain valuable insights that allow us to tailor our offerings to better meet their needs. This approach not only enhances customer satisfaction but also enables us to optimize the lifetime value of our loan customers, ultimately contributing to our business's sustained growth and success.

We utilise Vintage Static Pool Analysis to create Predicted Delinquency (PD) and Loss Given Default (LGD) cohorts across multiple sub-segments of our customer base. This approach has significantly improved our ability to assess credit risk from the collections and recovery perspective, also known as Expected Credit Loss (ECL). By creating more consistent and malleable sub-segments, we can achieve greater accuracy in our credit risk evaluations, which ultimately supports the long-term sustainability of our business.

Customer Success

By harnessing customer feedback and keeping a close eye on market trends, we continuously fine-tune our processes to elevate the overall customer experience. Utilizing Internal Rating Models, we identify potential up-selling and cross-selling opportunities for our top-tier customers. This strategic alignment of our offerings with their specific needs and preferences enables us to optimise our operations and enhance customer satisfaction. Through this approach, we consistently refine our business practices while maximising the long-term value of our customer base.

Our **3C Model for Credit – Character, Capital, Capacity** enables us to efficiently scale during market expansion, grow into new market segments and channels

Assessing the 'Character' (honesty/reliability) to repay debt via a two-tiered Credit Underwriting Model

Assessing 'Capital' through a Technical Valuation Model

Assessing the 'Capacity' of the individual through Multiple Smaller Income Estimation Model

ESG Commitments

Promoting Sustainability and Responsible Practices

At IIFL HFL, the concept of sustainability encompasses our environmental, social, and governance aspects, which collectively contribute to fostering inclusive growth. This notion considers the environment in which we operate, the community with which we engage, our human resources, who are integral to our success, and our governance structure, which provides exceptional leadership to achieve our objectives.

MORNINGSTAR | SUSTAINALYTICS

ESG Risk Rating

17.3 Low Risk

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

IIFL HFL is rated a Low Risk with a score of 17.3 by Sustainalytics (a Morningstar Company) which provides ESG risk rating worldwide.

Ranked 143 out of 988 companies within BFSI worldwide.

ESG Framework and Policy

Our integrated vision and focus on efficiency, management, and productivity has laid the path of creating value by incorporating Environmental, Social, and Governance (ESG) initiatives within our business ecosystem. Our ESG framework lays the foundation for integrating critical ESG aspects in our core business functions and operational boundary.

At IIFL Home Finance, at the core of the Company, we have defined a robust ESG ecosystem as a part of our DNA. Our approach towards ESG involves strong ESG framework and policies, the measurement metrics, operations, diligent monitoring, and transparent and effective reporting. The four pillars, i.e. Integrating ESG with Business, Creating Social Impact, Enabling Human Capital, and Enriching our Risk and Lending Approach brings on board not only our employees and customers, but also the other stakeholders, our society, the environment and the immediate ecosystem in which we operate.

Four Blocks of ESG

IIFL Home Finance's 'ESG Policy', aligned with leading international standards and principles, serves as a guide for identification of its material topics across various internal business functions, product offerings, and branches and offices. It provides a systematic approach to establish a robust governance structure, define roles and responsibilities, systems and processes for management, measurement, monitoring and auditing of identified material aspects in a timely and transparent manner.

ESG Vision

Enabling sustainable housing through strong foundation of innovation, sustainable lending practices and social impact

ESG Mission

- Create long-term sustainable value for all stakeholders and communities, thus creating a lasting environmental and social ecosystem
- Balance economic growth and Return on Investments (ROI) with robust management of environmental, social, and governance risks across our business portfolio
- Proactively identify, prioritise and assess the key risks associated with business, operate within defined and agreed-upon tolerance levels for our key risks; and make certain that risk management strategies are in place to respond to our key risks efficiently and effectively
- Nurture human capital by providing a dynamic work environment, opportunities and learning
- Leveraging innovation, technology and operational efficiency to maximise reach and achieve sustainable value

Focus Area of ESG Policy

- Environmental Policy
- Health and Safety Policy
- Corporate Social Responsibility (CSR)
- Customer Satisfaction
- Human Resource (HR) Management
  - a. Diversity and Inclusion (D&I) Policy
  - b. Learning and Development Policy
  - c. Human Rights Policy
- Prevention of Sexual Harassment and its Redressal
- Anti-Bribery and Anti-Corruption Policy
- Information and Cyber Security
- Know-Your-Customer (KYC) and Anti-Money Laundering (AML)
- Grievance Redressal
- Whistle-blower Protection
- Business Continuity Management
- Business Code of Conduct
- Fair Practice Code
- Supplier Code of Conduct

Objective

- To set roadmap for integrating sustainability into all business operations and our product offerings resulting in conducting business in a responsible manner
- To establish strategy to communicate our sustainability performance to all stakeholders in a transparent and regular manner

Materiality Assessment

Identifying Our Key Sustainability Priorities

Environmental topics

- Climate change and GHG emissions — 7 Affordable and Clean Energy
- Energy use and management — 13 Climate Action

Social topics

- Non-discrimination — 5 Gender Equality; 10 Reduced Inequalities
- Transparent information & fair advice for customers — 9 Industry, Innovation and Infrastructure
- Responsible lending & debt prevention — 16 Peace, Justice and Strong Institutions
- Diversity and equal opportunity — 5 Gender Equality; 10 Reduced Inequalities
- Customer privacy & data security — 9 Industry, Innovation and Infrastructure

Economic topics

- Anti-corruption — 16 Peace, Justice and Strong Institutions
- Economic performance — 8 Decent Work and Economic Growth
- Customer management — 9 Industry, Innovation and Infrastructure
- Digitisation — 9 Industry, Innovation and Infrastructure
- Transparency and corporate governance — 16 Peace, Justice and Strong Institutions
- Financial inclusion and literacy — 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure

Environmental Initiatives

Our Commitment to a Greener Future

IIFL HFL is firmly committed to environmental sustainability. We have implemented a range of initiatives to minimise our overall environmental impact. Through our green building initiative, we promote the construction and financing of environmentally friendly housing projects. We diligently manage our energy consumption and emissions by implementing energy efficient practices throughout our operations. Responsible water management is also a priority as we treat and reuse water within our facilities and minimise water wastage. Additionally, our waste management practices centre on reducing waste generation, promoting recycling and reusing and ensuring the responsible disposal of any remaining wastes. Through these comprehensive environmental initiatives, we aim to positively impact the environment while providing sustainable housing finance solutions to our customers.

ADB IIFL HOME LOAN

Asian Development Bank's Technical Assistance Programme

IIFL Home Finance and the Asian Development Bank (ADB) collaborated for a Technical Assistance (TA) programme titled 'Enabling the ecosystem to improve access to green affordable housing for women'. This programme represents a remarkable fusion of promotion and propagation, capacity building, and research and innovation, encompassing the realms of 'green building,' 'affordable housing,' and 'women's access to housing' in India.

Promotion and Propagation

कुटुम्ब Kutumb

IIFL HFL, through it's flagship green affordable housing knowledge sharing platform 'Kutumb', successfully brought together a diverse range of housing industry stakeholders. This includes developers, policymakers, architects, academicians, green rating agencies, and financial institutions, all united in our shared vision. By fostering this collaborative ecosystem, we are driving transformative change and propelling the growth of green affordable housing throughout the country.

2021

- **December** – **New Delhi**: Climate resilient green and affordable housing in India

2022

- **April** – **Gujarat**: Green Gujarat - Making housing green and affordable
- **May** – **AP & Telangana**: Urgent need for green affordable housing
- **August** – **New Delhi**: Pathway to climate adaptive design
- **September** – **Kolkata**: Future-ready with green and affordable housing
- **October** – **Karnataka**: Rebuilding green and affordable Karnataka
- **November** – **Pune**: Expansion of green affordable housing
- **December** – **Bangladesh**: Developing green affordable housing in Bangladesh; **New Delhi**: Green affordable housing eco-system In India

9	1,500+	900+	36+
Kutumb platforms	Participants	Developers	Expert sessions

For detailed reports, scan below:

Disha

Disha, community engagement activities, are sustainable living workshops and sapling planting activations. These workshops were implemented at select EWS/LIG housing societies across the country with a primary objective to inspire children and women residing in these households to embrace sustainable lifestyles.

2021

December
- **Madhya Pradesh** Omaxe City 1 - Ashiyana
- **Uttar Pradesh** Migsun Roof

2022

January
- **Gujarat** Laxmi Niwas
- **Gujarat** Om Shanti Gold -1
- **Gujarat** Aavaas Nebula

February
- **Gujarat** Mahek Residency
- **Gujarat** Ayodhya Township
- **Gujarat** Mahavir Bunglow -2

April
- **Telangana** Rajiv Swagruha Sahbhavana Township

May
- **Andhra Pradesh** Indrani Nilayam
- **Andhra Pradesh** K G V Towers
- **Telangana** Janapriya Heavens Apartment

August
- **Haryana** Global Signature Synera
- **Haryana** Andour Heights

September
- **Karnataka** Pragna Ashray
- **Kolkata** Bhawani Towers

October
- **Maharashtra** Poonam Park View
- **Maharashtra** Belantara Today Royal

November
- **Maharashtra** Sara City
- **Maharashtra** Mount Vista

20	1,100+	1,700
EWS/LIG societies	People engaged	Saplings planted

For detailed report, scan below:

Study on 'State of Sustainable Housing in India'

A study on 'State of Sustainable Housing in India' was published in November 2022, assessing the awareness of climate-resilient green housing among home buyers. The study helped us understand:

- Satisfaction & challenges with current accommodation
- Awareness & implementation of sustainable living
- Openness to adopt sustainable homes/initiatives

Capacity Building

As part of ABD's TA, we collaborated with CEPT University's Center for Urban Planning and Policy (CUPP) for the creation of various subject modules, such as

- **Design for Sustainability and Green Building**
- **Policy (Convergence and Reforms)**
- **Project Formulation & Appraisal**
- **Green Building Site Implementation & Post Occupancy Evaluation**

7	27%
Training Programs in 6 cities	Women participation (nearly one-third)
250+	**90+**
Participants	Unique organizations

Stakeholders targeted from organisations:

Government, Developers, HFC/Banks, International Property Consultants (IPC), Think Tanks, Academia, Architects and other construction professionals.

DIY Toolkit For Self Construction

- As a part of capacity building, a do-it-yourself toolkit has been produced catering to the four different climatic zones of the country namely: Warm and Humid, Hot and Dry, Composite and Temperate.
- The toolkit suggest the green and sustainable designs of three types of housing, based on typical home sizes in affordable self-built housing space, specific to each climatic zone.
- The kit provides information on passive design, material selection, electrical and plumbing fixtures/equipment, waste management, and costing.
- The kit is essentially made targeting stakeholders such as aspiring homeowners, architects, engineers, and technical representatives from Housing Finance Companies (HFCs), civil work contractors, masons, and other construction professionals involved in the process.

Research and Innovation

With CEPT University's Center for Advanced Research in Building Science & Energy (CARBSE), we conducted research and innovation endeavors centered on several crucial areas as follows.

Improve the Economically Weaker Section's (EWS) and Lower Income Group's (LIG) access to Green Affordable Housing, with a focus on prioritizing gender

- Green Building Rating Systems: Assessment and Gap Identification
- Financing Green and Affordable Housing
- Financial Mechanisms to Support the Design and Operation of Climate Responsive and Climate Resilient Affordable Housing
- Integrating Green Lending in Affordable Housing Finance: Policy Recommendations and Interventions for Financial Institution
- Policy Recommendations and Implementation Model enhancing the current state of Green Affordable Housing in India
- Compendium of strategies making buildings Climate Responsive and Resilient
- Unified Green Building Rating Program
- Mainstreaming Gender Sensitivity in Green Affordable Housing: Guidelines
- Green Affordable Housing in India: Best Practices
- Innovative Construction Technologies for Green Affordable Housing

GREEN VALUE PARTNER
CONCEPTION TO CERTIFICATION

Green Value Partners (GVP)

IIFL HFL's 'Green Value Partners (GVP)' are a crucial intermediary between our developers, green certification agencies and green building consultants, supporting the developers with green building methodologies and certification.

Description	FY 2022-23	FY 2021-22#	Cumulative till March 31, 2023
Memorandum of Understanding (MoU)			
Total signed	13	18	59
Closed in FY 2021-22	0	5	5
Closed in FY 2022-23	2	8	10
Active signed (as on March 31, 2023)	**11**	**5**	**44**
**Atulya Raghukul was dropped in FY 2021-22 & reinitiated in FY 2022-23*			
Projects Under Management (PUM)			
Total PUM*	12	9	49
Closed in FY22-23	0	4	4
Active PUM (as on March 31, 2023)	12	5	45
Units Under Management	7,391	7,340	36,361
Unit deductions due to closed PUM in FY22-23	0	2,053	2,053
Active units under management	**7,391**	**5,287**	**34,308**
**Sitara & Lakefront was dropped in FY 2021-22 & reinitiated in FY 2022-23*			
Pre-certified & Certified Projects			
Total Pre-Certified Projects	**7**	**10**	**30**
1. IGBC Green Affordable Housing (Gold)	6	7	18
2. IGBC Green Affordable Housing (Platinum)	1	2	4
3. IGBC Green Homes (Gold)	0	0	5
4. IGBC Green Homes (Platinum)	0	1	2
5. GRIHA rating (V.2015 - 4 stars)	0	0	1
Certified Projects**	**0**	**0**	**1**
1. IGBC Green Homes (GOLD)	0	0	1
Units Under Monitoring	4,869	8,233##	22,995
Climate Impacts from GVP			
Energy savings (MWH/annum)	3,323	5,619	15,694
GHG emissions offset (TCO2e/annum)	3,057	5,169	14,438
Water savings (ML/annum)	192	325	907
Closed Projects			
Total Closed Projects***	31	20	51
Restarted Projects****	2	0	2

Nomenclature

MoU signed is the sum of prospective projects and projects under management (PUM) for which MoU is signed with the developer. The following projects are excluded:

- Kakade VTP
- Yashozone Horizonte
- Bricktown

* In FY 2020-21, a PUM was defined as any project where an MoU got signed. In FY 2021-22 & FY 2022-23, PUM was redefined as any project that fulfilled all the following conditions:

- MoU is signed with developer
- GBC is hired
- Project gets registered for certification with IGBC/GRIHA/EDGE

Units Under Management are the total number of dwelling units for all the projects that are under management. The number of PUM units in one plotted project has not been included here

Pre-Certified Projects are the total number of projects that got IGBC/GRIHA/EDGE Pre-certification. Pre-certified projects are under monitoring and included in 'PUM'

**Certified Projects are the total number of projects that got IGBC or GRIHA Final certification. Certified projects are considered as 'completed' and not included in 'PUM'

***Dropped Projects are the prospective projects which do not become PUMs and PUM projects that could not move forward pre-certification/certification. Dropped project will be referred as 'closed projects' from FY 2022-23 onwards.

Re-initiated projects are those which got dropped in earlier FY but were restarted in FY 2022-23.

#Revised additions based on projects that got closed in FY 2021-22 & FY 2022-23

The reporting of climate impacts is based on units under monitoring. This number was not declared in FY 2021-22. Units under monitoring are the number of units for all pre-certified projects. However, going forward it will be disclosed. In FY 2021-22, in line with the common principles for climate mitigation finance tracking, the units under monitoring were under reported by 40 Nos. This has now been rectified and disclosed.

Investment Case

Kingston Greens, Pune, Maharashtra

Kingston Greens serves as a remarkable case study in the realm of affordable housing, showcasing the integration of affordability and sustainability throughout its lifecycle. Situated in Pune, this project is a testament to the benefits of incorporating green design strategies. Kingston Greens has obtained the prestigious IGBC PLATINUM pre-certification, affirming its compliance with the IGBC Green Affordable Housing rating system. The project embraced a firm commitment to sustainable practices from inception to realisation, thereby minimising adverse environmental impacts. This noteworthy undertaking was constructed through a collaborative funding effort involving the Asian Development Bank (ADB) and the Canadian Climate Fund for the Private Sector in Asia (CFPS). Kingston Greens is a shining example of how affordable housing can successfully align with sustainable principles, positively impacting the community and the environment.

Govardhan Heights, Jaipur, Rajasthan

Govardhan Heights represents another exemplary case study in the realm of affordable housing, where sustainable design and construction practices have been successfully embraced. Through valuable consultation with IIFL Home Finance's Green Value Partner (GVP) Team, the project was able to incorporate and execute sustainable strategies. As a testament to its commitment to sustainability, Govardhan Heights has achieved the notable certification of 'GOLD' under the Green Affordable Housing rating system administered by the Indian Green Building Council (IGBC). This recognition highlights the project's adherence to rigorous standards of environmental responsibility within the affordable housing sector. Govardhan Heights serves as an inspiring model for the integration of sustainability into affordable housing projects, offering a promising vision for a greener and more inclusive future.

IGBC Platinum
Pre-certified project

Climate impact

202.70 MWh/annum
Energy savings

186.49 tCO2e/annum
GHG emissions offset

11.71 ML/annum
Water savings

IGBC Gold
Pre-certified project

Climate impact

343.30 MWh/annum
Energy savings

315.83 tCO2e/annum
GHG emissions offset

19.83 ML/annum
Water savings


Indian Green Building Council (IGBC)
hereby precertifies
Kingston Greens, Pune
Vedant Developments
(IGBC Registration No. GAH221168)
The project has demonstrated intent to design and build high performance building in accordance with
IGBC Green Affordable Housing Rating System
Precertified Platinum
February 2023
(Precertification is valid for 3 years, renewed based on six monthly progress updates till certification)
M G Somashekar, Chair, IGBC Green Affordable Housing
Gurmit Singh Arora, Chairman, IGBC
K S Venkatagiri, Executive Director, CII-Godrej GBC


Indian Green Building Council (IGBC)
hereby precertifies
GOVARDHAN HEIGHTS
Jaipur
(IGBC Registration No. GAH221153)
The project has demonstrated intent to design and build high performance building in accordance with
IGBC Green Affordable Housing Rating System
Precertified Gold
December 2022
(Precertification is valid for 3 years, renewed based on six monthly progress updates till certification)
M G Somashekar, Chair, IGBC Green Affordable Housing
Gurmit Singh Arora, Chairman, IGBC
K S Venkatagiri, Executive Director, CII-Godrej GBC

Energy and Emissions

Our Company is committed to actively reducing energy consumption across our various office locations. To achieve this, we have implemented an energy management system at several sites, including our corporate headquarters. This system efficiently controls and oversees heating, ventilation, air conditioning, and lighting, ensuring that energy is used judiciously and only when necessary.

Sensors throughout our offices to conserve electricity

Ban on single-use plastics at all our offices and branches

Energy and Emissions from Direct Operations

Parameters	Unit	2022-23	2021-22	2020-21
Energy consumption from use of diesel	GJ	921.42	792.17	413.16
Scope 1 Emissions	tCO2e	68.69	59.04	30.79

Energy and Emissions from Indirect Operations

Parameters	Unit	2022-23	2021-22	2020-21
Electricity consumption	MWh	848.41	900.27	765.58
Scope 2 Emissions	tCO2e	589.06	711.22	620.16

Water Treatment

We have recognised the significant impact of water consumption at our branches, and have taken several measures to promote responsible water usage. Firstly, we have installed a sewage treatment plant to efficiently treat wastewater at our Gurugram Head Office. The treated water is then utilised for various purposes such as gardening and cleaning. Additionally, we have implemented servicing for water softeners to ensure the availability of treated water for applications such as washrooms, cleaning, and cooling towers. We have installed aerators to minimise water consumption by optimising water flow. To safeguard the drainage system, chambers have been installed to prevent soil from entering and causing blockages.

Water Consumption

1,920 kL Municipal water

869 kL Boring water

445 kL Bottled water

3,234 kL Total water

0.71 kL/Employee Water intensity

Waste Management

With a strong emphasis on the principle of reduce, reuse, and recycle. We are dedicated to minimising waste generation, and actively seeking opportunities to recycle products for future use. We have made significant strides in transitioning our business operations to online platforms, allowing us to provide documents and statements digitally. This shift not only enhances convenience but also reduces paper waste. Additionally, we prioritise the proper disposal and recycling of electronic waste (e-waste) by partnering with reputable e-waste vendors.

201.4 Kg Hazardous waste (E-waste) disposed

Human Capital

Unlocking the Power of Our People

Human Resource Management (HRM) is a critical foundation for organisational success, pivotal in nurturing a harmonious and productive work environment. By recognising the significance of HRM, companies can harness the power of their human capital to achieve strategic objectives and drive sustainable growth. The HRM fosters a culture of inclusivity, employee engagement, and continuous learning, promoting collaboration, innovation, and organisational resilience. Through strategic HRM, companies can unleash the full potential of their workforce, fostering a dynamic and agile organisation poised for long-term success.

Our People, The Cornerstone of Our Success

At IIFL Home, we foster exceptional human resource practices that resonate throughout our business and operations. Central to our values is the commitment to creating a welcoming and secure environment for our employees. As an equal opportunity employer, we embrace individuals who possess the right qualifications, regardless of their backgrounds, disabilities, regional origins, castes, genders, or other factors. We actively promote a conducive work environment that encourages the personal and professional growth of every team member.

Performance Management and Rewards

We have a robust Performance Assessment and Review System (PARS) framework to evaluate the performance of our employees. This transparent and quantifiable process enables us to assess individual performance and competencies based on the previous financial year's achievements.

- **Annual performance appraisals** to review individual progress, set goals, exchange constructive feedback, and align employee objectives with the Company's strategic direction.
- **Multilayered transparent employee connect programmes** for sharing important updates giving a sense of unity and shared purpose. Our Employee Grievance Redressal Policy serves as a fundamental tool, enabling employees to raise and address any grievances or concerns that may arise within the scope of their employment regarding acts, omissions, situations, or decisions they perceive to be unfair, discriminatory, or unjustified.
- **AMBER, our AI chatbot** acts as a feedback and suggestions mechanism for our people, establishing a direct connection between the management and the employee for instant resolutions, providing 100% coverage.
- **Tailor-made reward programmes** that encompass both cash and non-monetary incentives, allowing us to acknowledge outstanding performance and motivate employees to achieve their full potential.

Great Place To Work® Certified INDIA

Great Place to Work – 5th Time in the Row

Training and Knowledge Sharing

During FY 2022-23, we arranged several training sessions for our employees and the management team so that they keep on learning the new arenas of their work field and be vigilant about their efforts to ensure utmost efficiency. This ultimately improves their decision making attitude and the final outcome is driven by rational, data and impact.

46,805	4,565	10.25
Total learning hours	Total employees covered	Average learning hours per employee

Employee Upskilling

Comprehensive employee upskilling programme, enhancing our workforce's knowledge, skills, and competencies to meet the industry's evolving demands, such as Python, Power BI, and Microsoft Excel.

BRIDGE

Refresher trainings, offer valuable opportunities for employees to enhance their technical skills and knowledge, relevant to the Company's operations, such as Jhatpat Tab, product and credit policies, and organisational know-how.

GROW

Comprehensive orientation programme for new joiners provides a structured and informative introduction to our Company's values, policies, procedures, and work culture, setting the foundation for their successful integration into our organisation.

ESG is at the core of IIFL HFL, and we continuously try to imbibe the culture of sustainability in our operations, and also as a culture for our employees.

A. Management Development Programme – (IIM – Lucknow) on ESG

We orchestrated a management development programme at IIM Lucknow that encompasses topics such as:

- **Transformation of ESG in the financial ecosystem**
- **The association between ESG and various business functions**
- **Impact of IIFL HFL's GVP (Global Vision, Local Presence) strategy on ESG**
- **Identifying ESG opportunities as a business leader**
- **Individual-level actions and impacts of ESG**

B. Capacity Building for Women

Orientation programmes were held in order to enhance leadership skills and empower our women employees to become high-impact players within our organisation. Key elements focussed on during the workshop were:

- **Individual Development:** Emphasising self-awareness among women professionals regarding their natural traits that contribute to excellence in their field.
- **Impact Beyond Barriers:** Guiding the participants to address and overcome internal and external barriers that hinder their professional growth journey.
- **Team Focus:** Emphasising collaboration and teamwork during the workshop.
- **Future Ready:** Emphasise the importance of taking charge of personal financial and career growth to ensure that they are well-prepared for future challenges and opportunities.

C. Unconscious Bias for Leaders

Unconscious biases are deeply ingrained thoughts or feelings that influence our judgement, encompassing attitudes and stereotypes that shape our perspectives, actions, and decision-making, derived from our individual backgrounds and experiences.

To foster Diversity & Inclusion, we organised a workshop for senior executives and leaders, addressing unconscious biases and equipping them with necessary understanding and tools to mitigate their impact.

D. Employee Well-being and Health & Safety

Employee Assistance Programme 'Your Dost' addresses physical and mental wellbeing of our employees. Few relevant workshops conducted were on road safety, first aid, self defence, and fire safety.

Building the Community

Collaborating for Sustainable Change

Our unwavering commitment lies in creating a positive societal impact through our community initiatives. We prioritise the upliftment of communities as an integral component of our business strategy, with the ultimate goal of achieving sustainable long-term success. Our various community engagement initiatives revolve around the defined mission and objectives of our robust CSR policy.

The mission of IIFL Home Finance Ltd. Social Impact and CSR activations is:

- to support communities, access healthy and sustainable housing
- to facilitate financial inclusion amongst the Economic Weaker Section (EWS) and Lower Income Groups (LIG)
- to foster social transformation and have a positive impact on community, by encouraging diversity, education, health and awareness through Propagation, Technology and Innovation.

Uplifting Communities Around Us

Pankh and Chauras

We have established learning centres and day schools at select construction sites, specifically catering to the children of migrant construction workers. These centres provide a holistic array of educational services, encompassing crèche facilities, to remove the obstacles that separate formal education from children hailing from migrant construction site backgrounds. These centres not only provide essential educational services but also arrange a variety of awareness programmes and interventions to support their development further.

pankh
de unke sapne ko udaan

8	330+
Learning centres	Students enrolled
1,220+	1,580+
Men	Women

210
Workshops on
- Behavioral change in men
- Safety at construction sites
- Health and hygiene

10	520+
Learning centres	Students

Disha Smart Village

DISHA Smart Village is a series of community engagement events in rural areas of Gujarat, designed to educate families in rural households with the aim of:

- Promoting the adoption of sustainable living practices in their day-to-day lives
- Encouraging active contributions towards climate change control and become change agent
- Emphasising the importance of water, energy preservation and reduction of carbon footprints

We partnered 'Gram Haat', a widespread rural retail outlet serving over 14,000 villages in the state of Gujarat, to mobilise and train households of rural Gujarat.

30	2,200+
Villages covered	Participants

Sakhiyon ki Baadi

At the heart of IIFL Foundation's vision to enhance female literacy rates in Rajasthan, particularly within marginalised and vulnerable communities, stands its flagship community-based learning centre known as 'Sakhiyon ki Baadi.' This programme focusses on promoting Foundational Literacy and Numeracy (FLN) Skills among girls aged 4 to 14 years who are either out of school or have dropped out, with a specific emphasis on Udaipur and Pratapgarh districts in Rajasthan.

These districts are home to densely populated areas predominantly inhabited by scheduled tribes.

In addition to its primary objective of improving literacy rates, the initiative indirectly contributes to preserving indigenous languages, generates employment opportunities for local women, and fosters skill-building within marginalised communities.

Located in
Udaipur, Pratapgarh

386
Centers

11,580
Girl students

386
Female teachers

Smart Shaala

A dedicated two-year programme, Smart Shaala is designed to enhance students' learning outcomes and strengthen teachers' academic capabilities in Government Schools in two aspirational districts of Uttar Pradesh.

Through Smart Shaala, we aim to bring about substantial improvements in the education sector and contribute to the overall development of these districts.

Actively working on
Sonbhadra & Chitrakoot, Uttar Pradesh

2,77,582
Total Beneficiaries

2.72 Lakh +
Students

5,582
Teachers

Mini Libraries at Government Schools, Maharashtra

IIFL Foundation is actively establishing mini libraries in Government schools across select districts in Maharashtra. These mini libraries feature a carefully curated collection of books covering diverse subjects such as science, world history, encyclopaedias, literature, and more. This initiative aims to foster a reading habit among students and provide them with access to high-quality reading materials.

Active location
Mumbai, Pune and Satara, Maharashtra

500
Mini libraries

Chartered Financial Expert (CFX) – Certification Course for Women

IIFL Foundation has entered into a partnership with FinX (ID Finxperts Skilling Foundation) to provide women candidates with an opportunity to pursue the Chartered Financial Expert (CFX) certification course. This professional course is specifically tailored to equip women with the necessary skills for a successful career in the Banking, Financial Services, and Insurance (BFSI) industry.

Active location	200
New Delhi	Candidates trained

Development at Government Hospital

IIFL Foundation took the initiative to revitalise the dormant wards at Maharana Bhupal Government Hospital. The focus was on developing emergency services to cater to the community's healthcare needs. The project involved the establishment of three operation theatres, an intensive care unit (ICU), an outpatient department (OPD), cabins for senior doctors and resident doctors, and a dedicated waiting area for the patients' families.

Active location	200
Udaipur, Rajasthan	Operations
250	3,500
ICU Cases	OPD Cases

Development of In-patient Ward, Bhakti Vedanta Hospital, Mumbai

IIFL Foundation has supported the construction of an in-patient ward at Bhakti Vedanta Hospital to facilitate better in-patient treatment for patients. The region has a significant demand for comprehensive healthcare services, particularly in the fields of cancer, eye care, cardiac care, and urology.

Livestock Development Programme

The Livestock Development project supports farmers from low-income groups and focusses on the dairy production vertical. This initiative is currently operational in Rajasthan and Karnataka, spanning across five centres, covering over **3,295 cattle**. The programme provides doorstep services to cattle owners, aiming to encourage and sustain livestock rearing as a supplementary source of income while promoting the production of dairy services.

Civil infrastructure development at District Bar Council (Gurgram) by donating chairs

Donation of electric wheelchairs to Indian veterans

Yoga training and financial literacy workshop for over 300 NCC girl students was conducted in Chandigarh

Our Approach to Stakeholder Engagement

Stakeholder Group	Engagement Topic	Engagement Mode & Frequency
Customers/Clients	Products that cater to their social & financial requirements Affordable interest rates Ease of transaction across channels Fair & responsive grievance redressal mechanism Transparent information & communication Faster loan processing & leaner documentation Customer data security	Engagement on a continuous basis Virtual platforms: Inbound calls, customer portal, mobile app, chat-bot Physical platforms: In-person interaction with customers via a physical visit to the branch office Customer feedback, complaints, & service requests channelised for further processing via an automated online portal
Employees	Healthy work culture & job satisfaction Competitive pay Equal growth opportunities Transparent communication & grievance redressal	Employee feedback & communication Town hall with senior leadership Other reward & recognition platforms & interventions Mid-year & annual review Internal human resource management system Learning & development initiatives
Suppliers/ Vendors/ Contractors	Ethical practices and appropriate quotes Digital & secure engagement with vendors, ensuring confidentiality Fair procurement practices Compliance with regulatory & statutory requirements	On-boarding screening Regular vendor/contractor performance review
Communities/ NGOs	Ethical practices and appropriate quotes Digital & secure engagement with vendors, ensuring confidentiality Fair procurement practices Compliance with regulatory & statutory requirements	Community engagement activities in EWS & LIG households Theme-driven activations for community & society Resource creation in the form of modules, blogs, videos, and whitepapers Presence of a strong CSR policy to support holistic development across communities

Stakeholder Group	Engagement Topic	Engagement Mode & Frequency
Investors/ Shareholders	Good corporate governance Compliance with regulatory norms Ethical business practices Good Return on Investments (RoI) Business innovations and growth	Investor communication through reports & presentations Investor meetings (one on one) Annual General Meetings (AGM)
Regulators/ Government	Ethics & transparency Timely submission of requisite reports Compliance with norms & regulations Good corporate governance Proactive participation in regulatory reforms Co-operation with statutory audits & inspections	Regular & direct engagement Mandatory regulatory filings, including the ones to RBI and SEBI Quarterly & annual compliance reports
Industry Peers	Fair competition Necessary collaborations & market making Thought leadership	Regular engagement Participation in thought leadership programmes Market-making activities such as green affordable housing, Green Handbook development Co-lending with banks PSL co-lending for banks
Media & Analysts	Business plans Continuous interaction Market share	Interaction with media through regular PR interventions Communication with stakeholders with media releases
Developers	Support for knowledge & capacity development Financial support	Extending construction finance for green affordable housing Knowledge sharing platform, Kutumb Guidance & hand-holding from conception to certification through Green Value Partners Capacity building at construction sites through the development of the site labourers

Risk Management

Our Comprehensive Risk Management Approach

Our robust risk management strategy follows the 'Three Lines of Defence' approach, with company management as the first line, the risk management and compliance team as the second line, and internal audit as the third line. This framework ensures proactive risk identification, measurement, monitoring, and mitigation throughout the organisation. Guided by a dedicated Risk Management Committee, we implement effective systems to address all the Company's significant risks.

Risk Management Framework

Line of Defence	Functions	Scope and Authority
The Management	Risk Committee Information Strategy Committee Audit Committee Asset Liability Committee	Integration of Risk Principles Across all Businesses Risk Strategy and Advisory Risk Policies Controls and Review Organisational Communications
Functional Teams	Risk Department Business Functions	Policy Implementation Risk Monitoring and Reporting
Internal Audit	Internal Audit Department Risk Analytics	Independent Reviews Reporting to Board Committees

Risk Assessment Methodology

Monitoring

Customers' performance is monitored through monthly **reports** and **dashboards**, parameters include:

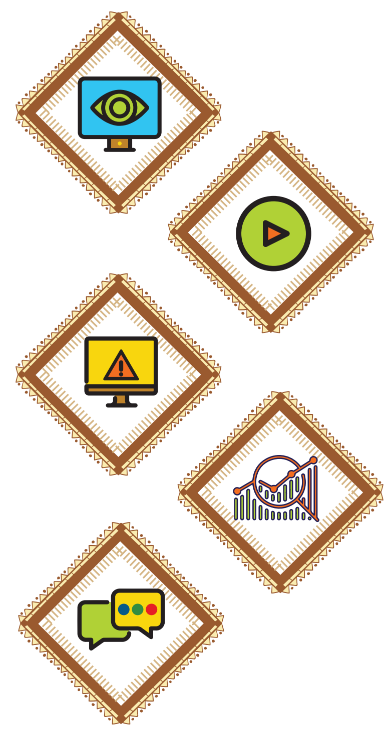
Customer profile > Geography > Bureau checks > LTV and DBR

Early Warning Signals

- Highlighting expectations based on monthly reporting to respective teams
- The tools used for EWS include bureau data, bounce trends and market news, if any

Off-Us Performance

Tracking the current repayment behavior of the customers through the bureau data and the same is utilised for better collection efficiency.



Stress Testing

Defining various scenarios, data compilation and validation, and modelling the impact of scenarios on risk parameters through PD, LGD, and EAD.

Vintage Analysis

Monitoring credit quality and thereafter taking corrective actions w.r.t policy and processes. Data is grouped into segments based on origination month and analysed for various periods.

Board of Directors

Mr. Srinivasan Sridhar (Chairman and Independent Director)

He is the Chairman and an Independent Director on our Board of Directors. He holds a Bachelor's degree in science from Bangalore University and a master's degree of science in physics from the Indian Institute of Technology, Delhi. He has previously worked in the banking and finance industry and has held several positions in retail, corporate, and export / import banking, including as the chairman of the National Housing Bank and Central Bank of India. While he was chairman and managing director of the National Housing Bank, he was responsible for a number of initiatives, such as the NHB Residex, Rural Housing Fund, and Reverse Mortgage for senior citizens. Prior to this, he was associated with the Export Import Bank of India as executive director. He is a certified associate of the Indian Institute of Bankers and was conferred with honorary fellowship of the Indian Institute of Banking and Finance in recognition of his contribution in the field of banking and finance.

Mr. Nirmal Jain (Non-Executive Director)

He is a Non-Executive Director on our Board of Directors and was one of the first Directors of the Company. He holds a PGDM (Post Graduate Diploma in Management) from the Indian Institute of Management (IIM), Ahmedabad and is a rank holder Chartered Accountant and a Cost Accountant. He started his career in 1989 with Hindustan Unilever Limited. He founded IIFL group in 1995. It started as an independent equity research company in India. Over the last 26 years, he has led the expansion of the group, while remaining focused on financial services. The group through four listed entities, has leading presence in India's Wealth and Asset management, consumer lending, securities trading and discount Broking spaces. With an impeccable track record of governance and growth, the group has attracted marquee investors and won accolades internationally. He is currently also the chairman of IIFL Finance Limited, the promoter of our Promoter.

Mr. Rajamani Venkataraman (Non-Executive Director)

He is a Non-Executive Director on our Board of Directors. He holds Post Graduate Diploma in Management from Indian Institute of Management (IIM), Bengaluru and Bachelor in Electronics and Electrical Communications Engineering from IIT Kharagpur. He joined the Company's Board in July 1999. He has been contributing immensely to the establishment of various businesses and spearheading key initiatives of the group over the past 22 years. He previously held senior managerial positions in ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with J P Morgan of US and Barclays – BZW. He worked as an Assistant Vice President with G E Capital Services India Limited in their private equity division. He has a varied experience of more than 29 years in the financial services sector. He is currently also the managing director and one of the promoters of our Promoter.

Mr. Kranti Sinha (Independent Director)

He is an Independent Director on our Board of Directors. He has significant experience in the insurance and housing finance industries. In the past, he served as the director and chief executive of LIC Housing Finance Limited, while concurrently serving as the managing director of LICHFL Care Homes Limited. He was also the deputy president of the Governing Council of the Insurance Institute of India and was a member of the Governing Council of the National Insurance Academy.

Mr. Monu Ratra (Executive Director and Chief Executive Officer)

He is an Executive Director on our Board of Directors and is the Chief Executive Officer of the Company. He holds a Bachelor's degree in architecture from Guru Nanak Dev University and a master's degree in Post Graduate Diploma in Management from Lal Bahadur Shastri Institute of Management, Delhi. He has significant experience in the financial services industry. Prior to joining the Company, he worked with Indiabulls Housing Finance Limited as national business manager where he was responsible for setting up, and managing, the retail home loan business along with the home equity business. He has also previously worked with ICICI Bank Limited and HDFC Bank Limited.

Mr. Arun Kumar Purwar (Independent Director)

He works as Chairman of Eroute Technologies Private Limited, a fintech Co. He also works as an Independent Director in Companies across diverse sectors like power, telecom, steel, engineering consultancy, pharma and financial services. He also acts as an advisor to Mizuho Securities, Japan. He was Chairman of the State Bank of India ("SBI") from 2002 to 2006 and Chairman of the Indian Bank Association during 2005 to 2006. He has previously held positions such as Managing Director of State Bank of Patiala and has been associated in the setting up of SBI Life. Post his retirement from SBI, he was associated with a leading industry house in setting up the first healthcare focused private equity fund as well as a non-banking finance company focused on funding real estate projects as well as educational institutions. He has won several awards including the CEO of the year award from the Institute of Technology and Management (2004), "Outstanding Achiever of the Year" award from the Indian Banks' Association (2004) and "Finance Man of the Year" Award by the Bombay Management Association in 2006.

Ms. Mohua Mukherjee (Independent Director)

She is an Independent Director on our Board of Directors. She is a professional with over three decades of experience in development economics and has worked with World Bank in Washington DC and has led policy dialogue and formulated investment projects in relation to the UN's Millennium Development Goals and later the Sustainable Development Goals. She has led the India Solar Energy Team of the World Bank and designed the USD 640 million blended finance Solar Rooftops project with the State Bank of India. She has also worked for Citibank and ABN Amro in Kenya. She is currently a World Bank consultant and she is Advisor to the India Smart Grid Forum. She has a Bachelor's and Master's Degree in Economics, with distinction, and a Master of Business Administration degree in International Finance, all from Boston University. She also has a certificate in Public Private Partnerships from the Harvard Kennedy School.

Mr. Kabir Mathur (Nominee Director)

He is Head of Asia Pacific within the Private Equities Department of Abu Dhabi Investment Authority (ADIA). He is responsible for leading all aspects of AIDA's private equity activities in the Asia Pacific region and is a member of the Private Equity Executive Committee. Prior to joining ADIA in 2018, Mr. Mathur worked at Kohlberg Kravis Roberts & Co (KKR) where he was responsible for sourcing, executing and managing private equity investments in Asia. Mr. Mathur joined KKR in 2008, having previously worked at TPG Capital, also in their Asian private equity business. Mr. Mathur began his career in the Investment Banking division of Citigroup/Salomon Smith Barney. Mr. Mathur graduated from the London School of Economics and Political Science with a BSc (Hons.) in Economics.

Mr. Venkataraman Anantharaman (Independent Director)

He is experienced in financial services sector having led corporate and investment banking teams in leading international institutions, including Standard Chartered Bank, Credit Suisse, Deutsche Bank, and Bank of America. Advisory experience in sectors including technology, consumer & retail, financial services, risk management. Engineering from Jadavpur University, MBA from XLRI, FT Non Executive Director Diploma and ESG Competent Boards Certificate and Designation.

Statutory Reports

DIRECTORS' REPORT

FY 2022 - 23

Dear Members,

Your Board of Directors have great pleasure in presenting the Seventeenth (17th) Annual Report of IIFL Home Finance Limited covering the business performance and operations of the Company, along with the Audited Standalone and Consolidated Financial Statements for the financial year ended on March 31, 2023.

1) Financial Summary

The Company's financial performance for the financial year ended on March 31, 2023 is presented below:

Consolidated Financial Results

The Company's consolidated financial performance for the year under review is summarised below:

(₹ in Crore)

Particulars	2022-23	2021-22
Gross Total Income	2,738.01	2,228.93
Less: Expenditure	1,737.49	1,479.18
Profit before Share of Profit of Associate and Tax	1,000.52	749.75
Profit from Associate	3.76	12.65
Profit before Tax	1,004.28	762.40
Less: Taxation	236.16	168.96
Net Profit after Tax	768.12	593.44

Standalone Financial Results

The Company's standalone financial performance for the year under review is summarised below:

(₹ in Crore)

Particulars	2022-23	2021-22
Gross Total Income	2,731.16	2,221.44
Less: Expenditure	1,708.26	1,475.48
Profit before Tax	1,022.90	745.96
Less: Taxation	232.57	167.97
Net Profit after Tax	790.33	577.99

The Standalone and Consolidated Financial statements for the year under review have been prepared in accordance with and other relevant provisions of the Companies Act, 2013.

The financial results and revenue from operations, including major developments that have been discussed in detail in the Management Discussion and Analysis Report attached to this Annual Report.

The standalone and the consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) applicable to the Company.

Financial Performance

Consolidated

On a consolidated basis, your Company has recorded an excellent performance with a turnover of ₹ 2,738.01 Crores as against ₹ 2,228.93 Crores in the previous year and a profit after tax of ₹ 768.12 Crores as against ₹ 593.44 Crores in the previous year.

Standalone

On a standalone basis, your Company recorded an exceptional performance with a turnover of ₹ 2,731.16 Crores as against ₹ 2,221.44 Crores in the previous year and a profit after tax of ₹ 790.33 Crores as against ₹ 577.99 Crores in the previous year.

Refer to the Management Discussion and Analysis report for more details.

2) Change in the Nature of Business

During the year, there has been no change in the nature of the business of the Company.

3) Review of Business

During the year under review, your Company's standalone total income amounted to ₹ 2,731.16 Crores. Profit before tax stood at ₹ 1,022.90 Crores Profit after tax stood at ₹ 790.33 Crores. During the year ended on March 31, 2023, Assets Under Management (AUM) of the Company grew by 21%

DIRECTORS' REPORT (CONTD.)

y-o-y to ₹ 28,511.94 Crores. At the segment level, there is 23% growth in the loan book on of Home Loans and a marginal decline of 10% in the LAP segment. The total loan book has grown by 15% y-o-y to ₹ 18,055.45 Crores as on March 31, 2023.

4) Resource Mobilisation

Non-Convertible Debentures

During the year under review, the Company issued Secured Redeemable Non-Convertible Debentures aggregating to an amount of ₹ 280 Crores on a private placement basis. Further, the Company redeemed/ bought Back Non-Convertible Debentures amounting to ₹ 139.93 Crores, issued on private placement basis.

The Company has been regular in making payments of principal and interest on NCDs. The Company has complied with the provisions of Chapter XI (Guidelines on Private Placement of Non-Convertible Debentures (NCDs)) of Master Directions- Housing Finance Companies (Reserve Bank of India), 2021, for the issuance of Non-Convertible Debentures on Private Placement basis. During the year under review, the Non-Convertible Debentures were paid / redeemed by the Company on or before their respective due dates. As of March 31, 2023, outstanding Secured Non-Convertible Debentures stands at ₹ 1,782.19 Crores and outstanding Unsecured Non-Convertible Debentures amounts to ₹ 346.52 Crores. During the year under review, there were no Non-Convertible Debentures that were not claimed by the investor or not paid by the Company after the date on which Non-Convertible Debentures became due for redemption.

Term Loans and Other Borrowings

During the year under review, the Company availed ₹ 1061.16 Crores of refinance facilities from NHB under various refinance schemes of NHB. Further, the Company raised funds by way of borrowing from term loans, issuance of Commercial paper, and other sources. As on March 31, 2023, total outstanding borrowings excluding NCDs stood at ₹ 11586.40 Crores.

Assignment of Loans

During the year under review, the Company securitised /assigned the receivables of housing loan portfolio aggregating to ₹ 1656.68 Crores and non-housing loan portfolio aggregating to ₹ 618.13 Crores. The Company was appointed as a servicer by the Assignee/Trustee to collect and receive payment of the receivables from the Securitised/Assigned Assets.

5) Dividend

During the year under review, considering the performance of the Company and the capital and liquidity buffer available with the Company, your Directors recommended an Interim Dividend of ₹ 40 per equity share of face value of ₹ 10 each. The dividend was paid to those shareholders whose names were registered in the Register of Members as on January 27, 2023 being the record date. Total outgo towards payment of Dividend was ₹ 105,37,85,520/-. Your Directors recommend that the said Interim Dividend be considered as final. The dividend payout ratio was well within the limits prescribed in and in compliance with the Circular No. RBI/2021-22/59 DOR.ACC. REC. No.23/21.02.067/2021-22 dated June 24, 2021 issued by RBI for payment of dividend by HFCs and NBFCs.

6) Transfer to Reserves

Pursuant to Section 29C of the 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. During the year under review, the Company transferred ₹ 158.1 Crores (20% of Net Profit for the year) to Special Reserve. As on March 31, 2023, the said Reserves stood at ₹ 561.07 Crores. The balance in General Reserves stood at ₹ 143.86 Crores.

7) State of Company's Affairs

Authorised Share Capital

As on March 31, 2023, Authorised Share Capital of the Company was ₹ 1,720,000,000 (Rupees One Hundred and Seventy-Two Crore Only) divided into 1,52,000,000 (Fifteen Crores and Twenty Lakh) Equity Shares of ₹ 10 (Rupees ten only) each and ₹ 20,000,000 (Rupees Two Crores) Preference Shares of ₹ 10 (Rupees Ten only) each.

Paid-up Share Capital

During the year under review, your Board of Directors has decided to increase its capital base as in order to grow the business. As on March 31, 2023, the paid up share capital of the Company stands at ₹ 26,34,46,380 comprising of 2,63,44,638 equity shares of ₹ 10 each.

During the year, your Company has recorded an excellent performance and intends to keep up the growth prospects in coming future.

8) Public Deposits

The Company is registered with National Housing Bank as a non-deposit taking housing finance Company.

DIRECTORS' REPORT (CONTD.)

During the year under review, your Company has not accepted/ renewed any public deposit. The provisions of Section 73 of the Companies Act 2013, read with applicable rules thereto and disclosure requirement under the para 44 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 are not applicable to the Company.

9) Employee Stock Option Schemes

Your Company has formulated Employee Stock Option Scheme ('Scheme'), which have been duly approved by the shareholders of the Company in their meeting held on August 04, 2022. The Schemes have been devised in accordance with the Companies Act, 2013 with amendments or any enactments thereof, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (to the extent applicable).

Presently, the Company has approved to create, issue, offer and allot options exercisable into Equity Shares not exceeding 5,37,746 (Five Lakh Thirty-Seven Thousand Seven Hundred Forty-Six Only) options, with each such option conferring a right upon the Employee (as defined in the Scheme) to apply for one equity share of the Company, in accordance with the terms and conditions of such grant.

10) Investor Education and Protection Fund

The interest on Non-Convertible Debentures remaining unclaimed for period of seven years from the date they become due for payment have been transferred to Investor Education and Protection Fund in accordance with the Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') and other relevant provisions of the Act. During the year, the Company has transferred ₹ 0.09 Crores to the Investor Education and Protection Fund "IEPF Rules". The concerned debenture holders can claim the interest from IEPF.

11) Internal Financial Control with Reference to Financial Statements

The Company has in place adequate internal controls with reference to Financial Statements and operations and the same are operating effectively. The Internal Auditors tested the design and effectiveness of the key controls and no material weaknesses were observed in their examination. Further, Statutory Auditors verified the systems & processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively as of March 31, 2023.

12) Vigil Mechanism

In Compliance with the provisions of Section 177(9) of the Companies Act, 2013, read with the Rules made thereunder, the Company has adopted a whistle blower Policy and has established the necessary vigil mechanism for employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The Policy also provides for adequate safeguard against victimisation of whistle blower who avails of such mechanism and also provides for the access to the Chairman of the Audit Committee. None of the whistle blower have been denied access to the Audit Committee. whistle blower Policy is uploaded on website of the Company at https://www.iiflhomeloans.com/corporate-governance.

13) Prevention of Sexual Harassment of Women at Workplace

The Company has zero tolerance towards sexual harassment at the workplace and has strong 'Policy for Prevention Of Sexual Harassment (POSH)' at workplace to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide a procedure for redressal of complaints pertaining to such harassment. In order to sensitise the employees about the policy, the Company has placed the policy on intranet portal of the Company for ease of access and unified dissemination of the policy to each and every employee of the Company.

The Company also has an Internal Complaints Committee (ICC) constituted in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with its allied Rules. The committee is responsible for conducting inquiries pertaining to complaints under the Act. Specialised training for ICC members is conducted every year and all the employees undergo POSH training module periodically.

During the year, ICC has received '**NIL**' complaints of sexual harassment from the employees of the Company. The Company ensures to sensitize its employees on regular basis about prevention and prohibition of sexual harassment.

14) Credit Ratings

During the year under review, the Company's long term debt was rated BWR AA+ (Negative) by Brickworks

DIRECTORS' REPORT (CONTD.)

Ratings, CRISIL AA (Stable) by CRISIL Rating Limited, [ICRA] AA (Stable) by ICRA Limited and CARE AA (Stable) by CARE Ratings Limited.

15) Anti-Corruption Mechanism

It is the Company's vision - "To become the most respected company in the financial services space in India." Accordingly, we have an Anti-Corruption framework which consists of Anti-Corruption, Gift and Whistle Blower/Vigilance policies applicable to all our employees. The Company has responsibility to be transparent in all our dealings towards both the stakeholders and to the communities with which we conduct business.

The Company has a zero tolerance approach towards bribery and other forms of unlawful activities. Our Anti-Corruption framework ensures that stakeholders do not engage in bribery or corruption in any form. In all our policies, we explicitly stipulate that neither the Company nor its representative will pay or procure payment of a bribe or unlawful fee to encourage the performance of a task or one which is intended or likely to compromise the integrity of another. The Company does not accept any payment, gift or inducement from a third party which is intended to compromise our own integrity.

E-learning training on anti-corruption is mandatory for all employees to ensure a clear understanding of Anti-Corruption Policy and ways to mitigate such risks.

16) Subsidiary Company

IIHFL Sales Limited is a wholly-owned subsidiary of the Company. IIHFL Sales Limited offers professional/consultancy services that include sourcing, marketing, promoting, publicising, advertising, brand building, selling and distributing, among the others. It also intends to provide all kinds of advisory/consultancy services and fees-based intermediation, syndication and liasoning services.

As per provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (Listing Regulations) IIHFL Sales Limited does not fall under criteria of 'material subsidiary'. Further, the Company has framed as policy on Determination of Material Subsidiary and the same has been placed on the website of the Company.

17) Sale of Investment in IIFL Samasta Finance Limited

During the year under review, the Company sold 12,45,55,797 fully paid equity shares of ₹ 10/- (entire shareholding) each constituting of 25% equity shares held by the Company in IIFL Samasta Finance Limited (Associate Company) to IIFL Finance Limited (the Holding Company) at a price of ₹ 20.80 per equity share aggregating to ₹ 259,07,60,578. Therefore, IIFL Samasta Finance Limited ceased to be an Associate Company of the Company on June 09, 2022.

18) Risk Management

Risk management is an indispensable part of the Company's strategy. The Company operates in an environment wherein various types of risks emanating from internal as well as external sources which, if not managed properly, could lead to disruption in business and impact the attainment of main objectives of the organisation.

In order to safeguard and facilitate proactive management of risk, the Company has Board approved Risk Management Policy in place and created a comprehensive 'Enterprise Risk Management Framework (ERM)' which is designed to identify, measure, monitor, control and mitigate various types of risk. The Company's Risk Management strategy is governed by the Board with the assistance from its Risk Management Committee that regulates and oversees enterprise-wide risk management, ensuring it to develop a sustainable business, creating the long-term value for its stakeholders

Risk Management Department identifies, analyse and takes measures to mitigate various risks faced by the Company. The department is guided by the Company's Risk Management Committee and the Senior Management to develop and implement Risk Assurance practices on a pan-organisation basis. The risk management framework institutionalised in the Company is supported by a 'Three Lines of Defense' approach. Business functions act as the first line of defense, control functions like Risk Management and Compliance act as second line of defense and the Internal Audit acts as the third line.

19) Directors and Key Managerial Personnel

Independent Directors

During the year under review, Mr. Venkataramanan Anantharaman (DIN: 01223191) was appointed as Independent Director in the Company w.e.f. February 21, 2023. In the opinion of the Board, Mr. Venkataramanan Anantharaman fulfils the conditions specified in the Act; he is independent of the management. The Board considers that his expertise and experience (including the proficiency) and his continued association would be of immense

DIRECTORS' REPORT (CONTD.)

benefit to the Company. The detailed profile of Mr. Venkataramanan Anantharaman is provided in the Corporate Governance Report. Further, shareholders have approved his appointment in their meeting held on March 31, 2023.

Non-Executive Directors

In terms of provisions of Section 152 of the Companies Act, 2013, Mr. Rajamani Venkataraman (DIN: 00011919), Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for reappointment. The Board recommends the same for shareholders' approval.

Further, on the recommendation of Nomination & Remuneration Committee, the Board of Directors in their meeting held on August 22, 2022 have approved the appointment of Mr. Kabir Mathur as the Nominee Director in the Company. Further, shareholders have approved his appointment in their meeting held on August 22, 2022.

Key Managerial Personnel

Mr. Monu Ratra, Executive Director & CEO, Mr. Ajay Jaiswal, Company Secretary and Mr. Amit Gupta, Chief Financial Officer are the Key Managerial Personnel (KMPs) as per the provisions of the Companies Act, 2013 and Rules made thereunder. There was no change in the (KMPs).

20) Code of Conduct for directors and Senior Management Personnel

The Code of Conduct for Directors and Senior Management Personnel of the Company is in conformity with the requirements of the Listing Regulations and is placed on the website of the Company at www.iiflhomeloans.com.

All the Directors of the Company and Senior Management Personnel have affirmed compliance with Company's Code of Conduct for Directors and Senior Management during the year and a declaration to that effect, signed by the CEO of the Company is enclosed to this Annual Report.

21) Directors & Officers Insurance Policy

The Company has an appropriate Directors and Officers Liability Insurance Policy which provides indemnity in respect of liabilities incurred as a result of their office. The policy is renewed every year by the Company.

The coverage of the insurance extends to all directors of the Company, including the Independent Directors.

22) Number of Meetings of Board

During the period under review, nine (9) Board meetings were held and the gap between the said meetings did not exceed the limit of 120 days as prescribed under the provisions of Companies Act, 2013, and Rules made thereunder, Secretarial Standard-I Issued by Institute of Company Secretaries of India and provisions of SEBI Listing Regulations. The dates of Board meetings and details of attendance of each director have been disclosed in the Corporate Governance Report annexed with Board's Report as **Annexure-V.**

23) Committees of the Board

The Company believes that Board Committees are crucial to promote best Corporate Governance practices within the Company. Accordingly, the Company has constituted various Board Committees to improve the Board efficiency and to support in decision making. The constitution of these Committees is in acquiescence of provisions of the Companies Act, 2013, and relevant rules made thereunder, SEBI Listing Regulations, applicable regulations of National Housing Bank/Reserve Bank of India, Articles of Association and other guidelines issued from time to time. The details of the Board Committees of the Company including number & date of meetings of Committees held during the FY 2022-23 and attendance thereat are disclosed in the Corporate Governance Report annexed with Board's Report as **Annexure-V**.

24) Board Evaluation

In accordance with the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, 2015, The Board in coordination with and upon the recommendation of the Nomination and Remuneration Committee (NRC) has adopted a formal mechanism for evaluation of annual performance of the individual Directors, Board as a whole and Board Committees. The same was carried out by the Board of Directors for the FY 2022-23.

The Independent Directors of the Company, also, at their separate meeting held during the year, reviewed the performance of Non-Independent Directors, Chairperson and Board as a whole including evaluation of timeliness and flow of information in the Company and provided their suggestions for improvement.

In this regard, the Board of Directors considers that the Independent Directors on the Board of the Company has the required level of expertise, experience and integrity as is required for the position.

DIRECTORS' REPORT (CONTD.)

25) Meeting of Independent Directors

In terms of Schedule IV of the Companies Act, 2013, the Independent Directors are required to hold at least one meeting in a financial year without the presence of Non- Independent Directors and Members of the Management, to review the matters as set out therein. During the Financial Year 2022-23, the Independent Directors met on 22nd March 2023, *inter alia,* to review the matters statutorily prescribed under the Companies Act, 2013 and Listing Regulations.

26) Familiarization Program for Independent Director

In accordance with the provisions of Regulation 25(7) and 62 of the Listing Regulations, the Company familiarises its independent directors at regular intervals, with their roles and responsibilities and the business strategies of the Company. Apart from the aforementioned, the Company also update the independent directors periodically with the recent changes in statutory provisions applicable on the Company and/or any change /addition in the business operations of the Company. The details of training and familiarization program conducted during the year are provided in the Corporate Governance Report and is also available on the website of the Company at www.iiflhomeloans.com.

27) Fit and Proper Criteria & Code of Conduct

The Reserve Bank of India (RBI) vide its Notification No. RBI/2020-21/73 DOR.FIN.HFC.CC. No. 120/03.10.136/2020-21 February 17, 2021 prescribed Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Directions) for housing finance Companies. The RBI HFC Directions, *inter alia,* requires all the Housing Finance Companies to put in place an Internal Guidelines on Corporate Governance and a Policy on 'fit and proper' criteria for Director/s at the time of appointment, and on a continuing basis, with the approval of the Board of Directors of the Company. The Company has Internal Guidelines on Corporate Governance and the same is placed on the website of the Company www.iiflhomeloans.com.

All the Directors of the Company for the period under review have affirmed compliance with the Code of conduct of the Company. The Declaration of the same is provided in the Corporate Governance Report.

28) Statement of Declaration by Independent Directors

In terms of provisions of sub-section (7) of Section 149 of the Companies Act, 2013 and Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received declarations by Independent Directors stating and confirming that they are not disqualified to act as Independent Directors on the Board of the Company and further the Board is also of the opinion that the Independent Directors fulfil all the conditions specified in the Companies Act, 2013, making them eligible to act as the Independent Director.

29) Auditors and Reports

The members of the Company at the 14th Annual General Meeting held on June 11, 2020 had approved the appointment of M/s. MP Chitale & Co., Chartered Accountants (Firm Registration Number: 101851W), as the Statutory Auditors of the Company for a period of 5 (five) years commencing from the 2020-21 till (and including) the 2024-25.

Pursuant to the requirement of the Reserve Bank of India ("RBI") has on April 27, 2021, issued the Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) ("RBI Guidelines"), and in order to fill vacancy caused by completion of tenure of M/s. MP Chitale & Co., Chartered Accountants, the Board of Directors, on the recommendation of the Audit Committee, subject to the approval of the shareholders at ensuring Annual General Meeting, approved the appointment of M/s. S. R. Batliboi & Associates LLP Chartered Accountants, LLP (Firm Registration Number: 101049W/E300004) as the Auditors of the Company for a period of 3 years starting from April 1, 2023 as the Statutory Auditors. The Board also placed on records its sincere appreciation on services rendered by M/s. MP Chitale & Co., Chartered Accountants as the Statutory Auditors of the Company during their tenure.

M/s. S. R. Batliboi & Associates LLP and M/s. Suresh Surana & Associates LLP, shall act as joint Statutory Auditors of the Company for the remainder of the term of M/s. Suresh Surana & Associates LLP, and that M/s. S. R. Batliboi & Associates LLP shall thereafter act as joint Statutory Auditors of the Company with such new joint Statutory Auditor(s) who will be appointed by the Company subject to approval of the Members of the Company from 2025-26 onwards.

DIRECTORS' REPORT (CONTD.)

Qualification/ Reservation/ Adverse remark / Disclaimer of Statutory Auditors on Financial Statements for FY 2022-23

The Statutory Auditors have not made any adverse comments or given any qualification, reservation or adverse remarks or disclaimer in their Audit Report on the Financial Statements for FY 2022-23.

30) Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

31) Maintenance of Cost Records:

The Company being a Housing Finance Company is not required to maintain cost records as prescribed under section 148(1) of the Companies Act, 2013.

32) Regulatory Guidelines

The Company has duly complied with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, Capital Adequacy, concentration norms and ALM requirements, among others, as in force from time to time.

The Company has been maintaining capital adequacy as prescribed by RBI. The Capital adequacy was 47.28% (IND-AS) (as against 15% prescribed by the RBI) as on March 31, 2023.

33) Remuneration Policy

The Board of Directors of the Company approved the Nomination and Remuneration Policy on recommendation of the Nomination and Remuneration Committee. Objective of the Policy is to have adequate composition of the Board comprising of Executive, Non-Executive and Independent Directors and appointment and removal of Directors, Key Managerial Personnel (KMPs). The Policy also provides for remuneration to Directors, KMPs and senior management, involves balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goal. The Remuneration Policy is placed at website of the Company at https://www.iiflhomeloans.com/corporate-governance.

34) Material Changes and Commitments Affecting the Financial Position of the Company

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

35) Significant and Material Orders

During the year, there were no significant or material orders passed by the regulators, courts, or tribunals, impacting the going concern status and Company's operations in future.

36) Corporate Social Responsibility

The Corporate Social Responsibility ("CSR") Committee of the Board has formulated and recommended to the Board a CSR Policy indicating the CSR activities that can be undertaken by the Company. The Board approved the CSR Policy which is available on the website of the Company at https://www.iiflhomeloans.com/corporate-governance.

The CSR projects of the Company are guided by the same values that guide the business of IIFL Group Companies. It can be summarised in one acronym: HELP, which stands for Health, Education, Livelihood and Poverty Alleviation.

Most of the activities are undertaken through the India Infoline Foundation (generally referred to as "IIFL Foundation"), a CSR arm of the IIFL Group. During the year under review, your Company was required to spend 2% of its average net profits (computed as per the relevant provisions of the Companies Act, 2013) of the preceding years on CSR projects. The details of the amount spent and unspent are provided in the Annual Report on CSR, which is enclosed at **Annexure I.**

37) Particulars of Employee

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure II.**

Further, a statement showing the names and other particulars of employees drawing remuneration as per the limits set out in Rules 5(2) and 5(3) of the aforesaid Rules, forms part of this Report. However, in terms of the provisions of Section 136(1) of the

DIRECTORS' REPORT (CONTD.)

Companies Act, 2013, read with the Rules, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy will be sent.

38) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit was conducted by M/s RMG & Associates, Practicing Company Secretaries for the FY 2022-23. The Secretarial Audit does not contain any qualifications and the same is annexed as **Annexure III** to this Report.

39) Annual Secretarial Compliance Report

The Board of Directors of the Company has appointed M/s RMG & Associates, Practising Company Secretaries Firm to conduct an annual secretarial audit for FY 2022-23 on compliance with all applicable SEBI Regulations and circulars/guidelines issued thereunder. The Secretarial Auditors issued the Secretarial Compliance Report (the Report) pursuant to the provisions of Regulation 24A of the Listing Regulations read with the SEBI circular dated 8th February, 2019.

40) Corporate Governance

Pursuant to the requirements of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Directions) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), Related Party Transaction Policy and a Report of the Directors on Corporate Governance form part of this report and are placed at **Annexure IV** and **Annexure V**, respectively.

41) Management Discussion and Analysis Report

In accordance with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Directions), the Management Discussion and Analysis Report forms part of this report and is provided in this Report at **Annexure VI**.

42) Annual Return

As required under Section 92(3) of the Act and the Rules made thereunder and amended from time to time, the Annual Return of the Company in prescribed Form MGT-7 is available on the website of the Company, i.e., www.iiflhomeloans.com.

43) Secretarial Standards

The Board confirms that the Company complied with all applicable mandatory Secretarial Standards for FY 2022-23.

44) Name & Contact Details of Debenture Trustees

a. Vistra ITCL (India) Limited

(Formerly known as IL&FS Trust Company Limited)
IL&FS Financial Center,
Plot C-22, G Block, Bandra- Kurla Complex,
Bandra (East), Mumbai-400 051
Telephone: +91 22 6930 0000
Fax: + 91 22 2850 0029
E-mail: mumbai@vistra.com

b. Catalyst Trusteeship Limited

(Erstwhile GDA Trusteeship Limited)
Windsor, 6th Floor, Office No - 604,
C.S.T. Road, Kalina, Santacruz (East),
Mumbai - 400 098
Telephone:+91 22 4922 0555
Email:dt.mumbai@ctltrustee.com

45) Directors' Responsibility Statement

The Board acknowledges its responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended as of March 31, 2023 and states that:

a. In the preparation of the Annual Accounts, the applicable Accounting Standards were followed along with proper explanations relating to material departures;

b. The Directors had selected such accounting policies and applied them consistently, and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that period;

DIRECTORS' REPORT (CONTD.)

c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The Directors had prepared the Annual Accounts on a going concern basis;

e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and

f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

46) Auditors Report

The Audit Report as issued by M/s MP Chitale & Co., Chartered Accountants and M/s Suresh Surana & Associates LLP, Chartered Accountants Statutory Auditors of the Company, forming part of the Company's Financial Statements, does not contain any qualifications, observations, or remarks made by the Statutory Auditors in their Report.

47) Particulars of Loans, Guarantees or Investments

As the Company is a Housing Finance Company, the disclosures regarding the particulars of the loans made, guarantees given and security provided are exempt under the provisions of Section 186(11) of the Companies Act, 2013. As such, the particulars of loans and guarantees have not been provided in this Report.

As regards investments made by the Company, the details of the same are provided under Note No. 8, which forms part of the Audited Financial Statements for the year ended on March 31, 2023.

48) Particulars of Contracts or Arrangements with Related Parties

All related party transactions that were entered during the financial year were in the ordinary course of the business of the Company and were on an arm's length basis. No contracts/arrangements have been entered into by the Company with its Promoters, Directors, Key Managerial Personnel or other persons that may have a potential conflict with the interests of the Company. Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company. The transactions with related parties are disclosed in the Notes to Accounts in the Standalone Financial Statements of the Company for the year ended on March 31, 2023.

Related Party Policy which has been approved by the Board of Directors, the same has been placed on the website of the Company https://www.iiflhomeloans.com/corporate-governance

49) Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Conservation of Energy

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

- Gurugram head office got Gold Level LEED Rating under Operations and Maintenance Category (Version 4.1) from USGBC (U.S. Green Building Council)
- Solar panels of 25 kWp capacity have been installed on the rooftop of the Gurgaon head office to offset some of our energy consumption.
- Replacement of all existing lighting fixtures with LED lights equipped with motion sensors throughout the Gurgaon head office building.
- Education and awareness programmes for employees.
- Creating environmental awareness by way of distributing the information in electronic form

The Management frequently puts circulars on the corporate intranet, IWIN for the employees educating them on ways and means to conserve electricity and other natural resources and ensuring strict compliance with the same.

Technology

The Company remains committed to investing in technology to provide it with a competitive edge and business scalability. Digitisation and analytics through all business processes have been the Company's focus, enabling agility, flexibility and relevance. The major highlights of the current year are as follows:

DIRECTORS' REPORT (CONTD.)

- The Company has introduced Jhatpat for all retail loans, expanding the business rule engine advantage for all loan cases.
- Jhatpat is now available on the Google Play Store, removing the dependency on using Company-linked devices by employees and reducing asset management issues.
- The Company has introduced a central technical team for property valuation. This will help collect data and implement a business rule engine for property verification in the future.
- The Company has begun the implementation of vernacular communication for our customers to have more transparency and understanding of their running loans.
- The Company has introduced digital dockets for all products with grid-based customisation of transactions and need-based documents that are mandatory for the customer to read and sign accordingly.

As the Company continues to expand its geographic reach and enhance the scale of operations, it intends to further develop and integrate technology to support growth and improve service quality.

50) Foreign Exchange Earnings & Outgo

During the year under review, the details of Foreign Exchange earnings & Outgo of the Company are as follows:

Foreign exchange earnings: - NIL

Foreign exchange expenditure: - 0.76 Crores

51) Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016:

No application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the reporting period.

52) Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:

Not applicable during reporting period.

53) Annexure forming part of this Report of Directors

The Annexure referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors:

a. Report on Corporate Social Responsibility - **Annexure I**

b. The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – **Annexure II**

c. Secretarial Audit Report - **Annexure III**

d. The Related Party Transaction Policy - **Annexure IV**

e. Report on Corporate Governance- **Annexure V**

f. Management Discussion & Analysis Report- **Annexure VI**

54) Acknowledgements

The Company's Directors place on record their sincere appreciation for the assistance and guidance provided by the regulators, stock exchanges, other statutory bodies, and the bankers for the assistance, cooperation, and encouragement extended.

IIFL Home Finance's Directors also gratefully acknowledge all stakeholders, including customers, dealers, vendors, banks and other business partners, for the excellent support received from them during the year. The Company's employees are instrumental in scaling new heights, year after year. Shareholders' commitment and contribution is deeply acknowledged. Your involvement as shareholder is also greatly valued. The Directors look forward to the continued support of the shareholders.

For and on behalf of the Board of Directors

Monu Ratra	**R. Venkataraman**
Executive Director & CEO	Director
DIN: 07406284	DIN: 00011919
Place: Gurugram	Place: Mumbai
Date: April 24, 2023	

ANNEXURE – I TO DIRECTORS' REPORT

The Annual Report on Corporate Social Responsibility (CSR) Activities of IIFL Home Finance Limited for the Financial Year ended March 31, 2023

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

1. Brief outline on CSR Policy of the Company:

IIFL Home Finance Limited ("the Company" or "IIFL Home Finance") ensures that its activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The Company strongly believes that Corporate Social Responsibility ("CSR") initiatives play a crucial role in promoting inclusive growth and equitable development.

The CSR Policy and activities of the Company are guided by the same values that guide its business of the Company. It can be summarised in one acronym-FIT, which stands for:

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

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

The focus areas prioritised by IIFL Home Finance Limited in its CSR strategy are guided by the philosophy of HELP (Health, Education & Environment, Livelihood and Poverty Alleviation. The CSR activities of IIFL Home Finance are executed by India Infoline Foundation (generally referred to as "IIFL Foundation"), the Implementing Agency. In line with its philosophy, the Company had undertaken the following activities during FY 2022-23:

- The Building foundational literacy among females from marginalised communities in Rajasthan, through our 'Sakhiyon ki Baadi' programme, which has engaged with 33,965 students across 12 districts through 446 learning centres.
- Providing long-term intervention, following a holistic approach (nutrition, health, learning, and community strengthening, in a caring and protecting environment) through our "Chauras" programme, which has benefited 500 children through 10 centres in Uttar Pradesh, Rajasthan, Gujarat.
- Creating awareness on the adoption of sustainable construction practices and the adoption of sustainable affordable housing through "Kutumb" - a knowledge ecosystem that promotes green affordable building in India. Five kutumbs were organised in Gujarat, Andhra Pradesh, Telangana, New Delhi, Kolkata, Karnataka, and Pune. Bangladesh International Kutumb impacting over 800 participants
- Creating awareness on sustainable livelihood through the "DISHA" programme, which has engaged more than 1900 people in 30 villages in Gujarat.
- The Building foundational literacy among children of migrant workers and providing trainings to the construction workers, through our 'Pankh' programme, which has enrolled 332 children and provided training to 2814 construction workers.
- Developing 'Emergency Services' at Maharana Bhupal Govt. Hospital, Udaipur, Rajasthan, by setting up three Operation Theares, an ICU & OPD, and medical equipment at the orthopaedic ward.
- Providing a comprehensive certification course giving a 360-degree view of the BFSI sector – savings, protection, investment and lending to women belonging to lower income households, allowing them an opportunity to excel in their careers with professional skills. The programme has engaged 200 women in New Delhi.
- Contributing 52 chairs to the District Bar Council of Gurgaon towards the enhancement of civil infrastructure.
- Contributing 14 electric wheelchairs to the Indian veterans
- Promoting a programme Smart Shaal for Academic Learning of Teachers and Students at Government schools in Sonbhadra & Chitrakoot, Uttar Pradesh. Through this programme we engage with 2.7 Lakhs students and 5582 teachers from 2791 Government schools.
- Growfund – Grant for building the capacity of 6 Non-Governmental Organisations (NGOs) from Tamil Nadu, Jharkhand, Karnataka, and Maharashtra.
- Setting up of Mini libraries at 500 Government schools across Mumbai, Pune, and Satara.
- Development of an in-patient ward at Bhakti Vedanta Hospital, dedicated to offer treatment at a low cost for patients. The facility offers Cancer radiation therapy, comprehensive eye care, and other multi-specialty services.

ANNEXURE – I TO DIRECTORS' REPORT (CONTD.)

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Mr. R Venkataraman	Chairperson	3	3
2	Mr. Kranti Sinha	Member	3	3
3	Mr. Monu Ratra	Member	3	3
4	Ms. Mohua Mukherjee	Member	3	3

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

https://www.iiflhomeloans.com/corporate-governance

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

Not Applicable

5.

Sl. No.	Particulars	Amount (in ₹)
a.	Average net profit of the Company as per sub-section (5) of section 135	6,54,52,99,416 /-
b.	Two percent of average net profit of the Company as per sub-section (5) of section 135	13,09,05,988 /-
c.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	NIL
d.	Amount required to be set-off for the financial year, if any	NIL
e.	Total CSR obligation for the financial year [(b)+(c)-(d)]	13,10,00,000/- (Rounded Off)

a. Amount spent on CSR Projects (both ongoing project and other than ongoing project): 7,89,68,510/-

b. Amount spent in Administrative overheads: NIL

c. Amount spent on Impact Assessment, if applicable: Not Applicable

d. Total amount spent for the Financial Year [(a)+(b)+(c)]: 7,89,68,510

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

Total Amount Spent for the Financial Year (in ₹)	Amount unspent (in ₹)				
	Total amount transferred to unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the fund	Amount	Date of transfer
7,89,68,510	2,14,11,359	17-04-2023	Not Applicable	Not Applicable	Not Applicable
	3,06,20,131	20-04-2023			

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

Not Applicable

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

ANNEXURE – I TO DIRECTORS' REPORT (CONTD.)

6. Details of unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	FY 2021-22	3,03,00,000/-	NIL	3,03,00,000/-	NIL	-	NIL	-
2	FY 2020-21	-	-	-	-	-	-	-
3	FY 2019-20	-	-	-	-	-	-	-

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

No

If Yes, enter the number of Capital assets created/ acquired – N/A

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	-	-	-	-	-	-	-

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

The unspent amount was pertaining to the ongoing projects and the same would be required and utilised over the period of three years as stipulated under the Companies Act, 2013

Responsibility statement of the CSR Committee:

Through this report, IIFL Home Finance Limited seeks to communicate its commitment to CSR to the Ministry of Corporate Affairs. The implementation and monitoring of the CSR Policy are in compliance with the CSR objectives and policies as laid down in this Report. The Board of the Company and the CSR Committee are responsible for the integrity and objectivity of all the information provided in the disclosure above. All projects reported have been selected based on careful evaluation of the extent to which they create sustainable positive outcomes for marginalised segments of society. The Company has adopted measures to ensure that these projects are implemented in an effective and efficient manner so that they are able to deliver maximum potential impact. In line with the requirements of Section 135, the Company has also established a monitoring mechanism to track the progress of its CSR projects. The CSR Committee and the Board ensure that the funds disbursed have been utilised for the purpose and in the manner as approved by them and the Chief Financial Officer.

For IIFL Home Finance Limited

R. Venkataraman	**Monu Ratra**
Chairman	Executive Director & CEO
(DIN: 00011919)	(DIN: 0740628)
Place: Mumbai	Place: Gurugram

Date: April 24, 2023

ANNEXURE – II TO DIRECTORS' REPORT

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No	Requirements	Disclosure	
1	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year.	Executive Chairman	NIL
		Executive Director & CEO	223.24%
		Non- Executive Director	
		Mr. S. Sridhar	3.33%#
		Mr. Kranti Sinha	2.78%#
		Mr. Nirmal Jain	NIL
		Mr. R. Venkataraman	NIL
		Mr. Kabir Mathur	Nil
		Ms. Mohua Mukherjee	2.78%#
		Mr. Arun Kumar Purwar	Nil
		Mr. Venkataramanan Anantharaman*	Nil
2	The percentage increase in remuneration of each director, CFO, CEO and CS in the financial year.	Executive Chairman	NIL
		Executive Director & CEO	10%
		Non- Executive Director	
		Mr. S. Sridhar	NIL
		Mr. Kranti Sinha	NIL
		Mr. Nirmal Jain	NIL
		Mr. R. Venkataraman	NIL
		Ms. Mohua Mukherjee#	NIL
		Mr. Arun Kumar Purwar	NIL
		Mr. Venkataramanan Anantharaman*	NIL
		Mr. Kabir Mathur**	Nil
		KMPs other than Directors	
		Chief Financial Officer	12%
		Company Secretary	18%
3	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees in the financial year increased by 6%. The calculation of the % increase in median remuneration is done based on comparable employees. Due to this, the employees who were not eligible for any increment have been excluded.	
4	The number of permanent employees on the rolls of the Company.	The Company had 3793 employees on the rolls as on March 31, 2023.	
5	Average percentile increases already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof, and point out if there are any exceptional circumstances for an increase in the managerial remuneration.	Not applicable to the Company as all the employees are under managerial roles.	
6	Key parameters for any variable component of remuneration availed by the Directors.	The broad factors and guidelines considered for a performance bonus are: (a) Annual performance review by the Board. (b) Financial outcomes and profitability of the Company.	

ANNEXURE – II TO DIRECTORS' REPORT (CONTD.)

Sr. No	Requirements	Disclosure
7	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, it is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

- * Mr. Venkataramanan Anantharaman was appointed as Director of the Company w.e.f. February 21, 2023.
- ** Mr. Kabir Mathur was appointed as Director of the Company w.e.f. August 22, 2022.
- # The ratio of the remuneration of Mr. S. Sridhar, Mr. Kranti Sinha and Ms. Mohua Mukherjee to the median remuneration of the employees for the financial year has been calculated on the basis of commission to be paid for the FY 2022-23.
- In above calculation, remuneration, Fixed CTC and performance bonus has been considered for presenting data on comparable basis for Mr. Monu Ratra Executive Director & CEO, Mr. Ajay Jaiswal, Company Secretary and Mr. Amit Gupta, Chief Financial Officer, the remuneration is exclusive of the value of perquisites on ESOPs.

For IIFL Home Finance Limited

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

Monu Ratra
Executive Director & CEO
(DIN: 0740628)
Place: Gurugram

Date: April 24, 2023

ANNEXURE – III TO DIRECTORS' REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

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

To,
The Members

IIFL Home Finance Limited

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

We have conducted the Secretarial Audit in compliance with the applicable statutory provisions and in adherence to good corporate practices by **IIFL Home Finance Limited** (hereinafter referred to as **'the Company'**), having its Registered Office at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B - 23, MIDC, Thane Industrial Area, Wagle Estate Thane, Maharashtra- 400604. The Secretarial Audit was conducted in a manner that provided us a reasonable foundation for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification, of the Company's books, papers, minutes books, forms, and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

I. The Companies Act, 2013 ('the Act') and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of compliances relating to Foreign Direct Investment. However, during the period under review, there were no transactions for Overseas Direct Investment and External Commercial Borrowings.

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

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

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

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

   iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[During the period under review, the Company has introduced Employee Stock Option Plan. However, being a Debt listed Company, the regulations are not applicable since the shares of the Company are not listed on any stock exchange].**

   v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

   vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of the securities issued

   vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable since the shares of the Company are not listed on any stock exchange during the period under review]**

   viii. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; **[Not applicable since the shares of the Company are not listed on any stock exchange during the period under review].**

ANNEXURE – III TO DIRECTORS' REPORT (CONTD.)

VI. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:

   1. The National Housing Bank Act, 1987;

   2. Non-Banking Financial Company–Housing Finance Company (Reserve Bank) Directions, 2021.

   3. Guidelines on 'Know Your Customer' and 'Anti Money Laundering Measures' for HFCs.

   4. The IRDAI (Registration of Corporate Agents) Regulations, 2015.

For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable, Labour Laws & other General Laws.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the Statutory Auditor and other designated professionals.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India. However, the stricter applicability of the Secretarial Standards is to be observed by the Company.

2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015"). However, stricter compliances with respect to the disclosures and timelines is required to be adhered by the Company in true letter and spirit.

3. General Circular Nos.14/2020, 17/2020, 11/2022 dated April 08, 2020, April 13, 2020 and December 28, 2022 respectively issued by the Ministry of Corporate Affairs (MCA Circulars) for conduct of Extra-Ordinary General Meetings through Video Conferencing (VC) or other audio-visual means (OAVM).

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The following changes took place in the composition of the Board of Directors during the period under review which were carried out in compliance with the provisions of the Act:

i. Mr. Kabir Mathur **(DIN:08635072)** has been appointed as Nominee Director of the Company on August 22, 2022.

ii. Mr. Venkataramanan Anantharaman **(DIN:01223191)** has been appointed as an Additional Director (Independent Director) of the Company in the Board Meeting held on February 21, 2023. Further appointment of Mr. Venkataramanan Anantharaman was confirmed by the Shareholders in the Extraordinary General Meeting (**"EGM"**) held on March 31, 2023.

Adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance to all Directors, except where the meetings were held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings of the Board and Committees of the Board duly signed by the Chairman, all the decisions of the Board were adequately passed and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the company has generally complied with the provisions of Regulation 3(5) and 3(6) of SEBI (Prohibition of Insider Trading Regulations), 2015 with respect to maintenance of Structural Digital Database to the extent applicable.

As per the records, the Company has generally filed all the returns, documents and resolutions, forms, as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is generally in compliance with the Act. Further, due care has to observed for filing of forms within stipulated timelines prescribed under the Act.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Circulars, Guidelines, Standards etc. mentioned above. Further, company should be more vigilant for compliance of Schedules prescribed under the SEBI LODR, 2015.

We further report that during the audit period the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above

ANNEXURE – III TO DIRECTORS' REPORT (CONTD.)

referred laws, rules, regulations, guidelines, standards etc. referred to above:-

i. During the period under review, the board has accorded approval to sell the entire equity shares i.e. 12,45,55,797 of ₹ 10 each constituting 25% equity shares held by the company in the IIFL Samasta Finance Limited (Associate Company) aggregating to ₹ 259,07,60,578.

ii. During the period under review, the board has accorded approval to adopt **IIFL HFL ESOP PLAN-2022** (herein after referred as **"ESOP Plan"**) by creation and issuance 5,37,646 (Five Lakh Thirty Seven Thousand Six Hundred Forty Six only) Stock Options, each of which would upon exercise of the same in terms of Plan, be converted into one Equity Share of ₹ 10/- each of the Company. Further, the ESOP Plan was approved by the Shareholders at the Extraordinary General Meeting held on August 04, 2022. Furthermore, the ESOP Plan was later amended by the shareholders in Extraordinary General Meeting held on December 05, 2022 by revising the stock options shares to 5,37,746 (Five Lakh Thirty Seven Thousand Seven Hundred Forty Six only).

iii. The company has altered Articles of Association of the Company by way of passing Special Resolution at the Extra Ordinary General Meeting held on August 22, 2022.

iv. During the period under review, the company has entered into Share Subscription Agreement and in accordance with the agreement the board has accorded approval for the issuance of 53,76,457 Equity share of the company each having a face value of INR 10 at a premium of INR 4081.9140616 per equity share to Platinum Owl C 2018 RSC Limited (acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust, on a private placement cum preferential allotment basis. Further, the members of the Company also approved the issue of equity shares of the company at the EGM held on August 16, 2022. Furthermore, the board in its meeting held on August 22, 2022 accorded approval for the allotment of 53,76,457 equity shares of the company. Apparently, due to above issuance, the company cease to exist as Wholly owned subsidiary of IIFL Finance Limited and continues to be subsidiary Company only.

v. During the period under review, the board has accorded approval for increase in borrowing powers of the Company from ₹ 19,000 Crores (Rupees Nineteen Thousand Crores only) to ₹ 35,000 crores (Rupees Thirty Five Thousand Crores only). Further, the said limit was approved by the shareholders at the Extraordinary General Meeting held on March 31, 2023.

vi. The Board of Directors of the Company has provided their consent to offer, Secured/Unsecured/ Listed/ Unlisted/ Rated/ Unrated/ Non - Convertible/ Market Linked/ Subordinated Debt/ Perpetual Debentures/ Fixed Maturity Debentures, aggregating to ₹ 4,000 Crore on private placement basis during the financial year 2023-24, (i.e. April 1, 2023 to March 31, 2024) in one or more tranches.

vii. The Company has allotted 28,000 (Twenty Eight Thousand) Secured Redeemable Non-Convertible Debentures (SNCDs) of ₹ 1,00,000/- each (Rupees one lakh each) for cash at par aggregating to ₹ 280,00,00,000/- (Rupees Two Hundred and Eighty Crore only) on Private Placement Basis on March 31, 2023.

viii. The Company has declared interim dividend @ ₹ 40 per share on January 24, 2023 in compliance with the applicable provisions stated in the Act.

For RMG & Associates
Company Secretaries
Peer Review No. 734/2020
Firm Registration No. P2001DE016100

Place: New Delhi	**CS Manish Gupta**
Date: 24.04.2023	Partner
UDIN: F005123E000174369	FCS: 5123; C.P. No.: 4095

Note: This report is to be read with 'Annexure' attached herewith and forms an integral part of this report.

ANNEXURE – III TO DIRECTORS' REPORT (CONTD.)

Annexure - I

The Members

IIFL Home Finance Limited

Our Secretarial Audit Report of even date, for the financial year ended March 31, 2023 is to be read along with this letter:

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.
2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have conducted online verification & examination of records, as facilitated by the Company, for the purpose of issuing this Report.

For RMG & Associates
Company Secretaries
Peer Review No. 734/2020
Firm Registration No. P2001DE016100

Place: New Delhi	**CS Manish Gupta**
Date: 24.04.2023	Partner
UDIN: F005123E000174369	FCS: 5123; C.P. No.: 4095

ANNEXURE – IV TO DIRECTORS' REPORT

Related Party Transaction Policy

IIFL HOME FINANCE LIMITED

I. Objective

To ensure that all transactions with the related parties are properly identified, reviewed and approved pursuant to the applicable law. This policy applies to any transaction where the Company is a participant, and the Related Party has or will have a direct or indirect material interest in the transaction. This Policy may be amended at any time and is subjected to further guidance from the Audit Committee/ Board of Directors.

II. Guiding Act/Regulations/Rules

a) The Companies Act, 2013 and rules made there under

b) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015("Listing Regulation") as amended from time to time

c) Ind AS - 24

III. Definitions

(i) Audit Committee or **Committee** means Committee of the Board of Directors of the Company constituted under the provisions of the Companies Act, 2013.

(ii) Board means the Board of Directors of the Company.

(iii) Control shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

(iv) Key Managerial Personnel means key managerial personnel as defined under the Companies Act, 2013

(v) Material Related Party Transaction mean transactions as defined under Regulation 23(1) and 23(1A) of Listing Regulations

(vi) Material Modification will mean and include any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee/ Board/Shareholders, as the case may be.

(vii) Policy means the Policy on Related Party Transactions

(viii) Related Party shall have the same meaning as defined under Regulation 2(1)(zb)of Listing Regulation and sub-section (76) of Section 2 of the Companies Act, 2013 and applicable Accounting Standard.

(ix) Relative has the same meaning as described in the Companies Act, 2013, which is defined as follows:

Pursuant to Section 2(76) of the Companies Act, 2013 a "related party", with reference to a Company, means-

(i) A director or his relative;

(ii) A key managerial personnel or his relative;

(iii) A firm, in which a director, manager or his relative is a partner;

(iv) A private Company in which a director or manager is a member or director;

(v) A public Company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;

(vi) Any Body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

(vii) Any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(viii) Any Company which is-

(A) A holding, subsidiary or an associate Company of such Company; or

(B) A subsidiary of a holding Company to which it is also a subsidiary;

(ix) Such other person as may be prescribed;

As per Rule 3 of the Companies (Specification of definitions details) Rules, 2014,

Related Party - For the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a director other than an independent director or key managerial personnel of the holding Company or his relative with reference to a Company, shall be deemed to be a related party.

IV. Related Party Transactions (RPT):

Following shall mean related party transactions:

(a) **Related Party Transactions** or **RPTs** means transactions as given under Section 188 of the Companies Act, 2013 including Rules thereof and as defined in Regulation 2(1)(zc) of the Listing Regulations.

(b) As per Section 177 of the Companies Act, 2013 and Rules framed thereunder the approval of Audit Committee is required for any transactions of the Company with related parties including any subsequent material modification thereof. Further, the Audit Committee may make omnibus approval for related party transactions proposed to be entered into, by the Company subject to such conditions, as may be required under the Companies Act, 2013 and Rules framed thereunder, Listing Regulation, RBI Directives and other applicable law.

Note: Any definition not mentioned above shall have the same meaning as defined under the Companies Act, 2013, Listing Regulations and applicable Accounting Standard.

V. COMPLIANCES/APPROVALS/PROCESSES WITH RESPECT TO RELATED PARTY TRANSACTIONS

In compliance and as provided in Section 188 of the Companies Act, 2013 and the Listing Regulation the following process is put in place, the following process is put in place:

A. Approval of the Audit Committee

1. All proposed related party transactions / arrangements or any modifications thereof, with the details of related party, nature of transaction, reason for undertaking the transaction, confirmation on arms length & in the ordinary course of business, duration of the transaction will be placed before the Audit Committee for prior approval.

   a. All proposed related party transactions / arrangements or any and subsequent material modifications thereof, with the details of related party, nature of transaction, reason for undertaking the transaction, confirmation on arm's length & in the ordinary course of business, duration of the transaction will be placed before the Audit Committee for prior approval.

   However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

   i. The Audit Committee lays down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.

   ii. while granting omnibus approval, the Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

   iii. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

   Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 Crore per transaction.

   iv. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.

   v. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

   vi. Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity;

   vii. With effect from April 1, 2023, Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall

ANNEXURE – IV TO DIRECTORS' REPORT (CONTD.)

require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the standalone turnover, as per the last audited financial statements of the subsidiary Company;

viii. However, prior approval of the audit committee of the Company shall not be required for a Related Party Transaction to the subsidiary of the Company is itself listed entity, to which the provisions of Regulation 23, 15(2) and other specified provisions of Listing Regulations are applicable.

However Related Party Transaction of unlisted subsidiary of a listed subsidiary, prior approval of the Audit Committee of the listed subsidiary shall suffice.

ix. All subsequent Material Modification(s) to Related Party Transaction(s) to which the subsidiary of the Company is a party but the Company is not a party, unless such transaction is 'exempt' under Listing Regulations, shall be placed before the Audit Committee of the Company for prior approval.

B. Approval of the Board

Related Party Transactions as defined under Section 188 of Companies Act, 2013 which are not in ordinary course of business and/or not on arms length basis or any subsequent modification thereto, will be placed before the Board for its approval.

C. Approval of Shareholders

i. All Material Related Party Transactions and any subsequent material modification as defined above shall require prior approval of the shareholders through ordinary resolution. However, prior approval of shareholders of the Company shall not be required for such cases as may be prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended or as notified by any regulatory authority.

ii. Further, all Material Related Party Transaction(s) and subsequent Material Modification(s), to which the subsidiary of the Company is a party but the Company is not a party, unless such transaction is exempt under Listing Regulations, shall require prior approval of the shareholders of the Company.

Provided that if such subsidiary of the Company is itself a Listed Entity to which the provisions of Regulation 23, 15(2) and other specified provisions of Listing Regulations are applicable, then such Material Related Party Transaction(s) and subsequent Material Modification(s) need not be placed before the shareholders of the Company prior approval of shareholders of such Listed Subsidiary shall suffice.

D. Materiality Threshold:

Regulation 23 of the SEBI Listing Regulations requires a Company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required, and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not. The Company has fixed its materiality threshold at 10% and for the brand usage or royalty at 5% of the annual consolidated turnover of the Company as per last audited financial statements of the Company for the purpose of Regulation 23(4) of the SEBI Listing Regulations.

With effect from April 1, 2022, other than for brand usage or royalty, a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

E. Review of RPTs by Audit Committee

Review of transactions with related parties pursuant to Indian Accounting Standard – 24, on quarterly basis.

ANNEXURE – IV TO DIRECTORS' REPORT (CONTD.)

F. Disclosure

i. Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

ii. The Company shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.

The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the SEBI from time to time, and publish the same.

VI. CRITERIA/DOCUMENTS/PROCESS FOR ALL TRANSACTIONS WITH RELATED PARTIES

a) For all the transactions, due documentation by way of contract/agreement/ bills/invoices/ should be in place.

b) All the related party transactions shall be subject to the applicability, limits, enablement and other conditions as prescribed under the applicable Acts, Rules, Regulations and circulars and guidelines of Regulatory authorities including RBI, NHB, SEBI, MCA, Income Tax, and more

c) In case of infrastructure and common sharing arrangement, the terms of arrangement including the nature and quality of services, consideration and other terms and conditions shall be as comparable with the terms if availed from the market/third parties.

d) In case of purchase/ sale of fixed assets or other assets, the same shall be at market prices or per the valuer certificate.

e) Related Party Transaction shall be approved after assessing all material terms and conditions of the transaction and ensure that the terms are comparable with the market rates/practices at the particular point of time and on arm's length.-basis. The following information will be taken into account when assessing a Related Party Transaction:

a. The terms of such transaction;

b. The related person's interest in the transaction;

c. The purpose and timing of the transaction;

d. The nature of the Company's participation in the transaction;

e. If the transaction involves the sale of an asset, a description of the asset, including date acquired and costs-basis

f. Information concerning potential counterparties in the transaction;

g. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction

h. Any other relevant information regarding the transaction.

f) Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a special resolution in the general meeting, should be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into. If the said ratification is not done such contract or arrangement shall be voidable at the option of the Board;

Any other regulatory changes in this regard will stand updated in the policy from time-to-time.

For and on behalf of the Board of Directors

Monu Ratra	**R. Venkataraman**
Executive Director & CEO	Director
DIN: 07406284	DIN: 00011919
Place: Gurugram	Place: Mumbai
Date: April 24, 2023	

ANNEXURE – V TO DIRECTORS' REPORT

Report on Corporate Governance

This Corporate Governance Report relating to the year ended on March 31, 2023 was prepared in compliance with the applicable provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof and RBI Circular No. RBI/2022-23/26 DOR.ACC. REC.No.20/21.04.018/2022-23, dated April 19, 2022, and forms a part of the Director's Report to the Members of IIFL Home Finance Limited (the Company).

Company's Philosophy

The Company consistently focusses on following the highest standards of governance. The Company envisions becoming the most respected in the financial services space. It firmly believes that the highest degree of corporate governance is the key to achieve it and emphasises implementing robust, resilient, and best corporate practices in every facet of its operations and activities. The Company sees corporate governance standards beyond the compliance of regulatory norms. Transparency, fairness, integrity, effective internal control at each level of operations in each business transaction, and adequate and prompt disclosure to respective stakeholders are the key ingredients of corporate governance.

The ultimate responsibility to oversee corporate governance lies with the Board of Directors, and the changing environment of stakeholder stewardship has a greater influence on the quality of the board and its composition and skills. The Company has an adequate mix of Board members. The majority of them are Independent Directors with backgrounds in financial services. The entire Board has demonstrated skill sets and relevant experience that bring rich experience in financial services to the Company. The Board constituted various committees of Directors and/or officers that are mandated under the Companies Act, applicable regulations of the Securities and Exchange Board of India, and the National Housing Bank/Reserve Bank of India through its various Policy Circulars/Directions and those were warranted for smooth operations of the Company. The Board of Directors, along with its Committees provides leadership and guidance to the Company's management and directs, supervises, and controls its activities. The responsibility of the Board as a whole, and the Terms of Reference Committees are provided in this Report.

1) Board of Directors

Composition of the Board of Directors

The Company has an adequate mix of Board with a majority of Independent Directors (including one woman as an Independent Director) in line with the provisions of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The Board provides leadership, strategic guidance and discharges its fiduciary duties by safeguarding the interests of the Company and its stakeholders.

As on March 31, 2023, the Board of the Company consisted of nine directors. The Chairman of the Board is a Non-Executive Independent Director and majority of the Board comprises Non-Executive and Independent Directors. None of the Directors of the Company are related to each other. The composition of the Board is as follows:

Category	Name of Director
Independent Director	Mr. Srinivasan Sridhar
	Mr. Kranti Sinha
	Mr. Arun Kumar Purwar
	Ms. Mohua Mukherjee
	Mr. Mr. Venkataramanan Anantharaman **
Non-Executive other than Independent Director	Mr. Nirmal Jain
	Mr. Rajamani Venkataraman
Nominee Director	Mr. Kabir Mathur*
Executive Director & CEO	Mr. Monu Ratra

* Mr. Kabir Mathur was appointed as Nominee Director on behalf of Platinum Owl C 2018 RSC Limited (wholly owned subsidiary of Abu Dhabi Investment Authority) on August 22, 2022.

** Mr. Venkataramanan Anantharaman was appointed as Additional Director (Independent) of the Company with effect from February 21, 2023, and shareholders of the Company at their Extraordinary General Meeting confirmed his appointment as Independent Director on March 31, 2023.

ANNEXURE – V TO DIRECTORS' REPORT (CONTD.)

2) Matrix Chart of Core Skills / Expertise / Competencies of the Board Members

The Board comprises talented and dedicated directors with a diverse mix of expertise, experience, skills, and backgrounds. For the purpose of Board composition, diversity includes, but is not limited to, educational and functional background, industry experience, geography, age, insider status, gender, and ethnicity.

The skills and backgrounds collectively represented on the Board reflect the diverse nature of the business environment in which the Company operates.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a matrix chart setting out the core skills, expertise, and competence of the Board is mentioned below:

Sr. No.	Skills/expertise/ competence	Mr. S. Sridhar	Mr. Kranti Sinha	Mr. Arun Kumar Purwar	Ms. Mohua Mukherjee	Mr. Nirmal Jain	Mr. R Venkataraman	Mr. Monu Ratra	Mr. Kabir Mathur	Mr. Venkataramanan Anantharaman
1	Knowledge of Sector	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Accounting and Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Corporate Governance & Compliances	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Marketing Experience	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Strategy Development and Implementation	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Information Technology	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Stakeholders Relationship	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Risk Management System	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	CEO / Senior Management Experience / Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓

Brief profile of Directors is as follows.

Mr. Srinivasan Sridhar is an eminent personality in the Banking and Finance industry and has held several senior positions in retail, corporate, and export/import banking in his career of over 46 years, culminating as the Chairman of NHB and the Central Bank of India. In his stint as Chairman and Managing Director of the NHB, he was responsible for a number of new initiatives, such as the NHB Residex, Rural Housing Fund, and Reverse Mortgage for senior citizens. Prior to this, he was associated with the Export Import Bank of India as Executive Director as well as the State Bank of India in the early part of his career.

List of Directorship in other listed Company	Name of Company	Category of Directorship
	Go Fashion (India) Limited	Independent Director and Chairman
	Strides Pharma Science Limited	Independent Director
	Jubilant Pharmova Limited	Independent Director
	Shriram Finance Limited	Independent Director

Mr. Kranti Sinha is an Independent Director of our Company. He is a renowned person in the insurance and housing finance industry. He served as the Director and Chief Executive of LIC Housing Finance Limited and concurrently as the Managing Director of the LICHFL Care Homes Limited. He was also the Deputy President of the Governing Council of Insurance Institute of India and was a member of the Governing Council of the National Insurance Academy.

List of Directorship in other Listed Company	Name of Company	Category of Directorship
-	-	-

Mr. Arun Kumar Purwar works as Chairman of Eroute Technologies Private Limited, a fintech company. He also works as an Independent Director in Companies across diverse sectors like power, telecom, steel, engineering consultancy, pharma and financial services. He also acts as an advisor to Mizuho Securities, Japan. He was Chairman of the State Bank of India "SBI"

ANNEXURE – V TO DIRECTORS' REPORT (CONTD.)

from 2002 to 2006 and Chairman of the Indian Bank Association from 2005 to 2006. He has previously held positions such as Managing Director of State Bank of Patiala and was associated with the setting up of SBI Life. After his retirement from SBI, he was associated with a leading industry house in setting up the first healthcare-focussed private equity fund as well as a non-banking finance company focussed on funding real estate projects as well as educational institutions.

List of Directorship in other listed Company	Name of Company	Category of Directorship
	IIFL Finance Limited	Independent Director and Chairman
	Balaji Telefilms Limited	Independent Director
	Alkem Laboratories Limited	Independent Director

Mohua Mukherjee is an Independent Director on our Board of Directors. She is a professional with over three decades of experience in development economics and has worked with the World Bank in Washington DC, and has led policy dialogue and formulated investment projects in relation to the UN's Millennium Development Goals and later the Sustainable Development Goals. She has led the India Solar Energy Team of the World Bank and designed the USD 640 million blended finance Solar Rooftops project with the State Bank of India. She has also worked for Citibank and ABN Amro in Kenya. She is currently a World Bank consultant, and an Advisor to the India Smart Grid Forum. She has a Bachelor's and Master's Degree in Economics, with distinction, and a Master of Business Administration degree in International Finance, all from Boston University. She also has a certificate in Public-Private Partnerships from the Harvard Kennedy School.

List of Directorship in other listed Company	Name of Company	Category of Directorship
-	-	-

Mr. Nirmal Jain is the founder and Managing Director of IIFL Finance Limited. He holds a Bachelor's Degree in Commerce from the University of Mumbai. He is a fellow member of the Institute of Chartered Accountants of India (held the 2nd rank) and also a Cost Accountant. He holds a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He started his career in 1989 with Hindustan Lever Limited, the Indian arm of Unilever, where he handled a variety of responsibilities, including export and trading in agro-commodities. In 1995, he founded India Infoline Limited (earlier known as Probity Research and Services Private Limited). He is currently the Managing Director of IIFL Finance Limited.

List of Directorship in other listed Company	Name of Company	Category of Directorship
	IIFL Finance Limited	Executive Director and Managing Director
	360 ONE WAM Limited (Erstwhile IIFL Wealth Management Limited)	Non Executive Director

Mr. Rajamani Venkataraman is the Co-Promoter and Joint Managing Director of IIFL Finance Limited. He holds a B.Tech degree from the Indian Institute of Technology, Kharagpur, and is an MBA from the Indian Institute of Management, , Bangalore. He joined the IIFL Group in July 1999 and has been on the Board of Directors of the Company since its inception. He was instrumental in establishing various lines of business over the past 20 years. He previously held senior managerial positions at ICICI Limited, including ICICI Securities, its investment banking joint venture with JP Morgan, and Barclays BZW. He worked as an Assistant Vice President with GE Capital Services India in its private equity division. He has a varied experience of more than 26 years in the Financial Services sector.

List of Directorship in other listed Company	Name of Company	Category of Directorship
	IIFL Finance Limited	Executive Director and Joint Managing Director
	360 ONE WAM Limited (Erstwhile IIFL Wealth Management Limited)]	Non-Executive Director
	IIFL Securities Limited	Chairman and Managing Director

Mr. Kabir Mathur is Head of Asia-Pacific within the Private Equities Department of the Abu Dhabi Investment Authority (ADIA). He has previously worked at TPG Capital, also in their Asian private equity business. Mr. Mathur began his career in the Investment Banking division of Citigroup/Salomon Smith Barney. Mr. Mathur graduated from the London School of Economics and Political Science with a BSc (Hons.) in Economics.

List of Directorship in other listed Company	Name of Company	Category of Directorship
	MPHASIS Limited	Non-Executive Director

Mr. Venkataramanan Anantharaman has over 30 years of experience in the financial services sector, having led corporate and investment banking teams at leading international institutions, including Standard Chartered Bank, Credit Suisse, Deutsche Bank, and Bank of America. He has worked in India and Singapore with global and regional business leadership and governance

ANNEXURE – V TO DIRECTORS' REPORT (CONTD.)

responsibilities and has managed diverse teams. His past leadership positions include Global Head of the Global Industries Group at Standard Chartered Bank, Head of Investment Banking India at Credit Suisse, and Head of Investment Banking India at Deutsche Bank/Bankers Trust. He brings strong board-level advisory experience in sectors including technology, consumer & retail, and financial services across M&A, equity and debt capital markets, and risk management.

List of Directorship in other listed Company	Name of Company	Category of Directorship
	The Indian Hotels Company Limited	Independent Director

Mr. Monu Ratra is a Graduate of Architecture and an MBA with over 22 years of work experience in the Financial services industry. Mr. Ratra was instrumental in the substantial growth of IIFL Home Finance Limited's loan book during the past three years. Under his leadership, IIFL Home Finance Limited has aspired to become a key player in the affordable Housing segment and to serve the needs of Housing Finance, especially those who are underserved or untouched. Prior to joining IIFL Group, he was associated with Indiabulls Housing Finance Limited as the National Business Manager, where he was responsible for setting up and building the Retail home loan business along with their Home Equity business. Mr. Ratra has also served HDFC Limited and ICICI Bank.

List of Directorship in other listed Company	Name of Company	Category of Directorship
	-	-

3) Board Meetings and Directorship / Committee Membership(s) of Directors

During the year under review, nine (09) Board Meetings were held on the following dates: April 4, 2022; April 25, 2022; June 9, 2022; July 25, 2022; August 13, 2022; August 22, 2022; September 28, 2022; October 21, 2022; January 24, 2023. As mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof, none of the Directors on the Board of the Company is a member of more than ten (10) specified Committees and none is a Chairman of more than five (5) specified Committees in which they are Directors across all the Indian Public Limited Companies except Companies incorporated under Section 8 of the Companies Act, 2013. None of the Independent Directors serves as an Independent Director in more than seven (7) listed entities (Equity Listed). None of the Directors holds directorship in more than seven (7) listed entities (Equity Listed). None of the Whole Time Director/ Managing Director serves as an Independent Director in more than three (3) listed entities. Further none of our Independent Directors serve as Non-Independent Director of any Company, on the Board of which any Non-Independent Director is an Independent Director.

The Company has received the necessary disclosures from all the Directors regarding Committee positions held by them in other companies. The table below gives the details of the names of the members of the Board, their category, their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting (AGM), their Directorships, Committee Memberships, and Chairmanships in Indian Companies as on March 31, 2023:

Name of the Director (DIN)	Date of original appointment	Category	Number of Board meetings	Attendance at last AGM	Directorships in Listed Companies (including IIFL Home Finance Limited)	Membership of Committees (including IIFL Home Finance Limited)	
						Member	Chairman
Mr. Srinivasan Sridhar (DIN: 00004272)	October 01, 2013	Chairman and Independent Director	9	Yes	4	7	5
Mr. Kranti Sinha (DIN: 00001643)	October 01, 2013	Independent Director	9	Yes	-	2	1
Mr. Arun Kumar Purwar (DIN: 00026383)	August 22, 2019	Independent Director	9	No	3	3	2
Ms. Mohua Mukherjee (DIN: 08714909)	August 26, 2021	Independent Director	9	No	-	-	-
Mr. Nirmal Jain (DIN:00010535)	December 26, 2006	Non-Executive Director	8	No	2	-	-

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Name of the Director (DIN)	Date of original appointment	Category	Number of Board meetings	Attendance at last AGM	Directorships in Listed Companies (including IIFL Home Finance Limited)	Membership of Committees (including IIFL Home Finance Limited)	
						Member	Chairman
Mr. Rajamani Venkataraman (DIN: 00011919)	December 26, 2006	Non-Executive Director	6	Yes	3	3	1
Mr. Monu Ratra (DIN: 00026383)	January28, 2016	Executive Director & CEO	9	Yes	-	1	-
Mr. Kabir Mathur (DIN: 08635072)	August 22, 2022	Nominee Director	3	NA	1	1	-
Mr. Venkataramanan Anantharaman (DIN: 01223191)	February 21, 2023	Independent Director	-	NA	1	5	3

1. The Committees considered for the above purpose are those prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, viz., the Audit Committee and Stakeholders Relationship Committee.
2. The membership count also includes the count in which the Director is Chairman.

4) Board Level Performance Evaluation

The Nomination and Remuneration Committee has laid down the criteria for the performance evaluation of Executive Directors, Non-Executive Directors, including Independent Directors ("IDs") and the Board as a whole.

The criteria for performance evaluation are as follows:

For Chairperson

The criteria for evaluation of the Chairman, inter alia, includes his/her ability to conduct meetings, ability to elicit inputs from all members, ability to present and openly discuss challenging matters, attendance at meetings, assistance to the Board in formulating policies and setting standards, accessibility, ability to analyse strategic situations, ability to project a positive image of the Company, compliance with regulatory requirements, impartial in conducting discussions, being sufficiently committed to the Board, and ability to keep shareholders' interests in mind during discussions and decisions.

For Executive Directors

The criteria for evaluation of Executive Directors, inter alia, includes their ability to elicit inputs from all members, their ability to present and openly discuss challenging matters, attendance and participation at meetings, integrating quality and re-engineering, capitalise on opportunities created by economic and technological changes, assistance to the Board in formulating policies and setting standards and following them, accessibility, ability to analyse strategic situations, ability to project a positive image of the Company, compliance with regulatory requirements, and handling critical situations concerning the group.

For Non-Executive Directors (including Independent Directors)

The criteria for evaluation of Non-Executive Directors, inter alia, includes attendance at the meetings, study of the agenda and active participation, contribution to discussions on strategy, participation constructively and actively in Committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his/her experience, and adherence to the code of conduct.

For Board as a Whole

The criteria for evaluation of the Board, inter alia, includes composition and diversity, an induction programme, teamwork, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members, a proper mix of competencies to conduct affairs and possessing enough experience to efficiently manage matters.

5) Separate Meetings of the Independent Directors

In compliance with the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company was held on March 22, 2023, inter alia, to review the following:

ANNEXURE – V TO DIRECTORS' REPORT (CONTD.)

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairperson of the Company; taking into account the views of executive directors and non-executive directors;
- Assessed the quality, quantity, and timeliness of the flow of information between the Company's Management and the Board, which is necessary for the Board to effectively and reasonably perform their duties;

The Independent Directors expressed their satisfaction with the overall functioning and implementation of their suggestions.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the cohesiveness that exists amongst the Board Members, the two-way candid communication between the Board and the Management, and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities.

Familiarisation Programme for Independent Directors

In accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid out a Familiarisation Programme for Independent Directors to familiarise them with the workings of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates its business model, among others. Further, the Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings on business, operations, and performance updates of the Company. Quarterly updates on relevant statutory and regulatory changes applicable to the Company are discussed at the Board meetings. The details of such familiarisation programmes of the Company may be accessed on the website of the Company, i.e. https://www.iiflhomeloans.com/corporate-governance.

Meetings of the Board of Directors

➢ Frequency: The Board meets at least once a quarter to review the quarterly results and other items on the Agenda. There are a minimum of four meetings of Board in a calendar year, with a maximum gap of 120 days between two consecutive meetings. Whenever necessary, additional meetings are held. In cases of business exigencies or matters of urgency, resolutions are passed by circulation, as permitted by law, and are noted in the subsequent Board Meeting.

➢ Board Meeting Location: The location of the Board/Committee Meetings is informed well in advance to all the Directors. Each Director is expected to attend the Board/Committee Meetings. A video conference facility is made available to facilitate Directors travelling/residing abroad or at other locations to participate in the Board/Committee Meetings. The Ministry of Corporate Affairs (MCA) has granted relaxation with regard to the requirement of the physical presence of the Directors at the Board meeting, and therefore all the Board meetings were held through video conferencing or other audio-visual means.

➢ Notice and Agenda Distributed in Advance: The Company's Board/Committee members are presented with detailed notes along with the agenda papers, which are circulated well in advance of the Meeting. The Company has implemented an App-based e-Meeting system accessible through secured iPads provided to the Directors and key officials. The agenda, presentation, notes, and minutes are made available to the Board and Committee Members.

➢ The Company Secretary in consultation with the Chairperson of the Board/Committees sets the Agenda for the Board/Committee Meetings. All material information is incorporated in the Agenda to facilitate meaningful and focussed discussions at the Meeting. Wherever it is not practical to attach any document to the Agenda, the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary items on the Agenda are permitted. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.

➢ Other Matters: The senior management team of the Company is advised to schedule its work plans in advance, particularly with regard to matters requiring discussions/decisions with the Board/Committee Members.

➢ Presentations by the Management: The Board/ Committee is given presentations, wherever practicable, covering finance, sales, marketing, major business segments and operations of the Company, global business environment, including business opportunities, business strategy, risk management practices and operating performance before taking on record the financial results of the Company.

➢ Access to Employees: The Directors are provided free access to officers and employees of the Company. Whenever any need arises, the Board/ Committee Members are at liberty to summon personnel whose presence and expertise would help the Board have a full understanding of the issues being considered.

Information Supplied to the Board/Committees

Among others, information supplied to the Board/ Committees includes:

Business plan and updates thereof, quarterly, half-yearly, and annual results of the Company as per the format prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Minutes of the Meetings of the Board and all other Committees of the Board
- Information on the recruitment and remuneration of senior officers just below the Board level, including the appointment or removal, if any, of the Chief Financial Officer and Company Secretary
- Show cause, demand, prosecution notices, and penalty notices, which are materially important
- Fatal or serious accidents, dangerous occurrences, or any material effluent or pollution problems
- Any material default in financial obligations to and by the Company, if any
- Any issue that involves possible public or product liability claims of substantial nature, including any judgement or order that may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payments towards royalty, goodwill, brand equity, or intellectual property, if any
- Any significant development on human resources/industrial relations front, as and when it occurs
- Sale of material nature of investments and assets that are not in the normal course of business Quarterly details of foreign exchange exposures and the steps taken by the Management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory nature, or listing requirements and shareholders' service, such as non-payment of dividend, delay in share transfer, if any, and other steps taken by the Company to rectify instances of non-compliance, if any

Minutes of the Meetings

The draft Minutes of the proceedings of the Meetings are circulated among the Members of the Board/ Committees. Comments and suggestions, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman. The Minutes are confirmed by the Members and signed by the Chairman of such a meeting at any time before the next meeting is held or by the Chairman of the next Board / Committee Meetings. All Minutes of the Committee Meetings are placed before the Board Meeting for perusal and noting.

Post-Meeting Follow-up Mechanism

The Company has an effective post-meeting follow-up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board/Committee(s) Meetings that call for actions to be taken are promptly initiated and wherever required, communicated to the concerned departments/divisions. The action taken report is placed at the immediately succeeding Meeting of the Board/Committee(s) for information and review by the Board/Committee(s).

Confirmation of Independence

The Board is of the opinion that the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the Management.

Board Committees

In terms of the Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Master Directions, the Board of Directors has constituted various Committees. The composition of the various Committees, along with their Terms of Reference is as follows:

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Audit Committee

The composition of the Audit Committee as on March 31, 2023, and the number of meetings held and attended by the members of the Committee during the financial year 2022-23 are summarised below:

Name	Designation	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Srinivasan Sridhar	Chairman	Independent Director	5	5
Mr. Kranti Sinha	Member	Independent Director	5	5
Mr. Rajamani Venkataraman *	Member	Non-Executive Director	3	1
Mr. Kabir Mathur**	Member	Independent Director	2	1

* Mr. Rajamani Venkataraman ceased to be a member of the Audit Committee with effect from September 20, 2022.

** Mr. Kabir Mathur, Nominee Director, inducted into the Audit Committee with effect from September 20, 2022.

Audit Committee meetings are attended by the Executive Director & Chief Executive Officer and the Chief Financial Officer of the Company and representatives of the Statutory Auditors and the Internal Auditors, if required. The Company Secretary acts as the Secretary of the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on July 20, 2022.

During the year, there were no instances where the Board did not accept the recommendations of the Audit Committee.

The role and terms of reference of the Audit Committee, inter alia, includes the following:

i. Recommendation for appointment, remuneration, and terms of appointment of auditors of the Company

ii. Review and monitor the auditor's independence, performance, and effectiveness of the audit process

iii. Examination of the Financial statement and the Auditors' report thereon

iv. Approval or any subsequent modification of transactions of the Company with related parties

v. Scrutiny of inter-corporate loans and investments

vi. Valuation of undertakings or assets of the Company, wherever it is necessary

vii. Evaluation of internal financial controls and risk management systems

viii. Monitoring the end use of funds raised through public offers and related matters

ix. Appointment of an internal auditor

x. The Audit Committee has such powers and performs such functions as may be required under the Companies Act, 2013 and such other applicable Regulations as may be notified by the Securities and Exchange Board of India, the National Housing Bank/Reserve Bank of India, and other regulators from time to time

During the year under review, the Audit Committee met five times, i.e., on April 25, 2022, June 27, 2022, July 25, 2022, October 21, 2022, and January 24, 2023.

Nomination and Remuneration Committee

In terms of the provisions of Section 178 and other applicable provisions of the Companies Act, 2013, read with rules made thereunder, the Board constituted a Nomination and Remuneration Committee of the Directors.

The terms of reference of the Nomination and Remuneration Committee, inter alia, include the following:

i. Identify persons who are qualified to become Directors and who may be appointed in Senior Management and recommend to the Board their appointment and removal

ii. Carry out an evaluation of every Director's performance

iii. Formulate the criteria for determining the qualifications, positive attributes, and independence of a Director

iv. Recommend a policy to the Board, relating to the remuneration of the Directors, Key Managerial Personnel, and other employees. To devise policy on:

a. Remuneration, including any compensation related payments of the Directors, Key Managerial Personnel and other employees, and recommend the same to the Board of the Company

ANNEXURE – V TO DIRECTORS' REPORT (CONTD.)

b. Board diversity is laying out an optimum mix of Executive, Independent and Non-Independent Directors keeping in mind the needs of the Company

v. The Nomination and Remuneration Committee has such powers and performs such functions as may be required under the Companies Act, 2013 and such other applicable Regulations as may be notified by the Securities and Exchange Board of India, the National Housing Bank/ Reserve Bank of India, and other regulators from time to time.

During the year under review, the Nomination and Remuneration Committee met three times: on April 25, 2022, May 16, 2022, and August 22, 2022.

The composition of the Nomination and Remuneration Committee as on March 31, 2023, and the number of meetings held and attended by the members of the Committee during FY2022-23 are summarised below:

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Srinivasan Sridhar	Chairman	Independent Director	3	3
Mr. Kranti Sinha	Member	Independent Director	3	3
Mr. Rajamani Venkataraman *	Member	Non-Executive Director	3	2
Mr. Kabir Mathur**	Member	Nominee Director	-	-

* Mr. Rajamani Venkataraman ceased to be a member of the Nomination and Remuneration Committee with effect from September 20, 2022.

** Mr. Kabir Mathur, Nominee Director, inducted into the Nomination and Remuneration Committee with effect from September 20, 2022.

Stakeholders Relationship Committee

Since the Company had issued Non-Convertible Debentures to the public, the number of debenture holders were beyond a thousand. Therefore, the Board of Directors, at its meeting held on July 24, 2021, constituted a Stakeholders Relationship Committee of the Board. In terms of the provisions of section 178 and other applicable provisions of the Companies Act, 2013, read with rules made thereunder.

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following:

i. Review of investors' complaints and their redressal

ii. Review and approval of the queries/requests received from the investors/shareholders

iii. As may be prescribed by the Board from time to time or prescribed under any statutory or regulatory provisions

During the year under review, the Stakeholders Relationship Committee met once on March 31, 2023.

The composition of the Stakeholders Relationship Committee as on March 31, 2023 and the number of meetings held and attended by the members of the Committee during FY 2022-23 are summarised below:

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Kranti Sinha	Chairman	Independent Director	1	1
Mr. Rajamani Venkataraman	Member	Non-Executive Director	1	1
Mr. Monu Ratra	Member	Executive Director & CEO	1	-

The Chairman of the Stakeholders Relationship Committee attended the last Annual General Meeting of the Company held on July 20, 2022.

The Company Secretary of the Company acts as Secretary of the Committee.

During the year 2022-23, the Company received sixty three complaints from Non-Convertible Debenture holders (investors), including complaints received through SEBI's SCORES portal. The complaints were redressed to the satisfaction of the investors/debentureholders.

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The details of the complaints are given below:

Sr. No.	Particulars	No. of Complaints
1	Investor complaints pending at the beginning of the year	-
2	Investor complaints received during the year	63
3	Investor complaints disposed off during the year	63
4	Investor complaints remaining unresolved at the end of the year	-

Corporate Social Responsibility (CSR) Committee

In terms of the provisions of Section 135 and other applicable provisions of the Companies Act, 2013, read with rules made thereunder, the Board has constituted a CSR Committee.

The terms of reference of the CSR Committee is governed by the provisions of Section 135 of the Companies Act, 2013, read with the applicable rules and such modifications or amendments as made thereto from time to time.

The terms of reference of the CSR Committee, inter alia, include the following:

a. Consider any matters relating to the social, charitable, community, and educational activities, expenditures, and related publications of the Company and its subsidiary companies that it determines to be desirable. In addition, the CSR Committee shall examine any other matters referred to it by the Board

b. Maintain the Company's CSR policy framework (e.g., environment, human rights, and responsible business conduct) in line with best practice and the appropriate international standards and guidelines

c. Receive reports and review activities from executive and specialist groups managing CSR matters across the Company's operations

d. consider and propose an annual budget for CSR activities to the Board

During the year under review, the CSR Committee met thrice on July 22, 2022, March 10, 2023, and March 24, 2023.

The composition of the CSR Committee as on March 31, 2023 and number of the meetings held and attended by the members of the Committee during FY 2022-2023 are summarised below:

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Rajamani Venkataraman	Chairman	Non-Executive Director	3	3
Mr. Kranti Sinha	Member	Independent Director	3	3
Mr. Monu Ratra	Member	Executive Director & CEO	3	3
Ms. Mohua Mukherjee	Member	Independent Director	3	3

Risk Management Committee

The Board of Directors constituted Risk Management Committee comprising Directors and senior officials of the Company. The composition of the Risk Management Committee is provided below:

The terms of reference of the Risk Management Committee are in line with guidelines prescribed by NHB/RBI and SEBI, which, inter alia, includes the following:

a. To identify the various types of risks involved in the business, both financial and non financial risk, internal and external, operational, sustainability, and ESG-related risk

b. To define the methodology to measure/quantify the risks

c. To control and mitigate the variety of risks involved in business

d. To specify the risk tolerance of the Company

e. To ensure regulatory and statutory compliance with risk management and prudential norms,

f. To improve the asset quality of the Company by using risk management tools

g. To maximise the profit of the Company,

h. To maximise the return on equity with an acceptable level of risk, for the purpose of protecting, preserving, and increasing the net worth of the Company

i. To ensure business continuity and to avoid accidents and disasters. To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company

j. To keep the Board of Directors informed about the nature and content of its discussions, recommendations, and actions to be taken

k. The appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

l. Periodically review the Risk Management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity

m. To strengthen internal control and prevent unauthorised and improper access to data, thereby ensuring the appropriate protection of information assets, i.e., risk related to cyber security

n. To monitor and oversee implementation of the Risk Management policy, including evaluating the adequacy of risk management systems.

During the year under review, the Committee met four times on April 25, 2022, July 25, 2022, October 21, 2022, and February 15, 2023.

The Risk Management Committee as on March 31, 2023, and the number of meetings held and attended by the members of the Committee during FY2022-23, are summarised below:

Name	Designation	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Monu Ratra	Member	Executive Director & CEO	4	4
Mr. Srinivasan Sridhar	Member	Independent Director	4	4
Mr. Kranti Sinha	Member	Independent Director	4	4
Ms. Mohua Mukherjee	Member	Independent Director	4	4
Mr. Rajamani Venkataraman *	Member	Non-Executive Director	2	2
Mr. Kabir Mathur*	Member	Nominee Director	2	-
Ms. Abhishikta Munjal	Member	Chief Risk Officer	4	4
Mr. Govind Modani	Member	Treasury Head	4	4

**Mr. Rajamani Venkataraman and Mr. Kabir Mathur were inducted into the Risk Management Committee with effect from September 20, 2022.

Asset Liability Management Committee (ALCO)

In accordance with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, read with the Liquidity Risk Management Framework issued by RBI (earlier under Policy Circular No. NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010), the Board of Directors constituted the Asset Liability Committee (ALCO).

During the year under review, the Committee met on April 25, 2022, July 25, 2022, October 21, 2022 and February 15, 2023.

The composition of the ALCO and the number of meetings held and attended by the members of the ALCO during the financial year 2022-2023 are summarised below:

Name	Designation	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Monu Ratra	Member	Executive Director & CEO	4	4
Mr. Srinivasan Sridhar *	Member	Independent Director	1	1
Mr. Nirmal Jain**	Member	Non- Executive Director	2	2
Mr. Rajamani Venkataraman	Member	Non-Executive Director	4	3
Mr. Kabir Mathur***	Member	Nominee Director	2	-

*Mr. Srinivasan Sridhar was inducted to the ALCO with effect from January 24, 2023.

**Mr. Nirmal Jain ceased to be a member of ALCO with effect from September 20, 2022.

***Mr. Karbir Mathur was inducted into the ALCO with effect from September 20, 2022.

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The terms of reference of the ALCO are in line with the guidelines prescribed by the RBI which, inter alia, include the following:

a. Liquidity risk management

b. Management of market risks

c. Funding and capital planning

d. Profit planning and growth projection

e. Forecasting and analysing 'what if scenarios' and preparation of contingency plans

IT Strategy Committee

In accordance with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (earlier under the Policy Circular No. NHB/ND/DRS/Policy Circular No. 90/2017-18, dated June 15, 2018), the Board of Directors constituted IT Strategy Committee. The composition of the Committee as on March 31, 2023 is provided below:

1. Mr. Srinivasan Sridhar, (Independent Director) Chairman
2. Mr. Arun Kumar Purwar, (Independent Director) Member
3. Mr. Monu Ratra, Member
4. Mr. Abhishikita Munjal, Member
5. Mr. Rachit Gehani, Member
6. Mr. Shankar Ramrakhiani, Member
7. Mr. Aditya Sisodia, Member
8. Mr. Mitesh Vora, Member

The terms of reference of the Committee are in line with guidelines prescribed by RBI, which, inter alia, include the following:

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place
2. Ascertaining that management has implemented processes and practices ensuring that IT delivers value to the business
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for the grand use of IT resources
5. Ensuring a proper balance of IT investments for sustaining the required growth and becoming aware about exposure towards IT risks and controls

During the year under review, the Committee met on August 18, 2022, and February 10, 2023.

The number of the meetings held and attended by the members of the IT Strategy Committee during the financial year 2022-2023 are summarised below:

Name	Designation	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Srinivasan Sridhar	Chairman	Independent Director	2	2
Mr. Arun Kumar Purwar	Member	Independent Director	2	2
Mr. Monu Ratra	Member	Executive Director & CEO	2	2
Ms. Abhishikta Munjal	Member	Chief Risk Officer	2	2
Mr. Shanker Ramrakhiani	Member	Chief Information Security Officer	2	2
Mr. Rachit Gehani	Member	(CIO) and Digital Strategy Head	2	2
Mr. Aditya Sisodia	Member	Head Application Development	2	0
Mr. Mitesh Vora	Member	Head IT Infrastructure & Cyber Security	2	2

Remuneration of Directors

Details of Remuneration paid to Directors during FY 2022-23 and details of the number of shares and Convertible instruments held by Directors as on March 31, 2023 are as follows:

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Name of Director	Designation	Salary and Perquisite	Commission/ Bonus	Sitting fee	Contribution to PF and other funds, gratuity	Stock options	Number of equity shares and non-convertible instruments held
Mr. Srinivasan Sridhar	Independent Director	-	₹ 12,00,000	₹ 10,60,000	-	-	-
Mr. Kranti Sinha	Independent Director	-	₹ 10,00,000	₹ 9,40,000	-	-	-
Mr. Rajamani Venkataraman	Non-Executive Director	-	-	-	-	-	-
Mr. Nirmal Jain	Non-Executive Director	-	-	-	-	-	-
Mr. Arun Kumar Purwar	Independent Director	-	-	₹ 5,70,000	-	-	-
Mr. Monu Ratra	Executive Director & CEO	₹ 2,63,55,920	₹ 2,00,00,000	-	-	-	100*
Ms. Mohua Mukherjee	Independent Director	-	₹ 10,00,000	₹ 6,00,000	-	-	-
Mr. Kabir Mathur	Nominee Director	-	-	-	-	-	-
Mr. Venkataramana Anantharamanan	Independent Director	-	-	₹ 30,000	-	-	-

Note: i. Remuneration of Fixed CTC and performance bonus has been considered for presenting data on comparable basis for Mr. Monu Ratra Executive Director & CEO, the remuneration is exclusive of the value of perquisites on ESOPs.

ii. The remuneration of Mr. Srinivasan Sridhar, Mr. Kranti Sinha and Ms. Mohua Mukherjee has been presented on the basis of commission to be paid for the FY 2022-23.

iii. No severance fees was paid to any of the Director during FY 2022-23.

* Monu Ratra holds shares as a nominee of IIFL Finance Limited.

Remuneration to Non-Executive/Independent Directors

The Non-Executive Independent Directors are paid remuneration by way of sitting fees, commission, and other expenses (travel, boarding and lodging incurred for attending the Board/Committee meetings). The Non-Executive Non-Independent Directors are not paid any sitting fees.

Before October 01, 2021, the Company was paying sitting fees of ₹ 30,000 (Rupees Thirty Thousand only) per meeting to the Non-Executive Independent Directors. The sitting fees were paid for attending meetings of the Board and the Committee, excluding the Corporate Social Responsibility Committee meetings, for which there were no sitting fees payable. Additionally, the Company also provided reimbursement for actual travel and out-of-pocket expenses directly related to the Director's attendance, if any, incurred by them.

Apart from the above, the Non-Executive and Independent Directors are eligible for commission as approved by the shareholders of the Company at the Annual General Meeting held on August 2, 2019. The amount of commission is based on the overall financial performance of the Company and Board of Directors. In addition to the aforementioned, no other remuneration is paid to the Non-Executive/ Independent Directors.

There are no pecuniary relationships or transactions between the Non- Executive Directors and the Company. The Company has obtained a Directors and Officers Liability Insurance policy, covering all its Directors and Officers in respect of any legal action that might be initiated against them.

Periodic review of compliances of all applicable laws

The Company follows a system whereby all the Acts, Rules and Regulations applicable to it are identified, and compliance with such Acts, Rules and Regulations is monitored by dedicated teams on a regular basis.

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Verification of compliance with the major Acts/ Regulations is carried out by suitable external auditors, and their reports and implementation of their observations are reported to the Board/Audit Committee. In addition, the audit and verification plan and actual status thereof are reviewed by the Board/Audit Committee periodically. A consolidated compliance certificate based on the compliance status received from the Company in respect of various laws, Rules and Regulations applicable to the Company is placed before the Board on a regular basis and reviewed by the Board. Necessary reports are also submitted to the various regulatory authorities as per the requirements from time to time.

General Body Meetings

Date of AGM	Location	Time	Whether any Special Resolution was Passed
July 20, 2022	IIFL House, Sun Infotech Park, Road No. 16V, Plot No., B-23, MIDC Thane Industrial Area, Wagle Estate, Thane – 400604	4.30 p.m.	No
June 23, 2021	IIFL House, Sun Infotech Park, Road No. 16V, Plot No., B-23, MIDC Thane Industrial Area, Wagle Estate, Thane – 400604	4.30 p.m.	No
June 11, 2020	IIFL House, Sun Infotech Park, Road No. 16V, Plot No., B-23, MIDC Thane Industrial Area, Wagle Estate, Thane – 400604	04:30 p.m.	No

Postal Ballot

During the year under review, no resolution was passed through the Postal Ballot.

Means of communication to the Stakeholders

The primary source of information to the shareholders, customers, analysts and other stakeholders of your Company and to public at large is through the website of your Company www.iiflhomeloans.com. The Annual Report, quarterly financial results, corporate actions and copies of press releases, if any, among others, are regularly submitted to the Stock Exchanges and uploaded on the website of the Company, including Quarterly / Annual Financial Results in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the disclosures made to the Stock Exchanges are also available on the website of the Company i.e. https://www.iiflhomeloans.com/investor-relations. The quarterly and annual results of your Company are published in widely circulated English newspaper(s).

General Shareholder Information

1	Annual General Meeting	For the details please refer to the Notice of ensuing Annual General Meeting
2	Finance Year (2022-23)	From April 1 to March 31
		Results for the quarter ended on June 30, 2022 – within 45 days from the end of the quarter
		Results for the quarter ended on September 30, 2022 – within 45 days from the end of the quarter
		Results for the quarter ended on December 31, 2022 – within 45 days from the end of the quarter
		Results for the quarter and year ended on March 31, 2023 – within 60 days from the end of the quarter
3	Dividend payment date (Interim dividend)	During the financial year 2022-23, your Company had declared ₹ 40 per equity share and payment was made on January 30, 2023
4	Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	Publicly issued Non-Convertible Debentures (NCDs) are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE), and privately placed NCDs are listed on NSE. The Listing fees as applicable have been duly paid to stock exchanges
5	Stock Code	Not applicable
6	Market price data- high, low during each month in last financial year	Not applicable; as Equity Shares of the Company are not listed on any Stock Exchange

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	performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc	Not applicable; as Equity Shares of the Company are not listed on any Stock Exchange
7	In case the securities are suspended from trading, the directors report shall explain the reason thereof	Not Applicable
8	Registrar to an issue and share transfer agents	Link Intime India Private Limited C-101, 1st Floor, 247 Park , Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra - 400083. Telephone: 022-49186000 Email: rnt.helpdesk@linkintime.co.in bonds.helpdesk@linkintime.co.in
9	Share transfer system	Equity shares- in house NCDs are in dematerialised form transfer and transmission of security is outsourced to Registrar and transfer agent
10	Distribution of shareholding	Not Applicable
11	Dematerialisation of Shares and liquidity	All shares are in dematerialized form.
12	Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	Not Applicable
13	Commodity price risk or foreign exchange risk and hedging activities	Not Applicable
14	Plant locations	Not Applicable
15	Address for Correspondence	Mr. Ajay Jaiswal, Company Secretary & Compliance Officer Plot No. 98, IIFL Towers, Udyog Vihar, Phase IV, Gurugaon, Haryana - 122015
16	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	The details are provided in the Directors' report

Shareholding Pattern

Categories of Equity Shareholders as on March 31, 2023

Name of Shareholder	Category of Shareholder	Number of Shares	% of Shareholding
IIFL Finance Limited	Promoter	2,09,67,681	79.59
Platinum Owl C 2018 RSC Limited, acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust	Non Promoter	5376457	20.41
Mr. Govind Modani*	Individual	100	-
Mr. Narendra Jain*	Individual	100	-
Mr. Monu Ratra*	Individual	100	-
Mr. Amit Kumar Gupta*	Individual	100	-
Ms. Sneha Patwardhan*	Individual	100	-
Total		**2,63,44,638**	**-**

*Individual shareholders are holding shares as nominees of IIFL Finance Limited (the holding Company).

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Other Disclosures

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

The Company has put in place a Related Party Transactions Policy (RPT) which was approved by the Board of Directors. The Policy provides for identification of RPTs, necessary approvals by the Audit Committee/Board/Shareholders, reporting and disclosure requirements in compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All transactions executed by the Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. All such RPT were placed before the Audit Committee for approval, wherever applicable. The policy on the materiality of RPTs (part of the Related Party Transaction Policy) and dealing with RPTs as approved by the Board may be accessed on the website of the Company i.e. https://www.iiflhomeloans.com/investor-relations/corporate-governance. You may refer to Note no. 41 of the Standalone Financial Statement which contains related party disclosures.

(b) Details of Non-Compliance

No strictures/penalties were imposed on your Company by the Stock Exchanges or by the Securities and Exchange Board of India, or by any statutory authority on any matter related to the securities markets during the last three financial years.

(c) Details of establishment of vigil mechanism/whistle-blower policy, and affirmation that no personnel was denied access to the Audit committee

In Compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Whistle-Blower Policy and has established the necessary vigil mechanism for employees to report genuine concerns about unethical behaviour, actual or suspected fraud, or violations of the Company's Code of Conduct or ethics policy. The Policy provides adequate safeguard against the victimisation of whistle-blowers, who avails such mechanism and also provides for the access to the Chairman of Audit Committee. None of the whistle-blowers have been denied access to the Audit Committee. The said Policy, as approved by the Board, may be accessed on the website of the Company, i.e. https://www.iiflhomelaons.com/investor-relations/corporate-governance.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

The Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed for High-Value Debt-Listed Companies in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to the Company. The status of compliance with the Non- mandatory recommendation in the SEBI Regulations is as follows:

- ✓ The Internal Auditor has direct access to the Audit Committee
- ✓ The Company follows a robust process of communicating with the shareholders, which has been explained earlier in the report under 'Means of Communication'

(e) Web-link where policy for determining 'material' subsidiaries is disclosed at https://storage.googleapis.com/iifl-hfc-storage/files/policies/Policy-on-determining-Material-Subsidiary_1.pdf.

(f) Web-link where policy on dealing with related party transactions is disclosed at https://storage.googleapis.com/iifl-hfc-storage/files/policies/Related%20Party%20Transaction%20Policy-track%20-%20Clean.pdf

(g) Disclosure of commodity price risks and commodity hedging activities: Not Applicable

(h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) : Not Applicable

(i) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority forms part of this report.

(j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: No such instance was reported.

(k) Total Fees to Statutory Auditor

Total fees (exclusive of GST and other taxes as applicable) for all services paid by the listed entity and its subsidiary, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

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Particulars	Amount (₹ in Millions)
Audit Fee	3.65
Limited Review	1.36
Other matters and certification	2.48
Out of Pocket Expenses	0.68
Others, if any	
Total	**8.17**

(l) Prevention of Sexual Harassment

The Company recognises its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination. In Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on the prevention of Sexual Harassment of Women at Workplace and has constituted an Internal Complaints Committee. During the year under review, there were neither any complaints received nor any outstanding as on April 1, 2022 and March 31, 2023.

a. Number of complaints filed during the financial year: Nil

b. Number of complaints disposed of during the financial year: Nil

c. Number of complaints pending as on end of the financial year: Nil

Number of workshops or awareness programmes against sexual harassment carried out: The Company regularly sensitises its employees on the prevention of sexual harassment through online training.

(m) Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount:

Except for transactions mentioned under related party transactions, no loans and advances are granted to firms/companies in which Directors are interested.

(n) Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed: Company is complied with the requirements

(o) Among discretionary requirements, as specified in Part E of Schedule II of Listing Regulations and other acts, rules, regulations, and guidelines as applicable, the Company has adopted the following:

a. The Company has adopted a regime of financial statements with an unmodified audit opinion

b. The Company has appointed separate posts for the Chairman and the CEO, such that Chairman is a Non-Executive Director and not related to the CEO

c. The internal auditor directly reports to the Audit Committee of the Company.

(p) The disclosures of the compliance with corporate governance requirements specified in regulations 17 to 27 and clauses (a) to (i) of Regulation 62 (1A) of the SEBI Listing Regulations shall be made in the section on corporate governance of the annual report.

The Company is in compliance with all the mandatory requirements specified in Regulation 17 to 27 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, which have become applicable to the Company as a High Value Debt Listed Entity ('HVDLE') on a 'comply or explain' basis until March 31, 2023.

Declaration signed by the Chief Executive Officer stating that the members of the Board of Directors and senior management personnel have affirmed compliance with the code of conduct of the Board of Directors and Senior Management.

The confirmation from the Chief Executive Officer regarding compliance with the Code by all the Board Members and Senior Management forms part of the Report. The Code of Conduct is displayed on the website of the Company, i.e. www.iiflhomeloans.com

Compliance certificate from either the auditors or practising company secretaries regarding compliance with conditions of corporate governance shall be annexed to the Directors' report.

The certificate received from the Secretarial Auditors of the Company, M/s. RMG Associates, Practising Company Secretary confirming the compliance of conditions of corporate governance is annexed to this Report in terms of the provisions of Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Disclosures with respect to demat suspense account/ unclaimed suspense account: Not Applicable

For and on behalf of the Board of Directors

Monu Ratra	**R. Venkataraman**
Executive Director & CEO	Director
DIN: 07406284	DIN: 00011919
Place: Gurugram	Place: Mumbai
Date: April 24, 2023	

ANNEXURE – V TO DIRECTORS' REPORT (CONTD.)

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification under SEBI (Listing Obligations and Disclosure Requirements) Regulations , 2015

To
The Board of Directors
IIFL Home Finance Limited

Compliance Certificate as required under Regulation 17(8) of SEBI, Part B of Schedule II (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, Monu Ratra, Chief Executive Officer and Executive Director, and Amit Gupta, Chief Financial Officer ,hereby certify that:

A. We have reviewed the Financial statements and the Cash Flow statement for the year under review and that to the best of their knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of their knowledge and belief, there were no transactions entered into by the listed entity during the year which are fraudulent, illegal, or violative of the listed entity's code of conduct.

C We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the listed entity pertaining to financial reporting. We have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

(1) Significant changes in internal control over financial reporting during the year

(2) Significant changes in accounting policies during the year have been disclosed in the notes to the financial statements

(3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the listed entity's internal control system over financial reporting

Monu Ratra	**Amit Gupta**
Executive Director & CEO	Chief Financial Officer
Date: April 24, 2023	

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel and the same is available on the Company's website. I confirm that the Company has, with respect to the financial year ended on March 31, 2023, received from the Board Members and Senior Management Personnel of the Company, declaration of compliance with the Code of Conduct as applicable to them.

For IIFL Home Finance Limited

Monu Ratra
Executive Directors & CEO
DIN: 07406284
Place: Gurugram
Date: April 24, 2023

CERTIFICATE ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read with Schedule V Para E of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have examined the compliance of conditions of Corporate Governance by **IIFL Home Finance Limited** (hereinafter referred to as **"the Company"**), having its Registered Office situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane, Maharashtra- 400604 and Corporate Office situated at Plot No. 98, Udyog Vihar Phase-IV, Gurgaon, Haryana- 122015, for the financial year ended on **March 31, 2023**, as stipulated in the relevant regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as **"SEBI (LODR), 2015"**).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally compiled with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations. However, stricter compliances with respect to disclosures and timelines is required to be adhered by the Company in true letter and spirit.

We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For RMG & Associates
Company Secretaries
Firm Registration No. P2001DE016100
Peer Review No. : 734/2020

CS Manish Gupta
Partner
FCS: 5123; C.P. No.: 4095

Date: 24.04.2023
Place: New Delhi
UDIN: F005123E000174261

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Notice No. 20220107-16 read with Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **IIFL Home Finance Limited (CIN: U65993MH2006PLC166475)** (hereinafter referred to as **'the Company'**) having its Registered Office situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane, Maharashtra - 400604 produced before us by the Company for the purpose of issuing this certificate, in pursuance of the provisions of Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

In our opinion and to the best of our information and to the extent of accessibility of the data or information as available and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary by us and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India ('SEBI'), Ministry of Corporate Affairs ('MCA') or any such other statutory authority.

S. No.	DIN	Full Name	Designation as of March 31, 2023
1.	07406284	Mr. Monu Ratra	Whole-time Director
2.	00004272	Mr. Srinivasan Sridhar	Director
3.	00001643	Mr. Kranti Sinha	Director
4.	00010535	Mr. Nirmal Bhanwarlal Jain	Director
5.	00011919	Ms. Venkataraman Rajamani	Director
6.	00026383	Mr. Arun Kumar Purwar	Director
7.	08714909	Mr. Mohua Mukherjee	Director
8.	08635072	Mr. Kabir Mathur*	Nominee Director
9.	01223191	Mr. Anantharaman Venkataramanan**	Director

* Mr. Kabir Mathur was appointed w.e.f. August 22, 2022

** Mr. Anantharaman Venkataramanan was appointed w.e.f. February 21, 2023

Ensuring the eligibility for the appointment/re-appointment/continuity of a Director on the Board of the Company is the ultimate responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of the disclosures/information provided by the management of the Company. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RMG & Associates
Company Secretaries
Peer Review No. 734/2020
Firm Registration No. P2001DE016100

CS Manish Gupta
Partner
FCS: 5123; C.P. No.: 4095

Place: New Delhi
Date: 24.04.2023
UDIN: F005123E000174336

ANNEXURE – VI TO DIRECTORS' REPORT

Management Discussion and Analysis

GLOBAL ECONOMIC OVERVIEW

Resiliently manoeuvring through year-long macroeconomic turmoil, the global economy has ended up posting better growth prospects in 2022. Macroeconomic hurdles like incremental inflation, the cost of living, trade wars, and prolonged geopolitical conflict subdued the world economy's growth momentum in the first instance. However, the faster rebound of economic activities around the world has paved the way for the economy's trajectory towards a positive state. On the inflationary side, the silver lining of optimism has also fuelled growth momentum. The faster rebound in economic activities is majorly supported by calibrated monetary policies, adhered to by Governments around the globe, that helped build way more resilience across nations.

According to the International Monetary Fund (IMF), the global growth rate was estimated to slow down from 3.4% in 2022 to 2.8% in 2023. Global inflation will decrease, although more slowly than initially anticipated, from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024.

Global Economic Growth

	Year-on-Year		
	Estimate	Projections	
	2022	2023	2024
World	3.4%	2.8%	3.0%
Advanced Economies	2.7%	1.3%	1.4%
Emerging Markets and Developing Economies	4.0%	3.9%	4.2%

(Source: IMF, WEO April, 2023)

The projected downturn in inflationary pressure is attributed to declining international fuel and non-fuel commodity prices, owing to weaker global demand and tighter monetary policy effect. However, the surge in demand across nations are stoking inflationary pressure in the economy and fuelling a stronger rebound.

Outlook

According to several projections, there will be a widespread decrease in medium-term growth estimates in the future. Some of this deceleration can be attributed to the natural convergence of previously fast-growing economies like China and Korea. However, the recent sluggishness may also be caused by more concerning factors such as the lingering effects of the Covid-19 pandemic, a slow pace of structural reforms, rising trade tensions, declining direct investment, and slower adoption of innovation and technology in fragmented regions.

A world that is split and polarised is unlikely to achieve advancement for everyone or successfully confront global issues such as climate change or pandemic preparedness. Therefore, it is essential for nations to work together to promote economic growth, address inequalities, and invest in innovation and technology. Policymakers must take a long-term view and prioritise structural reforms that promote competitiveness, productivity, and sustainability, while also ensuring that the benefits of growth are shared widely. Moreover, it is essential for countries to find ways to cooperate on global issues, such as climate change and pandemic preparedness, to build a more prosperous and resilient world for future generations.

INDIAN ECONOMIC OVERVIEW

India has been the world's fastest-growing major economy for the past two years, despite facing several headwinds, including strong pressures from global recession, inflation, public debt, and the squeezing of real household incomes. The Indian economy's growth for the year under review has been driven primarily by private consumption and capital formation, which have also contributed to generating employment. The recovery of Micro, Small, and Medium Enterprises (MSMEs) is progressing well, as evidenced by the amounts of Goods and Services Tax (GST) they pay, while the Emergency Credit Linked Guarantee Scheme (ECGLS) is helping to ease their debt servicing concerns. Additionally, the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been providing jobs directly in rural areas, while indirectly creating opportunities for rural households to diversify their sources of income. Schemes like PM-Kisan and PM Garib Kalyan Yojana have ensured food security in the country and have been recognised by the United Nations Development Programme (UNDP) for their impact.

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India's economy has once again demonstrated its resilience and strength by achieving remarkable growth in FY 2022-23. According to the projection of the National Statistical Organisation (NSO), real Gross Domestic Product (GDP) growth is expected to reach 7% by the end of the current fiscal year. The Indian economy's growth is primarily driven by a robust recovery in economic activity, particularly in private sector consumption, and the Government's increased focus on infrastructure development. The growth momentum has remained steady, despite global challenges and tighter domestic monetary policies.

Indian Economic Growth

(Source: MoSPI)

The rebound in private consumption has been possible due to the near-universal Covid-19 vaccination coverage overseen by the Government. The vaccination drive has helped people feel more confident about going out and spending money on contact-based services like restaurants, hotels, shopping malls, and cinemas. The world's second-largest vaccination drive, which has involved over 2 billion doses, has also helped lift consumer sentiment, which may further prolong the rebound in consumption.

The capital expenditure (capex) of the Central Government, which witnessed a steady increase in FY 2022-23, was another growth driver of the Indian economy in the current year. Private capex is also expected to increase, as corporations strengthen their balance sheets and generate more credit financing. Furthermore, the improved financial health of well-capitalised public sector banks has enabled them to increase credit supply, which has resulted in remarkable credit growth for the Micro, Small, and Medium Enterprises (MSME) sector. This growth is further supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union Government.

Outlook

S&P Global Ratings has forecasted a moderating GDP growth rate of 6% for India in the upcoming FY 2023-24. However, this does not take away anything from the fact that the country has scripted a remarkable recovery from the Covid-19 pandemic. Moreover, for FY 2023-24, growth drivers like robust domestic demand and increased capital investment are anticipated to further boost the pace of economic activities across the country. Although there may be potential challenges from global spillovers, high inflation, and aggressive monetary policies, the Indian economy's fundamentals remain strong.

India's financial system is well-prepared to support the country's economic progress, and the upcoming year is expected to see a rebound in private sector investment. Additionally, India's large foreign exchange reserves, exceeding its external debt, provide further strength to the economy. Participating in a steady and measured withdrawal of liquidity by central banks worldwide, including in India, is anticipated to support growth without causing disruption. Overall, while the growth rate for FY 2023-24 may be slower than FY 2022-23, the underlying strength of the Indian economy and its financial system establish a

ANNEXURE – VI TO DIRECTORS' REPORT (CONTD.)

solid foundation for ongoing progress.

INDUSTRY OVERVIEW

Indian Housing Finance Industry

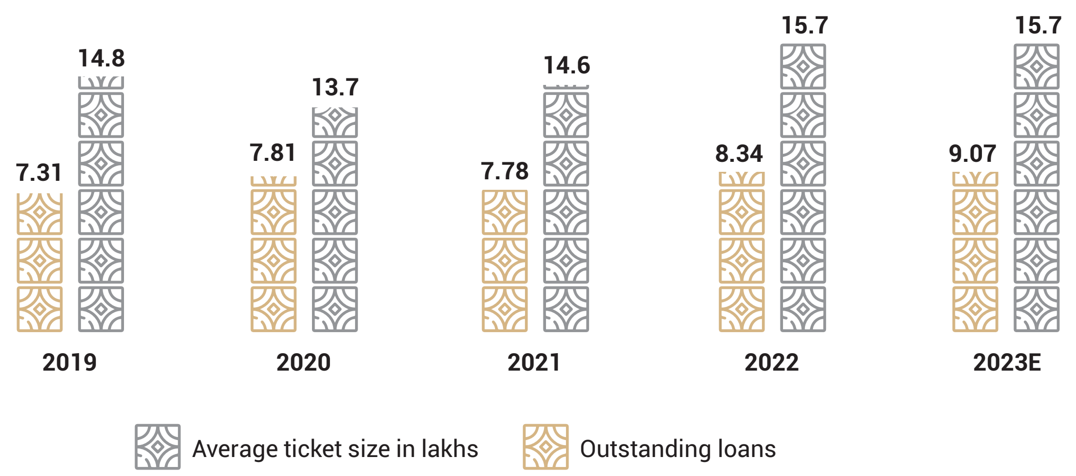
India's massive home loan market is poised to grow at a steady pace. This consistent growth is primarily driven by multiple tailwinds like a large population base, a burgeoning middle-class group, and a rising pace of urbanisation. As of September 2022, the country's home loan valuation in terms of credit was ₹ 26 Tn, consisting ~17% of system-wide credit. The industry is likely to register a CAGR of 15-16% for the period between FY 2022-23 to FY 2027-28. This growth is expected to continue, with the housing loan segment projected to contribute about 13% to India's GDP. This growth can be attributed to factors such as affordable housing, attractive tax incentives, and an increase in household income. Alongside this growth, the housing finance industry has undergone significant structural changes, with a focus on credit quality and collection efficiency.

The recent efforts of NBFCs/HFCs to strengthen their balance sheets have yielded positive results, as reflected in their performance. In the last 3.5 years, non-banking financial companies have raised more than ₹ 70,000 Crores, out of which HFCs have raised approximately ₹ 25,000 Crores. This increase in funding has significantly improved their gearing, enabling them to meet the credit demands of borrowers, while maintaining their financial stability.

Furthermore, the asset quality of HFCs in the home loan segment has been impressive, and restructuring levels have been low. This resilience in asset quality has been particularly noteworthy during the challenging economic environment, created by the Covid-19 pandemic.

Looking ahead, the future looks bright for HFCs in the Indian housing finance industry, with a growth rate of 10-12% in AUM in FY 2022-23, followed by a 13-15% increase in FY 2023-24. Various factors, such as the revival of the Indian economy and the continuous demand for accessible and affordable housing finance, are driving the growth projections for the housing finance industry. The total outstanding loan amount of HFCs is estimated to reach ₹ 9.07 Lakh Crore in 2023, signifying a positive growth potential of the Indian housing finance sector.

Outstanding Loans for HFCs in Housing Loans (₹ Lakh crore)



(Source: KPMG Report November 2022)

Urbanisation to Fuel the Housing Demand

As per the UN World Urbanisation Prospects 2018 report, India's urban population is expected to reach 46% by 2025, with 814 million people living in cities by 2050. This surge is driven by the demand for infrastructure development, higher education, and a transition away from agriculture.

Furthermore, the increasing demand for housing and infrastructure has resulted in significant growth in the Indian real estate market. In 2022, around 312,666 residential units were sold across eight major cities, marking a 34% increase from the previous year. With the population of metropolitan areas expected to grow, there will be a need for more residential and non-residential buildings, including offices, healthcare facilities, and hotels. Hence, the impact of the surge in the housing and construction sector is anticipated to create a multiplier effect on the Indian economy.

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The shortage of urban housing is a pressing issue across India, with the demand-supply gap being a major contributing factor. According to estimates, this shortage is expected to increase to 3.41 Crore units by 2022. With the cost of housing options in urban areas becoming increasingly expensive, there has been a rise in demand for affordable housing alternatives, particularly among low and middle-income families.

Asset Quality

The asset quality of housing finance companies (HFCs) in India was significantly affected by the Covid-19 pandemic, with this unprecedented event creating a profound impact on the industry. The nationwide lockdowns and economic disruptions caused by the pandemic led to increased stress on borrowers and a rise in loan defaults. However, the Reserve Bank of India (RBI) introduced various relief measures to provide a much-needed breather to borrowers and HFCs, alike. The Gross Non-Performing Assets (GNPA) ratio of HFCs witnessed a decrease in FY 2022-23, as the Indian economy continued to recover and stressed instances were resolved.

The reduction in the GNPA ratio is a positive sign for the housing finance industry, indicating that the relief measures introduced by the RBI have been effective in stabilising the sector. As the economy continues to recover, the asset quality of HFCs is expected to improve further, leading to sustained growth in the housing finance sector.

Government Initiatives - Creating Opportunities for Housing Sector

In a bid to foster growth and development in the housing sector, the Indian Government has implemented several initiatives aimed at supporting the industry. These strategic measures intends to provide affordable housing for all and boost the overall real estate market in the country. Buoyed by these measures, the demand for affordable housing has charted an upward trend in the past few years.

Pradhan Mantri Awas Yojana (PMAY)

The Pradhan Mantri Awas Yojana (PMAY) Scheme has already facilitated the construction of 64 Lakh houses, as of November 2022. Thus, providing affordable housing to millions of people across the country.

To further strengthen this initiative, the Government has increased the allocation for PMAY by a significant 66% in the Union Budget 2023-24. This measure further highlights the Government's steadfast commitment towards achieving the 'Housing for All' mission. The increased allocation of ₹ 79,000 Crores is expected to support the construction of more affordable houses and provide additional financial assistance to eligible beneficiaries, thereby making safe and decent living spaces more accessible for all in India.

- Credit Linked Subsidy Scheme (CLSS)

  The Credit Linked Subsidy Scheme (CLSS) provides financial assistance to homebuyers, especially the underprivileged group, to realise their dream of owning a home.

- Beneficiary Led Construction (BLC)

  Under the BLC scheme, beneficiaries from the economically weaker section are provided with financial assistance to construct new homes or enhance their existing homes.

- Affordable Housing in Partnership (AHP)

  Through the AHP scheme, the Government provides financial assistance to public and private sector entities to develop affordable housing projects.

- In-Situ Slum Redevelopment (ISSR)

  In-Situ Slum Redevelopment (ISSR) leverages the locked potential of land under slums to provide houses to eligible slum dwellers and bring them to formal urban settlement.

Increasing Digitisation in Financial Lending Space

An ambitious proposal for introducing structural reform in the real estate sector was introduced by Finance Minister, Smt. Nirmala Sitharaman. Her proposal includes the introduction of a "one-nation, one-registration" system, which aims to revolutionise the process of land transactions and sale deed registrations throughout the country. This innovative idea intends to make land transactions and registrations more accessible from anywhere in the country.

To bolster this effort, the Government is encouraging states to adopt a unique land parcel identification number that is expected to play a crucial role in digitising land records. In addition, this move will facilitate the seamless transfer of land and related documents, contributing to the ultimate objective of enabling 'anywhere registration' of these critical records.

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The introduction of this proposed structural reform in the real estate sector is expected to bring about significant positive changes in the industry. The streamlining of land registration and documentation processes will enhance transparency, promote efficiency, and reduce the potential for fraud and disputes. It will also create a more conducive environment for investment in the sector, which will be instrumental in driving economic growth and development.

COMPANY OVERVIEW

IIFL Home Finance (also referred to as 'Our Company', or 'IIFL HFL', or 'We') is a subsidiary of IIFL Finance Limited, with a 79.59% shareholding. During the year, the Abu Dhabi Investment Authority acquired 20.41% stake from IIFL Finance. Our Company was established in 2006, and was subsequently registered with the National Housing Bank in 2009 to operate as a Housing Finance Company (HFC). As a company, we firmly believe in upholding the ethical standards of our parent company, and our core values of fairness, integrity, and transparency guide our business operations and interactions with our stakeholders.

IIFL HFL has established itself as a leading player in the Indian housing finance market. We provide small-ticket home loans to financially underserved individuals, particularly EWS and LIG segments with minimal or no credit history and informal income documentation. Our loans are specifically designed to assist customers in the purchase of residential properties, the construction of homes, the improvement of existing homes, and the purchase of plots. We primarily serve first-time homebuyers, women buyers, salaried professionals, and employees in the informal sector. Additionally, we offer our home loan products to Uniform and Defence service professionals at concessional rates and charges. Our extensive network of 386 branches across India ensures accessibility to our services for customers nationwide.

At the core of our business strategy, we prioritise financial inclusion, women's empowerment, and sustainable construction. We have aligned our services to cater to women owners and co-owners in the lower-income segment, supporting their home financing needs to help them create better lives for themselves and their families.

Additionally, IIFL HFL plays an essential role in supporting the micro and small enterprise sector by offering mortgage-backed loans to fulfil various business requirements, such as working capital and other business needs.

Our Company's asset-light model is a crucial part of our strategy for sustainable earnings growth. We prioritise stringent underwriting principles, robust risk management, and a risk remediation framework to maintain the highest standards of integrity and transparency in our business operations. By leveraging these practices, we are confident in our ability to continue providing excellent service to our customers, while achieving our growth objectives.

Our commitment to sustainable and affordable housing continues to drive our efforts to create positive change in the industry. To further this goal, we continued to reach out to relevant stakeholders in the affordable housing industry in the country through our flagship platform, Kutumb. We also extended our expertise and support to our construction finance projects through the ESG Progressive Evaluation of select projects/under-construction sites with respect to environmental, social, and governance criteria. This also includes their ongoing compliance with regulatory and environmental requirements.

We have developed and shared our Sustainable Finance Framework. This framework demonstrates our approach to finance/re-finance assets through the issuance of green, social, and sustainability (GSS) bonds & loans that will aid in tackling environmental and social challenges, including climate change.

BUSINESS OVERVIEW AND STRATEGY

IIFL HFL provides customised home loan products designed to cater to the needs of those at the bottom of the economic pyramid. As a digitally-enabled financial services provider, we are committed to unlocking affordable and sustainable housing, and enabling all-inclusive growth. Our loan processes are fully digitalised and paperless, with minimal documentation and loan approvals within 25 minutes.

Using our hybrid 'Phygital' model, we are rapidly expanding our customer base by leveraging our vast physical network and state-of-the-art digital infrastructure. We maintain an asset-light approach, and focus on the RBI's co-lending model to build our loan book, while minimising risk and maintaining a leaner balance sheet.

In FY 2022-23, IIFL HFL experienced a 21% growth in overall Assets Under Management (AUM). At the end of the year, we reached ₹ 285.12 billion in AUM and had a balance sheet of ₹ 217.85 billion. Our home loan contribution to the total AUM increased from 75% to 76%, with a focus on low-ticket size home loans to non-metro customers in Tier-1 suburbs, and Tier-II and Tier-III cities.

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Our Company is aligned with the Government's 'Housing for All' mission, and has served over 73,000 customers who have benefitted from the CLSS scheme, disbursing over ₹ 17.5 billion as of March 31, 2023.We have launched special norms for customers across states, such as Andhra Pradesh, Tamil Nadu, Gujarat, Maharashtra, Madhya Pradesh, and Punjab, to support the Beneficiary-Led Construction (BLC) Scheme of the Ministry of Housing and Urban Affairs. Our Company is empanelled with various state bodies, allowing us to expand, and promote a sustainable and affordable housing vision. These include associations with the Andhra Pradesh State Housing Corporation, Uttar Pradesh State Urban Development Authority, Madhya Pradesh Urban Administration and Development Department (UADD), Tamil Nadu Urban Housing Development Board, Rajiv Gandhi Rural Housing Corporation Limited, Karnataka, Delhi Development Authority (DDA) and Punjab State Urban Livelihood Mission (PSULM), among others. These are the State Level Nodal Agencies (SLNAs) for the Pradhan Mantri Awas Yojna PMAY(U) for the respective states.

SEGMENT OVERVIEW

Home Loans

IIFL HFL offers home loans to a range of customers, including salaried individuals, self-employed individuals, professionals, and entrepreneurs, to finance their home purchase, home construction, home renovation, and plot purchases. Our focus is to provide financial assistance to the underserved segments of society with vast potential due to a lack of credit history and informal income documentation.

Our pan-India instant home loan solution called 'Jhatpat' enables customers to secure a loan quickly and hassle-free. We provide digital processing for home loans, and our top-up home loans are completely paperless with no human touchpoint. Our Company's tablet-based web application automates underwriting using pre-defined business rule engines, resulting in a quick 25-minute loan approval turnaround time and consistent decision-making.

As a result of our digital retail loan competencies and market dynamics, IIFL HFL attained a 23% growth in AUM in 2022-23, with the total AUM of home loan reaching ₹ 218 million. During the year, 74% of the total disbursements were home loans. Moving forward, we will continue to focus on first-time buyers, women borrowers/co-borrowers, small-sized ticket loans, and borrowers from the informal segment.

Secured Business Loans

IIFL HFL specialises in providing mortgage-backed small-ticket loans secured by residential or commercial properties to small and medium-sized enterprises (SMEs). These loans are primarily sanctioned for working capital requirements and other business purposes. The current economic revival has created extensive growth potential in the SME segments, and our Company is well-prepared to support their financial needs.

We have maintained our focus on this segment, and we continue to expand our lending portfolio to meet the capital requirements of SMEs. IIFL HFL's expertise in this area has helped us establish a reputation as a reliable source of financing for SMEs. During the year, our secured business loans segment, attained an AUM growth of 10%, reaching ₹ 59.05 billion. With our Company's dedicated team of professionals and robust underwriting processes, we are well-positioned to serve the diverse financial needs of the SME segment.

Affordable Housing Project Finance

During the year, our Affordable Housing Project Finance segment reached ₹ 8.07 billion in AUM, with a significant growth of 48%. IIFL HFL provides customised project financing solutions to developers for residential and mixed-use projects' construction and development. Our Company prioritises sustainability by identifying and funding environmentally & socially sustainable projects with Green Building Certification. Therefore, this segment aligns with our overall retail portfolio and is impact-driven.

Moreover, these projects are funded under our project finance vertical, and can also support our home loan vertical. This approach enhances our Company's portfolio diversification and strengthens our market position. Looking forward, we will continue to identify and fund sustainable projects to support economic growth, while promoting environmental and social sustainability.

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STRENGTHS

Enabled by Technology

At IIFL HFL, our customer-centric approach, enabled by technology, has been instrumental in driving our growth and success. With over 386 touchpoints and a 'Phygital' edge, our Company's expansion into new markets leverages advanced digital technologies for process efficiency and preserving customer sentiment. Our focus on technology enables innovation, cost reduction, and error-free processing. With a customer-first approach, at IIFL HFL, we prioritise sensitivity, knowledge, and convenience, offering customised solutions and transparency. Our Company has one of the fastest home loan processing systems, reducing the risk of errors and discrepancies and increasing customer satisfaction and loyalty.

Prudent Credit Underwriting and Efficient Loan Processing

A sound credit underwriting process and efficient loan processing are crucial for the progress and advancement of a housing finance company. At IIFL HFL, we have devised extensive credit evaluation systems created in-house to adopt a low-risk strategy. Additionally, our Company has incorporated intelligent technologies like artificial intelligence and machine learning for credit assessment, underwriting and monitoring. This has resulted in seamless loan processing from start to finish, minimising errors and reducing turnaround times. Our effective credit policy and process have enabled us to cater to a wide range of customers with varying credit profiles. This makes us a preferred choice for customers looking for hassle-free home financing solutions.

Robust Risk Management

At IIFL HFL, we have a robust risk management framework in place to ensure we are equipped to handle risks that arise from lending activities. Our Company's risk management policies are designed to identify and mitigate risks effectively, while ensuring compliance with regulatory guidelines. The risk management framework involves a combination of technology and human intervention to guarantee that risks are monitored and managed effectively.

Strong Corporate Governance

At IIFL HFL, we operate with a strong corporate governance framework, ensuring transparency and accountability in all our business operations. Our Company has a well-defined governance structure, including Board of Directors, Audit Committee, Risk Management Committee and Internal Audit function. The governance framework ensures that we operate with integrity and adhere to the highest ethical standards, while also delivering value to our stakeholders.

Opportunities

Secular Demand Trends: India's housing demand (largely from end-users) is expected to witness ~15-16% CAGR during FY 2022-23 to FY 2027-28 on the back of improving affordability, increasing penetration beyond Tier-I locations, and the rising pace of urbanisation. Despite the affordability gains witnessed earlier, they have been reversed during FY 2022-23 due to a 250-basis points repo rate hike, implemented to counteract inflationary pressures. However, cooling off the inflation is again going to help boost the secular trends to gain sustenance in the longer-term expansionary stage of the cycle.

Low Mortgage Penetration, Urban Population Growth, and Shifting Consumer Preference: The low level of mortgage penetration in India from formal lending sources can be attributed to low penetration and a lack of formal documentation, which has prompted the marginalised section of society to rely on informal sources of borrowing at high interest rates. This has created significant potential for growth in the housing finance sector. As a significant proportion of housing construction is financed through personal funds and informal borrowing channels, housing finance companies can increase their market share by expanding mortgage penetration.

The Indian urban population is predicted to witness a significant rise within the next decade, particularly among individuals aged between 25 to 45 years, who are of the working age group. This presents an opportunity for the home finance industry to focus on this segment by offering products and services that cater to their needs and preferences. The younger generation's preference for investing in real estate, rather than traditional investment options like fixed deposits or gold, has transformed the customer graph of the home finance industry. By recognising and targeting the evolving preferences of this particular demography, home finance companies can tap into a lucrative market segment and expand their business.

Government Stimuli: The Indian Government has remained dedicated to launching schemes that not only promote the growth of the housing sector but also help Indian citizens achieve their dream of owning a 'home'. Programmes, such as 'Pradhan Mantri Awas Yojana – Urban,' 'Housing for All,' and the 'Affordable Rental Housing Complexes Scheme (ARHCS)' are prime examples of Government's initiatives that are aiding the underprivileged population, including migrant workers, urban poor, and rural households, in realising their aspirations of owning a house.

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Women in the Housing Sector: An opportunity arises in the home finance sector as more women in India are choosing to invest in residential properties over other asset classes like gold, stocks, SIPs, and luxury fashion. This shift in investment mindset is significant because the housing sector is primarily driven by end-users. The Government's efforts to promote women's homeownership through incentives, such as lower stamp duty, increased tax deductions, and PMAY home loan subsidies for women borrowers/co-borrowers have encouraged more women to invest in their own homes. As the trend continues, it is expected that the number of women homeowners in India will increase, leading to further growth in the home finance sector.

Threats

Banks to Dominate Prime Home Loans: Banks are expected to continue to dominate the home loan segment, holding a significant market share of around 67%. This may adversely affect the NBFC HFCs, as banks have an advantage in maintaining stable spreads due to their stronger liability franchises, unlike the former.

Delay in Project Approvals and Construction: The delay in project approval and construction poses a threat to the housing finance industry, causing a slowdown in the supply of new properties, leading to a reduced demand for home loans and impact the growth and profitability of housing finance companies. Furthermore, cost overruns due to project delays can adversely affect the financial health of developers and lead to loan defaults. Such delays can also damage the trust of homebuyers and investors, resulting in a slowdown in sales and investments in the real estate sector.

Collateral Fraud and Lack of Proper Title: The real estate sector faces common risks such as collateral fraud and discrepancies in titles. Discrepancies in titles are particularly common for investments in the outskirts of large cities, but can be minimised with greater availability of information and thorough due diligence by the technical team. In order to address these risks and provide reassurance to investors, additional measures are implemented that can potentially impact underwriting processes.

DIGITAL INTERVENTION

In the last five years, our company have made significant strides in digitising our processes, resulting in enhanced customer experiences and increased efficiency. Our Company's retail business is fully onboarded through our Jhatpat Loan Process, which takes only 25 minutes, allowing us to disburse Home Loans within 24 hours and non-Home Loans in just three days. Our central credit team processes a high volume of files per credit underwriter each month, and our branch teams are highly productive as well.

Driven by our digital infrastructure, we have been able to open numerous branches within the past year with a quick go-to-market setup. Sustainability is also a top priority, and we have saved nearly two million sheets of paper through our new digital process. To enhance profitability, we have lowered our cost per file by 11% and reduced our cost-to-income ratio to 21.7% by digitising our data in FY 2022-23.

We believe that attention to detail is crucial to achieving excellence, and we have focussed on customising touchpoints and communication for our customers and employees alike. Our Jhatpat Loan Process app, available on the Google Play Store for our employees, features in-app notifications and WhatsApp reminders for actionable items. Our real-time dashboards allow for better decision-making across all departments, and we continuously improve our platform to implement business rule engines based on available data.

Overall, our digitisation efforts have created a symbiotic relationship between physical intervention and digital tracking, providing seamless experiences for both our customers and employees, while maintaining attention to detail and customised communication.

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Partnering with the Government

As part of our partnership with the Government, we have been working closely with various Government schemes aimed at promoting affordable housing. These schemes are designed to make housing more accessible and affordable to a wider range of people across the country, particularly those in low-income groups. Our participation in these schemes has helped us reach a larger number of customers and has contributed to our overall growth as an HFC in India. Under this initiative, we have sanctioned and disbursed loans to more than 12,500 customers in the Financial Year 2022-23 under the Affordable Housing in Partnership (AHP) and Beneficiary-Led Construction (BLC) vertices of the Pradhan Mantri Awas Yojna.

Pradhan Mantri Awas Yojna

The Pradhan Mantri Awas Yojana is a prestigious initiative of the Government of India, with the objective of providing affordable housing solutions to the economically weaker sections of society. As a responsible financial institution, we have taken a keen interest in supporting this noble cause. We are proud to announce that we have facilitated credit-linked subsidy to over 73,000 customers under the Pradhan Mantri Awas Yojana. This initiative has resulted in a total subsidy amount of over ₹ 17.5 billion. By providing access to such subsidies, our Company has enabled many households to own their own homes, which is a significant milestone in their journey towards financial independence and security. We are committed to continuing our efforts to support the Pradhan Mantri Awas Yojana and other such initiatives of the Government of India.

Going Ahead

The growth of the home loan market is primarily driven by the rising demand from Tier-III and Tier-IV cities, increasing disposable incomes, and Government initiatives like the Pradhan Mantri Awas Yojana (PMAY) interest rate subvention schemes and fiscal incentives. Furthermore, the ongoing recovery observed in most sectors is expected to continue, further positively impacting home loan disbursements for the remaining period of the fiscal year.

Our Company's commitment to providing finance in line with the Government's philosophy of 'Sabka Saath Sabka Vikaas'. This is anticipated to strengthen our position as a socially responsible lender. Our Company has a positive outlook as we continue to focus on providing affordable home loans to underprivileged sections aligned with the Government's 'Housing for All' initiative. Our secured business loan segment is also expected to significantly contribute to our growth, as it caters to the financing needs of micro-enterprises and small businesses. Furthermore, with its increased presence in Tier 3 and 4 cities, IIFL HFL is well-positioned to tap into the growing demand for home loans in these areas.

The Abu Dhabi Investment Authority (ADIA) investment of ₹ 2,200 Crore for a 20.41% stake in our Company is expected to fuel our expansion strategy in new markets and meet the growing demand for housing loans in India's affordable housing finance market. This equity investment, which is one of the largest in this segment in India, aims to support our next phase of growth.

FINANCIAL OVERVIEW

During FY 2022-23, our Company experienced a consistent increase in the business' assets under management and loan books in various segments. There was also a notable shift towards a more detailed loan portfolio, with an average ticket size of ₹ 1.3 million in the last quarter. This growth was primarily driven by robust credit demand. Although there was a slight increase in the cost of funds due to a rise in interest rates, our Company was able to effectively pass on some of this impact to our customers. Furthermore, we saw an improvement in the business' asset quality and were able to maintain adequate provisioning across asset classes.

- AUM increased by 21%, reaching ₹ 285.12 billion in 2022-23 from ₹ 236.17 billion in FY 2021-22
- Outstanding loan books in the home loan segment grew by 18% compared to FY 2021-22
- The secured business loan and real estate project segments witnessed growth of 4% and 48%, respectively from FY 2021-22
- The loan book increased from ₹ 156.69 billion as on March 31, 2022 to ₹ 180.55 billion as on March 31, 2023, exhibiting a growth of 15%
- Standalone Operating profit (excluding allowances and write-offs) grew by 29% compared to the same period last year
- Standalone Profit After Tax (PAT) for the year stood at ₹ 7,903.31 million in FY 2022-23, a growth of 37% year on year

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- Return on Assets (ROA) of 3.97% and a Return on Equity (ROE) of 18.16% as compared to 3.52% and 24.26%, respectively, in FY 2021-22
- Gross Stage 3 Assets under Indian Accounting Standards (IND AS) stood at 2.15%, compared to 3.10% in the previous year
- The specific provision coverage ratio stood at 27.92% as compared to 25.46% in FY 2021-22. The overall provision coverage ratio, including regular asset provisions and management overlays, stood at 126.46% of the Gross Stage 3 Assets as compared to 103.09% during the same period last year
- Loan losses and provisions, as a percentage of the average loan book for the year ended on March 31, 2023, stood at 0.84% as compared to 1.02% for the year ended on March 31, 2022
- Return on Net Worth stood at 18.16% which is lower as compare to previous year due to capital infusion during the FY 2022-23.

Loans and Investments

IIFL HFL has secured ₹ 10611.6 million loan from the National Housing Bank to help lower-income groups in India acquire funding for affordable green housing. The funding is in the form of a refinance facility. Additionally, our Company raised ₹ 2800 million through the issuance of NCD's, which were utilised for funding housing loans for lower-income groups and housing finance business requirements.

RISK AND CONCERNS

Risk Management

At IIFL HFL, we consider risk to be an inevitable part of our business's functioning. Therefore, our Company's focus lies on mitigating and preparing against these risks. We employ a comprehensive risk management approach led by our enterprise-wide framework. It focusses on identifying and analysing risks in a timely manner, to take proactive measures to control any plausible impact.

Our enterprise-wide framework is based on the 'Three Lines of Defence' strategy:

- First line of Defence: The Management
- Second line of Defence: Functional Teams, such as Risk Management and Compliance
- Third line Defence: Internal Audit

Our Risk Management framework is governed by the Board and assisted by a Risk Management Committee. Together, their aim is to achieve an optimal balance of risk and return, ultimately leading to sustainable value creation for our stakeholders.

A. Credit Risk

The Company have employed various measures to mitigate credit risk and improve our credit decision-making capabilities. This is achieved through an effective credit risk architecture, supported by policies and procedures. In addition, advanced analytics and machine learning tools are integrated into the portfolio to assess the creditworthiness of borrowers through a digital platform, enabling real-time data analysis and risk detection within an optimal time range. To ensure compliance with established norms, an independent internal audit team oversees credit files. Moreover, our Company has implemented a stress testing system that conducts event-based sensitivity analysis, facilitating the identification of accounts that may be at risk due to expected market movements.

B. Operational Risk

An effective operational risk management policy is essential in addressing loopholes and enhancing the sufficiency of functional controls. To achieve this, at IIFL HFL, we have implemented robust internal control systems and regularly monitor our procedures to maintain high standards across business processes. We have clear demarcations for duties, access, authorisation, and reconciliation procedures, coupled with staff education and assessment processes, such as internal audit and risk containment units. This approach helps us to maintain clear communication, monitor changes, and control business transaction risks. Additionally, by digitising our credit operations, we reduce our dependence on manual work and minimise human errors through automation, and facilitating precision in operations.

C. Liquidity Risk

Our Company strives to maintain an effective Liquidity Risk Management framework to ensure the availability of necessary funds at an optimal cost to fulfil financial liabilities and support business growth. The Asset and Liability Management

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Committee at IIFL HFL monitors and addresses liquidity risk, using a well-defined Asset Liability Management (ALM) framework. Continual review of ALM enables us to remain flexible and upgrade our systems from time to time. This allows us to effectively manage the maturity profiles of financial assets and liabilities, including debt financing and cash and cash equivalents. Additionally, we maintain sufficient cash and have access to funding through adequate credit lines.

D. Interest Rate Risk

At IIFL, HFL, we manage interest rate risk by balancing short-term and long-term loans, and adopting funding strategies to ensure diversified resource-raising options. This allows us to optimise our borrowing profile, reduce costs, and maximise the stability of funds.

E. Foreign Exchange Risk

IIFL HFL has a conservative policy for hedging in terms of foreign currency exposure. This is led by Forward contracts and/or Cross Currency Interest Rate Swaps. It helps us to set fixed, determinate outflows in our functional currency, minimising the impact on our PBT and equity in case foreign currency rates fluctuate.

F. Regulatory Risk

Our Company closely monitors decisions made by relevant regulatory bodies and any policy changes. By regularly reviewing and monitoring all regulatory directives, we try to identify the need for prompt changes to adapt our systems and practices to any changes in the regulatory framework.

G. IT and Data Risk

The IT Risk mitigation strategy overseen by the IT Strategy Committee aims to ensure alignment between IT and business strategy. This is achieved through the formulation and review of IT strategies and related policy documents. The strategy involves identifying potential security threats and ensuring IIFL HFL's IT infrastructure is up-to-date and compliant with applicable regulations. By implementing proactive measures to address IT risks, we prioritise the safety and security of our operations and protect the data of our customers.

H. Climate Risk

IIFL HFL recognises the impact of climate change on business and strives to address it by exploring methods to analyse resilience to both physical and transitional risks arising from climate change. This involves obtaining detailed data and testing tools for climate risk assessment, and reviewing and monitoring the impact of climate change on the business. Our Company has also obtained LEED certification for its Gurgaon Head Office building to demonstrate its commitment to sustainability, reduce energy consumption and greenhouse gas emissions. Additionally, digitising and paperless operations have enabled us to reduce our carbon footprint by minimising paper usage, energy consumption, and waste generation. We engage with stakeholders on sustainability and climate-related issues to help build resilience and reputation in the face of climate risks. Furthermore, IIFL HFL has published a Sustainability Report in FY 2021-22 to increase transparency and disclosures regarding sustainability.

Service Quality Initiatives and Grievance Redressal

At IIFL HFL, our core values are centered around fairness, integrity, and transparency, with a strong focus on customer satisfaction. We strive to create value for our customers by providing them with a seamless service experience. To ensure maximum convenience, our Company offers a wide range of channels for our customers to reach us, including our branches, call centres, mobile app, web portal, website, chat bot, and WhatsApp.

Our continuous efforts are directed towards strengthening our customer service experience through various initiatives. One such initiative is our Customer Service Category-based automation of workflows. This has helped in resolving tickets across channels with a DIY process for categories covering approximately 75% of ticket volume. Additionally, Our Company has a Grievance Redressal Policy (GRP) that is duly approved by our Board and displayed on our website and branches, along with the Most Important Terms and Conditions (MITC) and Fair Practice Code (FPC) in nine languages. This practice helps instill a sense of confidence and trust in our customers, as they are able to have a clear understanding of the product and the associated terms and conditions. It ensures that our customers make informed decisions, leading to greater satisfaction and long-term loyalty.

Our Customer Service team, along with other departments and stakeholders, conducts regular reviews across processes and channels to ensure quality of service. The effectiveness of the quality of service provided is also reviewed at different levels, including the Board.

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To further enhance customer satisfaction and loyalty, at IIFL HFL, we are working on a four-step customer service strategy that focusses on accessibility, speed, measurement, and improvement. We are committed to creating a customer-centric environment that is driven by our core values and a passion for excellence.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

IIFL HFL has established a risk management framework that is suitable for its size, complexity, and operations. Our Company emphasises digitisation of internal control systems to reduce costs, maintain effective segregation of duties, ensure accurate financial information recording, safeguard assets, prevent and detect fraud and errors, and compliance with applicable laws and regulations.

At IIFL HFL, we have adopted the 'Three Lines of Defence' risk governance model to manage risks across different products and processes. The Internal Audit function operates independently under the guidance of the Audit Committee and collaborates closely with the Risk Management and Compliance Department.

The Internal Audit function performs audits based on the Annual Risk-Based Audit Plan and evaluates activities based on their inherent and control risks. It assesses the operating effectiveness of controls in accordance with the laws and regulations and recommends improvements through a regular review of business control functions, processes, and practices.

IIFL HFL's Information Security Management Systems are certified with ISO/IEC 27001:2013. The Board and Audit Committee review our Company's risk management framework and the adequacy of internal controls. The Audit Committee also reviews any major instances of fraud and takes necessary actions to prevent recurrence.

HUMAN RESOURCE MANAGEMENT

At IIFL HFL, our employees are a crucial factor in driving our success, and we prioritise effective human resource management by attracting and nurturing a talented pool of individuals. This is achieved through a seamless recruitment process, comprehensive employee training, and the creation of a conducive work environment.

Our Company leverages digital capabilities to equip our employees with the necessary skills to excel in their roles, allowing us to remain agile, responsive, and ambitious in an ever-evolving business landscape. At IIFL HFL, we are committed to upholding the principles of F.I.T., ie., Fairness, Integrity, and Transparency, in all our business processes. We encourage our employees to proactively participate in business decisions and effectively deliver on their performance targets while maintaining clear communication.

At IIFL HFL, we have adopted a Performance Assessment and Review System (PARS) framework, which offers a transparent and measurable approach to evaluating employee performance. To ensure employee's goals are aligned with the organisation's objectives, Individual Performance Metrics (IPMs) are established at the beginning of each financial year.

Our efforts to foster a supportive workplace by effectively managing our human resources are reflected in our certification as a 'Great Place to Work' for the fifth year in a row. As on March 31, 2023, our workforce strength stands at 3793.

CAUTIONARY STATEMENT

This document contains forward-looking statements and information. Such statements are based on the Company's current expectations and certain assumptions. Therefore, they are subject to certain risks and uncertainties. Should one or more of these risks or uncertainties materialise, or if underlying assumptions prove incorrect, actual results may vary. The Company does not intend to assume any obligation to update or revise these forward-looking statements in light of developments that differ from those anticipated.

For and on behalf of the Board of Directors

Monu Ratra	**R. Venkataraman**
Executive Director & CEO	Director
DIN: 07406284	DIN: 00011919
Place: Gurugram	Place: Mumbai

Date: April 24, 2023

Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IIFL HOME FINANCE LIMITED ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the Standalone Financial Statements of **IIFL Home Finance Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the rules made thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("the SAs") specified under sub-section (10) of section 143 of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 Standalone 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in our audit
Expected Credit Loss – Impairment of carrying value of loans and advances 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. The calculation of impairment loss or ECL is based on significant management estimates and judgements, which are as under: • Judgements about credit risk characteristics for collective evaluation of impairment under various stages of ECL • Loan staging criteria	We performed audit procedures set out below: • 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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Key Audit Matter	How the matter was addressed in our audit
• Calculation of Probability of Default (PD) and Loss Given Default (LGD) • Consideration of probability scenarios and forward looking macro-economic factors • Considering time value of money for delays in receipt of funds • 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, certain restructured cases, interest rate increase resulting in increased EMI which may cause stress, introduction of new product and specific identification of certain construction finance cases etc. 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. In view of the criticality of the item to the Standalone 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.	• 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. • Relied on the management note and representation regarding determination of management overlay due to various additional factors.
IT Systems and controls The Company financial accounting and reporting systems are highly dependent on the effective working of the operating and accounting system. 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 this software are critical for accurate compilation of financial information. Due to extensive volumes, variety and complexity of transactions the operating system is functioning, consistently and accurately, specifically with respect to following: • Interest, Fee income and other charges collected on Loans • Bifurcation of the Loan Portfolio based on maturity pattern and Assets Classification based on ageing of default 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.	We performed audit procedures set out below: • 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 the accounting software to mitigate the risk of incorrect data flow to/from separate application software. • We have also obtained management representations wherever considered necessary.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

INFORMATION OTHER THAN THE STANDALONE 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 Annual Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone 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 Standalone 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 Standalone 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 matter to those charged with governance as required under SA 720 (Revised) "The Auditor's Responsibilities Relating to Other Information".

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these Standalone 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 rules made thereunder.

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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone 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 Standalone Financial Statements of the financial year ended March 31, 2023 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with rules made thereunder;

   e. on the basis of written representations received from the directors, as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 Standalone 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 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;

   h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 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 Standalone Financial Statements – Refer Note 36(b) to the Standalone Financial Statements.

      ii. the Company has made provision, as required under the applicable law or Indian 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.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 38B i.(i) to the standalone financial statements no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 38B i.(ii) to the Standalone Financial Statements no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   i. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

   ii. As proviso to rule 3(1) of the companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on using accounting software which has a feature of recording audit trail (edit log) facility is not applicable.

For **Suresh Surana and Associates LLP**	**For M.P. Chitale & Co.**
Chartered Accountants	Chartered Accountants
Firm Regn. No. 121750W / W-100010	Firm Regn. No.101851W
Ramesh Gupta	**Harnish Shah**
Partner	Partner
Membership No.: 102306	Membership No.: 145160
UDIN: 23102306BGWKSJ5369	UDIN: 23145160BGUUNM1625
Place: Mumbai	Place: Mumbai
Date: April 24, 2023	Date: April 24, 2023

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 OF EVEN DATE)

(i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(A) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment and relevant details of Right of Use Assets.

(B) The Company has maintained proper records showing full particulars of its Intangible assets.

(b) In our opinion, the Company's program of verifying Property, Plant and Equipment including Right of Use Assets once in three years, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, the physical verification of Property, Plant and Equipment, including Right of Use Assets, were not due during the current year and accordingly, not verified by the management during the year.

(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 (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) classified as Property Plant and Equipment, are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use Assets) and intangible assets during the year.

(e) According to the information and explanations given to us and based on management representations, there are no proceedings initiated or are pending against the Company as at March 31, 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is in business of Housing Finance. Therefore, it does not hold any physical inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. According to information and explanations given to us and the records examined by us, the revised quarterly returns or statements for the quarters ended June 2022, September 2022 and December 2022 filed by the Company during the year with such banks or financial institutions are in agreement with books of account. Further, in respect of quarter ended March 2023, the return has been filed based on the provisional financial statements..

(iii) (a) Since the Company is in business of Housing Finance, the reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

(b) The Company has made investments, provided guarantee or security, and granted loans and advances to companies, firms, Limited Liability Partnerships or any other parties. In our opinion, the investments made, security provided and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the interest of the Company.

(c) The Company is principally engaged in the business of providing loans.

In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 19056 cases having loan outstanding balance at year end aggregating to Rs. 2,457.85 Crores wherein the repayments of principal and interest are not regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where repayment of principal and interest have not been regular.

(d) In respect of loans granted by the Company, the total amount overdue for more than 90 days as at the balance sheet date are as under;

No. of cases	Principal amount overdue (₹ Crores)	Interest overdue (₹ Crores)	Total overdue (₹ Crores)
2983	10.53	64.80	75.33

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT (CONTD.)

According to information and explanation given to us and the records examined by us, the Company has taken reasonable steps to recover the principal and interest amount.

(e) Since the Company is in business of Housing Finance, the reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

(iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(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 on clause 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 except for significant delays in discharge of quarterly Advance Income Tax liabilities and certain instances of short pay-outs of Professional Tax, Provident Fund and Advance Income Tax liabilities as at the year end which are not yet discharged. According to information and explanations given to us, following undisputed amount payable in respect of Provident Fund and Professional Tax were outstanding, at the year end, for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the Dues	Amount in (₹)	Period to which the amount relates	Due Date	Date of payment	Remarks, if any
Employees Provident Fund Organisation	Provident Fund	2,336	Apr-2022	15-May-22		Short Payment
		10,007	Jun-2022	15-Jul-22		
		8,680	Jul-2022	15-Aug-22		
		52,131	Aug-2022	15-Sep-22		
		1,07,077	Sep-2022	15-Oct-22		
Professional Tax Authority Gujarat	Professional Tax	1,400	Apr-22	31-May-22		
		1,400	May-22	30-Jun-22		
		1,200	Jun-22	31-Jul-22		
		1,800	Jul-22	31-Aug-22		
		2,400	Aug-22	30-Sep-22		
		2,600	Sep-22	31-Oct-22		

(b) According to the information and explanations given to us, there are no dues of provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it, which have not been deposited with the appropriate authorities on account of any dispute except mentioned below;

Name of the Statute	Nature of the dues	Amount (₹ In crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	7.28*	F.Y. 2019-20	CIT (Appeals)
Goods and Services Tax Act, 2017	Goods and Services Tax	0.19	F.Y. 2018-19	Deputy Commissioner of State Tax

* Adjusted against refund

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT (CONTD.)

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income in the tax assessments made during the year under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority during the year.

(c) 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.

(d) On an overall examination of the Standalone Financial Statements of the Company, no funds raised on short-term basis have been prima facie used for long-term purposes during the year by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and Associate;

(f) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not raised loans during the year on the pledge of securities held in its subsidiary and associate and therefore, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, Company has not raised money by way of public offer during the year and, hence, reporting on clause 3 (x) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has made preferential allotment / private placement of shares during the year. The requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, we have not come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us, we have not come across any instance of whistle blower complaints reported during the year, nor have we been informed of such case by management.

(xii) The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(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 clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The Company is a Housing Finance Company and it holds a valid Certificate of Registration (CoR) from the National Housing Bank issued

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT (CONTD.)

under Section 29A(2) of the National Housing Bank Act 1987 for conducting housing finance business.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, the Company does not have any amount unspent to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the current financial year, to a Special account within a period of 30 days from the end of the current financial year in compliance with the provision of section 135(6) of the Act.

For **Suresh Surana and Associates LLP**
Chartered Accountants
Firm Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 23102306BGWKSJ5369

Place: Mumbai
Date: April 24, 2023

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 23145160BGUUNM1625

Place: Mumbai
Date: April 24, 2023

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 OF EVEN DATE)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE 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** (hereinafter referred to as "the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management 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 Standalone 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 Standalone 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 Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone 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 Standalone 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 Standalone Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS.

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone 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 Standalone 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 Standalone Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone 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 these Standalone Financial Statements and such internal financial controls were operating effectively as at March 31, 2023, 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 **Suresh Surana and Associates LLP**
Chartered Accountants
Firm Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 23102306BGWKSJ5369

Place: Mumbai
Date: April 24, 2023

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 23145160BGUUNM1625

Place: Mumbai
Date: April 24, 2023

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2023

(₹ in Crore)

Sr. no.	Particulars	Note no.	As at March 31, 2023	As at March 31, 2022
ASSETS				
1	**Financial Assets**			
	(a) Cash and cash equivalents	4A	1,628.26	1,398.73
	(b) Bank balance other than (a) above	4B	359.29	433.29
	(c) Derivative financial instruments	5	41.99	-
	(d) Receivables	6		
	(I) Trade Receivables		40.59	34.41
	(e) Loans	7	17,728.82	15,290.22
	(f) Investments	8	1,427.24	383.26
	(g) Other financial assets	9	452.36	357.10
2	**Non-financial Assets**			
	(a) Current tax assets (Net)		11.46	5.51
	(b) Deferred tax assets (Net)	10	45.62	64.09
	(c) Investment Property	11A	2.29	6.63
	(d) Property, Plant and Equipment	11B	7.65	6.55
	(e) Right of use assets	12A	27.78	15.45
	(f) Other Intangible assets	12B	0.44	0.18
	(g) Other non-financial assets	13	5.92	4.78
	(h) Assets held for sale	14	5.47	9.70
	Total Assets		**21,785.18**	**18,009.90**
LIABILITIES AND EQUITY				
1	**Financial Liabilities**			
	(a) Derivative financial instruments	5	-	5.05
	(b) Trade Payables	15		
	(i) total outstanding dues of micro enterprises and small enterprises		3.01	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		47.94	50.81
	(c) Finance Lease Obligation	12A	29.72	17.38
	(d) Debt Securities	16	2,254.22	2,217.99
	(e) Borrowings (other than Debt Securities)	17	11,620.67	10,944.93
	(f) Subordinated Liabilities	18	1,078.31	1,057.69
	(g) Other financial Liabilities	19	903.11	944.45
2	**Non-financial liabilities**			
	(a) Current tax liabilities (net)		16.01	26.03
	(b) Provisions	20	19.34	14.05
	(c) Other non-financial liabilities	21	259.65	50.81
3	**Equity**			
	(a) Equity share capital	22	26.34	20.97
	(b) Other equity	23	5,526.86	2,659.74
Total Liabilities and Equity			**21,785.18**	**18,009.90**

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 Suresh Surana & Associates LLP
Chartered Accountants

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

Harnish Shah
Partner
Place: Mumbai

Ramesh Gupta
Partner
Place: Mumbai

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

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

Date: April 24, 2023

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Sr. no.	Particulars	Note no.	2022-23	2021-22
REVENUE FROM OPERATIONS				
(i)	Interest income	24	2,273.93	1,875.75
(ii)	Dividend income	25	1.25	-
(iii)	Fees and commission income	26	114.47	76.96
(iv)	Net gain on fair value changes	27	59.65	6.32
(v)	Net gain on derecognition of financial instruments under amortized cost category	28.1	40.81	10.92
(vi)	Net gain on derecognition of financial instruments under FVTOCI	28.2	84.02	115.88
(vii)	Net gain on derecognition of Equity shares under Cost category		29.45	-
(viii)	Net gain on modification of financial instruments under amortized cost category		-	0.25
(I)	**Total Revenue from Operations**		**2,603.58**	**2,086.08**
(II)	**Other Income**	29	127.58	135.36
(III)	**Total Income (I+II)**		**2,731.16**	**2,221.44**
	Expenses			
(i)	Finance Costs	30	1,182.09	1,062.48
(ii)	Impairment on financial instruments, including write-offs	31	166.73	160.00
(iii)	Employee Benefits Expenses	32	240.21	171.70
(iv)	Depreciation, amortization and impairment	11A-12B	9.37	6.69
(v)	Other expenses	33	109.86	74.61
(IV)	**Total Expenses**		**1,708.26**	**1,475.48**
(V)	**Profit Before Tax (III -IV)**		**1,022.90**	**745.96**
(VI)	**Tax Expense:**			
	(i) Current Tax	34	227.05	170.10
	(ii) Deferred Tax	10	6.29	(3.46)
	(iii) Tax of earlier years	34	(0.77)	1.33
	Total Tax Expense		**232.57**	**167.97**
(VII)	**Profit for the year (V-VI)**		**790.33**	**577.99**
(VIII)	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit liabilities/ (assets)		(0.48)	0.11
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.12	(0.03)
	Subtotal (A)		**(0.36)**	**0.08**
	B (i) Items that will be reclassified to profit or loss			
	(a) Cash Flow Hedge (net)		16.83	12.83
	(b) Fair value of loans carried at FVTOCI		(0.75)	13.65
	(ii) Income tax relating to items that will be reclassified to profit or loss		(4.05)	(6.67)
	Subtotal (B)		**12.03**	**19.81**
	Other Comprehensive Income (A+B)		**11.67**	**19.89**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**802.00**	**597.88**
(X)	**Earnings per equity share of face value of ₹ 10 each**	35		
	Basic (₹)		326.07	275.65
	Diluted (₹)		326.07	275.65

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 Suresh Surana & Associates LLP
Chartered Accountants

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

Harnish Shah
Partner
Place: Mumbai

Ramesh Gupta
Partner
Place: Mumbai

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

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

Date: April 24, 2023

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

A. EQUITY SHARE CAPITAL

1. As at March 31, 2023

(₹ in Crore)

Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
20.97	**-**	**-**	5.37	**26.34**

2. As at March 31, 2022

(₹ in Crore)

Balance at the beginning of the previous reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting year	Changes in equity share capital during the previous year	Balance at the end of the previous reporting year
20.97	**-**	**-**	-	**20.97**

B. OTHER EQUITY

1. As at March 31, 2023

(₹ in Crore)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the current reporting year	**799.16**	**143.86**	**402.97**	**1,311.64**	**(0.51)**	**(7.03)**	**9.65**	**2,659.74**
Additions during the year (Refer Note 1)	2,194.62							**2,194.62**
Share issue expenses (Refer Note 1)	(24.13)							**(24.13)**
Profit for the year	-	-	-	790.33	-	-	-	**790.33**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-		-	12.60	-	**12.60**
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-		(0.36)	-	-	**(0.36)**
Equity Dividend (Refer Note 4)	-	-	-	(105.38)	-	-	-	**(105.38)**
Transfer to Special Reserve (Refer Note 5)	-	-	158.10	(158.10)	-	-	-	**-**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	(0.56)	**(0.56)**
Balance at the end of the Current reporting year	**2,969.65**	**143.86**	**561.07**	**1,838.49**	**(0.87)**	**5.57**	**9.09**	**5,526.86**

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

2. As at March 31, 2022

(₹ in Crore)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the Previous reporting year	**799.16**	**143.86**	**287.37**	**912.15**	**(0.59)**	**(16.64)**	**(0.57)**	**2,124.74**
Addition during the year								
Profit for the year	-	-	-	577.99	-	-	-	**577.99**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	9.61	-	**9.61**
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	0.08	-	-	**0.08**
Equity Dividend (Refer Note 4)	-	-	-	(62.90)	-	-	-	**(62.90)**
Transfer to Special Reserve (Refer Note 5)	-	-	115.60	(115.60)	-	-	-	**-**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	10.22	**10.22**
Balance at the end of the Previous reporting year	**799.16**	**143.86**	**402.97**	**1,311.64**	**(0.51)**	**(7.03)**	**9.65**	**2,659.74**

1. During the year ended March 31, 2023, the Board of Directors of the Company at its meeting held on August 22, 2022 approved the allotment of 5,376,457 fully paid-up equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share to a wholly owned subsidiary of Abu Dhabi Investment Authority i.e. Platinum Owl C 2018 RSC Limited, acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust ("Investor") for an aggregate consideration of ₹ 2,200 Crore. The investor holds 20% of the share capital (calculated on a fully diluted basis) of the Company. Share issue expenses incurred aggregating to ₹ 24.13 Crore has been charged to securities premium account.
2. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
3. 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.
4. During the year, the Board of Directors of the Company has declared and paid interim dividend of ₹ 40 per equity share (P.Y. ₹ 30/-).
5. 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.

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 24, 2023

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

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 & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars	Note No.	2022-23	2021-22
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**1,022.90**	**745.96**
Adjustments for:			
Depreciation, amortization and impairment		9.37	6.69
Impairment on financial instruments		(3.60)	105.16
Interest expense		1,182.09	1,062.48
Interest on Loans		(2,273.94)	(1,875.75)
Net gain on derecognition of financial instruments		(96.14)	(122.97)
Net (gain)/loss on fair value changes		(59.65)	(6.32)
Net (gain)/loss on derecognition of Equity shares under Cost category		(29.45)	-
Net (gain)/loss on Sale of assets		0.02	0.03
Interest paid		(1,191.07)	(1,218.77)
(Gain)/Loss on termination		(0.06)	-
(Gain)/Loss on Modification		-	(0.26)
Interest received		2,254.47	1,898.47
Dividend Income		(1.25)	-
Operating Profit before Working Capital changes		**813.69**	**594.73**
Changes in Working Capital:			
Adjustments for (increase)/decrease in Other Financial assets		(22.98)	(18.57)
Adjustments for (increase)/decrease in Trade Receivables		(12.57)	(3.85)
Adjustments for (increase)/decrease in Other Non Financial assets		(2.02)	(1.58)
Adjustments for (increase)/decrease in Assets held for sale		4.23	4.25
Adjustments for (increase)/decrease in Balances with banks - Lien marked		0.47	(3.72)
Adjustments for increase/(decrease) in Trade Payables		0.13	15.65
Adjustments for increase/(decrease) in Other financial liabilities		(41.33)	359.06
Adjustments for increase/(decrease) in Other non-financial liabilities		208.85	(62.55)
Adjustments for increase/(decrease) in Provisions		4.91	2.07
Operating Profit after Working Capital changes		**953.38**	**885.48**
Direct Taxes Paid (Refer note below)		**(234.00)**	**(164.96)**
Cash from Operations		**719.38**	**720.52**
Loans (disbursed) / repaid (net)		(2,393.03)	(820.82)
Net cash generated from / (used in) Operating Activities (A)		**(1,673.65)**	**(100.30)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(6.63)	(7.14)
Sale of Property, Plant and Equipment		1.39	0.46
Dividend Income		1.25	-
Fixed deposits placed		(2,636.31)	(1,784.49)
Fixed deposits matured		2,710.62	1,798.62
Purchase of investments		(21,807.34)	(24,149.35)
Proceeds from sale of investments		20,599.36	23,939.62
Proceeds from sale of investment in associate		259.08	-
Proceeds from sale of investment property		3.98	-
Net Cash from / (used in) Investing Activities (B)		**(874.61)**	**(202.28)**
Cash flow from Financing Activities			
Proceeds from fresh issue of Equity shares including premium		2,200.00	-

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crore)

Particulars	Note No.	2022-23	2021-22
Share issue expenses		(24.13)	-
Dividend paid		(105.38)	(62.90)
Proceeds from Borrowings		4,159.31	4,341.84
Repayment of Borrowings		(3,510.66)	(3,851.80)
Proceeds from issue of Debt & Sub-Ordinated Debt Securities		330.00	1,900.45
Repayment of Debt & Sub-Ordinated Debt Securities		(264.03)	(1,034.25)
Payment of interest on lease liabilities		(2.24)	(1.38)
Principal payment of lease liabilities		(5.08)	(2.98)
Net Cash from/(used in) Financing Activities (C)		**2,777.79**	**1,288.98**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**229.53**	**986.40**
Cash and cash equivalents as at the beginning of the year		1,398.73	412.33
Cash and cash equivalents as at the end of the year		**1,628.26**	**1,398.73**
See accompanying notes forming part of the financial statements	**1-46**		

Note: As direct tax paid above is not specifically identifiable into financing and investing activities, they have been shown under operating activities.

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

Date: April 24, 2023

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 & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

NOTE 1. CORPORATE INFORMATION

(a) Company overview

IIFL Home Finance Limited ("IIFL HFL"/ "the Company") (CIN No. U65993MH2006PLC166475), is a subsidiary of IIFL Finance 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 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 crores 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,

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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 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.
- Creation of additional management overlay to reflect among other things an increased risk of deterioration in performance of pool of specific assets.

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 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 applies 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.

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v. 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.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

i. Interest income and dividend income

Interest income on financial instruments measured at amortized cost/Fair value through other comprehensive income is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable. Interest income on pool of loan accounts which are assigned is recognized net off interest payable to assignees on the assigned pool of loan accounts.

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 adjusted for its past behavior pattern.

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 amortized 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 amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

Penal Interest are recognized 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 recognized in the Statement of Profit and Loss at initial recognition.

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

ii. Fees and charges

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Company's Statement of Profit and Loss include, among other things, fees charged for servicing a loan. Fees and charges are recognized 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 recognized when the right to receive the income is established as per the terms of the contract.

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

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at 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.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount net of accumulated depreciation of the asset and is recognized in the Statement of Profit and Loss.

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".

(c) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortization and cumulative impairment.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets 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. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset) is included in Statement of Profit or Loss in the period in which the Investment property is derecognized.

(e) Depreciation and Amortization

Depreciation is charged using the straight-line method, based on the useful life of PPE as estimated by the Management, as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged from the month in which assets are sold. In case of transfer of used PPE from group companies, depreciation is charged over the remaining useful life of the asset. Individual assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight line basis over the leasehold period.

The estimated useful life of assets is as under:

Class of assets	Useful Life 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 amortized on straight-line basis over the estimated useful life of 3 years.

Depreciation and amortization 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

The Company follows various collection mechanisms for recovery of dues from the borrowers, which involves initiating proceedings under SARFASI Act, 2002 wherein actual/physical repossession of assets (collateral) is obtained after eviction in lieu of the loan outstanding. Once repossessed, asset is available for immediate sale via Auction process in its present condition subject only to terms that are usual and customary for sale of such asset. The Company's endeavor is to sell the re-possessed assets, in a public auction and realize the sale proceeds to recover the loan amount outstanding at the earliest. The Customer has all opportunity to repay the loan amount before finalization of sale of the property and take back the possession. Since borrowers may settle the loans and in such cases, the property is handed back to them (in case the property is not yet sold in auction), acquiring such properties does not change the nature of the assets and that such re-possessed assets continue to be classified as financial assets. In case where the Company is certain that borrower has no right to settle loans once the re-possessed assets is put up for public auction and that recovery will happen through sale and sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification is 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.

Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India was approached by the Company for an opinion in the classification of such repossessed assets as "Non- Current Assets Held For Sale" and the EAC has affirmed the view of the Company on the above matter vide its opinion on September 20, 2022.

(g) Impairment of Assets other than financials 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 recognized 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 recognized immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss 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 recognized for the asset in prior years. A reversal of an impairment loss is recognized 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 recognized 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 recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. These benefits include performance incentive and compensated absences.

Post-employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognized in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognized when the settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Long term employee benefits: The obligation recognized in respect of long term benefits 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 recognized 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.

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or

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termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognizes the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

(j) Taxes on income

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. 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 recognized 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 realized. 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 recognized outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Current and deferred tax for the year

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

(k) Financial instruments

Recognition and Initial Measurement

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

Recognized financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of Profit and Loss.

Financial assets

Classification and Subsequent measurement

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

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow

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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 amortized cost.

Financial Assets measured at amortized cost

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortized cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in Statement of profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit or Loss.

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

Instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the Statement of Profit and Loss. The gain or loss on disposal is recognized in the Statement of Profit and Loss.

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

All equity investments in scope of Ind AS 109 are measured at fair value and 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 recognized 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 recognized gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in Statement of Profit and Loss.
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in OCI. No change in EIR due to reclassification.
FVTOCI	Amortized cost	Fair value at reclassification date becomes its new amortized 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 amortized 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 recognized 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).

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.

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

Stage 1: When loans are first recognized, the Company recognizes 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.
- Loss given default ("LGD") estimates the loss which Company incurs post customer default. It is computed using historical loss, recovery experience and value of collateral. 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 recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's expert credit assessment.

Credit impaired financial assets

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL 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.

The Company considers a financial instrument as defaulted when the borrower becomes 90 days past due on its contractual payments. Such instruments are considered as Stage 3 (credit-impaired) for ECL calculations.

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 maximize collection and minimize the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognized, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized 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 derecognized 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 derecognized 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 recognized 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.

Securitization transactions

In case of securitization transactions, the Company retains substantially all the risks and rewards of ownership of a portion of the transferred loan assets. The Company continues to recognize the entire loan and also recognizes a collateralized 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.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

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

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in the Statement of Profit and Loss.

(l) 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 recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated 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 recognized in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

(m) Investments in Subsidiaries and Associates

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

(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/utilizing the credits.

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(p) Borrowing costs

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

(q) Foreign currencies

In preparing the financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognized 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.

(s) Provisions, contingent liabilities and contingent assets

Provisions are recognized only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. 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 recognized 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 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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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 unrealized foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

(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.

NOTE 3A. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 4A. CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash on hand	1.54	0.92
Cheques in hand	105.73	-
Balance with banks		
-In current accounts	82.64	164.64
Fixed deposits (original maturity less than or equal to three months)	1,438.35	1,233.17
Cash and cash equivalents	**1,628.26**	**1,398.73**

NOTE 4B. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Other bank balances		
In earmarked accounts		
- Unclaimed interest and redemption proceeds of NCDs and other earmarked balances	4.70	5.18
Fixed deposits (original maturity less than or equal to three months) - lien marked	90.17	150.07
Fixed deposits (original maturity more than three months)	264.42	278.04
Total	**359.29**	**433.29**

OUT OF THE FIXED DEPOSITS SHOWN ABOVE:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Lien marked:		
Original maturity less than or equal to three months	90.17	150.07
Original maturity more than three months	82.49	81.19
Margin for credit enhancement	80.68	196.86
Total	**253.34**	**428.12**

NOTE 5. DERIVATIVES FINANCIAL INSTRUMENTS

(₹ in Crore)

Part I	As at March 31, 2023				As at March 31, 2022			
	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)
(i) Currency derivatives:								
- Cross currency interest rate swaps	363.08	44.02	-	44.02	363.08	-	5.05	(5.05)
Subtotal (i)	**363.08**	**44.02**	**-**	**44.02**	**363.08**	**-**	**5.05**	**(5.05)**
(ii) Other derivatives								
- Forward contract	968.75	-	2.03	(2.03)	-	-	-	-
Subtotal (ii)	**968.75**	**-**	**2.03**	**(2.03)**	**-**	**-**	**-**	**-**
Total derivative (i+ii)	**1,331.83**	**44.02**	**2.03**	**41.99**	**363.08**	**-**	**5.05**	**(5.05)**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crore)

Part II	As at March 31, 2023				As at March 31, 2022			
	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i) Cash flow hedging:								
- Currency derivatives	363.08	44.02	-	44.02	363.08	-	5.05	(5.05)
(ii) Undesignated derivatives								
-Forward contract	968.75	-	2.03	(2.03)	-	-	-	-
Total derivative financial instruments (i+ii)	**1,331.83**	**44.02**	**2.03**	**41.99**	**363.08**	**-**	**5.05**	**(5.05)**

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 Crore)

Particulars	Total		Exchange traded		Over the counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2023						
Derivative asset	-	44.02	-	-	-	44.02
Derivative liabilities	1,331.83	2.03	-	-	1,331.83	2.03
Net Derivative Asset / (Liabilites)		**41.99**	**-**	**-**		**41.99**
As at March 31, 2022						
Derivative asset	-	-	-	-	-	-
Derivative liabilities	363.08	5.05	-	-	363.08	5.05
Net Asset / (Liabilites)		**(5.05)**		**-**		**(5.05)**

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 16.79 Crore. (March 31, 2022 USD 5.00 Crore.). 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 and also with a Derivative Forward Contract

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 Statement of Profit and Loss. If the hedge is effective, the movement in the Fair Value of the

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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 Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Notional amount	1,331.83	363.08
Carrying amount - Asset / (Liability)	41.99	(5.05)
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	10.04	9.61

(₹ in Crore)

Impact of hedging item	2022-23	2021-22
Change in fair value	10.04	9.61
Cash flow hedge reserve	12.60	9.61
Fair value change charged in Statement of Profit & Loss	(2.56)	-

(₹ in Crore)

Effect of Cash flow hedge	2022-23	2021-22
Total hedging gain / (loss) recognized in OCI	12.60	9.61
Total hedging gain / (loss) recognized in the statement of profit or (loss)	(2.56)	-

(₹ in Crore)

Particulars	2022-23	2021-22
(Gain)/Loss On Swap Transaction	49.60	24.15
(Gain)/Loss On Mark To Market On Fluctuation Of Foreign Exchange	(32.77)	(11.32)
Tax implication on above	(4.23)	(3.22)
Total	**12.60**	**9.61**

(₹ in Crore)

Particulars	2022-23	2021-22
Gain/(Loss) On Swap Transaction	(0.53)	-
Gain/(Loss) On Mark To Market On Fluctuation Of Foreign Exchange	(2.03)	-
Tax implication on above	-	-
Total	**(2.56)**	**-**

NOTE 6. RECEIVABLES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade receivables		
Receivables considered good - unsecured	40.51	34.11
Receivables which have significant increase in credit risk	0.10	0.38
Receivables - credit impaired	6.45	-
Total - gross	**47.06**	**34.49**
Less: Impairment loss allowance	(6.47)	(0.08)
Total	**40.59**	**34.41**

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Trade Receivables aging schedule

(₹ in Crore)

Particulars	Outstanding for following period from the date of transaction			Total
	Unbilled	Less than 6 Months	More than 6 Months	
As at March 31, 2023				
Undisputed Trade receivables – considered good	2.34	38.17	-	40.51
Undisputed Trade receivables – significant increase in credit risk	-	0.06	0.04	0.10
Undisputed Trade receivables – credit impaired	-	-	6.45	6.45
As at March 31, 2022				
Undisputed Trade receivables – considered good	2.58	31.53	-	34.11
Undisputed Trade receivables – significant increase in credit risk	-	0.38	-	0.38

NOTE 7. LOANS

(₹ in Crore)

Particulars	As at March 31, 2023		
	Amortized cost	FVTOCI	Total
	1	2	(3=1+2)
Loans			
(A)			
(i) Term loans	15,429.12	2,854.50	18,283.62
Total (A) - Gross	**15,429.12**	**2,854.50**	**18,283.62**
Less: Impairment loss allowance	(529.49)	(25.31)	(554.80)
Total (A) - Net	**14,899.63**	**2,829.19**	**17,728.82**
(B)			
(i) Secured by tangible assets	15,279.11	2,853.78	18,132.89
(ii) Secured by Government Guarantee	144.39	0.72	145.11
(iii) Unsecured	5.62	-	5.62
Total (B) - Gross	**15,429.12**	**2,854.50**	**18,283.62**
Less: Impairment loss allowance	(529.49)	(25.31)	(554.80)
Total (B) - Net	**14,899.63**	**2,829.19**	**17,728.82**
(C)			
Loans in India	15,429.12	2,854.50	18,283.62
(i) Public sector	-	-	-
(ii) Others	15,429.12	2,854.50	18,283.62
Less: Impairment loss allowance	(529.49)	(25.31)	(554.80)
Total (C) - Net	**14,899.63**	**2,829.19**	**17,728.82**

(₹ in Crore)

Particulars	As at March 31, 2022		
	Amortized cost	FVTOCI	Total
	1	2	(3=1+2)
Loans			
(A)			
(i) Term loans	12,950.24	2,912.72	15,862.96
Total (A) - Gross	**12,950.24**	**2,912.72**	**15,862.96**
Less: Impairment loss allowance	(545.42)	(27.32)	(572.74)
Total (A) - Net	**12,404.82**	**2,885.40**	**15,290.22**
(B)			
(i) Secured by tangible assets	12,701.76	2,912.72	15,614.48
(ii) Secured by Government Guarantee	242.40	-	242.40
(iii) Unsecured	6.08	-	6.08
Total (B) - Gross	**12,950.24**	**2,912.72**	**15,862.96**
Less: Impairment loss allowance	(545.42)	(27.32)	(572.74)
Total (B) - Net	**12,404.82**	**2,885.40**	**15,290.22**
(C)			
(I) Loans in India	**12,950.24**	**2,912.72**	**15,862.96**
(i) Public sector	-	-	-
(ii) Others	12,950.24	2,912.72	15,862.96
Less: Impairment loss allowance	(545.42)	(27.32)	(572.74)
Total (C) - Net	**12,404.82**	**2,885.40**	**15,290.22**

The above Term Loans includes ₹ 237.79 Crore. (as at March 31, 2022, ₹ 210.15 Crore.) towards interest accrued, unamortized processing fee, gain/loss on modification of financial assets and 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 ₹ Nil (as at March 31, 2022, ₹ 0.63 Crore.) in respect of which the creation of security is under process.

Note 7.1:

The COVID-19 pandemic impacted economic activity during the last two fiscal years. Currently, while the number of new COVID-19 cases have reduced significantly and the Government of India has withdrawn COVID-19 related restrictions, the future trajectory of the pandemic may have an impact on the results of the Company.

Note 7.2:

Reserve Bank of India (RBI), on November 12, 2021, had issued circular no. RBI/2021-2022/125 DOR.STR. REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms (IRACP norms) pertaining to Advances. On February 15, 2022, RBI had issued another circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22, allowing the company to put in place the necessary system to implement the provisions till September 30, 2022 and the same has been implemented by the Company.

Note 7.3:

The Company has not granted any loans or advances in the nature of loans, to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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NOTE 8. INVESTMENTS

(₹ in Crore)

Particulars	As at March 31, 2023			
	FVTPL	At Amortized Cost	At Cost	Total
(A)				
(i) Investments in Debt Securities	210.13	-	-	210.13
(ii) Investments in Subsidiaries	-	-	0.05	0.05
(iii) Investment in Other securities:				
(a) Alternate Investment Funds	161.44	-	-	161.44
(b) Pass through certificates	-	7.61	-	7.61
(c) Certificate of Deposits	-	650.59	-	650.59
(d) Commercial Papers	-	397.42	-	397.42
Total – Gross (A)	**371.57**	**1,055.62**	**0.05**	**1,427.24**
(B)				
(i) Investments in India	371.57	1,055.62	0.05	1,427.24
Total (B)	**371.57**	**1,055.62**	**0.05**	**1,427.24**
(C)				
Less: Impairment loss allowance	-	-	-	-
Total- Net (A-C)	**371.57**	**1,055.62**	**0.05**	**1,427.24**

(₹ in Crore)

Particulars	As at March 31, 2022			
	FVTPL	At Amortized Cost	At Cost	Total
(A)				
(i) Investments in Subsidiaries	-	-	0.05	0.05
(ii) Investments in Associates			229.62	229.62
(iii) Investment in Other securities:				
(a) Alternate Investment Funds	144.00	-	-	144.00
(b) Pass through certificates	-	9.59	-	9.59
Total – Gross (A)	**144.00**	**9.59**	**229.67**	**383.26**
(B)				
(i) Investments in India	144.00	9.59	229.67	383.26
Total (B)	**144.00**	**9.59**	**229.67**	**383.26**
(C)				
Less: Impairment loss allowance	-	-	-	-
Total- Net (A-C)	**144.00**	**9.59**	**229.67**	**383.26**

Note 8.1 Investment Details Script Wise

Particulars	As at March 31, 2023	
	Quantity (in actuals)	Carrying Value (₹ in Crore)
Investments in Debt Securities		
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 29My26 FV ₹ 10lakhs	22	2.25
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30My25 FV ₹ 10lakhs	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30My31 FV ₹10lakhs	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My23 FV ₹ 2.5lakhs	250	6.31
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My24 FV ₹10lakhs	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My27 FV ₹10lakhs	250	25.16
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My28 FV ₹ 10lakhs	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My29 FV ₹ 10lakhs	250	25.15
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My30 FV ₹ 10lakhs	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My32 FV ₹ 10lakhs	250	25.21
Investments in Subsidiaries		
IIHFL Sales Limited	50,000	0.05
Investment in Other securities:		
Alternate Investment Funds		
IIFL One Value Fund Series B	13,43,13,931	161.44
Pass through cetificates		
Elite Mortgage HL Trust June 2019 Series A PTC	5	7.61
Certificate of Deposits:		
Axis Bank Limited	500	24.79
Bank of Maharashtra CD 05 Apr 23	2,000	99.92
Bank of Maharashtra CD 12 May 23	1,000	49.60
Canara Bank CD 17 Apr 23	2,000	99.69
HDFC Bank Limited CD 13 Apr 23	2,000	99.77
HDFC Bank Limited CD 15 May 23	1,600	79.33
Punjab National Bank CD 18 May 23	2,000	99.09
Punjab National Bank	2,000	98.40
Commercial Papers:		
National Bank For Agriculture And Rural Development 90D CP 20 Apr 23	6,000	298.87
Small Industries Development Bank of India 91D CP 16 Jun 23	2,000	98.55

Particulars	As at March 31, 2022	
	Quantity (in actuals)	Carrying Value (₹ in Crore)
Investments in Subsidiaries		
IIHFL Sales Limited	50,000	0.05
Investments in Associates		
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	12,45,55,797	229.62
Investment in Other securities:		
Alternate Investment Funds		
IIFL One Value Fund Series B	13,43,13,931	144.00
Pass through cetificates		
Elite Mortgage HL Trust June 2019 Series A PTC	5	9.59

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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NOTE 9. OTHER FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits		
- Unsecured, considered good	2.40	1.98
- Unsecured, considered doubtful	0.92	0.80
Less: Provisions (Refer Note 9.1 below)	(0.92)	(0.80)
Interest strip asset on assignment	375.59	303.05
Other receivables	74.37	52.07
Total	**452.36**	**357.10**

Note 9.1. Provision on Security Deposits

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	0.80	0.85
Additions	0.13	-
Reductions	(0.01)	(0.05)
Closing provision	**0.92**	**0.80**

NOTE 10. DEFERRED TAX ASSETS (NET)

Significant components of deferred tax assets and liabilities as at March 31, 2023 are as follows:

(₹ in Crore)

Particulars	Opening balance	Recognized in Statement of Profit and Loss	Recognized in/ reclassified from OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	0.64	(0.01)	-	0.63
Provisions for expected credit losses	128.13	(0.91)	-	127.22
Provision for employee benefits	1.62	0.78	0.12	2.52
Right of use of Assets and lease liabilities	0.60	0.06	-	0.66
Adjustment pertaining to income and expenses recognition based on effective interest rate	20.17	6.66	-	26.83
Total deferred tax assets (A)	**151.16**	**6.58**	**0.12**	**157.86**
Deferred tax liabilities:				
Provision for Bad and Doubtful debts under section 36(1)(viia)	(8.83)	8.83	-	-
Interest spread on assigned loans	(76.28)	(18.26)	-	(94.54)
Fair value of financial instruments	(3.23)	(3.44)	0.17	(6.50)
Fair value of derivative financial instruments	1.27	-	(12.47)	(11.20)
Total deferred tax liabilities (B)	**(87.07)**	**(12.87)**	**(12.30)**	**(112.24)**
Deferred tax assets (A+B)	**64.09**	**(6.29)**	**(12.18)**	**45.62**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Significant components of deferred tax assets and liabilities as at March 31, 2022 are as follows:

(₹ in Crore)

Particulars	Opening balance	Recognized in Statement of Profit and Loss	Recognized in/ reclassified from OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	0.68	(0.04)	-	0.64
Provisions for expected credit losses	101.66	26.47	-	128.13
Provision for employee benefits	1.26	0.40	(0.04)	1.62
Fair value of derivative financial instruments	7.35	-	(6.08)	1.27
Right of use of Assets and lease liabilities	0.45	0.15	-	0.60
Adjustment pertaining to income and expenses recognition based on effective interest rate	16.19	3.98	-	20.17
Total deferred tax assets (A)	**127.59**	**30.96**	**(6.12)**	**152.43**
Deferred tax liabilities:				
Provision for Bad and Doubtful debts under section 36(1)(viia)	(7.66)	(1.17)	-	(8.83)
Interest spread on assigned loans	(49.96)	(26.32)	-	(76.28)
Fair value of financial instruments	0.20	-	(3.43)	(3.23)
Total deferred tax liabilities (B)	**(57.42)**	**(27.49)**	**(3.43)**	**(88.34)**
Deferred tax assets (A+B)	**70.17**	**3.47**	**(9.55)**	**64.09**

NOTE 11A. INVESTMENT PROPERTY

(₹ in Crore)

Particulars	Building
As at March 31, 2021	**7.48**
Additions	-
Deductions/Adjustments	-
As at March 31, 2022	**7.48**
Additions	-
Deductions/Adjustments	4.73
As at March 31, 2023	**2.75**
Accumulated Depreciation	
As at March 31, 2021	**0.48**
Depreciation for the year	0.37
Deductions/Adjustments	-
As at March 31, 2022	**0.85**
Depreciation for the year	0.36
Deductions/Adjustments	0.75
As at March 31, 2023	**0.46**
Net Block as at March 31, 2022	**6.63**
Net Block as at March 31, 2023	**2.29**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Note 11A.1. Reconciliation of changes in the fair value of the Investment Property

(₹ in Crore)

Particulars	Building
As at March 31, 2021	**8.68**
Additions to fair value	-
Changes in the fair value (including sale)	0.10
As at March 31, 2022	**8.78**
Additions to fair value	-
Changes in the fair value (including sale)	5.10
As at March 31, 2023	**3.68**

The Fair Value of the Investment Property has been arrived on the basis of valuation carried out by an Independent Un-registered Valuer. The fair value measurement for investment property has been categorized as Level 2 fair value based on the inputs to the valuation technique used.

Note 11A.2. Title deeds of Immovable Property not held in name of the Company

As at March 31, 2023

(₹ in Crore)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings
Assets Held for Sale (Refer note 14)	Building (3 Properties)	5.47	Borrowers to whom loans were given	No	Repossessed between June 2019 to December 2020	Properties repossessed under SARFAESI Act.

As at March 31, 2022

(₹ in Crore)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings
	Building	4.73	Borrower to whom loan has been given	No	December 31, 2019	Acquired in the SARFAESI Proceedings
Assets Held for Sale (Refer note 14)	Building (19 Properties)	9.70	Borrowers to whom loans were given	No	Repossessed between August 2017 to December 2020	Properties repossessed under SARFAESI Act.

Note: Due to the voluminous nature of transactions and sensitivity of the information, individual borrower wise details, in whose name the title deeds are held are not disclosed.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 11B. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	Freehold Land*	Furniture & Fixture	Office Equipment	Electrical Equipment	Computers	Vehicles	Total
As at March 31, 2021	**0.09**	**1.23**	**0.81**	**0.64**	**5.21**	**-**	**7.98**
Additions	-	0.42	0.18	0.26	6.19	-	7.05
Deductions/Adjustments	-	0.12	0.04	0.12	1.14	-	1.42
As at March 31, 2022	**0.09**	**1.53**	**0.95**	**0.78**	**10.26**	**-**	**13.61**
Additions	-	0.22	0.15	0.64	4.21	0.69	5.91
Deductions/Adjustments	-	0.08	0.01	0.04	2.12	-	2.25
As at March 31, 2023	**0.09**	**1.67**	**1.09**	**1.38**	**12.35**	**0.69**	**17.27**
Accumulated Depreciation							
As at March 31, 2021	**-**	**0.75**	**0.50**	**0.40**	**3.84**	**-**	**5.49**
Depreciation for the year	-	0.30	0.15	0.22	1.81	-	2.48
Deductions/Adjustments	-	0.10	0.02	0.11	0.68	-	0.91
As at March 31, 2022	**-**	**0.95**	**0.63**	**0.51**	**4.97**	**-**	**7.06**
Depreciation for the year	-	0.26	0.15	0.21	2.74	0.05	3.41
Deductions/Adjustments	-	0.07	0.01	0.04	0.73	-	0.85
As at March 31, 2023	**-**	**1.14**	**0.77**	**0.68**	**6.98**	**0.05**	**9.62**
Net Block as at March 31, 2022	**0.09**	**0.58**	**0.32**	**0.27**	**5.29**	**-**	**6.55**
Net Block as at March 31, 2023	**0.09**	**0.53**	**0.32**	**0.70**	**5.37**	**0.64**	**7.65**

* 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 Crore)

Particulars	Premises	Vehicle	Total
As at March 31, 2021	**14.45**	**0.45**	**14.90**
Additions	4.35	1.12	5.47
Deductions/Adjustments	-	-	-
Finance cost accrued during the year	1.30	0.08	1.38
Payment of lease liabilities	3.72	0.65	4.37
As at March 31, 2022	**16.38**	**1.00**	**17.38**
Additions	14.91	3.28	18.18
Deductions/Adjustments	0.70	0.06	0.76
Finance cost accrued during the year	2.05	0.18	2.24
Payment of lease liabilities	6.47	0.85	7.32
As at March 31, 2023	**26.17**	**3.55**	**29.72**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Statement showing carrying value of right of use

(₹ in Crore)

Particulars	Premises	Vehicle	Total
As at March 31, 2021	**13.18**	**0.39**	**13.57**
Additions	4.45	1.12	5.57
Deductions/Adjustments	0.01	-	0.01
Depreciation	3.12	0.56	3.68
As at March 31, 2022	**14.50**	**0.95**	**15.45**
Additions	15.16	3.28	18.44
Deductions/Adjustments	0.65	0.07	0.72
Depreciation	4.63	0.76	5.39
As at March 31, 2023	**24.38**	**3.40**	**27.78**

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

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	6.28	3.04
Non- Current lease liabilities	**23.44**	**14.34**

Statement showing contractual maturities of lease liabilities on an undiscounted basis

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Due for		
Up to One year	8.55	4.33
One year to Two years	8.03	4.11
Two to Five years	13.67	9.65
More than Five years	7.33	6.04
Total	**37.58**	**24.13**

Statement showing amount recognized in Statement of Profit and Loss:

(₹ in Crore)

Particulars	2022-23	2021-22
Interest on lease liabilities	2.24	1.38
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.21	0.16
Total	**2.45**	**1.54**

Statement showing amount recognized in Statement of Cash Flows:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Payment of interest on lease liabilities	2.24	1.38
Payment of lease liabilities	5.08	2.98
Total cash outflows for leases	**7.32**	**4.36**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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NOTE 12B. OTHER INTANGIBLE ASSETS

(₹ in Crore)

Particulars	Computer Software
As at March 31, 2021	**1.00**
Additions	0.22
Deductions/Adjustments	-
As at March 31, 2022	**1.22**
Additions	0.47
Deductions/Adjustments	-
As at March 31, 2023	**1.69**
Accumulated Depreciation	
As at March 31, 2021	**0.87**
Depreciation For the year	0.17
Deductions/Adjustments	-
As at March 31, 2022	**1.04**
Depreciation For the year	0.21
Deductions/Adjustments	-
As at March 31, 2023	**1.25**
Net Block as at March 31, 2022	**0.18**
Net Block as at March 31, 2023	**0.44**

The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets.

NOTE 13. OTHER NON FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	0.31	0.07
Prepaid Expenses	3.59	4.05
Others	2.02	0.56
Retirement benefit assets (Refer note 32.2)	-	0.10
Total	**5.92**	**4.78**

NOTE 14. ASSETS HELD FOR SALE

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Assets held for sale (refer note 3(f))	5.47	9.70

NOTE 15. TRADE PAYABLES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note 15A)	3.01	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	47.94	50.81
Total	**50.95**	**50.81**

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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 MSMED Act, 2006.

(₹ in Crore)

Particulars	2022-23	2021-22
(a) Principal amount remaining unpaid to any supplier at the year end	3.01	-
(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.

Trade Payables aging schedule

(₹ in Crore)

Particulars	Outstanding for following period from the date of transaction		Total
	Unbilled	Less than 1 Year	
As at March 31, 2023			
(i) MSME	3.00	0.01	3.01
(ii) Others	43.21	4.73	47.94
As at March 31, 2022			
(i) MSME	-	-	-
(ii) Others	47.74	3.07	50.81

Note: The Company does not have any disputed Trade Payables.

NOTE 16. DEBT SECURITIES

(₹ in Crore)

Particulars	At Amortized Cost	
	As at March 31, 2023	As at March 31, 2022
Secured:		
Non-convertible debentures - (Refer Note (a), (b) and 16.1)	2,109.31	1,860.87
Zero Coupon Bonds -(Refer Note (a) and 16.1)	144.91	283.17
Total (A)	**2,254.22**	**2,144.04**
Unsecured:		
Commercial Paper - (Refer Note 16.1)	-	73.95
Total (B)	**-**	**73.95**
Total (A+B)	**2,254.22**	**2,217.99**
Debt securities in India	2,254.22	2,217.99
Debt securities outside India	-	-

a. The above Non Convertible Debentures and Bonds 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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 ₹ 15.00 Crore (from December 20, 2023) and ₹ 15.00 Crore (from March 20, 2024) { As at March 31, 2022 ₹ 28.13 Crore (May 15, 2022), ₹ 15.00 Crore. (from December 20, 2023) and ₹ 15.00 Crore (from March 20, 2024)}.

Note 16.1 - Terms of repayment

(₹ in Crore)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest	Amount	Rate of Interest
Secured NCD (A)				
(a) Fixed:				
More than 5 years	1,315.50	5% - 9.18%	1,360.51	5.00 % - 9.18%
3- 5 Years	215.25	8.20% - 8.62%	208.25	8.20 % - 10.33%
1-3 Years	535.72	8.25% - 10.33%	225.72	8.25%
Less than 1 year	42.84	5% - 10.33%	37.32	5.00% - 9.87%
Sub-Total (a)	**2,109.31**		**1,831.80**	
(b) Floating:				
More than 5 years	-	-	-	-
3- 5 Years	-	-	-	-
1-3 Years	-	-	-	-
Less than 1 year	-	-	29.07	7.51%
Sub-Total (b)	**-**		**29.07**	
Total Secured NCD (A)	**2,109.31**		**1,860.87**	

(₹ in Crore)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Yield	Amount	Yield
Secured Zero Coupon (B)				
More than 5 years	6.15	8.75%	3.71	8.75%
3- 5 Years	4.72	8.50%	4.25	8.50%
1-3 Years	134.04	8.25% - 10.30%	120.85	8.25% - 10.30%
Less than 1 year	-		154.36	9.35% - 9.55 %
Total Secured Zero Coupon (B)	**144.91**		**283.17**	

(₹ in Crore)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest	Amount	Rate of Interest
Unsecured (C)				
Commercial Paper				
Less than 1 year	-	-	73.95	6.30% - 6.35%
Total Unsecured (C)	**-**		**73.95**	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Note 16.2(a) - Security wise details of Secured NCD

(₹ in Crore)

Particulars	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6. Date Of Maturity April 21, 2022	9.35%	-	29.80
Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option A. Date Of Maturity May 13, 2022	8.56%	-	28.12
8.25% Secured Rated Listed Redeemable Non Convertible Debenture. Series I Tranche Ii. Date Of Maturity January 03, 2025	8.25%	225.72	225.72
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - December 19, 2025	10.33%	15.00	15.00
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Maturity Date : March 20, 2026	10.05%	15.00	15.00
8.5% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D8 Maturity March 31, 2026	8.50%	280.00	-
8.20% Secured Rated Listed Redeemable Non Convertible Debentures.Series D7.Date Of Maturity September 28, 2026	8.20%	112.00	112.00
8.20% Secured Rated Listed Redeemable Non Convertible Debenture. Series Iii Tranche Ii. Date Of Maturity January 03, 2027	8.20%	52.65	52.65
8.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series Iv Tranche Ii. Date Of Maturity January 03, 2027	8.50%	13.60	13.60
8.60% Secured Redeemable Non Convertible Debentures. Series.Seris D3. Maturity Date: February 11, 2028	8.60%	18.00	18.00
8.62% Secured Redeemable Non Convertible Debentures. Series. Series D4. Maturity Date: March 12, 2028	8.62%	19.00	19.00
8.43% Secured Rated Listed Redeemable Non Convertible Debenture. Series Vi Tranche Ii. Date Of Maturity January 03, 2029	8.43%	53.74	53.74
8.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series Vii Tranche Ii. Date Of Maturity January 03, 2029	8.75%	22.18	22.18
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D5.Date Of Maturity April 16, 2029	8.70%	36.00	36.00
9.18% Secured Redeemable Non Convertible Debentures. Series C15. Maturity Date - October 03, 2029	9.18%	300.00	300.00
8.59% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad I.Date Of Maturity February 25, 2030	8.59%	433.30	433.30
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D6.Date Of Maturity May 14, 2030	8.70%	109.00	109.00
8.69% Secured Redeemable Non Convertible Debentures. Series. Series D2. Maturity Date: November 12, 2030	8.69%	300.00	300.00
5% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad Ii. Date Of Maturity February 28, 2031	5.00%	74.70	74.70
Total		**2,079.89**	**1,857.81**

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Note 16.2(b) - Security wise details of Secured Zero Coupon Bond

(₹ in Crore)

Particulars	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C7. Date Of Maturity April 04, 2022	9.45%	-	24.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date Of Maturity September 29, 2022	9.55%	-	58.00
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity April 25, 2024	9.12%	51.30	50.19
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date Of Maturity June 27, 2024	10.30%	20.00	20.00
Secured Rated Listed Redeemable Non Convertible Debenture. Series Ii Tranche Ii. Date Of Maturity January 03, 2025	8.25%	26.73	26.73
Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche Ii. Date Of Maturity January 03, 2027	8.50%	4.25	4.25
Secured Rated Listed Redeemable Non Convertible Debenture. Series Viii Tranche Ii. Date Of Maturity January 03, 2029	8.75%	5.53	5.53
Total		**107.81**	**188.70**

Note: Statement showing contractual principal outstanding of Secured Zero Coupon Bond

NOTE 17. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Crore)

Particulars	At Amortized Cost	
	As at March 31, 2023	As at March 31, 2022
Secured:		
(a) Term loans		
(i) from Banks (Refer Note (a), (b) and 17.1)	7,676.51	6,924.94
(ii) from NHB (Refer Note (a), (b) and 17.2)	3,085.44	2,763.71
(iii) from Financial Institution (Refer Note (b) and 17.3)	678.89	826.99
(b) Securitization Liability (Refer Note 17.4)	179.68	417.29
(c) Cash credit / Overdraft from Banks (Refer Note (a), (b) and 17.4)	0.15	12.00
Total	**11,620.67**	**10,944.93**
Borrowings in India*	11,198.53	10,555.82
Borrowings outside India	422.14	389.11
Total	**11,620.67**	**10,944.93**

a. Out of the total borrowing from Banks, borrowings amounting to ₹ 200.00 Crore. (March 31, 2022 ₹ 53.33 Crore.) and Refinance Facility from NHB amounting to ₹ 564.94 Crore. (March 31, 2022 ₹ 792.16 Crore.) are also guaranteed by Holding Company i.e. IIFL Finance 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.

* This includes FCNB borrowings amounting to ₹ 972.39 Crore (P.Y. Nil).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Note 17.1 - Terms of repayment of Term Loans from Banks

(₹ in Crore)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	1,249.63	7.70% - 9.00%	957.99	7.70 % - 9.50 %
3- 5 Years	1,555.15	7.70% - 9.55%	1,280.57	7.70 % - 9.50 %
1-3 Years	2,487.03	7.70% - 9.55%	2,697.24	7.40 % - 10.00%
Less than 1 year	2,384.70	7.70% - 9.70%	1,989.14	7.35% - 10.00%
Total	**7,676.51**		**6,924.94**	

Note 17.2 - Terms of repayment of term loans from NHB

(₹ in Crore)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Fixed:				
More than 5 years	783.14	2.80% - 7.90%	652.64	2.94 % - 6.85 %
3- 5 Years	723.32	2.80% - 7.90%	594.15	2.94 % - 8.18 %
1-3 Years	1,092.71	2.80% - 8.40%	1,039.94	2.94 % - 8.18 %
Less than 1 year	486.27	2.80% - 8.40%	476.98	2.94 % - 8.80 %
Total	**3,085.44**		**2,763.71**	

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

(₹ in Crore)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	315.70	9.10%	438.52	8.50 % - 9.00 %
3- 5 Years	166.63	9.10%	178.27	8.50 % - 9.00 %
1-3 Years	140.08	9.10%	149.65	8.50 % - 9.00 %
Less than 1 year	56.48	9.10%	60.55	8.50 % - 9.00 %
Total	**678.89**		**826.99**	

Note 17.4 - Terms of repayment of other loans

(₹ in Crore)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
Cash credit / Overdraft from Banks (A)				
Less than 1 year	0.15	6.35%	12.00	7.20%
Securitization Liability (B)				
More than 5 years	143.06	7.30% - 8.05%	318.95	6.35% - 7.80%
3- 5 Years	15.22	7.30% - 8.05%	39.16	6.35% - 7.80%
1-3 Years	14.56	7.30% - 8.05%	44.26	6.35% - 7.80%
Less than 1 year	6.84	7.30% - 8.05%	14.92	6.35% - 7.80%
Sub-Total - Securitization Liability	**179.68**		**417.29**	
Total (A+B)	**179.83**		**429.29**	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 18. SUBORDINATED LIABILITIES

(₹ in Crore)

Particulars	At Amortized Cost	
	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures - Unsecured	886.46	884.66
Zero Coupon Bonds - Unsecured	191.85	173.03
Total	**1,078.31**	**1,057.69**
Subordinated Liabilities in India	1,078.31	1,057.69
Subordinated Liabilities outside India	-	-
Total	**1,078.31**	**1,057.69**

Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 10.00 Crore. (from February 28, 2024), ₹ 126.52 Crore. (from May 14, 2024), ₹ 40.00 Crore. (from June 18, 2025) and ₹ 30.00 Crore. (from July 14, 2025) {as at March 31, 2022 Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 10.00 Crore. (from February 28, 2024), ₹ 126.52 Crore. (from May 14, 2024), ₹ 40.00 Crore. (from June 18, 2025) and ₹ 30.00 Crore. (from July 14, 2025)}.

Note 18.1 - Terms of repayment of Subordinated Debt

(₹ in Crore)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest/Yield	Amount	Rate of Interest/Yield
Non-convertible debentures - Unsecured				
More than 5 years	708.14	9.60% - 10.02%	806.75	8.85% - 10.02%
3- 5 Years	85.00	8.85% - 9.05%	-	-
1-3 Years	-	-	65.00	8.93% - 9.30%
Less than 1 year	93.32	8.93% - 9.30%	12.91	8.51% - 9.60%
Total Non-convertible debentures - Unsecured	**886.46**		**884.66**	

(₹ in Crore)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest/Yield	Amount	Rate of Interest/Yield
Zero Coupon Bonds - Unsecured				
More than 5 years	191.85	9.40%	173.03	9.40%
Total Zero Coupon Bonds - Unsecured	**191.85**		**173.03**	

These debentures are subordinated to present and future senior indebtedness of the Company 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, 2023, 92% (P.Y. 95%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Note 18.2(a) - Security wise details of Non-convertible debentures - Unsecured

(₹ in Crore)

Particulars	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date Of Maturity April 14, 2023	8.93%	50.00	50.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo5. Date Of Maturity May 29, 2023	9.30%	15.00	15.00
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date Of Maturity July 27, 2027	8.85%	75.00	75.00
9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date Of Maturity February 28, 2028	9.05%	10.00	10.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date Of Maturity June 16, 2028	9.85%	40.00	40.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date Of Maturity July 13, 2028	9.85%	30.00	30.00
10% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series I.Date Of Maturity: November 03, 2028	10.00%	232.72	232.72
9.6% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series Ii.Date Of Maturity : November 03, 2028	9.60%	382.82	382.82
Unsecured Rated Listed Redeemable Non Convertible Debentures. Series Iii.Date Of Maturity : November 03, 2028	10.02%	40.28	40.28
Total		**875.82**	**875.82**

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

Note 18.2(b) - Security wise details of Non-convertible debentures - Unsecured

(₹ in Crore)

Particulars	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
Zero Coupon G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date Of Maturity August 11, 2028	9.40%	126.30	126.52
Total		**126.30**	**126.52**

Note: Statement showing contractual principal outstanding of Subordinated Zero Coupon Bonds.

NOTE 19. OTHER FINANCIAL LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Book overdraft*	778.84	746.81
Unclaimed interest and redemption proceeds of NCDs**	4.67	1.24
Other Payables#	119.60	196.40
Total	**903.11**	**944.45**

* Book overdraft represents cheque issued towards disbursement to borrowers but not presented to banks.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

** As required under Section 125 of the Companies Act, 2013, the Company, during the year, has transferred ₹ 0.09 Crore. (P.Y. ₹ 0.18 Crore.) to the Investor Education and Protection Fund (IEPF). As of March 31, 2023, ₹ 0.00 Crore. (P.Y.₹ 0.01 Crore) was due for transfer to the IEPF.

1. Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.04 Crore. (P.Y. ₹ 0.04 Crore).

2. For the financial year ending March 31, 2022, in accordance with RBI notification dated April 07, 2021, the Company was 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 was circulated by the Indian Banks' Association. The Company had suitably implemented this methodology. As at March 31, 2022 the Company created a liability towards estimated interest relief and reduced the same from the interest income.

NOTE 20. PROVISIONS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Provisions for Employee Benefits		
- Provision for Leave Encashment	7.21	5.47
- Provision for Gratuity (Refer 32.2)	0.70	-
- Provision for Bonus	11.43	8.58
Total	**19.34**	**14.05**

Note 20.1. Provision for Leave Encashment

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	5.47	4.78
Additions	2.90	1.78
Reductions	(1.16)	(1.09)
Closing provision	**7.21**	**5.47**

Note 20.2. Provision for Gratuity

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	(0.10)	(0.59)
Additions	2.40	1.65
Reductions	(1.60)	(1.16)
Closing provision	**0.70**	**(0.10)**

Note 20.3. Provision for Bonus

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	8.58	7.80
Additions	11.43	8.58
Reductions	(8.58)	(7.80)
Closing provision	**11.43**	**8.58**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 21. OTHER NON FINANCIAL LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory remittances	8.90	10.69
Unspent CSR (Refer note no 38A)	5.20	3.03
Advances from borrowers	245.55	37.08
Income received in advance	0.00	0.01
Total	**259.65**	**50.81**

NOTE 22. EQUITY

(a) The Authorized, Issued, Subscribed and fully paid up share capital

Share Capital:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized Share Capital		
152,000,000 Equity Shares of ₹10/- each with voting rights (as at March 31, 2022 - 152,000,000)	152.00	152.00
20,000,000 Preference Shares of ₹10/- each (as at March 31, 2022 20,000,000)	20.00	20.00
Total	**172.00**	**172.00**
Issued, Subscribed and Paid Up		
Equity Share Capital		
26,344,638 Equity Shares of ₹10/- each fully paid-up (as at March 31, 2022 - 20,968,181)	26.34	20.97
Total	**26.34**	**20.97**

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	2,09,68,181	20.97	2,09,68,181	20.97
Add: Issued during the year	53,76,457	5.37	-	-
Outstanding at the end of the year	**2,63,44,638**	**26.34**	**2,09,68,181**	**20.97**

During the year the Company has allotted 5,376,457 equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share

(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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(d) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of 10 each fully paid				
IIFL Finance Limited (holding company) and its nominees	2,09,68,181	79.59%	2,09,68,181	100%
Platinum Owl C 2018 RSC Limited	53,76,457	20.41%	-	-

(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.

(f) Details of shares held by Promoters

Particulars	Promoter Name	No of Shares*	% of Total Shares	% Change during the year
As at March 31, 2023	IIFL Finance Limited	2,09,68,181	79.59%	-20.41%
As at March 31, 2022	IIFL Finance Limited	2,09,68,181	100.00%	-

* Shares held by IIFL Finance Limited and its nominees. The shareholding of Nominee is 500 shares (P.Y. 600 shares).

23. OTHER EQUITY

1. As at March 31, 2023

(₹ in Crore)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the current reporting year	**799.16**	**143.86**	**402.97**	**1,311.64**	**(0.51)**	**(7.03)**	**9.65**	**2,659.74**
Additions during the year (Refer Note 1)	2,194.62	-	-	-	-	-	-	**2,194.62**
Share issue expenses (Refer Note 1)	(24.13)	-	-	-	-	-	-	**(24.13)**
Profit for the year	-	-	-	790.33	-	-	-	**790.33**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	12.60	-	**12.60**
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	(0.36)	-	-	**(0.36)**
Equity Dividend (Refer Note 4)	-	-	-	(105.38)	-	-	-	**(105.38)**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crore)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Transfer to Special Reserve (Refer Note 5)	-	-	158.10	(158.10)	-	-	-	**-**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	(0.56)	**(0.56)**
Balance at the end of the Current reporting year	**2,969.65**	**143.86**	**561.07**	**1,838.49**	**(0.87)**	**5.57**	**9.09**	**5,526.86**

2. As at March 31, 2022

(₹ in Crore)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the Previous reporting year	**799.16**	**143.86**	**287.37**	**912.15**	**(0.59)**	**(16.64)**	**(0.57)**	**2,124.74**
Profit for the year	-	-	-	577.99	-	-	-	**577.99**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	9.61	-	**9.61**
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	0.08	-	-	**0.08**
Equity Dividend (Refer Note 4)	-	-	-	(62.90)	-	-	-	**(62.90)**
Transfer to Special Reserve (Refer Note 5)	-	-	115.60	(115.60)	-	-	-	**-**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	10.22	**10.22**
Balance at the end of the Previous reporting year	**799.16**	**143.86**	**402.97**	**1,311.64**	**(0.51)**	**(7.03)**	**9.65**	**2,659.74**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

1. During the year ended March 31, 2023, the Board of Directors of the Company at its meeting held on August 22, 2022 approved the allotment of 5,376,457 fully paid-up equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share to a wholly owned subsidiary of Abu Dhabi Investment Authority i.e. Platinum Owl C 2018 RSC Limited, acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust ("Investor") for an aggregate consideration of ₹ 2,200 Crore. The investor holds 20% of the share capital (calculated on a fully diluted basis) of the Company. Share issue expenses incurred aggregating to ₹ 24.13 Crore has been charged to securities premium account.
2. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
3. 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.
4. During the year, the Board of Directors of the Company has declared and paid interim dividend of ₹ 40/- per equity share (P.Y. ₹ 30/-).
5. 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.

NOTE 24. INTEREST INCOME

(₹ in Crore)

Particulars	2022-23		
	On Financial Assets measured at		
	FVTOCI	Amortized Cost	Total
Interest on Loans	232.15	1,922.78	2,154.93
Interest income from investments	-	41.63	41.63
Interest on inter corporate deposits	-	11.34	11.34
Interest on deposits with Banks	-	66.03	66.03
Total	**232.15**	**2,041.78**	**2,273.93**

(₹ in Crore)

Particulars	2021-22		
	On Financial Assets measured at		
	FVTOCI	Amortized Cost	Total
Interest on Loans	209.87	1,645.78	1,855.65
Interest income from investments	-	0.90	0.90
Interest on inter corporate deposits	-	0.01	0.01
Interest on deposits with Banks	-	19.19	19.19
Total	**209.87**	**1,665.88**	**1,875.75**

NOTE 25. DIVIDEND INCOME

(₹ in Crore)

Particulars	2022-23	2021-22
Dividend income	1.25	-
Total	**1.25**	**-**

NOTE 26. FEES AND COMMISSION INCOME

(₹ in Crore)

Particulars	2022-23	2021-22
Fees & Other Charges	85.80	61.70
Insurance and distribution commission	28.67	15.26
Total	**114.47**	**76.96**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 27 NET GAIN ON FAIR VALUE CHANGES

(₹ in Crore)

Particulars	2022-23	2021-22
Net gain on financial instruments at FVTPL		
On trading portfolio		
- Investments	59.65	6.32
Total Net gain on fair value changes	**59.65**	**6.32**
Fair Value changes:		
- Realized	45.92	6.32
- Unrealized	13.73	-
Total Net gain on fair value changes	**59.65**	**6.32**

NOTE 28.1 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTIZED COST CATEGORY

(₹ in Crore)

Particulars	2022-23	2021-22
Foreclosure of loans	12.13	7.10
Bad debts recovery	28.68	3.82
Total	**40.81**	**10.92**

NOTE 28.2 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER FVTOCI

(₹ in Crore)

Particulars	2022-23	2021-22
Assignment of loans	72.54	104.56
Foreclosure of loans	11.48	11.32
Total	**84.02**	**115.88**

NOTE 29. OTHER INCOME

(₹ in Crore)

Particulars	2022-23	2021-22
Profit on sale of Assets	-	1.53
Marketing, advertisement and support service fees	127.58	133.15
Interest on Income Tax Refund	-	0.68
Total	**127.58**	**135.36**

NOTE 30. FINANCE COSTS

(₹ in Crore)

Particulars	On Financial liabilities measured at Amortized Cost	
	2022-23	2021-22
Interest on inter-corporate deposits	-	20.23
Interest on borrowings (other than debt securities)	880.46	795.77
Interest on debt securities	172.18	146.44
Interest on subordinated liabilities	101.19	80.16
Other interest expense		
Interest on lease liabilities	2.24	1.38
Other borrowing cost	26.02	18.50
Total	**1,182.09**	**1,062.48**

Statement showing exchange fluctuation on account of foreign currency borrowings:

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(₹ in Crore)

Particulars	2022-23	2021-22
Revaluation Gain/(Loss) on Foreign currency loan	(35.33)	(11.32)
Recognized in Other Comprehensive Income	32.77	11.32
Recognized in Statement of Profit and Loss	(2.56)	-

NOTE 31. IMPAIRMENT ON FINANCIAL INSTRUMENTS, INCLUDING WRITE-OFFS

(₹ in Crore)

Particulars	2022-23		
	On Financial Assets measured at		
	FVTOCI	Amortized Cost	Total
Loans and receivables	(2.00)	(1.60)	(3.60)
Bad debts written off	-	170.33	170.33
Total	**(2.00)**	**168.73**	**166.73**

(₹ in Crore)

Particulars	2021-22		
	On Financial Assets measured at		
	FVTOCI	Amortized Cost	Total
Loans and receivables	1.67	103.49	105.16
Bad debts written off	-	54.84	54.84
Total	**1.67**	**158.33**	**160.00**

NOTE 32. EMPLOYEE BENEFITS EXPENSES

(₹ in Crore)

Particulars	2022-23	2021-22
Salaries and wages	221.21	158.26
Contribution to provident and other funds (Refer Note 32.1)	9.21	6.25
Leave Encashment	2.86	1.68
Gratuity (Refer Note 32.2)	1.86	1.59
Staff welfare expenses#	5.07	3.92
Total	**240.21**	**171.70**

#The Group company i.e. IIFL Finance Limited and IIFL Securities 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 ₹ 0.49 Crore. (P.Y. ₹ 1.13 Crore. paid to Group companies i.e. IIFL Finance Limited and IIFL Securities Limited) during the year on account of such costs and the same is forming part of Employee benefit expenses.

32.1 Defined Contribution Plans:

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

(₹ in Crore)

Particulars	2022-23	2021-22
Contribution to Provident fund	4.70	3.26
Contribution to ESIC	0.42	0.41
Contribution to Labour Welfare Fund	0.04	0.03
Company contribution to EPS	3.73	2.32
Company contribution to NPS	0.32	0.23
Total	**9.21**	**6.25**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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32.2 Disclosures pursuant to Ind AS 19 on "Employee Benefits"

(₹ in Crore)

Particulars	2022-23	2021-22
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	₹	₹
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Funded	Funded
Starting Year	01-04-22	01-04-21
Date of Reporting	31-03-23	31-03-22
Period of Reporting	12 Months	12 Months

Assumptions (Current Year)

(₹ in Crore)

Particulars	2022-23	2021-22
Expected Return on Plan Assets	7.46%	6.98%
Rate of Discounting	7.46%	6.98%
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 28.00% p.a. For service 5 years and above 1.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Ultimate)	Indian Assured Lives Mortality 2012-14 (Urban)

Table Showing Change in the Present Value of Projected Benefit Obligations

(₹ in Crore)

Particulars	2022-23	2021-22
Present Value of Benefit Obligation at the Beginning of the Year	9.39	8.21
Interest Cost	0.66	0.56
Current Service Cost	1.86	1.63
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	0.07	0.05
Liability Transferred Out/ Divestment	(0.05)	(0.08)
Benefit Paid Directly by the Employer	-	(0.00)
Benefit Paid From the Fund	(0.81)	(0.62)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.90)	(0.21)
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.09	(0.14)
Present Value of Benefit Obligation at the End of the Year	**11.31**	**9.40**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Table Showing Change in the Fair Value of Plan Assets

(₹ in Crore)

Particulars	2022-23	2021-22
Fair Value of Plan Assets at the Beginning of the Year	9.50	8.80
Interest Income	0.66	0.60
Contributions by the Employer	1.55	0.96
Benefit Paid from the Fund	(0.81)	(0.62)
Return on Plan Assets, Excluding Interest Income	(0.29)	(0.24)
Fair Value of Plan Assets at the End of the Year	**10.61**	**9.50**

Amount Recognized in the Balance Sheet

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Benefit Obligation at the end of the Year	11.31	9.40
Fair Value of Plan Assets at the end of the Year	10.61	9.50
Funded Status Surplus/ (Deficit)	(0.70)	0.10
Net (Liability)/Asset Recognized in the Balance Sheet	**(0.70)**	**0.10**

Net Interest Cost

(₹ in Crore)

Particulars	2022-23	2021-22
Present Value of Benefit Obligation at the Beginning of the Year	9.39	8.20
Fair Value of Plan Assets at the Beginning of the Year	(9.49)	(8.80)
Net Liability/(Asset) at the Beginning of the Year	**(0.10)**	**(0.60)**
Interest Cost	0.66	0.56
Interest Income	(0.66)	(0.60)
Net Interest Cost	**(0.00)**	**(0.04)**

Expenses Recognized in the Statement of Profit and Loss

(₹ in Crore)

Particulars	2022-23	2021-22
Current Service Cost	1.86	1.63
Net Interest Cost	(0.00)	(0.04)
Past Service Cost	-	-
Expenses Recognized	**1.86**	**1.59**

Expenses Recognized in the Other Comprehensive Income (OCI)

(₹ in Crore)

Particulars	2022-23	2021-22
Actuarial (Gains)/Losses on Obligation For the Year	0.19	(0.35)
Return on Plan Assets, Excluding Interest Income	0.29	0.24
Net (Income)/Expense For the Year Recognized in OCI	**0.48**	**(0.11)**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Balance Sheet Reconciliation

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Net Liability	(0.10)	(0.60)
Expenses Recognized in Statement of Profit and Loss	1.86	1.59
Expenses Recognized in OCI	0.48	(0.11)
Net Liability/(Asset) Transfer In	0.07	0.05
Net (Liability)/Asset Transfer Out	(0.05)	(0.08)
Benefit Paid directly by the Employer	-	(0.00)
Employer's Contribution	(1.55)	(0.96)
Net Liability/(Asset) Recognized in the Balance Sheet	**0.70**	**(0.11)**

Category of Assets

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Insurance policy	10.61	9.50
Total	**10.61**	**9.50**

Other Details

(₹ in Crore)

Particulars	2022-23	2021-22
Prescribed Contribution For Next Year (12 Months)	2.87	1.76

Net Interest Cost for Next Year

(₹ in Crore)

Particulars	2022-23	2021-22
Present Value of Benefit Obligation at the End of the Year	11.31	9.40
Fair Value of Plan Assets at the End of the Year	(10.61)	(9.50)
Net Liability/(Asset) at the End of the Year	**0.70**	**(0.10)**
Interest Cost	0.84	0.65
Interest Income	(0.79)	(0.66)
Net Interest Cost for Next Year	**0.05**	**(0.01)**

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

(₹ in Crore)

Particulars	2022-23	2021-22
Current Service Cost	2.18	1.86
Net Interest Cost	0.05	(0.01)
Expected Contributions by the Employees	-	-
Expenses Recognized	**2.23**	**1.85**

Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Crore)

Particulars	2022-23	2021-22
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.60	0.08
2nd Following Year	0.13	0.09

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(₹ in Crore)

Particulars	2022-23	2021-22
3rd Following Year	0.14	0.11
4th Following Year	0.17	0.12
5th Following Year	0.17	0.15
Sum of Years 6 To 10	1.39	1.04
Sum of Years 11 and above	42.07	35.46

Sensitivity Analysis

(₹ in Crore)

Particulars	2022-23	2021-22
Projected Benefit Obligation on Current Assumptions	11.31	9.39
Delta Effect of +1% Change in Rate of Discounting	(1.66)	(1.47)
Delta Effect of -1% Change in Rate of Discounting	1.91	1.81
Delta Effect of +1% Change in Rate of Salary Increase	1.43	1.29
Delta Effect of -1% Change in Rate of Salary Increase	(1.26)	(1.15)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.09)	(0.21)
Delta Effect of -1% Change in Rate of Employee Turnover	0.10	0.23

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 recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTE 33. OTHER EXPENSES

(₹ in Crore)

Particulars	2022-23	2021-22
Advertisement	7.24	4.35
Loan processing expenses	1.40	3.99
Marketing expenses	5.70	4.76
Bank charges	2.03	1.32
Communication	1.29	1.39
Electricity	2.21	1.57
Rating and custodian fees	1.32	1.13
Legal & professional fees	27.03	16.18
Commission & sitting fees	0.70	0.53
Miscellaneous expenses	0.43	0.63
Office expenses	13.03	7.43
Postage & courier	1.70	1.40
Printing & stationary	1.50	1.59
Rates & taxes	0.02	0.03
Rent	7.38	4.25
Repairs & maintenance	1.01	0.72
Payments to auditors*	0.81	0.61
Software charges	10.42	6.08

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(₹ in Crore)

Particulars	2022-23	2021-22
Security expenses	1.52	1.65
Travelling & conveyance	9.08	4.40
Corporate Social Responsibility (CSR) Expenses (Refer note 38A)	13.10	10.57
Loss on sale of assets	0.94	0.03
Total	**109.86**	**74.61**

***Payments to auditors**

(₹ in Crore)

Particulars	2022-23	2021-22
Audit Fees	0.32	0.29
Limited Reviews	0.15	0.11
Other matters and certification	0.27	0.18
Out of Pocket Expenses	0.07	0.03
Total as per Statement of Profit and Loss	**0.81**	**0.61**
Amount paid towards certification required under for its Public Issue of Non Convertible Debentures which has been amortized using Effective Interest Rate Method over the tenure of the debenture	-	0.76
Total	**0.81**	**1.37**

NOTE 34. INCOME TAXES

Amounts recognized in the Statement of Profit and Loss

(₹ in Crore)

Particulars	2022-23	2021-22
Current tax expense		
Current year	227.05	170.10
Tax of earlier years	(0.77)	1.33
Deferred tax expense		
Origination and reversal of temporary differences	6.29	(3.46)
Total	**232.57**	**167.97**

Reconciliation of total tax expense

(₹ in Crore)

Particulars	2022-23	2021-22
Profit before tax	**1,022.90**	**745.96**
Tax using the domestic tax rate	257.44	187.74
Tax effect of:		
Non-deductible expenses	3.37	2.80
Tax-exempt income (includes deduction u/s 80JJAA)	(26.13)	(24.16)
Tax on Dividend	(0.31)	-
Adjustments for current tax for prior periods	(0.77)	1.33
Losses for which no deferred tax asset is recognized	(1.34)	-
De-Recognition of previously recognized deductible temporary differences	0.31	0.26
Total income tax expense	**232.57**	**167.97**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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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 Crore)

Particulars		2022-23	2021-22
Nominal value of equity shares in ₹ fully paid up		10	10
BASIC			
Profit after tax as per Statement of Profit and Loss	A	790.33	577.99
Weighted Average Number of Equity Shares Outstanding	B	2,42,38,245	2,09,68,181
Basic EPS (In ₹)	A/B	326.07	275.65
DILUTED			
Weighted Average Number of Equity shares for computation of diluted EPS	C	2,42,38,245	2,09,68,181
Diluted EPS (In ₹)	A/C	**326.07**	**275.65**

NOTE 36. CAPITAL / OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT THE BALANCE SHEET DATE

a. Commitments:

(i) As at the balance sheet date there were undrawn credit commitments of ₹ 2,098.41 Crore. (P.Y. ₹ 1,689.56 Crore.);

(ii) Estimated amount of contracts remaining to be executed on capital account of ₹ 1.54 Crore. (P.Y. Nil).

b. Contingent Liabilities:

(i) Claim against the Company not acknowledged as debt ₹ 0.19 Crore. (P.Y. ₹ 0.16 Crore.).

(ii) Contingent liability on account of Income Tax Dispute and on account of GST is ₹ 7.28 Crore. (P.Y. ₹ Nil) and ₹ 0.19 Crore. (P.Y. ₹ Nil) respectively.

(iii) Credit enhancement and Guarantee given for securitization and assignment transactions amounting to ₹ 79.95 Crore. and ₹ 23.34 Crore. respectively (P.Y. ₹ 195.67 Crore. and ₹ 23.34 Crore.)."

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 'Operating Segments'.

NOTE 38A. CORPORATE SOCIAL RESPONSIBILITY

The Company was required to spend ₹ 13.10 Crore. (P.Y. ₹ 10.50 Crore.) towards Corporate Social Responsibility (CSR) activities for the current financial year.

(₹ in Crore)

Particulars	2022-23		
	Amount Spent	Amount Unspent/ Provision	Total
(a) Amount of expenditure incurred	7.90	5.20	13.10
(b) Shortfall at the end of the year*	-	5.20	5.20
(c) Total of previous years shortfall	3.03	-	3.03
(d) Nature of CSR activities:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	10.93	5.20	16.13

*During the year, the Company contributed towards the ongoing projects which remained unspent as on March 31, 2023 resulting in shortfall. The unspent amount has been transferred to a separate Bank account in two tranches one on April 17, 2023 and second on April 20, 2023 will be spent during the 2023-24.

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(₹ in Crore)

Particulars	2021-22		
	Amount Spent	Amount Unspent/ Provision	Total
(a) Amount of expenditure incurred	7.54	3.03	10.57
(b) Shortfall at the end of the year**	-	3.03	3.03
(c) Total of previous years shortfall	-	-	-
(d) Nature of CSR activities:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	7.54	3.03	10.57

**During the 2021-22, the Company contributed towards the ongoing projects which remained unspent as on March 31, 2022 resulting in shortfall. The unspent amount was transferred to a separate Bank account on April 08, 2022 and was spent during the 2022-23.

Note 38B. Additional Regulatory Information under MCA Notification dated March 24, 2021

a. **Details of Benami Property held:** There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b. **Additional information where borrowings are from banks or financial institutions:**

(i) The revised quarterly returns and statements of current assets filed by the Company with banks or financial institutions for the quarter ended June 2022, September 2022 and December 2022 are in agreement with the books of accounts. Further for quarter ended March 2023 the company has filed the provisional return and statement which will be revised subsequently based on audited numbers;

(ii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the balance sheet date.

c. **Wilful Defaulter:** The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

d. **Relationship with Struck off Companies :** During the year, the Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(₹ in Crore)

Name of the struck off Company	Balance outstanding as at		Relationship with Struck off Group
	March 31, 2023	March 31, 2022	
Loans:			
Jasmin Infraproject Company Private Limited	0.49	0.51	No
Grand Casa Developers Private Limited	-	0.14	No
Goleaquarius Drinking Water Private Limited	-	0.04	No
Creative Pulse Marketing Private Limited	0.12	0.12	No
Beauty Channel Salon & Spa Private Limited	1.45	1.46	No

e. **Registration of charges or satisfaction with Registrar of Companies (ROC):** In case of borrowings, there are no charges or satisfaction pending for registration with ROC beyond the statutory period.

f. **Compliance with number of layers of companies:** The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g. **Ratios:**

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Capital to risk-weighted assets ratio (CRAR) (%)	47.28	30.48
Tier I CRAR (%)	39.24	21.10
Tier II CRAR (%)	8.04	9.38
Liquidity Coverage Ratio (%)	277.26	1,079.22

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Note: LCR computation is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

h. **Compliance with approved Scheme(s) of Arrangements:** NA

i. **Utilization of Borrowed funds and share premium:**

During the financial year ended March 31, 2023, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;"

(ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

j. **Undisclosed Income:** The Company does not have any transactions not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

k. **Details of Crypto Currency or Virtual Currency:** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

l. **Capital work in progress (CWIP) and Intangible asset:** The Company does not have any CWIP and Intangible asset under development.

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.

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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 life 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 recognize 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognize 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 of sustained inflation coupled with rise in interest rates and at the backdrop of COVID-19 pandemic, additional Management overlay has been considered in the ECL calculations for arriving at the impairment provisions required under IND AS 109.

The Company categorizes 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 recognizes as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

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Stage 3: [More than 90 days Past Due and other cases basis regulatory guidelines] 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 Crore)

Risk Categorization	As at March 31, 2023	As at March 31, 2022
Stage 1	16,754.86	14,511.16
Stage 2	1,087.31	963.10
Stage 3	441.45	388.70
Total	**18,283.62**	**15,862.96**

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, Trade Receivables, Investments and Other Financial Assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Management of the Company created provisions on the above mentioned financial assets basis the default expectations.

39 A.1(II) Credit quality analysis

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

(₹ in Crore)

Particulars	As at March 31, 2023				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Cash and cash equivalents	-	-	-	1,628.26	**1,628.26**
Bank Balance other than above	-	-	-	359.29	**359.29**
Receivables					
(i) Trade Receivables	-	-	-	47.06	**47.06**
Loans at FVTOCI	2,854.50	-	-	-	**2,854.50**
Loans at amortized cost	13,900.36	1,087.31	441.45	-	**15,429.12**
Investments at Amortized Cost				1,055.62	**1,055.62**
Other Financial assets	-	-	-	453.28	**453.28**

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(₹ in Crore)

Particulars	As at March 31, 2022				
	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	-	-	-	1,398.73	**1,398.73**
Bank Balance other than above	-	-	-	433.29	**433.29**
Receivables					
(i) Trade Receivables	-	-	-	34.49	**34.49**
Loans at FVTOCI	2,912.72	-	-	-	**2,912.72**
Loans at amortized cost	11,598.44	963.10	388.70	-	**12,950.24**
Investments at Amortized Cost				9.59	**9.59**
Other Financial assets	-	-	-	357.90	**357.90**

(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 Crore)

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, 2022	**14,408.87**	**1,723.47**	**927.60**	**67.09**	**316.29**	**72.40**	**15,652.76**	**1,862.96**
New Loans Disbursed during the year	7,362.55	1,443.99	66.18	6.19	8.38	0.53	7,437.11	1,450.71
Loan Derecognized	(3,702.60)	(220.63)	(120.99)	(11.90)	(175.43)	(50.28)	(3,999.02)	(282.81)
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(843.81)	(53.27)	662.32	41.18	181.49	12.09	-	-
From Stage 2	357.91	25.58	(466.33)	(34.47)	108.42	8.89	-	-
From Stage 3	33.56	3.94	16.13	1.34	(49.69)	(5.27)	-	-
Loans Repaid in part or full	(993.30)	(721.05)	(40.17)	1.22	(11.45)	25.07	(1,044.92)	(694.76)
Closing EAD March 31, 2023	**16,623.18**	**2,202.03**	**1,044.74**	**70.65**	**378.01**	**63.43**	**18,045.93**	**2,336.10**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 2,098.41 Crore (As at March 31, 2022 ₹ 1,652.76 Crore)

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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, 2021	**13,661.99**	**1,490.78**	**900.51**	**71.82**	**269.49**	**60.32**	**14,831.99**	**1,622.92**
New Loans Disbursed during the year	8,260.50	-	40.91	-	10.44	-	8,311.85	-
Loan Derecognized	(3,796.63)	(45.23)	(80.97)	(11.07)	(98.36)	(21.07)	(3,975.96)	(77.37)
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(724.62)	(52.92)	596.80	42.68	127.82	10.24	-	-
From Stage 2	286.49	24.08	(333.44)	(27.72)	46.95	3.64	-	-
From Stage 3	32.01	5.12	5.28	0.48	(37.28)	(5.60)	0.01	-
Loans Repaid in part or full	(3,310.87)	301.44	(201.49)	(9.04)	(2.77)	24.76	(3,515.13)	317.16
Changes in contractual cash flow due to modification not resulting in de-recognition	-	0.20	-	(0.06)	-	0.11	-	0.25
Closing EAD March 31, 2022	**14,408.87**	**1,723.47**	**927.60**	**67.09**	**316.29**	**72.40**	**15,652.76**	**1,862.96**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 1,652.76 Crore (As at March 31, 2021 ₹ 1,430.51 Crore)

Loss Allowances

(₹ in Crore)

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, 2022	**232.33**	**9.53**	**132.28**	**7.31**	**118.94**	**73.00**	**483.56**	**89.84**
New Loans Disbursed during the year	88.38	12.52	3.17	0.32	2.49	0.63	94.05	13.47
Loan Derecognized	(43.74)	(1.09)	(16.44)	(1.44)	(67.04)	(50.54)	(127.23)	(53.07)
Movement in Stages								
From Stage 1	(34.13)	(0.47)	24.28	0.40	9.84	0.07	-	0.00
From Stage 2	57.65	2.37	(72.21)	(3.24)	14.56	0.87	-	(0.00)
From Stage 3	12.66	3.88	6.10	1.32	(18.76)	(5.20)	-	-
Loans Repaid in part or full	(67.91)	(6.19)	35.62	2.59	43.88	46.22	11.58	42.62
Closing ECL March 31, 2023	**245.24**	**20.54**	**112.80**	**7.26**	**103.92**	**65.06**	**461.96**	**92.86**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 18.87 Crore (As at March 31, 2022 ₹ 7.67 Crore).

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(₹ in Crore)

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, 2021	**201.95**	**10.76**	**81.38**	**5.11**	**99.40**	**60.86**	**382.74**	**76.73**
New Loans Disbursed during the year	66.00	5.05	4.68	0.28	3.72	0.65	74.40	5.98
Loan Derecognized	(25.24)	(0.79)	(5.67)	(0.33)	(37.51)	(21.18)	(68.42)	(22.30)
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(25.84)	(0.42)	20.61	0.35	5.23	0.08	-	0.01
From Stage 2	17.47	0.77	(23.13)	(1.26)	5.66	0.48	-	(0.01)
From Stage 3	11.29	5.12	1.84	0.49	(13.13)	(5.61)	-	-
Loans Repaid in part or full	(13.30)	(10.96)	52.57	2.67	55.57	37.72	94.84	29.43
Closing ECL March 31, 2022	**232.33**	**9.53**	**132.28**	**7.31**	**118.94**	**73.00**	**483.56**	**89.84**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 7.67 Crore (As at March 31, 2021 ₹ 8.73 Crore).

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.

The Company's Loan outstanding from Borrowers residing across 5 various states of India is 57% (P.Y. 62%).

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

(₹ in Crore)

Particulars	2022-23	2021-22
Write off	170.33	54.84

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-collateralization on other property(ies) of the borrower. The Company assessess 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).

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Particulars	2022-23	2021-22
Amortized Cost of Modified Assets at the time of modification	-	486.55
Modification (Gain)/Loss for the year	-	0.25

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of Modified financial assets	614.61	627.79

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".

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 Crore)

Contractual maturities of financial liabilities As at March 31, 2023	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Trade Payables	**50.95**	50.95	-	-	-	-	-
Finance Lease Obligation*	**37.58**	2.16	2.14	4.25	13.94	7.76	7.33
Debt Securities	**2,254.22**	17.98	8.65	16.22	669.76	219.97	1,321.64
Borrowings (Other than Debt Securities)	**11,620.67**	656.89	1,011.93	1,265.63	3,734.38	2,460.32	2,491.52
Subordinated Liabilities	**1,078.31**	68.10	25.13	0.08	-	85.00	900.00
Other financial liabilities	**903.11**	903.11	-	-	-	-	-

(₹ in Crore)

Contractual maturities of financial liabilities As at March 31, 2022	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	**5.05**	-	-	-	5.05	-	-
Trade Payables	**50.81**	50.81	-	-	-	-	-
Finance Lease Obligation*	**24.14**	1.13	1.09	2.12	7.67	6.09	6.04
Debt Securities	**2,217.99**	195.22	88.69	10.78	346.57	212.50	1,364.23
Borrowings (Other than Debt Securities)	**10,944.93**	564.41	680.57	1,308.63	3,952.99	2,070.25	2,368.08
Subordinated Liabilities	**1,057.69**	3.11	9.72	0.08	65.00	-	979.78
Other financial liabilities	**944.45**	944.45	-	-	-	-	-

*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.

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39 A.3(I) Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the entitys 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 Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate borrowings	8,535.24	8,210.30
Fixed rate borrowings	6,417.97	6,010.31
Total borrowings	**14,953.21**	**14,220.61**

As at the end of the reporting year, the Company had the following floating rate borrowings:

(₹ in Crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans and bank overdrafts and Securitization Liability	8.72%	8,535.24	57.08%	8.19%	8,181.22	57.53%
Non Convertible Debentures	-	-	-	7.37%	29.08	0.20%
Net exposure to cash flow interest rate risk		**8,535.24**	**57.08%**		**8,210.30**	**57.75%**

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.

As at the end of the reporting year, the Company had the following cross currency interest rate swap contracts/ forward contracts outstanding:

(₹ in Crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cross Currency Interest Rate Swaps and Forward Contracts	8.97%	1,394.53	9.33%	9.36%	387.64	2.73%

The Company had following floating rate loans and advances outstanding:

(₹ in Crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Loans and advances*	12.93%	18,283.62	100.00%	11.44%	15,862.96	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.

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(₹ in Crore)

Particulars	Impact on profit after tax and equity		Impact on other components of equity	
	2022-23	2021-22	2022-23	2021-22
Interest rates – increase by 30 basis points (30 bps) *	(19.16)	(18.43)	-	-
Interest rates – decrease by 30 basis points (30 bps) *	19.16	18.43	-	-

* 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 Crore)

Particulars	Impact on profit after tax and equity	
	2022-23	2021-22
Interest rates – increase by 30 basis points (30 bps) *	41.05	35.61
Interest rates – decrease by 30 basis points (30 bps) *	(41.05)	(35.61)

* 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 minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as cross currency interest rate swaps and forwards contracts 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 Crore)

Particulars	Amount Outstanding	
	In ₹	In USD
Borrowing as on March 31, 2023	1,394.53	16.79
Borrowing as on March 31, 2022	387.64	5.00

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

39 A.3(III) Price Risk

The Company's investments carry a risk of change in prices. To manage its price risk arising from investments, the Company periodically monitors the performance of the investee. The Company's exposure to assets having price risk is insignificant.

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.

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

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is to maximize the shareholder value. The Company monitors capital using a capital adequacy ratio as prescribed by the NHB Directions/ RBI Directions.

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Net Debt (₹ in Crore)	14,953.20	14,220.60
Total Equity (₹ in Crore)	5,553.20	2,680.71
Net Debt to Equity Ratio (times)	2.69	5.30

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:

(₹ in Crore)

Particulars	As at March 31, 2023		
	FVTPL	FVTOCI	Amortized cost
Financial assets			
Cash and cash equivalents	-	-	1,628.26
Bank Balance other than cash and cash equivalents	-	-	359.29
Derivative financial instruments	(2.03)	44.02	
Receivables			
(i) Trade Receivables	-	-	40.59
Loans	-	2,829.19	14,899.63
Investments	371.57	-	1,055.62
Other Financial assets	-	-	452.36
Total financial assets	**369.54**	**2,873.21**	**18,435.75**
Financial liabilities			
Trade Payables	-	-	50.95
Finance Lease Obligation	-	-	29.72
Debt Securities	-	-	2,254.22
Borrowings (Other than Debt Securities)	-	-	11,620.67
Subordinated Liabilities	-	-	1,078.31
Other financial liabilities	-	-	903.11
Total financial liabilities	**-**	**-**	**15,936.99**

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(₹ in Crore)

Particulars	As at March 31, 2022		
	FVTPL	FVTOCI	Amortized cost
Financial assets			
Cash and cash equivalents	-	-	1,398.73
Bank Balance other than cash and cash equivalents	-	-	433.29
Receivables			
(i) Trade Receivables	-	-	34.41
Loans	-	2,885.40	12,404.82
Investments	144.00	-	9.59
Other Financial assets	-	-	357.10
Total financial assets	**144.00**	**2,885.40**	**14,637.94**
Financial liabilities			
Derivative financial instruments	-	5.05	-
Trade Payables	-	-	50.81
Finance Lease Obligation	-	-	17.38
Debt Securities	-	-	2,217.99
Borrowings (Other than Debt Securities)	-	-	10,944.93
Subordinated Liabilities	-	-	1,057.69
Other financial liabilities	-	-	944.45
Total financial liabilities	**-**	**5.05**	**15,233.25**

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 recognizes 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 categorized. The amounts are based on the values recognized in the statement of financial position.

(₹ in Crore)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Loans - FVTOCI	-	-	2,829.19	2,829.19
Investments				
(i) Alternate Investment Fund and Debt Securities	371.57	-	-	371.57
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps		41.99		41.99
Total financial assets	**371.57**	**41.99**	**2,829.19**	**3,242.75**

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(₹ in Crore)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Loans - FVTOCI	-	-	2,885.40	2,885.40
Investments				
(i) Alternate Investment Fund	144.00	-	-	144.00
Total financial assets	**144.00**	**-**	**2,885.40**	**3,029.40**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	5.05	-	5.05
Total financial liabilities	**-**	**5.05**	**-**	**5.05**

Valuation technique used to determine fair value

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
2. 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
3. Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

(₹ in Crore)

Assets and liabilities which are measured at amortized cost for which fair values are disclosed As at March 31, 2023	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	14,905.60	14,899.63	Level 3
Investments			
(i) In other securities*	1,058.02	1,055.62	Level 1 /Level 3
Total financial assets	**15,963.62**	**15,955.25**	
Financial Liabilities			
Debt Securities	2,169.44	2,254.22	Level 3
Subordinated Liabilities	1,006.65	1,078.31	Level 3
Total financial liabilities	**3,176.09**	**3,332.53**	

(₹ in Crore)

Assets and liabilities which are measured at amortized cost for which fair values are disclosed As at March 31, 2022	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	12,404.10	12,404.82	Level 3
Investments			
(i) In other securities*	9.59	9.59	Level 3
Total financial assets	**12,413.69**	**12,414.41**	
Financial Liabilities			
Debt Securities	2,140.18	2,217.99	Level 3
Subordinated Liabilities	1,046.61	1,057.69	Level 3
Total financial liabilities	**3,186.79**	**3,275.68**	

*Investments in other securities in the nature of PTC are measured at Level 3

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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) Investments in Equity instruments: Equity instruments in non-listed entities are initially recognized 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) Investments in Other securities: Other Secutities (e.g. certificate of deposits, commercial papers, etc.) are initially recognized at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 1 and or Level 3.

(iv) 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.

(v) Financial assets and liabilities: For financial assets and financial liabilities that have a short-term nature and long term financial assets and laibilities having floating rate structure , 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, loans, 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 Crore)

Particulars	Loans - FVTOCI	
	As at March 31, 2023	As at March 31, 2022
Opening Balance	2,885.40	2,326.69
Sold during the year	(2,047.33)	(2,471.02)
Re-classified to amortized cost	(624.07)	(821.07)
Issuances	2,615.18	3,850.80
Closing Balance	**2,829.19**	**2,885.40**

40.1 Transferred financial assets that are derecognized 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 derecognized. 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 summarizes the carrying amount of the derecognized financial assets measured at FVTOCI and the gain/(loss) on derecognition:

(₹ in Crore)

Loans and advances	2022-23	2021-22
Carrying amount of derecognized financial assets	2,047.33	2,471.02
Gain from derecognition for the year	72.54	104.56

The table below summarizes the carrying amount of the continuing involvment in derecognized financial assets

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(₹ in Crore)

Loans and advances	As at March 31, 2023	As at March 31, 2022
Carrying amount of continuing involvement in derecognized financial assets	777.39	838.39

40.2 Transferred financial assets that are not derecognized in their entirety:

The Company uses securitizations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitized assets since the Company retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognized in their entirety and associated liabilities.

(₹ in Crore)

Securitizations	As at March 31, 2023	As at March 31, 2022
Carrying amount of transferred assets measured at amortized cost	179.55	416.95
Carrying amount of associated liabilities	179.68	417.29
Fair value of assets	179.55	416.95
Fair value of associated liabilities	179.68	417.29

40.3 Re-classification of financial assets to amortized cost category

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of financial assets re-classified as amortized cost	624.61	793.57
Fair value of gain/loss would have been recognized in profit or loss or other comprehensive income	0.54	(0.64)

40.4 Re-classification of financial assets from Fair Value Through Other Comprehensive Income to Amortized Cost

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Date of reclassification	April 2022 to March 2023	July 2021 to March 2022
Reclassification amount (₹ in Crore)	624.07	821.07

Note: The Company has reclassified the above assets due to change in business model in respect of the specified assets. These assets are now intended to be held to collect the contractual cashflow.

41. RELATED PARTY DISCLOSURES AS PER IND AS – 24 "RELATED PARTY DISCLOSURE" FOR THE YEAR ENDED MARCH 31, 2023

Nature of relationship	Name of Party
Holding company	IIFL Finance Limited
Subsidiary company	IIHFL Sales Limited
Fellow Subsidiary & Associate	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (ceased to be an assosciate from July 27, 2022)
	IIFL Open Fintech Private Limited (w.e.f. May 17, 2022)

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Nature of relationship	Name of Party
Other Related Parties (Due to common Promoter)	IIFL Facilities Services Limited
	IIFL Securities Limited
	IIFL Management Services Limited
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	5Paisa Capital Limited
	India Infoline Foundation
	360 One Distribution Services Limited (Formerly IIFL Wealth Distribution Services Limited)
	360 One WAM Limited (Formerly IIFL Wealth Management Limited)
Key Management Personnel and other Directors	Mr. Nirmal Jain - Non-Executive Director
	Mr. R Venkataraman - Non-Executive Director
	Mr. S. Sridhar - Chairman and Independent Director
	Mr. AK Purwar - Independent Director
	Mr. Kranti Sinha - Independent Director
	Ms. Mohua Mukherjee - Independent Director
	Ms. Suvalaxmi Chakraborty (ceased w.e.f. June 15, 2021)
	Mr. Venkataramanan Anantharaman - Independent Director (w.e.f. February 21, 2023)
	Mr. Monu Ratra - Executive Director & CEO
	Mr. Kabir Mathur - Nominee Director (w.e.f. August 22, 2022)
	Mr. Amit Gupta - Chief Financial Officer
	Mr. Ajay Jaiswal - Company Secretary

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

41.A Significant transactions with related parties:

(₹ in Crore)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Interest Income						
IIFL Finance Limited	1.07	-	-	-	-	1.07
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.15	-	0.15
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	0.19	-	-	-	0.19
	(-)	(0.01)	(-)	(-)	(-)	(0.01)
IIFL Samasta Finance Limited	-	-	9.94	-	-	9.94
	(-)	(-)	(-)	(-)	(-)	(-)
Interest Expense						
IIFL Finance Limited	-	-	-	-	-	-
	(20.16)	(-)	(-)	(-)	(-)	(20.16)
IIFL Securities Limited	-	-	-	0.66	-	0.66
	(-)	(-)	(-)	(0.33)	(-)	(0.33)
360 One WAM Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)	-
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.07)	(-)	(0.07)
IIFL Management Services Limited	-	-	-	0.33	-	0.33
	(-)	(-)	(-)	(0.16)	(-)	(0.16)

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(₹ in Crore)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Corporate Social Responsibility Expense (CSR)						
India Infoline Foundation	-	-	-	8.52	-	8.52
	(-)	(-)	(-)	(7.07)	(-)	(7.07)
Arranger fees Expense / Loan Sourcing Fee						
IIFL Finance Limited	-	-	-	-	-	-
	(0.04)	(-)	(-)	(-)	(-)	(0.04)
IIFL Securities Limited	-	-	-	0.40	-	0.40
	(-)	(-)	(-)	(0.64)	(-)	(0.64)
360 One Distribution Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.16)	(-)	(0.16)
IIHFL Sales Limited	-	15.65	-	-	-	15.65
	(-)	(1.03)	(-)	(-)	(-)	(1.03)
Commission/ Brokerage Expense						
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(23.25)	(-)	(23.25)
Brokerage Expense Reversal						
IIFL Securities Limited	-	-	-	0.98	-	0.98
	(-)	(-)	(-)	(-)	(-)	(-)
Rent Expense						
IIFL Facilities Services Limited	-	-	-	1.70	-	1.70
	(-)	(-)	(-)	(-)	(-)	(-)
Remuneration and Compensation to KMP						
Mr. Monu Ratra - Remunerations	-	-	-	-	4.64	4.64
	(-)	(-)	(-)	(-)	(3.61)	(3.61)
Mr. Monu Ratra - Short Term Benefit (including perquisites)	-	-	-	-	3.40	3.40
	(-)	(-)	(-)	(-)	(1.33)	(1.33)
Mr. Monu Ratra - Post Employment Benefit	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Mr. Amit Gupta - Remunerations	-	-	-	-	0.79	0.79
	(-)	(-)	(-)	(-)	(0.72)	(0.72)
Mr. Amit Gupta - Short Term Benefit (including perquisites)	-	-	-	-	0.26	0.26
	(-)	(-)	(-)	(-)	(0.49)	(0.49)
Mr. Amit Gupta - Post Employment Benefit	-	-	-	-	0.00	0.00
	(-)	(-)	(-)	(-)	(0.00)	(0.00)
Mr. Ajay Jaiswal - Remunerations	-	-	-	-	0.88	0.88
	(-)	(-)	(-)	(-)	(0.75)	(0.75)
Mr. Ajay Jaiswal - Short Term Benefit (including perquisites)	-	-	-	-	0.63	0.63
	(-)	(-)	(-)	(-)	(0.20)	(0.20)
Mr. Ajay Jaiswal - Post Employment Benefit	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Sitting Fees paid to Directors						
Mr. Kranti Sinha	-	-	-	-	0.09	0.09
	(-)	(-)	(-)	(-)	(0.07)	(0.07)
Mr. S. Sridhar	-	-	-	-	0.11	0.11
	(-)	(-)	(-)	(-)	(0.08)	(0.08)
Ms. Suvalaxmi Chakraborty	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Mr. AK Purwar	-	-	-	-	0.06	0.06
	(-)	(-)	(-)	(-)	(0.03)	(0.03)

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(₹ in Crore)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Mr. Venkataramanan Anantharaman	-	-	-	-	0.00	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Mohua Mukherjee	-	-	-	-	0.06	0.06
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Commission to Directors						
Mr. Kranti Sinha	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. S. Sridhar	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Ms. Mohua Mukherjee	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.06)	(0.06)
Interim Dividend Payment						
IIFL Finance Limited	83.87	-	-	-	-	83.87
	(62.90)	(-)	(-)	(-)	(-)	(62.90)
Interim Dividend Received						
IIFL Samasta Finance Limited	-	-	1.25	-	-	1.25
	(-)	(-)	(-)	(-)	(-)	(-)
ICD Taken						
IIFL Finance Limited	-	-	-	-	-	-
	(3,284.40)	(-)	(-)	(-)	(-)	(3,284.40)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(45.00)	(-)	(45.00)
ICD Returned						
IIFL Finance Limited	-	-	-	-	-	-
	(3,284.40)	(-)	(-)	(-)	(-)	(3,284.40)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(45.00)	(-)	(45.00)
ICD/Loan Given						
IIFL Finance Limited	300.00	-	-	-	-	300.00
	(421.00)	(-)	(-)	(-)	(-)	(421.00)
IIFL Securities Limited	-	-	-	370.00	-	370.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	8.00	-	-	-	8.00
	(-)	(1.98)	(-)	(-)	(-)	(1.98)
IIFL Samasta Finance Limited	-	-	775.00	-	-	775.00
	(-)	(-)	(-)	(-)	(-)	(-)
ICD/Loan received back						
IIFL Finance Limited	300.00	-	-	-	-	300.00
	(421.00)	(-)	(-)	(-)	(-)	(421.00)
IIFL Securities Limited	-	-	-	370.00	-	370.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	8.00	-	-	-	8.00
	(-)	(1.98)	(-)	(-)	(-)	(1.98)
IIFL Samasta Finance Limited	-	-	775.00	-	-	775.00
	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of Investment						
IIFL Finance Limited	-	-	-	-	-	-
	(144.00)	(-)	(-)	(-)	(-)	(144.00)
Sale of Investment - Equity Share						
IIFL Finance Limited	259.08	-	-	-	-	259.08
	(-)	(-)	(-)	(-)	(-)	(-)

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Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Equity Shares Allotment						
IIFL Samasta Finance Limited	-	-	-	-	-	-
	(-)	(-)	(75.00)	(-)	(-)	(75.00)
IIHFL Sales Limited	-	-	-	-	-	-
	(-)	(0.05)	(-)	(-)	(-)	(0.05)
Security Deposit Paid						
IIFL Facilities Services Limited	-	-	-	0.51	-	0.51
	(-)	(-)	(-)	(-)	(-)	(-)
Allocation of expenses paid						
IIFL Securities Limited	-	-	-	3.21	-	3.21
	(-)	(-)	(-)	(4.46)	(-)	(4.46)
IIFL Management Services Limited	-	-	-	0.08	-	0.08
	(-)	(-)	(-)	(0.09)	(-)	(0.09)
IIFL Finance Limited	6.58	-	-	-	-	6.58
	(4.76)	(-)	(-)	(-)	(-)	(4.76)
5Paisa Capital Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	2.56	-	-	-	2.56
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	-	-	1.06	-	1.06
	(-)	(-)	(-)	(0.74)	(-)	(0.74)
Reimbursement paid						
IIFL Securities Limited	-	-	-	0.04	-	0.04
	(-)	(-)	(-)	(0.32)	(-)	(0.32)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	0.07	-	-	-	-	0.07
	(0.58)	(-)	(-)	(-)	(-)	(0.58)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
5Paisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.09)	(-)	(0.09)
360 One WAM Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIHFL Sales Limited	-	0.01	-	-	-	0.01
	(-)	(0.01)	(-)	(-)	(-)	(0.01)
ESOP						
IIFL Securities Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	0.49	-	-	-	-	0.49
	(1.13)	(-)	(-)	(-)	(-)	(1.13)
Allocation of expenses received						
IIFL Management Services Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Securities Limited	-	-	-	0.66	-	0.66
	(-)	(-)	(-)	(0.40)	(-)	(0.40)

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(₹ in Crore)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
5Paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.10	-	0.10
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	1.62	-	-	-	-	1.62
	(0.91)	(-)	(-)	(-)	(-)	(0.91)
IIHFL Sales Limited	-	0.30	-	-	-	0.30
	(-)	(0.11)	(-)	(-)	(-)	(0.11)
Reimbursement received						
IIFL Securities Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(0.28)	(-)	(0.28)
IIFL Finance Limited	0.11	-	-	-	-	0.11
	(0.26)	(-)	(-)	(-)	(-)	(0.26)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
5Paisa Capital Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.03)	(-)	(0.03)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
Livlong Protection & Wellness Solutions Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
India Infoline Foundation	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	0.12	-	-	-	0.12
	(-)	(0.08)	(-)	(-)	(-)	(0.08)
Sale of Fixed Assest						
IIHFL Sales Limited	-	0.38	-	-	-	0.38
	(-)	(0.02)	(-)	(-)	(-)	(0.02)
5paisa Capital Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	0.62	-	-	-	-	0.62
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.34	-	0.34
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Insurance Brokers Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(-)	(-)	(-)
Payment of Assignment Transactions						
IIFL Finance Limited	63.35	-	-	-	-	63.35
	(90.14)	(-)	(-)	(-)	(-)	(90.14)
Purchase of Fixed Assest						
IIHFL Sales Limited	-	0.01	-	-	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
5paisa Capital Limited	-	-	-	0.05	-	0.05
	(-)	(-)	(-)	(-)	(-)	(-)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crore)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
IIFL Finance Limited	0.32	-	-	-	-	0.32
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.17	-	0.17
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)

41 B. Closing balance:

(₹ in Crore)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company						
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.07)	(-)	(0.07)
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	-	-	-	-	-	-
	(0.13)	(-)	(-)	(-)	(-)	(0.13)
5paisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	2.43	-	-	-	2.43
	(-)	(0.44)	(-)	(-)	(-)	(0.44)
360 One Distribution Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.18)	(-)	(0.18)
Receivable from Group/Holding Company						
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.14	-	0.14
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
5 Paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.04	-	0.04
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	0.07	-	-	-	-	0.07
	(-)	(-)	(-)	(-)	(-)	(-)
India Infoline Foundation	-	-	-	3.06	-	3.06
	(-)	(-)	(-)	(3.03)	(-)	(3.03)
Debt Securities Outstanding						
360 One WAM Limited	-	-	-	17.75	-	17.75
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	8.00	-	8.00
	(-)	(-)	(-)	(8.00)	(-)	(8.00)
IIFL Management Services Limited	-	-	-	4.00	-	4.00
	(-)	(-)	(-)	(4.00)	(-)	(4.00)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(₹ in Crore)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Provision for Post Employment Benefits						
Mr. Monu Ratra	-	-	-	-	0.27	0.27
	(-)	(-)	(-)	(-)	(0.25)	(0.25)
Mr. Amit Gupta	-	-	-	-	0.14	0.14
	(-)	(-)	(-)	(-)	(0.13)	(0.13)
Mr. Ajay Jaiswal	-	-	-	-	0.14	0.14
	(-)	(-)	(-)	(-)	(0.13)	(0.13)
Commission Payable						
Mr. Kranti Sinha	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. S. Sridhar	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Ms. Mohua Mukherjee	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.06)	(0.06)
Corporate Guarantee						
IIFL Finance Limited	584.94	-	-	-	-	584.94
	(845.50)	(-)	(-)	(-)	(-)	(845.50)

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 Crore)

Name of Related Party	Outstanding as on March 31, 2023	Maximum Outstanding during the year
IIHFL Sales Limited	-	6.00
IIFL Finance Limited	-	300.00
IIFL Securities Limited	-	200.00
IIFL Samasta Finance Limited	-	350.00

NOTE 42. CURRENT AND NON CURRENT CLASSIFICATION - STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2023

(₹ in Crore)

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	1,628.26	-	**1,628.26**
(b)	Bank balance other than (a) above	168.79	190.50	**359.29**
(c)	Derivative financial instruments	41.99	-	**41.99**
(d)	Receivables			
	(I) Trade receivables	40.59	-	**40.59**
(e)	Loans	3,515.70	14,213.12	**17,728.82**
(f)	Investments	1,419.87	7.37	**1,427.24**
(g)	Other financial assets	5.95	446.41	**452.36**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	11.46	**11.46**
(b)	Deferred tax assets (net)	-	45.62	**45.62**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(₹ in Crore)

Sr. no.	Particulars	Current	Non Current	Total
(c)	Investment Property	-	2.29	**2.29**
(d)	Property, plant and equipment	-	7.65	**7.65**
(e)	Right of use assets	-	27.78	**27.78**
(f)	Other intangible assets	-	0.44	**0.44**
(g)	Other non-financial assets	-	5.92	**5.92**
(h)	Assets held for sale	5.47	-	**5.47**
	Total Assets	**6,826.62**	**14,958.56**	**21,785.18**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	3.01	-	**3.01**
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	47.94	-	**47.94**
(b)	Finance Lease Obligation	6.27	23.45	**29.72**
(c)	Debt securities	42.85	2,211.37	**2,254.22**
(d)	Borrowings (other than debt securities)	2,934.45	8,686.22	**11,620.67**
(e)	Subordinated liabilities	93.31	985.00	**1,078.31**
(f)	Other financial liabilities	903.11	-	**903.11**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	16.01	-	**16.01**
(b)	Provisions	13.01	6.33	**19.34**
(c)	Other non-financial liabilities	259.65	-	**259.65**
3	**Equity**			
(a)	Equity share capital	-	26.34	**26.34**
(b)	Other equity	-	5,526.86	**5,526.86**
	Total liabilities and equity	**4,319.61**	**17,465.57**	**21,785.18**

Note 42. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2022

(₹ in Crore)

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	1,398.73	-	**1,398.73**
(b)	Bank balance other than (a) above	284.24	149.05	**433.29**
(c)	Receivables			
	(I) Trade receivables	34.41	-	**34.41**
(d)	Loans	3,521.13	11,769.09	**15,290.22**
(e)	Investments	0.34	382.92	**383.26**
(f)	Other financial assets	2.30	354.80	**357.10**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	5.51	**5.51**
(b)	Deferred tax assets (net)	-	64.09	**64.09**
(c)	Investment Property	-	6.63	**6.63**
(d)	Property, plant and equipment	-	6.55	**6.55**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crore)

Sr. no.	Particulars	Current	Non Current	Total
(e)	Right of use assets	-	15.45	**15.45**
(f)	Other intangible assets	-	0.18	**0.18**
(g)	Other non-financial assets	4.71	0.07	**4.78**
(h)	Assets held for sale	9.70	-	**9.70**
	Total Assets	**5,255.56**	**12,754.34**	**18,009.90**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	5.05	**5.05**
(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	50.81	-	**50.81**
(c)	Finance Lease Obligation	3.04	14.34	**17.38**
(d)	Debt securities	294.69	1,923.30	**2,217.99**
(e)	Borrowings (other than debt securities)	2,553.61	8,391.32	**10,944.93**
(f)	Subordinated liabilities	12.91	1,044.78	**1,057.69**
(g)	Other financial liabilities	944.45	-	**944.45**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	26.03	-	**26.03**
(b)	Provisions	9.40	4.65	**14.05**
(c)	Other non-financial liabilities	50.81	-	**50.81**
3	**Equity**			
(a)	Equity share capital	-	20.97	**20.97**
(b)	Other equity	-	2,659.74	**2,659.74**
	Total liabilities and equity	**3,945.75**	**14,064.15**	**18,009.90**

43. RBI DISCLOSURES

43 A. 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 (Resolution Framework 1.0).

(₹ in Crore)

Type of Borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan as at September 2022	(B) of (A), aggregate debt that slipped into NPA during the half year	(C) Of (A), amount written off during the half year	(D) Of (A), amount paid by the borrower during the half year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan as at March 2023
Personal Loans	268.40	44.90	5.96	21.42	196.14
Corporate persons	28.18	-	-	10.66	17.53
of which MSMEs	-	-	-	-	-
Others	134.94	9.55	1.64	17.16	106.58
Total	**431.52**	**54.45**	**7.60**	**49.24**	**320.25**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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43 B. 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 Crore)

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	16,754.94	248.09	16,506.85	91.87	156.22
	Stage 2	1,087.30	118.89	968.41	24.44	94.45
Subtotal		**17,842.24**	**366.98**	**17,475.26**	**116.31**	**250.67**
Non-Performing Asset						
Substandard	Stage 3	338.02	115.58	222.44	46.39	69.19
Subtotal for Substandard		**338.02**	**115.58**	**222.44**	**46.39**	**69.19**
Doubtful upto 1 year	Stage 3	77.92	34.53	43.39	15.96	18.57
1 to 3 years	Stage 3	31.75	19.68	12.07	9.91	9.77
More than 3 years	Stage 3	3.21	3.21	-	2.04	1.17
Subtotal for doubtful		**112.88**	**57.42**	**55.46**	**27.91**	**29.51**
Loss	Stage3	-	-	-	-	-
Subtotal for NPA*		**450.90**	**173.00**	**277.90**	**74.30**	**98.70**
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	2,070.32	17.71	2,052.61	-	17.71
	Stage 2	28.09	1.16	26.92	-	1.16
	Stage 3			-	-	-
Subtotal for Other Items		**2,098.41**	**18.87**	**2,079.53**	**-**	**18.87**
Total	**Stage 1**	**18,825.26**	**265.80**	**18,559.46**	**91.87**	**173.93**
	Stage 2	**1,115.39**	**120.05**	**995.34**	**24.44**	**95.61**
	Stage 3	**450.90**	**173.00**	**277.90**	**74.30**	**98.70**
	Total	**20,391.55**	**558.85**	**19,832.70**	**190.61**	**368.24**

*Includes Assets held for sale aggregating to ₹ 5.47 Crore (P.Y. ₹ 9.70 Crore). (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.PDNo.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 31,2023 and accordingly, no amount is required to be transferred to impairment reserve.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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43 C. Annex III Schedule to the Balance Sheet

(₹ in Crore)

		Particulars	As at March 31, 2023 Amount outstanding	As at March 31, 2023 Amount overdue	As at March 31, 2022 Amount outstanding	As at March 31, 2022 Amount overdue
Liabilities side						
1		**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**				
	(a)	Debentures : Secured	2,254.22	-	2,144.04	-
		: Unsecured	1,078.31	-	1,057.69	-
		(other than falling within the meaning of public deposits)				
	(b)	Deferred Credits	-	-	-	-
	(c)	Term Loans	11,440.84	-	10,515.64	-
	(d)	Inter-corporate loans and borrowing	-	-	-	-
	(e)	Commercial Paper	-	-	73.95	-
	(f)	Public Deposits	-	-	-	-
	(g)	Other Loans	-	-	-	-
		Securitization Liability	179.68	-	417.29	-
		Cash credit / Overdraft from Banks	0.15	-	12.00	-
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			**Amount outstanding**		**Amount outstanding**	
3		**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**				
	(a)	Secured	18,287.52		15,872.94	
	(b)	Unsecured	5.62		6.08	
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	-		-	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crore)

Particulars	As at March 31, 2023 Amount outstanding	As at March 31, 2023 Amount overdue	As at March 31, 2022 Amount outstanding	As at March 31, 2022 Amount overdue
5 Break-up of Investments				
Current Investments				
1 Quoted				
(i) Shares				
(a) Equity	-		-	
(b) Preference	-		-	
(ii) Debentures and Bonds	210.13		-	
(iii) Units of mutual funds	-		-	
(iv) Government Securities	-		-	
(v) Others (Certificate of Deposits and Commercial Papers)	1,048.01		-	
2 Unquoted				
(i) Shares	-		-	
(a) Equity	-		-	
(b) Preference	-		-	
(ii) Debentures and Bonds	-		-	
(iii) Units of mutual funds	-		-	
(iv) Government Securities	-		-	
(v) Others (investment in units of AIFs)	161.44		-	
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	0.05		229.62	
(b) Preference	-		-	
(ii) Debentures and Bonds	7.61		9.59	
(iii) Units of mutual funds	-		-	
(iv) Government Securities	-		-	
(v) Others (investment in units of AIFs)	0.00		144.05	

6 Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Amount net of provisions (2023) Secured	Unsecured	Total	Amount net of provisions (2022) Secured	Unsecured	Total
1 Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2 Other than related parties	17,728.67	5.62	17,734.28	15,293.84	6.08	15,299.92
Total	**17,728.67**	**5.62**	**17,734.28**	**15,293.84**	**6.08**	**15,299.92**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(₹ in Crore)

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	As at March 31, 2023 Market Value / Break up or fair value or NAV	As at March 31, 2023 Book Value (Net of Provisions)	As at March 31, 2022 Market Value / Break up or fair value or NAV	As at March 31, 2022 Book Value (Net of Provisions)
1 Related Parties				
(a) Subsidiaries	14.10	0.05	2.84	0.05
(b) Companies in the same group	-	-	249.82	229.62
(c) Other related parties	-	-	-	-
2 Other than related parties	1,429.60	1,427.19	153.64	153.64
Total	**1,443.70**	**1,427.24**	**406.30**	**383.31**

8 Other information

Particulars	Amount (March 31, 2023)	Amount (March 31, 2022)
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	450.90	563.51
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	277.90	334.77
(iii) Assets acquired in satisfaction of debt (Note)	-	-

Note:

1. 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 ₹ 9.43 Crore and ₹ 5.43 Crore have been presented as a part of Gross Non Performing Assets and Net Non-Performing Assets respectively (P.Y. 2021-22 ₹ 12.26 Crore and ₹ 7.70 Crore respectively).
2. The above figure includes cases classified as non-performing assets basis circular issued by Reserve Bank of India, no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021.

43D. 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.

Liquidity Risk Management Framework

(₹ in Crore)

Sr. No.	Particulars	As at March 31, 2023 Total Un-weighted Value (average)	As at March 31, 2023 Total Weighted Value (average)	As at Dec 31, 2022 Total Un-weighted Value (average)	As at Dec 31, 2022 Total Weighted Value (average)	As at Sep 30, 2022 Total Un-weighted Value (average)	As at Sep 30, 2022 Total Weighted Value (average)	As at June 30, 2022 Total Un-weighted Value (average)	As at June 30, 2022 Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**534.79**	**455.78**	**615.33**	**524.53**	**271.48**	**233.63**	**295.71**	**295.71**
	Cash and Bank Balance	8.07	8.07	9.99	9.99	19.18	19.18	34.57	34.57
	Fixed deposits (other than those invested for the purpose of Section 29B of NHB Act, 1987)	-	-	-	-	-	-	261.14	261.14

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(₹ in Crore)

Sr. No.	Particulars	As at March 31, 2023		As at Dec 31, 2022		As at Sep 30, 2022		As at June 30, 2022	
		Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)
	Liquid Investments								
	HQLA Investments	526.72	447.71	605.34	514.54	252.30	214.45	-	-
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	12.96	14.91	2.99	3.43	14.13	16.25	5.43	6.24
4	Secured wholesale funding	345.34	397.14	380.65	437.75	356.36	409.81	338.65	389.45
5	Additional requirements, of which								
	(i) Outflows related to derivative exposures and other collateral requirements								
	(ii) Outflows related to loss of funding on debt products								
	(iii) Credit and liquidity facilities								
6	Other contractual funding obligations	67.38	77.49	52.33	60.17	52.58	60.47	53.71	61.77
7	Other contingent funding obligations	146.10	168.01	144.28	165.93	143.83	165.41	141.03	162.18
8	**Total Cash outflows**	**571.78**	**657.55**	**580.25**	**667.28**	**566.90**	**651.94**	**538.82**	**619.64**
	Cash Inflows								
9	Secured lending								
10	Inflows from fully performing exposures	232.27	174.20	227.60	170.70	217.72	163.29	208.45	156.34
11	Other cash inflows	2,010.82	1,508.12	1,452.96	1,089.72	1,245.75	934.32	159.11	119.33
12	**Total Cash Inflows**	**2,243.09**	**1,682.32**	**1,680.56**	**1,260.42**	**1,463.47**	**1,097.61**	**367.56**	**275.67**
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**	
13	**Total HQLA**		**455.78**		**524.53**		**233.63**		**295.71**
14	**Total Net Cash Outflows**		**164.39**		**166.82**		**162.98**		**343.97**
15	**Liquidity Coverage Ratio (%)**		**277.26%**		**314.43%**		**143.35%**		**85.97%**

Note: LCR computation is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(₹ in Crore)

Sr. No.	Particulars	As at March 31, 2022		As at December 31, 2021	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**992.23**	**992.23**	**659.84**	**659.84**
	Cash and Bank Balance	165.56	165.56	247.81	247.81
	Fixed deposits (other than those invested for the purpose of Section 29B of NHB Act, 1987)	826.67	826.67	412.03	412.03
	Liquid Investments	-	-	-	-
	Cash Outflows				
2	Deposits (for deposit taking companies)	-	-	-	-
3	Unsecured wholesale funding	3.06	3.52	13.83	15.91
4	Secured wholesale funding	205.64	236.48	228.40	262.65
5	Additional requirements, of which	-		-	
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-
6	Other contractual funding obligations	36.09	41.51	27.60	31.74
7	Other contingent funding obligations	75.00	86.25	75.00	86.25
8	**Total Cash outflows**	**319.79**	**367.76**	**344.83**	**396.55**
	Cash Inflows				
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	203.49	152.62	197.70	148.27
11	Other cash inflows	255.16	191.37	426.36	319.77
12	**Total Cash Inflows**	**458.65**	**343.99**	**624.06**	**468.04**
		Total Adjusted Value		**Total Adjusted Value**	
13	**Total HQLA**		**992.23**		**659.84**
14	**Total Net Cash Outflows**		**91.94**		**99.14**
15	**Liquidity Coverage Ratio(%)**		**1079.22%**		**665.58%**

Note: LCR computation is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

Qualitative Disclosure

Liquidity Coverage Ratio (LCR) aims to ensure that NBFC's maintains an adequate level of unencumbered High Quality Liquidity Asset (HQLAs) that can be converted into cash to meet liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The Company has robust liquidity risk management framework in place that ensures sufficient liquidity including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The Company has been able to manage LCR quite higher than the minimum requirement of 50%.

HQLA comprises of unencumbered Bank Balances and Fixed Deposit, Cash in Hand, Liquid Investments after appropriate haircut as per the extant RBI/NHB Guidelines. The Company maintains sufficient balance of Cash and Bank Balance and liquid Investments which can be easily liquidated in times of stress.

Liquidity Coverage Ratio results drive by inflow of next 30 days receivable on loans and advances and corresponding outflow over the next 30 days towards borrowings and other liabilities.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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43E. Details of loans transferred / acquired during the year ended March 31, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021

(₹ in Crore)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Count of Loan Assigned	15898	17087
2	Amount of Loan transferred	2,274.81	2,745.58
3	Retention of benefitial Economic Interest(MRR)	10%	10%
4	Wgt Average Maturity (Residual Maturity)	191.67 months	200.44 months
5	Wgt Average Holding Period	12.64 months	13.50 month
6	Coverage of Tangible security	100%	100%
7	Rating wise distribution of rated loans	Unrated	Unrated

43F. Disclosure made vide Notification “RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23” dated April 19, 2022 on ‘Scale Based Regulation (SBR) read with circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 on ‘Scale Based Regulation (SBR): A Revised Regulatory Framework’ for NBFCs.

As refered in point 1 of Annex of the April 19, 2022 notification, line items/disclosures which are not applicable/not permitted or with no exposure/no transaction both in current and previous year have been omitted.

A) Exposure

1) Exposure to real estate sector

(₹ in Crore)

Category	March 31, 2023	March 31, 2022
i) Direct exposure		
a) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	17,182.72	14,812.40
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily 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.	1,110.42	1,066.62
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	7.61	9.59
Total Exposure to Real Estate Sector	**18,300.75**	**15,888.61**

2) Exposure to Capital market

(₹ in Crore)

	Particulars	March 31, 2023	March 31, 2022
i)	All exposures to Alternative Investment Funds:		
	(i) Category II	161.44	144.00
	Total Exposure to capital market	**161.44**	**144.00**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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3) Sectoral exposure

(₹ in Crore)

Sectors		March 31, 2023			March 31, 2022		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1	**Personal Loans**						
	i. Housing	11,905.24	232.65	1.95%	10,241.00	272.21	2.66%
	ii. Non-housing*	5,588.50	218.25	3.91%	5,101.76	291.30	5.71%
	Total Personal loans	**17,493.74**	**450.90**	**2.58%**	**15,342.76**	**563.51**	**3.67%**
2	**Others:**						
	i. Construction Finance	799.40	-	-	536.27	-	-
	Total	**18,293.14**	**450.90**	**2.46%**	**15,879.03**	**563.51**	**3.55%**

* Non-Housing loan includes loans against properties.

4) Intra group exposures

(₹ in Crore)

	Particulars	March 31, 2023	March 31, 2022
i)	Total amount of intra-group exposures	613.82	855.27
ii)	Total amount of top 20 intra-group exposures	613.82	855.27
iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	**3.01%**	**4.87%**

* Note intra-group exposure includes off balance sheet items (such as Guarantee and Sanctioned but undisbursed loans).

5) Unhedged foreign currency exposure

(₹ in Crore)

	Particulars	March 31, 2023	March 31, 2022
i)	Total amount of unhedged foreign currency exposures	-	-

6) Disclosure of complaints

Complaints received by the Company from its customers:

1) Summary information on complaints received by the Company from customers:

Sr. No.	Particulars	March 31, 2023	March 31, 2022
	Complaints received by the Company from its customers:		
1	Number of complaints pending at beginning of the year	16	33
2	Number of complaints received during the year	728	732
3	Number of complaints disposed during the year	719	749
3.1	Of which, number of complaints rejected by the HFC	NA	NA
4	Number of complaints pending at the end of the year	**25**	**16**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

2) Top five grounds of complaints received by the Company from customers:

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	**2**	**3**	**4**	**5**	**6**
March 31, 2023					
On account of CLSS	6	179	-21%	2	0
On account of ROI related	1	84	45%	1	0
On account of Refund related	1	83	19%	4	0
On account of Disbursement	1	61	17%	5	1
On account of Legal	5	70	89%	8	3
Others	2	251	-13%	5	0
Total	16	728		25	4
March 31, 2022					
On account of CLSS	7	227	-21%	6	1
On account of ROI related	3	58	-69%	1	0
On account of Refund related	0	70	100%	1	0
On account of Disbursement	2	52	16%	1	0
FCL	7	79	-61%	1	0
Others	14	246	-36%	6	4
Total	**33**	**732**		**16**	**5**

7. **Corporate Governance Disclosure**

   Disclosures in relation to Corporate Governance are disclosed in the Corporate Governance section.

8. **Breach of covenant:** There are no instances of breach of covenants for loan availed or debt securities issued.

9. **Divergence in the asset classification and provisioning:** In terms of the RBI guidelines, HFCs are required to disclose the divergence in asset classification and provisioning consequent to NHB's assessment in their notes to accounts to the financial statements, wherever the additional provisioning assessed / additional gross NPAs identified by NHB exceeds the threshold specified in the guidelines. There was no divergence in asset classification and provisioning for NPAs.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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10. **Related Party Disclosure**

(₹ in Crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures/ Fellow Subsidiary*		Key Management Personnel		Relatives of Key Management Personnel		Directors		Others		Total	
Items	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Borrowings																
Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	29.75	12.00	**29.75**	**12.00**
Maximum Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	29.75	12.00	**29.75**	**12.00**
Advances																
Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Maximum Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Outstanding	-	-	0.05	0.05	-	229.62	-	-	-	-	-	-	-	-	**0.05**	**229.67**
Maximum Outstanding	-	-	0.05	0.05	229.62	229.62	-	-	-	-	-	-			**229.67**	**229.67**
Purchase of fixed/other assets	0.32	-	0.01	-	-	-	-	-	-	-	-	-	0.22	-	**0.55**	**-**
Sale of fixed/other assets	0.62	-	0.38	0.02	-	-	-	-	-	-	-	-	0.39	-	**1.39**	**0.02**
Interest paid	-	20.16	-	-	-	-	-	-	-	-	-	-	0.99	0.56	**0.99**	**20.72**
Interest received	1.07	-	0.19	0.01	9.94	-	-	-	-	-	-	-	0.15	-	**11.35**	**0.01**
Others		-		-		-		-		-		-		-	**-**	**-**
Corporate Social Responsibility Expense (CSR)	-	-	-	-	-	-	-	-	-	-	-	-	8.52	7.07	**8.52**	**7.07**
Arranger fees Expense/ Loan Sourcing Fee	-	0.04	15.65	1.03	-	-	-	-	-	-	-	-	0.40	0.80	**16.05**	**1.87**
Commission/ Brokerage Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	23.25	**-**	**23.25**
Brokerage Expense Reversal	-	-	-	-	-	-	-	-	-	-	-	-	0.98	-	**0.98**	**-**
Remuneration and Compensation to KMP	-	-	-	-	-	-	10.63	7.13	-	-	-	-	-	-	**10.63**	**7.13**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(₹ in Crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures/ Fellow Subsidiary*		Key Management Personnel		Relatives of Key Management Personnel		Directors		Others		Total	
Items	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Sitting Fees paid to Directors & Commission to Directors	-	-	-	-	-	-	0.64	0.49	-	-	-	-	-	-	0.64	0.49
Interim Dividend Payment	83.87	62.90	-	-	-	-	-	-	-	-	-	-	-	-	83.87	62.90
Interim Dividend Received	-	-	-	-	1.25	-	-	-	-	-	-	-	-	-	1.25	-
ICD Taken	-	3,284.40	-	-	-	-	-	-	-	-	-	-	-	45.00	-	3,329.40
ICD Returned	-	3,284.40	-	-	-	-	-	-	-	-	-	-	-	45.00	-	3,329.40
ICD/Loan Given	300.00	421.00	8.00	1.98	775.00	-	-	-	-	-	-	-	370.00	-	1,453.00	422.98
ICD/Loan received back	300.00	421.00	8.00	1.98	775.00	-	-	-	-	-	-	-	370.00	-	1,453.00	422.98
Purchase of Investment	-	144.00	-	-	-	-	-	-	-	-	-	-	-	-	-	144.00
Sale of Investment - Equity Share	259.08	-	-	-	-	-	-	-	-	-	-	-	-	-	259.08	-
Equity Shares Allotment	-	-	-	0.05	-	75.00	-	-	-	-	-	-	-	-	-	75.05
Other Paid	70.49	96.62	2.57	0.01	-	-	-	-	-	-	-	-	6.63	5.70	79.69	102.33
Other Received	1.73	1.17	0.42	0.19	-	-	-	-	-	-	-	-	0.81	0.75	2.96	2.11

* IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (ceased to be an associate from July 27, 2022)

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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 AS AMENDED FROM TIME TO TIME.

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").

44.1. Public disclosure on liquidity risk:

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

(₹ in Crore)

Year	No. of significant counterparties*	Amount*	% of Total Deposits	% of Total Liabilities**
March 31, 2023	16	12,090.16	NA	74.48%
March 31, 2022	16	11,446.28	NA	74.67%

Note :

*The above amount does not include borrowings on account of securitization transaction.

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

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

(iii) Top 10 borrowings

(₹ in Crore)

Year	Amount*	% of Total Borrowings
March 31, 2023	10,633.28	71.11%
March 31, 2022	9,937.89	69.88%

*Note: The above amount does not include borrowings on account of securitization transaction.

(iv) Funding Concentration based on significant instrument / product

Name of the Product	March 31, 2023		March 31, 2022	
	Amount (₹ in Crore)	% of Total Liabilities*	Amount (₹ in Crore)	% of Total Liabilities*
Non Convertible Debentures	3,332.53	20.53%	3,201.73	20.89%
Term Loans	11,440.84	70.48%	10,515.64	68.60%
Securitization	179.68	1.11%	417.29	2.72%
Cash Credit / Overdraft Facilties	0.15	0.00%	12.00	0.08%
Commercial papers	-	0.00%	73.95	0.48%

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

(v) Stock Ratios

Stock Ratio	March 31, 2023	March 31, 2022
Commercial papers as a % of total public funds	0.00%	0.52%
Commercial papers as a % of total liabilities	0.00%	0.48%
Commercial papers as a % of total assets	0.00%	0.41%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	Nil	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil	Nil

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Stock Ratio	March 31, 2023	March 31, 2022
Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil	Nil
Other short-term liabilities as a % of total public funds	28.89%	27.75%
Other short-term liabilities as a % of total liabilities	26.61%	25.74%
Other short-term liabilities as a % of total assets	19.83%	21.91%

(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, 2023	March 31, 2022
Total Housing Loans (%)*	56.63%	57.79%
Individual Housing Loans (%)*	53.30%	54.84%

*% of Total assets netted of intangibale assets.

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

I. Capital

Particulars	March 31, 2023	March 31, 2022
(i) CRAR %	47.28	30.48
(ii) CRAR - Tier I Capital (%)	39.24	21.10
(iii) CRAR - Tier II Capital (%)	8.04	9.38
(iv) Amount of subordinated debt raised as Tier- II Capital	920.34	950.34
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

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

Particulars	March 31, 2023	March 31, 2022
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	356.39	262.46
b) Statutory Reserve U/s 29C of the NHB Act, 1987	46.58	24.91
c) Total	**402.97**	**287.37**
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	102.62	93.93
b) Amount transferred U/s 29C of the NHB Act, 1987	55.48	21.67
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	459.01	356.39
b) Statutory Reserve U/s 29C of the NHB Act, 1987	102.06	46.58
c) Total	**561.07**	**402.97**

II) Investments

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
A) Value of Investments		
(i) Gross Value of Investments		
(a) In India*	1,429.99	390.75
(b) Outside India	-	-
(ii) Provision for Depreciation		
(a) In India	0.46	0.85
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	1,429.53	389.90
(b) Outside India	-	-
B) Movement of provisions held towards depreciation on investments		
(i) Opening balance	0.85	0.48
(ii) Add: Provisions made during the year	0.36	0.37
(iii) Less: Write-off / Write back of excess provisions during the year	0.75	-
(iv) Closing balance	**0.46**	**0.85**

* Includes investment property of ₹ 2.75 Crore (as at March 31, 2022 ₹ 7.48 Crore)

IV) Derivatives

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

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
(i) The notional principal of swap agreements/ forward contracts	1,331.83	363.08
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.06	-
(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/ forward contracts*	41.99	5.05

* Fair value as at March 31, 2023 represents Derivative Asset and for the year end March 31, 2022 represents Derivative Liabilities

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b. Exchange Traded Interest Rate (IR) Derivative

(₹ in Crore)

Particulars	March 31, 2023
(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 March 31, 2023 (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 Crore)

Particulars	March 31, 2022
(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 March 31, 2022 (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 Crore)

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2023	March 31, 2023
(i) Derivatives (Notional Principal Amount) For hedging	1,331.83	-
(ii) Marked to Market Positions		
(a) Assets (+)	44.02	-
(b) Liability (-)	2.03	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

(₹ in Crore)

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2022	March 31, 2022
(i) Derivatives (Notional Principal Amount) For hedging	363.08	-
(ii) Marked to Market Positions		
(a) Assets (+)	-	-
(b) Liability (-)	5.05	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

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

(₹ in Crore)

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	7.62	21.33	38.55	70.47	473.82	568.78	1,203.13	3,484.38	2,210.32	2,147.74	**10,226.14**
	(2.36)	(2.40)	(30.42)	(116.55)	(410.20)	(692.55)	(1,330.02)	(3,653.52)	(2,105.52)	(2,210.82)	**(10,554.36)**
Market Borrowing	6.63	50.00	3.00	23.34	3.11	33.78	16.30	669.76	304.97	2,221.64	**3,332.53**
	(40.05)	-	(47.72)	(37.42)	(77.05)	(113.77)	(16.16)	(412.10)	(212.59)	(2,318.81)	**(3,275.67)**
Foreign Currency Liabilities	2.30	-	-	42.80	-	443.15	62.50	250.00	250.00	343.78	**1,394.53**
	-	-	-	(11.73)	-	-	-	(378.84)	-	-	**(390.57)**
Assets											
Advances	94.57	84.71	446.93	310.95	327.39	989.11	971.00	5,077.19	3,034.23	6,398.21	**17,734.29**
	(86.54)	(75.64)	(370.50)	(277.04)	(294.11)	(574.90)	(605.45)	(4,472.79)	(2,568.75)	(5,974.20)	**(15,299.92)**
Investments	99.94	99.78	398.56	259.13	196.97	0.08	161.59	51.04	28.06	132.09	**1,427.24**
	(0.05)	(0.05)	(0.09)	(0.17)	(0.18)	(0.37)	(0.38)	(146.81)	(1.69)	(233.47)	**(383.26)**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**

Computation of ALM is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

Figures in Brackets represents previous year's figures.

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

Borrowings from Bank includes borrowings from Financial Institutions.

Foreign Currency Liabilities means borrowings from banks

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

VI) Exposure

a) Exposure to Real Estate Market

(₹ in Crore)

Category	March 31, 2023	March 31, 2022
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;	17,182.72	14,812.40
(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;	1,110.42	1,066.62
(iii) Investments in Mortgage Backed Securities(MBS) and other securitized exposures-		
a. Residential	7.61	9.59
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 Crore)

Category	March 31, 2023	March 31, 2022
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
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/Alternate Investment Funds (both registered and unregistered)	161.44	144.00

Note: Investments are shown as mark to market.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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, authorizations, 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**

Description	March 31, 2023	March 31, 2022
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	-	-

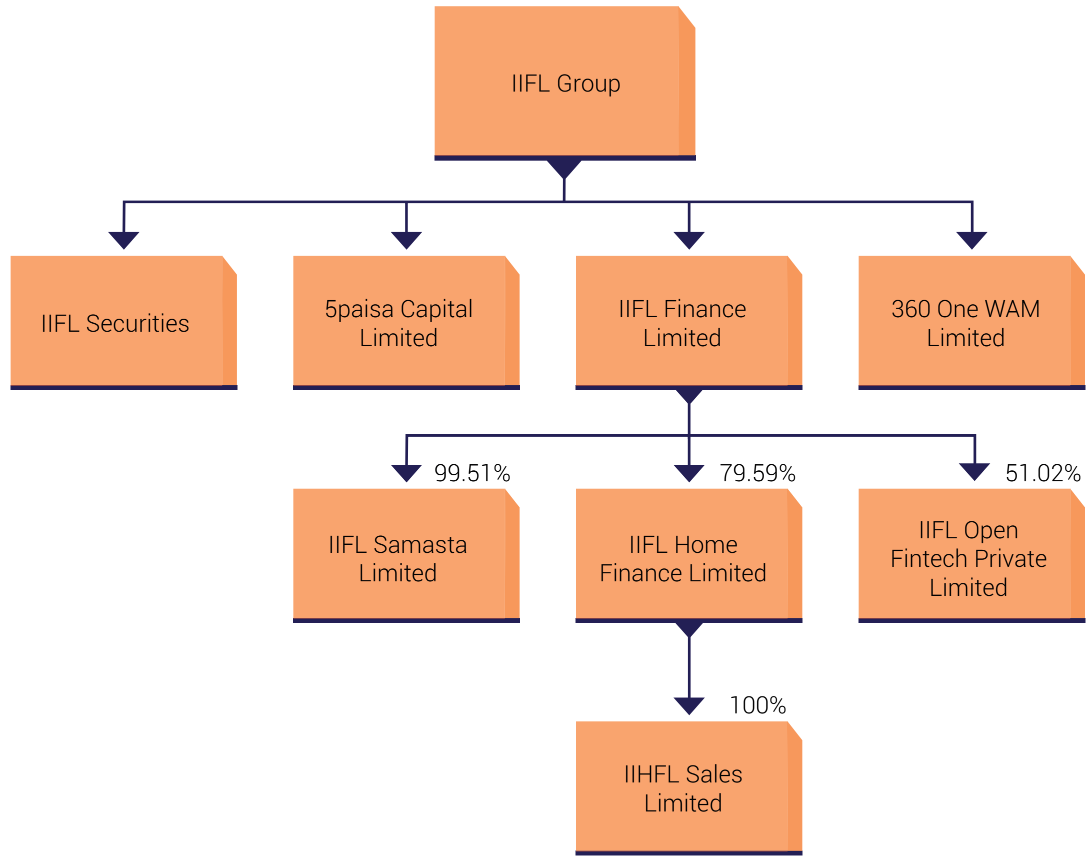
44.4. Miscellaneous

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:** No penalties were imposed during the year.

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

IV) **Group Structure as on March 31, 2023:**



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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, 2023

(₹ in Crore)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable reaffirmed	8,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/ Stable reaffirmed	185.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/ Stable reaffirmed	126.52
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable reaffirmed	3,645.38
Commercial Paper	CRISIL Limited	CRISIL A1+ reaffirmed	5,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+ reaffirmed	5,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA (Stable)/ Reaffirmed	2,743.75
Subordinated Debt programme	ICRA Limited	[ICRA]AA (Stable)/ Reaffirmed	353.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA (Stable)/ Reaffirmed	5,000.00
Long term market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA (Stable)/ Reaffirmed	200.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA; Stable	17.00
Secured NCD	Brickwork Ratings	BWR AA+/Negative Reaffirmed	15.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+/Negative Reaffirmed	270.00
NCDs	Brickwork Ratings	BWR AA+/Negative Reaffirmed	5,000.00

b) Details of Migration of Ratings during the 2022-23: During the year under review there were no migrations of Ratings.

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2022

(₹ in Crore)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable reaffirmed	6,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/ Stable reaffirmed	300.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/ Stable reaffirmed	200.00
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable reaffirmed	7,152.00
Commercial Paper	CRISIL Limited	CRISIL A1+ reaffirmed	5,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+ reaffirmed	5,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA / Reaffirmed Stable	2,855.00
Subordinated Debt programme	ICRA Limited	[ICRA]AA / Reaffirmed Stable	373.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA / Reaffirmed Stable	5,000.00
Long term principal protected market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA / Reaffirmed Stable	200.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA; Stable	22.00
Secured NCD	Brickwork Ratings	BWR AA+/Negative Reaffirmed	15.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+/Negative Reaffirmed	270.00
NCDs	Brickwork Ratings	BWR AA+/Negative Reaffirmed	5,000.00

b) Details of Migration of Ratings during the 2021-22

(₹ in Crore)

Instrument	Name of the Rating Agency	Amount Rated	Rating in 2021-22	Rating in 2020-21
Non-Convertible Debentures (NCD)	CARE Ratings	22.00	CARE AA; Stable [Double A; Outlook: Stable]	CARE AA; Negative [Double A; Outlook: Negative]
Non-convertible Debenture Programme	ICRA Limited	2,855.00	[ICRA]AA / Reaffirmed Stable	[ICRA]AA / Reaffirmed Negative
Subordinated Debt programme	ICRA Limited	373.00	[ICRA]AA / Reaffirmed Stable	[ICRA]AA / Reaffirmed Negative
Long Term Fund Based Bank Lines Programme	ICRA Limited	5,000.00	[ICRA]AA / Reaffirmed Stable	[ICRA]AA / Reaffirmed Negative
Long term principal protected market linked debenture programme	ICRA Limited	200.00	PP-MLD[ICRA]AA / Reaffirmed Stable	PP-MLD[ICRA]AA / Reaffirmed Negative

VI) Remuneration of Non-Executive Directors

(₹ in Crore)

Name of Directors	Remuneration Paid 2022-23	Remuneration Paid 2021-22
Mr. Kranti Sinha	0.19	0.17
Mr. S. Sridhar	0.23	0.20
Ms. Suvalaxmi Chakraborty	-	0.02
Mr. AK Purwar	0.06	0.03
Mr. Venkataramanan Anantharaman	0.00	-
Ms. Mohua Mukherjee	0.16	0.08

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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: Refer to the Consolidated Financial Statements for the relevant disclosures.

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 Crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2022-23	2021-22
Provisions for depreciation on Investment*	0.36	0.37
Provision made towards Income tax	232.57	167.97
Provision towards NPA**	(40.49)	47.57
Provision for Standard Assets	36.89	55.04
CRE – Residential	3.55	(4.47)
CRE – Others	(0.29)	1.16
Others	33.63	58.35

*Includes depreciation on Investment Property.

** Includes provision towards Trade Receivables of ₹ 6.40 Crore (P.Y. ₹ 0.08 Crore).

b) Break up of Loans and Advances and Provisions thereon

(₹ in Crore)

Breakup of Loans and Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Standard Assets				
a) Total Outstanding Amount	12,350.95	10,430.46	5,491.28	4,885.05
b) Provisions made	232.26	209.99	153.60	140.29
Sub-Standard Assets		-		-
a) Total Outstanding Amount	191.92	198.21	146.10	157.82
b) Provisions made	53.96	68.25	61.61	48.81
Doubtful Assets - Category I		-		-
a) Total Outstanding Amount	33.67	33.27	44.25	69.30
b) Provisions made	10.02	19.69	24.52	30.90
Doubtful Assets - Category II		-		-
a) Total Outstanding Amount	6.09	35.24	25.67	46.79
b) Provisions made	2.47	27.36	17.20	19.51
Doubtful Assets - Category III		-	-	-
a) Total Outstanding Amount	0.98	5.51	2.23	17.38
b) Provisions made	0.98	5.15	2.23	9.07
Loss Assets		-	-	-
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crore)

Breakup of Loans and Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Total				
a) Total Outstanding Amount	**12,583.61**	**10,702.69**	**5,709.53**	**5,176.34**
b) Provisions Amount	**299.69**	**330.44**	**259.16**	**248.58**

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 Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
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 Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Loans & Advances to twenty largest borrowers	835.66	885.04
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	4.57%	5.57%

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

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to twenty largest borrowers / customers	981.21	954.43
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	4.81%	5.43%

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

d) Concentration of NPAs

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to top ten NPA accounts	72.28	77.54

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

(₹ in Crore)

Sector	As at March 31, 2023	As at March 31, 2022
A. Housing Loans		
1. Individuals	1.96%	2.62%
2. Builders/Project Loans	-	-
3. Corporates	2.96%	13.75%
4. Others (specify)	-	-
B. Non-Housing Loans		
1. Individuals	3.76%	5.93%
2. Builders/Project Loans	5.26%	10.01%
3. Corporates	3.68%	3.03%
4. Others (specify)	-	-

*Includes interest accrued.

IV) Movement of NPAs

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Net NPAs to Net Advances (%)	1.52%	2.11%
(II) Movement of NPAs (Gross)		
a. Opening balance	563.51	352.78
b. Additions during the year	315.19	376.16
c. Reductions during the year	(427.80)	(165.43)
d. Closing balance	**450.90**	**563.51**
(III) Movement of NPAs (Net)		
a. Opening balance	334.77	183.57
b. Additions during the year	197.71	235.60
c. Reductions during the year	(254.58)	(84.40)
d. Closing balance	**277.90**	**334.77**
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a. Opening balance	228.74	169.21
b. Provisions made during the year	117.48	140.56
c. Write-off/write-back of excess provisions	(173.22)	(81.03)
d. Closing balance	**173.00**	**228.74**

V) Overseas Assets

(₹ in Crore)

Particulars	2022-23	2021-22
N.A.	N.A.	N.A.

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

(₹ in Crore)

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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	2022-23	2021-22
a) No. of complaints pending at the beginning of the year	16	33
b) No. of complaints received during the year	728	732
c) No. of complaints redressed during the year	719	749
d) No. of complaints pending at the end of the year	25	16

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 24, 2023.

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 & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai
Date: April 24, 2023

Amit Gupta
Chief Financial Officer
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of IIFL home finance limited on the audit of the consolidated financial statements

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the Consolidated Financial Statements of IIFL Home Finance Limited (hereinafter referred to as "the Holding Company"), and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), and its associate which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the rules made thereunder ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("the SAs") specified under sub-section 10 of section 143 of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate 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 consolidated financial statements under the provisions of the Act and the Rules made 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 obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement and based on the consideration of reports of other auditors on separate financial statements of subsidiary and associate companies audited by them, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Key Audit Matters for Holding Company

Key Audit Matter	How the matter was addressed in our audit
EXPECTED CREDIT LOSS – IMPAIRMENT OF CARRYING VALUE OF LOANS AND ADVANCES 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.	We performed audit procedures set out below: • 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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Key Audit Matter	How the matter was addressed in our audit
The calculation of impairment loss or ECL is based on significant management estimates and judgements, which are as under: • 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 • 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, certain restructured cases, interest rate increase resulting in increased EMI which may cause stress, introduction of new product and specific identification of certain construction finance cases etc. 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. In view of the criticality of the item to the Consolidated 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.	• 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 • 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 • Relied on the management note and representation regarding determination of management overlay due to various additional factors.
IT Systems and controls The Company financial accounting and reporting systems are highly dependent on the effective working of the operating and accounting system. 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 this software are critical for accurate compilation of financial information. Due to extensive volumes, variety and complexity of transactions the operating system is functioning, consistently and accurately, specifically with respect to following: • Interest, Fee income and other charges collected on Loans	We performed audit procedures set out below: • 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 the accounting software to mitigate the risk of incorrect data flow to/from separate application software.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Key Audit Matter	How the matter was addressed in our audit
• Bifurcation of the Loan Portfolio based on maturity pattern and Assets Classification based on ageing of default 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.	• We have also obtained management representations wherever considered necessary.

B. Key Audit Matters for Subsidiary Company - IIHFL Sales Ltd - No key audit matters reported by the Subsidiary Company's auditor for the year ended March 31, 2023

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding 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 Annual Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 matter to those charged with governance as required under SA 720 (Revised) "The Auditor's Responsibilities Relating to Other Information".

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors are responsible for the matters stated in sub-section 5 of section 134 of the Act with respect to preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its Associate 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 rules made thereunder.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its associate is responsible for assessing the ability of the Group and of its associate 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 Group and its associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its associate is responsible for overseeing the financial reporting process of the Group and its associate.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the whether the Group and its associate which are companies incorporated in India, have adequate internal financial controls 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 Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' 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

a) The consolidated financial statements include total assets of Rs. 41.47 Crores as at March 31, 2023, total revenues of Rs. 15.65 Crores, total profit before tax of Rs. 14.86 Crores, total net profit after tax of Rs. 11.26 Crores and net cash inflows amounting to Rs. 6.05 Crores, respectively of a subsidiary for the year ended on that date. These financial statements have been audited by one of the Joint Auditors i.e. M. P. Chitale & Co. whose reports have been furnished to other Joint Auditor i.e. Suresh Surana & Associates LLP by the Management and their opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, is solely based on the reports of one of the Joint Auditors i.e. M. P. Chitale & Co.

b) The Consolidated Financial Statements also include the Group's share of net profit after tax and total comprehensive income of Rs. 3.76 Crores and Rs. 3.91 Crores, respectively for the period April 1, 2022 to July 27, 2022, as considered in the Consolidated Financial Statements, in respect of one associate, whose financial statements have not been audited. These financial statements have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

c) Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters (a) and (b) with respect to our reliance on the work done and the report of Auditors and financial statements certified by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the one of the Joint auditors on separate financial statements of one subsidiary, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

    b. in our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

    d. in our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with rules made thereunder;

    e. on the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and reports of the statutory auditors of its subsidiary company, none of the directors of the Group is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

    f. with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**;

    g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group 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;

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:

    i. the Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note 36(b) to the Consolidated Financial Statements.

    ii. the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts.

    iii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Group.

    iv. (a) The respective Management of the companies included in the Group have represented that, to the best of their knowledge and belief, as disclosed in the note 38B i.(i) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the companies included in the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the companies included in the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

INDEPENDENT AUDITOR'S REPORT (CONTD.)

(b) The respective Management of the companies included in the Group have represented, that, to the best of their knowledge and belief, as disclosed in the note 38B i.(ii) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the companies included in the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the companies included in the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

(b) The Subsidiary Company has neither declared dividend nor paid during the year.

vi. As proviso to rule 3(1) of the companies (Accounts) Rules, 2014 is applicable for the Group only w.e.f. April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on using accounting software which has a feature of recording audit trail (edit log) facility is not applicable.

3. With respect to respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiary issued by one of the joint auditors included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except below.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Sr. No.	Name	CIN	Holding Company/ Subsidiary/ Associates/ Joint Venture	Clause Number of the CARO report which is qualified or adverse
1	IIFL Home Finance Limited	U65993MH2006PLC166475	Holding Company	vii (a)
2	IIHFL Sales Limited	U74999MH2021PLC368361	Subsidiary Company	vii (a)

For **Suresh Surana and Associates LLP**
Chartered Accountants
Firm Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 23102306BGWKSG7634

Place: Mumbai
Date: April 24, 2023

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 23145160BGUUNO1714

Place: Mumbai
Date: April 24, 2023

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to In Paragraph 1 (F) Under 'Report on other Legal and Regulatory Requirements' Section of our Report to the Members Of IIFL Home Finance Limited

Report on the Internal Financial Controls with Reference to the aforesaid Consolidated Financial Statements under clause (I) Of Sub-Section (3) of Section 143 Of The Companies Act, 2013 (The 'Act')

In conjunction with our audit of the Consolidated Financial Statements of **IIFL Home Finance Limited** (hereinafter referred to as "the Holding Company"), as of and for the year ended 31 March 2023, we have audited the internal financial controls over financial reporting of the Company, and its subsidiary, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective management and Board of Directors of the Holding Company and its subsidiary, which are the companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial reporting criteria established by the respective companies 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 ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial reporting of the Holding Company and its subsidiary, which are the companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated 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 over financial reporting with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to Consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial reporting of the Holding Company, and its subsidiary, which are the companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to Consolidated 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 Consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated 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 and to the best of our information and according to the explanations given to us and based on consideration of reporting of the other auditors as mentioned in the Other Matters paragraph below, the Holding Company and its subsidiary, which are the companies incorporated in India have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

OTHER MATTERS

Our report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to one subsidiary, is based on the report of the one of the joint auditors of such company, incorporated in India.

For **Suresh Surana and Associates LLP**
Chartered Accountants
Firm Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 23102306BGWKSG7634

Place: Mumbai
Date: April 24, 2023

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 23145160BGUUNO1714

Place: Mumbai
Date: April 24, 2023

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

(₹ in Crores)

Sr. no.	Particulars	Note no.	As at March 31, 2023	As at March 31, 2022
ASSETS				
1	**Financial assets**			
	(a) Cash and cash equivalents	4A	1,635.21	1,399.62
	(b) Bank balance other than (a) above	4B	359.29	433.29
	(c) Derivative financial instruments	5	41.99	-
	(d) Receivables	6		
	(I) Trade receivables		47.50	36.91
	(e) Loans	7	17,715.69	15,290.22
	(f) Investments	8	1,427.19	403.41
	(g) Other financial assets	9	454.15	357.82
2	**Non-financial assets**			
	(a) Current tax assets (Net)		11.66	5.51
	(b) Deferred tax assets (Net)	10	45.84	64.20
	(c) Investment property	11A	2.29	6.63
	(d) Property, plant and equipment	11B	7.91	6.57
	(e) Right of use assets	12A	50.22	23.54
	(f) Other intangible assets	12B	0.44	0.18
	(g) Other non-financial assets	13	6.20	4.78
	(h) Assets held for sale	14	5.46	9.70
Total assets			**21,811.04**	**18,042.38**
LIABILITIES AND EQUITY				
1	**Financial liabilities**			
	(a) Derivative financial instruments	5	-	5.05
	(b) Trade payables	15		
	(i) total outstanding dues of micro enterprises and small enterprises		3.01	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		48.37	50.94
	(c) Finance lease obligation	12A	52.00	25.64
	(d) Debt securities	16	2,254.22	2,217.99
	(e) Borrowings (other than Debt securities)	17	11,620.67	10,944.93
	(f) Subordinated liabilities	18	1,078.31	1,057.69
	(g) Other financial liabilities	19	903.12	944.45
2	**Non-financial liabilities**			
	(a) Current tax liabilities (Net)		16.01	26.25
	(b) Provisions	20	20.22	14.27
	(c) Other non-financial liabilities	21	261.00	51.48
3	**Equity**			
	(a) Equity share capital	22	26.34	20.97
	(b) Other equity	23	5,527.77	2,682.72
	(c) Non-controlling interest		-	-
Total liabilities and equity			**21,811.04**	**18,042.38**
See accompanying notes forming part of the financial statements		1-45		

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

Date: April 24, 2023

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

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 & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crores)

Sr. no.	Particulars	Note no.	2022-23	2021-22
REVENUE FROM OPERATIONS				
(i)	Interest income	24	2,276.35	1,876.78
(ii)	Fees and commission income	25	114.48	76.96
(iii)	Net gain on fair value changes	26	59.65	6.32
(iv)	Net gain on derecognition of financial instruments under amortized cost category	27	40.81	10.92
(v)	Net gain on derecognition of financial instruments under FVTOCI	28	84.02	115.88
(vi)	Net gain/(loss) on derecognition of Equity shares under cost category		6.59	-
(vii)	Net gain on modification of financial instruments under amortized cost category		-	0.26
(I)	**Total Revenue from Operations**		**2,581.90**	**2,087.12**
(II)	**Other Income**	29	156.11	141.81
(III)	**Total Income (I+II)**		**2,738.01**	**2,228.93**
EXPENSES				
(i)	Finance costs	30	1,183.46	1,062.64
(ii)	Impairment on financial instruments, including write-offs	31	166.73	160.00
(iii)	Employee benefits expenses	32	263.04	174.18
(iv)	Depreciation, amortization and impairment	11A-12B	14.58	7.41
(v)	Other expenses	33	109.68	74.95
(IV)	**Total Expenses**		**1,737.49**	**1,479.18**
(V)	**Profit / (Loss) before tax and share of profit / (loss) of associate (III-IV)**		**1,000.52**	**749.75**
(VI)	**Profit / (loss) from associate accounted for using the Equity Method**		**3.76**	**12.65**
(VII)	**Profit Before Tax (V +VI)**		**1,004.28**	**762.40**
(VIII)	**TAX EXPENSES:**			
	(i) Current tax	34	230.77	171.20
	(ii) Deferred tax	10	6.18	(3.57)
	(iii) Tax of earlier years	34	(0.79)	1.33
	Total Tax Expenses		**236.16**	**168.96**
(IX)	**Profit for the year (VII-VIII)**		**768.12**	**593.44**
(X)	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit liabilities/(assets)		(0.48)	0.11
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.12	(0.03)
	(iii) Share of Other Comprehensive Income of an Associate		0.14	(0.21)
	Subtotal (A)		**(0.22)**	**(0.13)**
	B (i) Items that will be reclassified to profit or loss			
	(a) Cash Flow Hedge (net)		16.83	12.83
	(b) Fair value of loans carried at FVTOCI		(0.75)	13.65
	(ii) Income tax relating to items that will be reclassified to profit or loss		(4.05)	(6.66)
	Subtotal (B)		**12.03**	**19.82**
	Other Comprehensive Income (A+B)		**11.81**	**19.69**
(XI)	**Total Comprehensive Income for the year (IX+X)**		**779.93**	**613.13**
	Profit for the year attributable to:			
	Shareholders of the Company		768.12	593.44
	Non controlling interest		-	-
	Other Comprehensive Income for the year attributable to:			
	Shareholders of the Company		11.81	19.69
	Non controlling interest		-	-
	Total Comprehensive Income for the year attributable to:			
	Shareholders of the Company		779.93	613.13
	Non controlling interest		-	-
(XII)	**Earnings per Equity Share of face value of ₹ 10 each**	35		
	Basic (₹)		316.90	283.02
	Diluted (₹)		316.90	283.02
	See accompanying notes forming part of the financial statements	1-45		

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

Date: April 24, 2023

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

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 & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

A. EQUITY SHARE CAPITAL

1. As at March 31, 2023

(₹ in Crores)

Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
20.97	-	-	5.37	26.34

2. As at March 31, 2022

(₹ in Crores)

Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	"Changes in equity share capital during the current year"	Balance at the end of the current reporting year
20.97	-	-	-	20.97

B. OTHER EQUITY

1. As at March 31, 2023

(₹ in Crores)

Particulars	Capital Reserve	Reserves and Surplus				Other Comprehensive Income			Total	Non-Controlling Interest
		Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI		
Balance at the beginning of the current reporting year	**1.35**	**799.16**	**143.86**	**402.97**	**1,333.56**	**(0.80)**	**(7.03)**	**9.65**	**2,682.72**	**-**
Additions during the year (Refer Note 1)	-	2,194.62	-	-	-	-	-	-	2,194.62	-
Share issue expenses (Refer Note 1)	-	(24.13)	-	-	-	-	-	-	(24.13)	-
Profit for the year	-	-	-	-	768.12	-	-	-	768.12	-
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	-	12.60	-	12.60	-
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	-	(0.22)	-	-	(0.22)	-
Equity Dividend (Refer Note 4)	-	-	-	-	(105.38)	-	-	-	(105.38)	-
Transfer to Special Reserve (Refer Note 5)	-	-	-	158.10	(158.10)	-	-	-	-	-
Fair value of loans carried at FVTOCI								(0.56)	(0.56)	-
Balance at the end of the Current reporting year	**1.35**	**2,969.65**	**143.86**	**561.07**	**1,838.20**	**(1.02)**	**5.57**	**9.09**	**5,527.77**	**-**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

2. As at March 31, 2022

(₹ in Crores)

Particulars	Capital Reserve	Reserves and Surplus				Other Comprehensive Income			Total	Non-Controlling Interest
		Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI		
Balance at the beginning of the Previous reporting year	1.35	799.16	143.86	287.37	918.62	(0.67)	(16.64)	(0.57)	2,132.48	-
Profit for the year	-	-	-	-	593.44	-	-	-	593.44	-
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	-	9.61	-	9.61	-
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	-	(0.13)	-	-	(0.13)	-
Equity Dividend (Refer Note 4)	-	-	-	-	(62.90)	-	-	-	(62.90)	-
Transfer to Special Reserve (Refer Note 5)	-	-	-	115.60	(115.60)	-	-	-	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	10.22	10.22	-
Balance at the end of the Previous reporting year	**1.35**	**799.16**	**143.86**	**402.97**	**1,333.56**	**(0.80)**	**(7.03)**	**9.65**	**2,682.72**	**-**

1. During the year ended March 31, 2023, the Board of Directors of the Company at its meeting held on August 22, 2022 approved the allotment of 5,376,457 fully paid-up equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share to a wholly owned subsidiary of Abu Dhabi Investment Authority i.e. Platinum Owl C 2018 RSC Limited, acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust ("Investor") for an aggregate consideration of ₹ 2,200 Crores. The investor holds 20% of the share capital (calculated on a fully diluted basis) of the Company. Share issue expenses incurred aggregating to ₹ 24.13 Crores has been charged to securities premium account.
2. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
3. 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.
4. During the year, the Board of Directors of the Company has declared and paid interim dividend of ₹ 40 per equity share (P.Y. ₹ 30/-).
5. 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.

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

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

Date: April 24, 2023

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 & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crores)

Particulars	Note No.	2022-23	2021-22
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**1,004.28**	**762.40**
Adjustments for:			
Depreciation, amortization and impairment		14.58	7.41
Impairment on financial instruments		(3.60)	105.16
Interest expense		1,183.46	1,062.64
Interest on Loans		(2,276.35)	(1,876.78)
Net gain on derecognition of financial instruments		(96.14)	(122.97)
Net (gain)/loss on fair value changes		(59.65)	(6.32)
Net (gain)/loss on derecognition of Equity shares under Equity category		(6.59)	-
Net (gain)/loss on Sale of assets		0.02	0.03
Profit from associate accounted for using the Equity Method		(3.76)	(12.65)
Interest paid		(1,191.07)	(1,218.77)
(Gain)/Loss on termination		(0.06)	-
(Gain)/Loss on Modification		-	(0.26)
Interest received		2,269.74	1,899.48
Operating Profit before Working Capital changes		**834.86**	**599.37**
Changes in Working Capital:			
Adjustments for (increase)/decrease in Other Financial assets		(23.81)	(19.98)
Adjustments for (increase)/decrease in Trade Receivables		(16.98)	(6.35)
Adjustments for (increase)/decrease in Other Non Financial assets		(1.28)	(1.58)
Adjustments for (increase)/decrease in Assets held for sale		4.23	4.25
Adjustments for (increase)/decrease in Balances with banks - Lien marked		0.48	(3.72)
Adjustments for increase/(decrease) in Trade Payables		0.44	15.78
Adjustments for increase/(decrease) in Other financial liabilities		(41.33)	359.06
Adjustments for increase/(decrease) in Other non-financial liabilities		209.52	(61.88)
Adjustments for increase/(decrease) in Provisions		5.58	2.28
Operating Profit after Working Capital changes		**971.71**	**887.23**
Direct Taxes Paid (Refer note below)		**(238.14)**	**(165.84)**
Cash generated from/ (used in) Operations		**733.57**	**721.39**
Loans (disbursed) / repaid (net)		(2,393.03)	(820.82)
Net cash generated from / (used in) Operating Activities (A)		**(1,659.46)**	**(99.43)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(6.98)	(7.15)
Sale of Property, Plant and Equipment		1.39	0.46
Fixed deposits placed		(2,636.31)	(1,784.50)
Fixed deposits matured		2,710.62	1,798.62
Purchase of investments		(21,807.34)	(24,149.30)
Proceeds from sale of investments		20,599.36	23,939.62

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crores)

Particulars	Note No.	2022-23	2021-22
Proceeds from sale of investments in Associate		259.08	-
Proceeds from sale of investment property		3.98	-
Net Cash from / (used in) in Investing Activities (B)		**(876.20)**	**(202.25)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from fresh issue of Equity shares		2,200.00	-
Share issue expenses		(24.13)	-
Dividend paid		(105.38)	(62.90)
Proceeds from Borrowings		4,159.31	4,341.84
Repayment of Borrowings		(3,510.66)	(3,851.80)
Proceeds from issue of Debt & Sub-Ordinated Debt Securities		330.00	1,900.45
Repayment of Debt & Sub-Ordinated Debt Securities		(264.03)	(1,034.25)
Payment of interest on lease liabilities		(3.61)	(1.38)
Principal payment of lease liabilities		(10.25)	(2.99)
Net Cash from/(used in) Financing Activities (C)		**2,771.25**	**1,288.97**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**235.59**	**987.29**
Cash and cash equivalents as at the beginning of the year		1,399.62	412.33
Cash and cash equivalents as at the end of the year		**1,635.21**	**1,399.62**
See accompanying notes forming part of the financial statements	**1-45**		

Note: As Direct tax paid above is not specifically identifiable into financing and investing activities, they have been shown under operating activities.

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

Date: April 24, 2023

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

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

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Director
(DIN: 00011919)
Place: Mumbai

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(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

NOTE 1. CORPORATE INFORMATION

(a) Company overview

IIFL Home Finance Limited ("IIFL HFL"/ "the Company") (CIN No. U65993MH2006PLC166475), is a subsidiary of IIFL Finance 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 Consolidated financial statements of IIFL Home Finance Limited ("the Company") and its subsidiary/ associates (together hereinafter referred to as "the Group") 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 Consolidated financial statements of the Group 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").

i. Control and Significant Influence

Control is achieved when the Company has all the following:

- Power over the investee
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its power over investee to affect its returns

Significant Influence

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies

ii. Principles of consolidation:

A. The consolidated 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").

B. The effects of all inter-Group transactions and balances have been eliminated on consolidation. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year by the Group.

C. The financial statements of the subsidiary and associate companies used in the consolidation are drawn up to the same reporting date as that of the Group, March 31, 2023 or till the date significant influence exist.

D. The consolidated financial statements of the Group with subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses, unless cost cannot be recovered.

E. The investment in associate is accounted for using the equity method of accounting in consolidated financial statement. Under the equity method, the investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associates. Dividend received from associates is recognized as reduction in the carrying amount of the investments.

F. The excess of cost to the Group of its investments in the subsidiary and associate companies over its share of equity of the subsidiary and associate companies, at the dates on which the investments in the subsidiary and associate companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary and associate companies as on the date of investment is in excess of cost of investment of the Group, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

iii. List of subsidiary and associate consolidated

Name of the entity	Relationship	Date of Control / Significant influence	Proportion of Ownership Interest (%) As at March 31, 2023
IIHFL Sales Limited	Subsidiary	September 28, 2021	100%
IIFL Samasta Finance Limited (formerly Samasta Microfinance Limited)	Associate	June 19, 2020 (ceased to be an associate from July 27, 2022)	0%

(c) Presentation of financial statements

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated 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 Consolidated 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 Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Consolidated Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the NHB and RBI. The Group presents its Consolidated Balance Sheet in the order of liquidity.

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

(d) Basis of measurements

The consolidated 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 consolidated 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 categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are 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 consolidated 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 consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

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 Group determines the business model at a level that reflects how the Group's financial instruments are managed together to achieve a particular business objective.

The Group monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized 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 Group'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 Group'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.
- Group's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.
- Creation of additional management overlay to reflect among other things an increased risk of deterioration in performance of pool of specific assets.

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 behavior patterns of the instrument with respect to average repayment period and cash flows behaviors. Such estimates and assumptions are reviewed by the Group 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 consolidated financial statements the Group 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 Group adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Group applies appropriate valuation techniques and inputs to the valuation model.

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

v. Taxes

The Group'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 recognized 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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

i. Interest income and dividend income

Interest income on financial instruments at measured amortized cost/Fair value through other comprehensive income is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable. Interest income on pool of loan accounts which are assigned is recognized net off interest payable to assignees on the assigned pool of loan accounts.

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 adjusted for its past behavior pattern.

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 amortized 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 amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

Penal Interest are recognized 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 recognized in the Consolidated Statement of Profit and Loss at initial recognition.

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

ii. Fees and charges

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Group's Consolidated Statement of Profit and Loss include, among other things, fees charged for servicing a loan. Fees and charges are recognized as income only when revenue is virtually certain which generally coincides with receipts.

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 recognized when the right to receive the income is established as per the terms of the contract.

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

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at 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.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount net of accumulated depreciation of the asset and is recognized in the Consolidated 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".

(c) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortization and cumulative impairment.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

Intangible assets not ready for the intended use on the date of Consolidated 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. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset) is included in Consolidated Statement of Profit or Loss in the period in which the Investment property is derecognized.

(e) Depreciation and Amortization

Depreciation is charged using the straight-line method, based on the useful life of PPE as estimated by the Management, as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged from the month in which assets are sold. In case of transfer of used PPE from group companies, depreciation is charged over the remaining useful life of the asset. Individual assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight line basis over the leasehold period.

The estimated useful life of assets is as under:

Class of assets	Useful Life as per Schedule II Companies Act	Useful life as per Group
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 amortized on straight-line basis over the estimated useful life of 3 years.

Depreciation and amortization 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

The Company follows various collection mechanisms for recovery of dues from the borrowers, which involves initiating proceedings under SARFASI Act, 2002 wherein actual/physical repossession of assets (collateral) is obtained after eviction in lieu of the loan outstanding. Once repossessed, asset is available for immediate sale via Auction process in its present condition subject only to terms that are usual and customary for sale of such asset. The Company's endeavor is to sell the re-possessed assets, in a public auction and realize the sale proceeds to recover the loan amount outstanding at the earliest. The Customer has all opportunity to repay the loan amount before finalization of sale of the property and take back the possession. Since borrowers may settle the loans and in such cases, the property is handed back to them (in case the property is not yet sold in auction), acquiring such properties does not change the nature of the assets and that such re-possessed assets continue to be classified as financial assets. In case where the Company is certain that borrower has no right to settle loans once the re-possessed assets is put up for public auction and that recovery will happen through sale and sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification is 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.

Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India was approached by the Company for an opinion in the classification of such repossessed assets as "Non- Current Assets Held For Sale" and the EAC has affirmed the view of the Company on the above matter vide its opinion on September 20, 2022.

(g) Impairment of Assets other than financials assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets and investment property are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognized 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 recognized immediately in the Consolidated 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 recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Consolidated Statement of Profit and Loss.

(h) Employee benefits

i. Defined contribution plans

The Group'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 recognized in the Consolidated 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 recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. These benefits include performance incentive and compensated absences.

Post-employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Consolidated Statement of Profit and Loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognized in the Consolidated Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognized when the settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Group recognizes related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Long term employee benefits: The obligation recognized in respect of long term benefits such as long term compensated absences, is measured at present value of estimated future cash flows expected to be made by the Group and is recognized in a similar manner as in the case of defined benefit plan above.

(i) Leases

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group considers whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in consolidated profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the consolidated balance sheet and lease payments have been classified as financing activities.

The Group has elected not to recognize right-of-use assets and lease liabilities for short term leases that

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have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognizes the lease payments associated with these leases as an expense in consolidated 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 recognized on temporary differences between the carrying amounts of assets and liabilities in the Group's consolidated 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 liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. 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 recognized 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 realized. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognized outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

Current and deferred tax for the year

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

(k) Financial instruments

Recognition and Initial Measurement

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

Recognized financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Consolidated Statement of Profit and Loss.

Financial assets

Classification and Subsequent measurement

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

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, 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 amortized cost.

Financial Assets measured at amortized cost

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortized cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in Consolidated Statement of profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Consolidated Statement of Profit or Loss.

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

Instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the Consolidated Statement of Profit and Loss. The gain or loss on disposal is recognized in the Consolidated Statement of Profit and Loss.

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

Reclassifications

The Group 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 Group's management determines change in the business model as a result of external

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or internal changes which are significant to the Group's operations. If the Group 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 Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in Consolidated Statement of Profit and Loss.
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in OCI. No change in EIR due to reclassification.
FVTOCI	Amortized cost	Fair value at reclassification date becomes its new amortized 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 amortized 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 recognized in OCI is reclassified to Consolidated Statement of Profit and Loss at the reclassification date.

Impairment of financial assets

Group recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR.

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).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group 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 Group categorizes its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognized, the Group recognizes 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 Group 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 Group records an allowance for the life time expected credit losses.

The Group 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-recognized and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.
- Loss given default ("LGD") estimates the loss which Group incurs post customer default. It is computed using historical loss, recovery experience and value of collateral. It is usually expressed as a percentage of the Exposure at default ("EAD").

Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group measures the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's expert credit assessment.

Credit impaired financial assets

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL 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.

The Company considers a financial instrument as defaulted when the borrower becomes 90 days past due on its contractual payments. Such instruments are considered as Stage 3 (credit-impaired) for ECL calculations.

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 Group renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Group assesses whether this modification results in derecognition. In accordance with the Group'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 Group considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognized, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in the Consolidated Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to the Consolidated 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 derecognized and gains/losses are accounted for, only if the Group 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 Consolidated Statement of Profit and Loss and the corresponding loan is derecognized from the Consolidated 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 recognized 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.

Securitization transactions

In case of securitization transactions, the Group retains substantially all the risks and rewards of ownership of a portion of the transferred loan assets. The Group continues to recognize the entire loan and also recognizes a collateralized borrowing for the proceeds received.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

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

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Consolidated Statement of Profit and Loss.

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(l) Derivative financial instrument

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated 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 Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

(m) 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.

(n) Goods and service tax input credit

Goods and service tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilizing the credits.

(o) Borrowing costs

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

(p) Foreign currencies

In preparing the consolidated financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Consolidated 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.

Exchange differences on monetary items are recognized in the Consolidated Statement of Profit and Loss in the period in which they arise.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(q) 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 Group and makes strategic decision.

(r) Provisions, contingent liabilities and contingent assets

Provisions are recognized only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. 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 Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the consolidated 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.

(s) 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.

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(u) Statement of Cash Flows

Consolidated 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 unrealized foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Consolidated Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(v) 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 Group's Board of Directors.

(w) 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.

NOTE 3A. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4A. CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash on hand	1.54	0.92
Cheques in hand	105.73	-
Balance with banks		
-In current accounts	89.59	165.53
Fixed deposits (original maturity less than or equal to three months)	1,438.35	1,233.17
Cash and cash equivalents	**1,635.21**	**1,399.62**

NOTE 4B. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Other bank balances		
In earmarked accounts		
- Unclaimed interest and redemption proceeds of NCDs and other earmarked balances	4.70	5.18
Fixed deposits (original maturity less than or equal to three months) - lien marked	90.17	150.07
Fixed deposits (original maturity more than three months)	264.42	278.04
Total	**359.29**	**433.29**

OUT OF THE FIXED DEPOSITS SHOWN ABOVE:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Lien marked		
Original maturity less than or equal to three months	90.17	150.07
Original maturity more than three months	82.49	81.19
Margin for credit enhancement	80.68	196.86
Total	**253.34**	**428.12**

NOTE 5. DERIVATIVES FINANCIAL INSTRUMENTS

(₹ in Crores)

Part I	As at March 31, 2023				As at March 31, 2022			
	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)
(i) Currency derivatives:								
- Cross currency interest rate swaps	363.08	44.02	-	44.02	363.08	-	5.05	(5.05)
Subtotal (i)	**363.08**	**44.02**	**-**	**44.02**	**363.08**	**-**	**5.05**	**(5.05)**
(ii) Other derivatives								
- Forward contract	968.75	-	2.03	(2.03)	-	-	-	-
Subtotal (ii)	**968.75**	**-**	**2.03**	**(2.03)**	**-**	**-**	**-**	**-**
Total derivative (i+ii)	**1,331.83**	**44.02**	**2.03**	**41.99**	**363.08**	**-**	**5.05**	**(5.05)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crores)

Part II	As at March 31, 2023				As at March 31, 2022			
	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i) Cash flow hedging:								
- Currency derivatives	363.08	44.02	-	44.02	363.08	-	5.05	(5.05)
(ii) Undesignated derivatives								
-Forward contract	968.75	-	2.03	(2.03)	-	-	-	-
Total derivative financial instruments (i+ii)	**1,331.83**	**44.02**	**2.03**	**41.99**	**363.08**	**-**	**5.05**	**(5.05)**

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 Crores)

Particulars	Total		Exchange traded		Over the counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2023						
Derivative asset	-	44.02	-	-	-	44.02
Derivative liabilities	1,331.83	2.03	-	-	1,331.83	2.03
Net Derivative Asset / (Liabilites)		**41.99**	**-**	**-**		**41.99**
As at March 31, 2022						
Derivative asset	-	-	-	-	-	-
Derivative liabilities	363.08	5.05	-	-	363.08	5.05
Net Derivative Asset / (Liabilites)		**(5.05)**		**-**		**(5.05)**

5.1 Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

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 Group is exposed to interest rate risk arising from its foreign currency borrowings amounting to USD 16.79 Crores (March 31, 2022 USD 5.00 Crores). Interest on the borrowing is payable at a floating rate linked to USD LIBOR. The Group hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap and also with a Derivative Forward Contract

The Group uses Cross Currency Interest Rate Swaps (IRS) Contracts (Floating to Fixed) and Forward Exchange Contracts to hedge its risks associated with interest rate and currency fluctuations arising from foreign currency loans / external commercial borrowings. The Group designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date.

The Group uses Critical Terms Matching to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Statement of Profit and Loss. 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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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 Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/Cross currency interest rate swaps are identical to the hedged risk components.

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Notional amount	1,331.83	363.08
Carrying amount - Asset / (Liability)	41.99	(5.05)
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	10.04	9.61

(₹ in Crores)

Impact of hedging item	2022-23	2021-22
Change in fair value	10.04	9.61
Cash flow hedge reserve	12.60	9.61
Fair value change charged in Statement of Profit & Loss	(2.56)	-

(₹ in Crores)

Effect of Cash flow hedge	2022-23	2021-22
Total hedging gain / (loss) recognized in OCI	12.60	9.61
Total hedging gain / (loss) recognized in the statement of profit or (loss)	(2.56)	-

(₹ in Crores)

Particulars	2022-23	2021-22
(Gain)/Loss on Swap Transaction	49.60	24.15
(Gain)/Loss on Mark to Market on Fluctuation of Foreign Exchange	(32.77)	(11.32)
Tax implication on above	(4.23)	(3.22)
Total	**12.60**	**9.61**

(₹ in Crores)

Particulars	2022-23	2021-22
Gain/(Loss) on Swap Transaction	(0.53)	-
Gain/(Loss) on Mark to Market on Fluctuation of Foreign Exchange	(2.03)	-
Tax implication on above	-	-
Total	**(2.56)**	**-**

NOTE 6. RECEIVABLES

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade receivables		
Receivables considered good - unsecured	47.42	36.61
Receivables which have significant increase in credit risk	0.10	0.38
Receivables - credit impaired	6.45	-
Total - gross	**53.97**	**36.99**
Less: Impairment loss allowance	(6.47)	(0.08)
Total	**47.50**	**36.91**

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Trade receivables aging schedule (₹ in Crores)

Particulars	Outstanding for following period from the date of transaction: Unbilled	Less than 6 Months	More than 6 Months	Total
As at March 31, 2023				
Undisputed Trade receivables – considered good.	2.34	45.08	-	47.42
Undisputed Trade receivables – significant increase in credit risk	-	0.06	0.04	0.10
Undisputed Trade receivables – credit impaired	-	-	6.45	6.45
As at March 31, 2022				
Undisputed Trade receivables – considered good.	2.58	34.03	-	36.61
Undisputed Trade receivables – significant increase in credit risk	-	0.38	-	0.38

NOTE 7. LOANS

(₹ in Crores)

Particulars	As at March 31, 2023: Amortized cost (1)	FVTOCI (2)	Total (3=1+2)
Loans			
(A)			
(i) Term loans	15,416.02	2,854.47	18,270.49
Total (A) - Gross	**15,416.02**	**2,854.47**	**18,270.49**
Less: Impairment loss allowance	(529.49)	(25.31)	(554.80)
Total (A) - Net	**14,886.53**	**2,829.16**	**17,715.69**
(B)			
(i) Secured by tangible assets	15,266.01	2,853.75	18,119.76
(ii) Secured by Government Guarantee	144.39	0.72	145.11
(iii) Unsecured	5.62	-	5.62
Total (B) - Gross	**15,416.02**	**2,854.47**	**18,270.49**
Less: Impairment loss allowance	(529.49)	(25.31)	(554.80)
Total (B) - Net	**14,886.53**	**2,829.16**	**17,715.69**
(C)			
Loans in India	15,416.02	2,854.47	18,270.49
(i) Public sector	-	-	-
(ii) Others	15,416.02	2,854.47	18,270.49
Less: Impairment loss allowance	(529.49)	(25.31)	(554.80)
Total (C) - Net	**14,886.53**	**2,829.16**	**17,715.69**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crores)

Particulars	As at March 31, 2022		
	Amortized cost	FVTOCI	Total
	1	2	(3=1+2)
Loans			
(A)			
(i) Term loans	12,950.24	2,912.72	15,862.96
Total (A) - Gross	**12,950.24**	**2,912.72**	**15,862.96**
Less: Impairment loss allowance	(545.42)	(27.32)	(572.74)
Total (A) - Net	**12,404.82**	**2,885.40**	**15,290.22**
(B)			
(i) Secured by tangible assets	12,701.76	2,912.72	15,614.48
(ii) Secured by Government Guarantee	242.40	-	242.40
(iii) Unsecured	6.08	-	6.08
Total (B) - Gross	**12,950.24**	**2,912.72**	**15,862.96**
Less: Impairment loss allowance	(545.42)	(27.32)	(572.74)
Total (B) - Net	**12,404.82**	**2,885.40**	**15,290.22**
(C)			
(I) Loans in India	**12,950.24**	**2,912.72**	**15,862.96**
(i) Public sector	-	-	-
(ii) Others	12,950.24	2,912.72	15,862.96
Less: Impairment loss allowance	(545.42)	(27.32)	(572.74)
Total (C) - Net	**12,404.82**	**2,885.40**	**15,290.22**

The above Term Loans includes ₹ 224.65 Crores (as at March 31, 2022, ₹ 210.15 Crores.) towards interest accrued, unamortized processing fee, gain/loss on modification of financial assets and 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 ₹ Nil (as at March 31, 2022, ₹ 0.63 Crores.) in respect of which the creation of security is under process.

Note 7.1:

The COVID-19 pandemic impacted economic activity during the last two fiscal years. Currently, while the number of new COVID-19 cases have reduced significantly and the Government of India has withdrawn COVID-19 related restrictions, the future trajectory of the pandemic may have an impact on the results of the Group."

Note 7.2:

Reserve Bank of India (RBI), on November 12, 2021, had issued circular no. RBI/2021-2022/125 DOR.STR REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms (IRACP norms) pertaining to Advances. On February 15, 2022, RBI had issued another circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22, allowing the Company to put in place the necessary system to implement the provisions till September 30, 2022 and the same has been implemented by the Company.

Note 7.3:

The Group has not granted any loans or advances in the nature of loans, to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 8. INVESTMENTS

(₹ in Crores)

Particulars	As at March 31, 2023		
	FVTPL	At Amortized Cost	Total
(A)			
(i) Investments in Debt Securities	210.13	-	210.13
(ii) Investment in Other securities:			
(a) Alternate Investment Funds	161.44	-	161.44
(b) Pass through cetificates	-	7.61	7.61
(c) Certificate of Deposits	-	650.59	650.59
(d) Commercial Papers	-	397.42	397.42
Total – Gross (A)	**371.57**	**1,055.62**	**1,427.19**
(B)			
(i) Investments in India	371.57	1,055.62	1,427.19
Total (B)	**371.57**	**1,055.62**	**1,427.19**
(C)			
Less: Impairment loss allowance	-	-	-
Total- Net (A-C)	**371.57**	**1,055.62**	**1,427.19**

(₹ in Crores)

Particulars	As at March 31, 2022			
	FVTPL	At Amortized Cost	At Cost	Total
(A)				
(i) Investments in Associates	-	-	249.82	249.82
(ii) Investment in Other securities:				
(a) Alternate Investment Funds	144.00	-	-	144.00
(b) Pass through cetificates	-	9.59	-	9.59
Total – Gross (A)	**144.00**	**9.59**	**249.82**	**403.41**
(B)				
(i) Investments in India	144.00	9.59	249.82	403.41
Total (B)	**144.00**	**9.59**	**249.82**	**403.41**
(C)				
Less: Impairment loss allowance	-	-	-	-
Total- Net (A-C)	**144.00**	**9.59**	**249.82**	**403.41**

Note 8.1 Investment Details Script Wise

Particulars	As at March 31, 2023	
	Quantity (in actuals)	Carrying Value (₹ in Crores)
Investments in Debt Securities		
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 29My26 FV ₹ 10 lac	22	2.25
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30My25 FV ₹ 10 lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30My31 FV ₹10 lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My23 FV ₹ 2.5 lac	250	6.31
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My24 FV ₹10 lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My27 FV ₹10 lac	250	25.16
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My28 FV ₹ 10 lac	250	25.21

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Particulars	As at March 31, 2023	
	Quantity (in actuals)	Carrying Value (₹ in Crores)
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My29 FV ₹ 10 lakhs	250	25.15
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My30 FV ₹ 10 lakhs	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My32 FV ₹ 10 lakhs	250	25.21
Investment in Other securities:		
Alternate Investment Funds		
IIFL One Value Fund Series B	134,313,931	161.44
Pass through cetificates		
Elite Mortgage HL Trust June 2019 Series A PTC	5	7.61
Certificate of Deposits:		-
Axis Bank Limited	500	24.79
Bank of Maharashtra CD 05Apr23	2,000	99.92
Bank of Maharashtra CD 12May23	1,000	49.60
Canara Bank CD 17Apr23	2,000	99.69
HDFC Bank Limited CD 13Apr23	2,000	99.77
HDFC Bank Limited CD 15May23	1,600	79.33
Punjab National Bank CD 18May23	2,000	99.09
Punjab National Bank	2,000	98.40
Commercial Papers:		
National Bank For Agriculture And Rural Development 90D CP 20Apr23	6,000	298.87
Small Industries Development Bank of India 91D CP 16Jun23	2,000	98.55

Particulars	As at March 31, 2022	
	Quantity	Carrying Value
Investments in Associates		
"IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)"	124,555,797	249.82
Investment in Other securities:		
Alternate Investment Funds		
IIFL One Value Fund Series B	134,313,931	144.00
Pass through cetificates		
Elite Mortgage HL Trust June 2019 Series A PTC	5	9.59

Note 8.1.1 Equity instruments in Associate

The Group's interest in IIFL Samasta Finance Limited is accounted for using the equity method in the consolidated financial statements. The following table summarizes the financial information of IIFL Samasta Finance Limited as included in its own financial statements.

(₹ in Crores)

Summarized balance sheet	As at March 31, 2023	As at March 31, 2022
Financial Assets	-	6,299.64
Non-financial Assets	-	94.79
Financial Liabilities	-	5,375.60
Non-financial Liabilities	-	19.55
Equity	-	999.28
Proportion of the Group's ownership	-	25%
Carrying amount of the investment excluding Capital Reserve	-	248.47
Capital Reserve	-	1.35
Carrying amount of the investment	-	249.82

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in Crores)

Summarized statement of profit or loss	2022-23	2021-22
Total income	-	1,019.93
Total expenses	-	960.98
Profit / (loss) before tax	-	58.94
Tax expense	-	8.34
Profit / (loss) for the year/period	15.06	50.60
Total comprehensive income / (loss)	15.62	49.78
Share in profit / (loss) of associates	3.76	12.65
Share in profit / (loss) of associates in other comprehensive income	0.14	(0.21)

The associate had no significant contingent liabilities or capital commitments as at March 31, 2023 & March 31, 2022

The Company has sold its complete shareholding in associate as on July 27, 2022

(₹ in Crores)

Particulars	2022-23	2021-22
Opening Carrying amount of Investment	249.82	162.38
Add: Carrying amount of additional share of Investments	-	75.00
Add: Share of Total Comprehensive Income for the year (Net of dividend)	2.66	12.44
Sale of Investment*	(252.48)	-
Closing Carrying amount of Investment	-	249.82

* The amount pertains to carrying value of investment sold.

NOTE 9. OTHER FINANCIAL ASSETS

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits		
- Unsecured, considered good	4.19	2.70
- Unsecured, considered doubtful	0.92	0.80
Less: Provisions (Refer Note 9.1 below)	(0.92)	(0.80)
Interest strip asset on assignment	375.59	303.05
Other receivables	74.37	52.07
Total	**454.15**	**357.82**

Note 9.1. Provision on Security Deposits

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	0.80	0.85
Additions	0.13	-
Reductions	(0.01)	(0.05)
Closing provision	**0.92**	**0.80**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 10. DEFERRED TAX ASSETS (NET)

Significant components of deferred tax assets and liabilities as at March 31, 2023 are as follows:

(₹ in Crores)

Particulars	Opening balance	Recognized in Statement of Profit and Loss	Recognized in/ reclassified from OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	0.65	(0.01)	-	0.64
Provisions for expected credit losses	128.13	(0.91)	-	127.22
Provision for employee benefits	1.64	0.91	0.12	2.67
Right of use of Assets and lease liabilities	0.67	0.05	-	0.72
Adjustment pertaining to income and expenses recognition based on effective interest rate	20.17	6.66	-	26.83
Total deferred tax assets (A)	**151.26**	**6.70**	**0.12**	**158.08**
Deferred tax liabilities:				
Provision for Bad and Doubtful debts under section 36(1)(viia)	(8.83)	8.83	-	-
Interest spread on assigned loans	(76.27)	(18.26)	-	(94.53)
Fair value of financial instruments	(3.23)	(3.45)	0.17	(6.51)
Fair value of derivative financial instruments	1.27	-	(12.47)	(11.20)
Total deferred tax liabilities (B)	**(87.06)**	**(12.88)**	**(12.30)**	**(112.24)**
Deferred tax assets (A+B)	**64.20**	**(6.18)**	**(12.18)**	**45.84**

Significant components of deferred tax assets and liabilities as at March 31, 2022 are as follows:

(₹ in Crores)

Particulars	Opening balance	Recognized in Statement of Profit and Loss	Recognized in/ reclassified from OCI	Closing balance
Deferred tax assets:				
Property, plant and equipment	0.69	(0.04)	-	0.65
Provisions for expected credit losses	101.66	26.47	-	128.13
Provision for employee benefits	1.26	0.42	(0.04)	1.64
Fair value of derivative financial instruments	7.35	-	(6.08)	1.27
Right of use of Assets and lease liabilities	0.45	0.22	-	0.67
Adjustment pertaining to income and expenses recognition based on effective interest rate	16.19	3.98	-	20.17
Total deferred tax assets (A)	**127.60**	**31.05**	**(6.12)**	**152.53**
Deferred tax liabilities:				
Provision for Bad and Doubtful debts under section 36(1)(viia)	(7.66)	(1.17)	-	(8.83)
Interest spread on assigned loans	(49.96)	(26.31)	-	(76.27)
Fair value of financial instruments	0.20	-	(3.43)	(3.23)
Total deferred tax liabilities (B)	**(57.42)**	**(27.48)**	**(3.43)**	**(88.33)**
Deferred tax assets (A+B)	**70.18**	**3.57**	**(9.55)**	**64.20**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Note 11A. Investment Property

(₹ in Crores)

Particulars	Building
As at April 01, 2021	**7.48**
Additions	-
Deductions/Adjustments	-
As at March 31, 2022	**7.48**
Additions	-
Deductions/Adjustments	4.73
As at March 31, 2023	**2.75**
Accumulated Depreciation	
As at April 01, 2021	0.48
Depreciation for the year	0.37
Deductions/Adjustments	-
As at March 31, 2022	**0.85**
Depreciation for the year	0.36
Deductions/Adjustments	0.75
As at March 31, 2023	**0.46**
Net Block as at March 31, 2022	**6.63**
Net Block as at March 31, 2023	**2.29**

Note 11A.1. Reconciliation of changes in the fair value of the Investment Property

(₹ in Crores)

Particulars	Building
As at April 01, 2021	**8.68**
Additions to fair value	-
Changes in the fair value (including sale)	0.10
As at March 31, 2022	**8.78**
Additions to fair value	-
Changes in the fair value (including sale)	5.10
As at March 31, 2023	**3.68**

The Fair Value of the Investment Property has been arrived on the basis of valuation carried out by an Independent Un-registered Valuer. The fair value measurement for investment property has been categorized as Level 2 fair value based on the inputs to the valuation technique used.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Note 11A.2. Title deeds of Immovable Property not held in name of the Company

As at March 31, 2023

(₹ in Crores)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings
"Assets Held for Sale (Refer note 14)"	"Building (3 Properties)"	5.46	Borrowers to whom loans were given	No	Repossessed between June 2019 to December 2020	Properties repossessed under SARFAESI Act.

As at March 31, 2022

(₹ in Crores)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings
	Building	4.73	Borrower to whom loan has been given	No	December 31, 2019	Acquired in the SARFAESI Proceedings
Assets Held for Sale (Refer note 14)	"Building (19 Properties)"	9.70	Borrowers to whom loans were given	No	Repossessed between August 2017 to December 2020	Properties repossessed under SARFAESI Act.

Note: Due to the voluminous nature of transactions and sensitivity of the information, individual borrower wise details, in whose name the title deeds are held are not disclosed.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Note 11B. Property, Plant and Equipment

(₹ in Crores)

Particulars	Freehold Land*	Furniture & Fixture	Office Equipment	Electrical Equipment	Computers	Vehicles	Total
As at April 01, 2021	**0.09**	**1.23**	**0.81**	**0.64**	**5.21**	**-**	**7.98**
Additions	-	0.42	0.18	0.26	6.20	-	7.07
Deductions/Adjustments	-	0.12	0.04	0.12	1.14	-	1.42
As at March 31, 2022	**0.09**	**1.53**	**0.95**	**0.78**	**10.28**	**-**	**13.63**
Additions	-	0.22	0.15	0.64	4.61	0.69	6.30
Deductions/Adjustments	-	0.08	0.01	0.04	2.18	-	2.31
As at March 31, 2023	**0.09**	**1.67**	**1.09**	**1.38**	**12.71**	**0.69**	**17.64**
Accumulated Depreciation							
As at April 01, 2021	**-**	**0.75**	**0.50**	**0.40**	**3.84**	**-**	**5.49**
Depreciation for the year	-	0.30	0.15	0.22	1.80	-	2.47
Deductions/Adjustments	-	0.10	0.02	0.11	0.67	-	0.90
As at March 31, 2022	**-**	**0.95**	**0.63**	**0.51**	**4.97**	**-**	**7.06**
Depreciation for the year	-	0.26	0.15	0.21	2.85	0.05	3.52
Deductions/Adjustments	-	0.07	0.01	0.04	0.74	-	0.86
As at March 31, 2023	**-**	**1.14**	**0.77**	**0.68**	**7.08**	**0.05**	**9.73**
Net Block as at March 31, 2022	**0.09**	**0.58**	**0.32**	**0.27**	**5.31**	**-**	**6.57**
Net Block as at March 31, 2023	**0.09**	**0.53**	**0.32**	**0.70**	**5.63**	**0.64**	**7.91**

* 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 Crores)

Particulars	Premises	Vehicle	Total
As at April 01, 2021	**14.45**	**0.45**	**14.90**
Additions	12.99	1.12	14.11
Deductions/Adjustments	-	-	-
Finance cost accrued during the year	1.47	0.08	1.55
Payment of lease liabilities	4.27	0.65	4.92
As at March 31, 2022	**24.64**	**1.00**	**25.64**
Additions	34.19	3.28	37.47
Deductions/Adjustments	0.80	0.06	0.86
Finance cost accrued during the year	3.42	0.18	3.60
Payment of lease liabilities	13.00	0.85	13.85
As at March 31, 2023	**48.45**	**3.55**	**52.00**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Statement showing carrying value of right of use assets

(₹ in Crores)

Particulars	Premises	Vehicle	Total
As at April 01, 2021	**13.18**	**0.39**	**13.57**
Additions	13.26	1.12	14.38
Deductions/Adjustments	0.01	-	0.01
Depreciation	3.84	0.56	4.40
As at March 31, 2022	**22.59**	**0.95**	**23.54**
Additions	34.72	3.28	38.00
Deductions/Adjustments	0.75	0.07	0.82
Depreciation	9.74	0.76	10.50
As at March 31, 2023	**46.82**	**3.40**	**50.22**

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

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	15.11	6.24
Non- Current lease liabilities	36.89	19.40

Statement showing contractual maturities of lease liabilities on an undiscounted basis

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Due for		
Up to One year	19.33	7.55
One year to Two years	18.39	7.46
Two to Five years	17.89	12.25
More than Five years	7.33	6.04
Total	**62.94**	**33.30**

Statement showing amount recognized in Statement of Profit and Loss:

(₹ in Crores)

Particulars	2022-23	2021-22
Interest on lease liabilities	3.61	1.54
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.21	0.16
Total	**3.82**	**1.70**

Statement showing amount recognized in Statement of Cash Flows:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Payment of interest on lease liabilities	3.61	1.38
Payment of lease liabilities	10.25	2.99
Total cash outflows for leases	**13.86**	**4.37**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Note 12B. Other Intangible Assets

(₹ in Crores)

Particulars	Computer Software
As at April 01, 2021	**1.00**
Additions	0.22
Deductions/Adjustments	-
As at March 31, 2022	**1.22**
Additions	0.47
Deductions/Adjustments	-
As at March 31, 2023	**1.69**
Accumulated Depreciation	
As at April 01, 2021	0.87
Depreciation For the year	0.17
Deductions/Adjustments	-
As at March 31, 2022	**1.04**
Depreciation For the year	0.21
Deductions/Adjustments	-
As at March 31, 2023	**1.25**
Net Block as at March 31, 2022	**0.18**
Net Block as at March 31, 2023	**0.44**

The Group has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets.

NOTE 13. OTHER NON FINANCIAL ASSETS

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	0.31	0.07
Prepaid Expenses	3.78	4.05
Others	2.11	0.56
Retirement benefit assets (Refer note 32.2)	-	0.10
Total	**6.20**	**4.78**

NOTE 14. ASSETS HELD FOR SALE

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Assets held for sale	5.46	9.70

NOTE 15. TRADE PAYABLES

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note 15A)	3.01	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	48.37	50.94
Total	**51.38**	**50.94**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

The Group 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 Group regarding the status of suppliers under MSMED Act, 2006.

(₹ in Crores)

Particulars	2022-23	2021-22
(a) Principal amount remaining unpaid to any supplier at the year end	3.01	-
(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	-	-

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.

Trade Payables aging schedule

(₹ in Crores)

Particulars	Outstanding for following period from the date of transaction		Total
	Unbilled	Less than 1 Year	
As at March 31, 2023			
(i) MSME	3.00	0.01	3.01
(ii) Others	45.46	2.91	48.37
As at March 31, 2022			
(i) MSME	-	-	-
(ii) Others	48.31	2.63	50.94

Note: The Group does not have any disputed Trade Payables.

NOTE 16. DEBT SECURITIES

(₹ in Crores)

Particulars	At Amortized Cost	
	As at March 31, 2023	As at March 31, 2022
Secured:		
Non-convertible debentures - (Refer Note (a), (b) and 16.1)	2,109.31	1,860.87
Zero Coupon Bonds -(Refer Note (a) and 16.1)	144.91	283.17
Total (A)	**2,254.22**	**2,144.04**
Unsecured:		
Commercial Paper - (Refer Note 16.1)	-	73.95
Total (B)	**-**	**73.95**
Total (A+B)	**2,254.22**	**2,217.99**
Debt securities in India	2,254.22	2,217.99
Debt securities outside India	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

a. The above Non Convertible Debentures and Bonds 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 ₹ 15.00 Crores (from December 20, 2023) and ₹ 15.00 Crores (from March 20, 2024) { As at March 31, 2022 ₹ 28.13 Crores (May 15, 2022), ₹ 15.00 Crores. (from December 20, 2023) and ₹ 15.00 Crores (from March 20, 2024)}.

Note 16.1 - Terms of repayment

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest	Amount	Rate of Interest
Secured NCD (A)				
(a) Fixed:				
More than 5 years	1,315.50	5% - 9.18%	1,360.51	5.00 % - 9.18%
3- 5 Years	215.25	8.20% - 8.62%	208.25	8.20 % - 10.33%
1-3 Years	535.72	8.25% - 10.33%	225.72	8.25%
Less than 1 year	42.84	5% - 10.33%	37.32	5.00% - 9.87%
Sub-Total (a)	**2,109.31**		**1,831.80**	
(b) Floating:				
More than 5 years	-	-	-	-
3- 5 Years	-	-	-	-
1-3 Years	-	-	-	-
Less than 1 year	-	-	29.07	7.51%
Sub-Total (b)	**-**		**29.07**	
Total Secured NCD (A)	**2,109.31**		**1,860.87**	

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Yield	Amount	Yield
Secured Zero Coupon (B)				
More than 5 years	6.15	8.75%	3.71	8.75%
3- 5 Years	4.72	8.50%	4.25	8.50%
1-3 Years	134.04	8.25% - 10.30%	120.85	8.25% - 10.30%
Less than 1 year	-	-	154.36	9.35% - 9.55 %
Total Secured Zero Coupon (B)	**144.91**		**283.17**	

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest	Amount	Rate of Interest
Unsecured (B)				
Commercial Paper				
Less than 1 year	-	-	73.95	6.30% - 6.35%
Total (A+B)	**-**		**73.95**	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Note 16.2(a) - Security wise details of Secured NCD

(₹ in Crores)

Particulars	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6. Date Of Maturity April 21, 2022	9.35%	-	29.80
Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option A. Date Of Maturity May 13, 2022	8.56%	-	28.12
8.25% Secured Rated Listed Redeemable Non Convertible Debenture. Series I Tranche II. Date Of Maturity January 03, 2025	8.25%	225.72	225.72
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - December 19, 2025	10.33%	15.00	15.00
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Maturity Date : March 20, 2026	10.05%	15.00	15.00
8.5% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D8 Maturity March 31, 2026	8.50%	280.00	-
8.20% Secured Rated Listed Redeemable Non Convertible Debentures.Series D7.Date Of Maturity September 28, 2026	8.20%	112.00	112.00
8.20% Secured Rated Listed Redeemable Non Convertible Debenture. Series III Tranche II. Date Of Maturity January 03, 2027	8.20%	52.65	52.65
8.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series IV Tranche II. Date Of Maturity January 03, 2027	8.50%	13.60	13.60
8.60% Secured Redeemable Non Convertible Debentures. Series. Seris D3. Maturity Date: February 11, 2028	8.60%	18.00	18.00
8.62% Secured Redeemable Non Convertible Debentures. Series. Series D4. Maturity Date: March 12, 2028	8.62%	19.00	19.00
8.43% Secured Rated Listed Redeemable Non Convertible Debenture. Series VI Tranche II. Date Of Maturity January 03, 2029	8.43%	53.74	53.74
8.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series VII Tranche II. Date Of Maturity January 03, 2029	8.75%	22.18	22.18
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D5.Date Of Maturity April 16, 2029	8.70%	36.00	36.00
9.18% Secured Redeemable Non Convertible Debentures. Series C15. Maturity Date - October 03, 2029	9.18%	300.00	300.00
8.585% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad I.Date Of Maturity February 25, 2030	8.59%	433.30	433.30
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D6.Date Of Maturity May 14, 2030	8.70%	109.00	109.00
8.69% Secured Redeemable Non Convertible Debentures. Series. Series D2. Maturity Date: November 12, 2030	8.69%	300.00	300.00
5% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad II. Date Of Maturity February 28, 2031	5.00%	74.70	74.70
Total		**2,079.89**	**1,857.81**

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Note 16.2(b) - Security wise details of Secured Zero Coupon Bond

(₹ in Crores)

Particulars	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C7. Date Of Maturity April 04, 2022	9.45%	-	24.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date Of Maturity September 29, 2022	9.55%	-	58.00
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity April 25, 2024	9.12%	51.30	50.19
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date Of Maturity June 27, 2024	10.30%	20.00	20.00
Secured Rated Listed Redeemable Non Convertible Debenture. Series II Tranche II. Date Of Maturity January 03, 2025	8.25%	26.73	26.73
Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche II. Date Of Maturity January 03, 2027	8.50%	4.25	4.25
Secured Rated Listed Redeemable Non Convertible Debenture. Series VIII Tranche II. Date Of Maturity January 03, 2029	8.75%	5.53	5.53
Total		**107.81**	**188.70**

Note: Statement showing contractual principal outstanding of Secured Zero Coupon Bond

NOTE 17. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Crores)

Particulars	At Amortized Cost	
	As at March 31, 2023	As at March 31, 2022
Secured:		
(a) Term loans		
(i) from Banks (Refer Note (a), (b) and 17.1)	7,676.51	6,924.94
(ii) from NHB (Refer Note (a), (b) and 17.2)	3,085.44	2,763.71
(iii) from Financial Institution (Refer Note (b) and 17.3)	678.89	826.99
(b) Securitization Liability (Refer Note 17.4)	179.68	417.29
(c) Cash credit / Overdraft from Banks (Refer Note (a), (b) and 17.4)	0.15	12.00
Total	**11,620.67**	**10,944.93**
Borrowings in India*	11,198.53	10,555.82
Borrowings outside India	422.14	389.11
Total	**11,620.67**	**10,944.93**

a. Out of the total borrowing from Banks, borrowings amounting to ₹ 200.00 Crores. (March 31, 2022 ₹ 53.33 Crores.) and Refinance Facility from NHB amounting to ₹ 564.94 Crores. (March 31, 2022 ₹ 792.16 Crores.) are also guaranteed by Holding Company i.e. IIFL Finance 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.

* This includes FCNB borrowings amounting to ₹ 972.39 Crores (P.Y. Nil).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Note 17.1 - Terms of repayment of Term Loans from Banks

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	1,249.63	7.70% - 9.00%	957.99	7.70 % - 9.50 %
3- 5 Years	1,555.15	7.70% - 9.55%	1,280.57	7.70 % - 9.50 %
1-3 Years	2,487.03	7.70% - 9.55%	2,697.24	7.40 % - 10.00%
Less than 1 year	2,384.70	7.70% - 9.70%	1,989.14	7.35% - 10.00%
Total	**7,676.51**		**6,924.94**	

Note 17.2 - Terms of repayment of term loans from NHB

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Fixed:				
More than 5 years	783.14	2.80% - 7.90%	652.64	2.94 % - 6.85 %
3- 5 Years	723.32	2.80% - 7.90%	594.15	2.94 % - 8.18 %
1-3 Years	1,092.71	2.80% - 8.40%	1,039.94	2.94 % - 8.18 %
Less than 1 year	486.27	2.80% - 8.40%	476.98	2.94 % - 8.80 %
Total	**3,085.44**		**2,763.71**	

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

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	315.70	9.10%	438.52	8.50 % - 9.00 %
3- 5 Years	166.63	9.10%	178.27	8.50 % - 9.00 %
1-3 Years	140.08	9.10%	149.65	8.50 % - 9.00 %
Less than 1 year	56.48	9.10%	60.55	8.50 % - 9.00 %
Total	**678.89**		**826.99**	

Note 17. 4 - Terms of repayment of other loans

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
Cash credit / Overdraft from Banks (A)				
Less than 1 year	0.15	6.35%	12.00	7.20%
Securitization Liability (B)				
More than 5 years	143.06	7.30% - 8.05%	318.95	6.35% - 7.80%
3- 5 Years	15.22	7.30% - 8.05%	39.16	6.35% - 7.80%
1-3 Years	14.56	7.30% - 8.05%	44.26	6.35% - 7.80%
Less than 1 year	6.84	7.30% - 8.05%	14.92	6.35% - 7.80%
Sub-Total - Securitization Liability	**179.68**		**417.29**	
Total (A+B)	**179.83**		**429.29**	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 18. SUBORDINATED LIABILITIES

(₹ in Crores)

Particulars	At Amortized Cost	
	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures - Unsecured	886.46	884.66
Zero Coupon Bonds - Unsecured	191.85	173.03
Total	**1,078.31**	**1,057.69**
Subordinated Liabilities in India	1,078.31	1,057.69
Subordinated Liabilities outside India	-	-
Total	**1,078.31**	**1,057.69**

Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 10.00 Crores. (from February 28, 2024), ₹ 126.52 Crores (from May 14, 2024), ₹ 40.00 Crores (from June 18, 2025) and ₹ 30.00 Crores (from July 14, 2025) {as at March 31, 2022 Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 10.00 Crores (from February 28, 2024), ₹ 126.52 Crores (from May 14, 2024), ₹ 40.00 Crores(from June 18, 2025) and ₹ 30.00 Crores(from July 14, 2025)}.

Note 18.1 - Terms of repayment of Subordinated Debt

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
(a) Fixed:				
More than 5 years	708.14	9.60% - 10.02%	806.75	8.85% - 10.02%
3- 5 Years	85.00	8.85% - 9.05%	-	-
1-3 Years	-	-	65.00	8.93% - 9.30%
Less than 1 year	93.32	8.93% - 9.30%	12.91	8.51% - 9.60%
Total Non-convertible debentures - Unsecured	**886.46**		**884.66**	

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
(b) Zero Coupon:				
More than 5 years	191.85	9.40%	173.03	9.40%
Total (a+b)	**191.85**		**173.03**	

These debentures are subordinated to present and future senior indebtedness of the Company 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, 2023, 92% (P.Y. 95%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Note 18.2(a) - Security wise details of Non-convertible debentures-Unsecured

(₹ in Crores)

Particulars	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date Of Maturity April 14, 2023	8.93%	50.00	50.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo5. Date Of Maturity May 29, 2023	9.30%	15.00	15.00
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date Of Maturity July 27, 2027	8.85%	75.00	75.00
9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date Of Maturity February 28, 2028	9.05%	10.00	10.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date Of Maturity June 16, 2028	9.85%	40.00	40.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date Of Maturity July 13, 2028	9.85%	30.00	30.00
10% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series I.Date Of Maturity: November 03, 2028	10.00%	232.72	232.72
9.6% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series Ii.Date Of Maturity : November 03, 2028	9.60%	382.82	382.82
Unsecured Rated Listed Redeemable Non Convertible Debentures. Series Iii.Date Of Maturity : November 03, 2028	10.02%	40.28	40.28
Total Zero Coupon		**875.82**	**875.82**

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

Note 18.2(b) - Security wise details of Non-convertible debentures - Unsecured

(₹ in Crores)

Particulars	Yield	As at March 31, 2023	As at March 31, 2022
Zero Coupon G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date Of Maturity August 11, 2028	9.40%	126.30	126.52
Total		**126.30**	**126.52**

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

NOTE 19. OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Book overdraft*	778.85	746.81
Unclaimed interest and redemption proceeds of NCDs**	4.67	1.24
Other Payables#	119.60	196.40
Total	**903.12**	**944.45**

* Book overdraft represents cheque issued towards disbursement to borrowers but not presented to banks.

** As required under Section 125 of the Companies Act, 2013, the Company, during the year, has transferred ₹ 0.09 Crores. (P.Y. ₹ 0.18 Crores.) to the Investor Education and Protection Fund (IEPF). As of March 31, 2023, ₹ 0.00 Crores. (P.Y.₹ 0.01 Crores) was due for transfer to the IEPF.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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\# 1. Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.04 Crores (P.Y. ₹ 0.04 Crores).

\# 2. For the financial year ending March 31, 2022, in accordance with RBI notification dated April 07, 2021, the Company was 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 was circulated by the Indian Banks' Association. The Company had suitably implemented this methodology. As at March 31, 2022 the Company created a liability towards estimated interest relief and reduced the same from the interest income.

NOTE 20. PROVISIONS

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provisions for Employee Benefits		
-Provision for Leave Encashment	7.62	5.52
-Provision for Gratuity (Refer 32.2)	0.82	0.05
-Provision for Bonus	11.78	8.70
Total	**20.22**	**14.27**

Note 20.1. Provision for Leave Encashment

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	5.52	4.78
Additions	3.34	1.83
Reductions	(1.24)	(1.09)
Closing provision	**7.62**	**5.52**

Note 20.2. Provision for Gratuity

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	(0.05)	(0.59)
Additions	2.48	1.70
Reductions	(1.61)	(1.16)
Closing provision	**0.82**	**(0.05)**

Note 20.3. Provision for Bonus

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	8.70	7.80
Additions	11.78	8.70
Reductions	(8.70)	(7.80)
Closing provision	**11.78**	**8.70**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 21. OTHER NON FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory remittances	10.25	11.36
Unspent CSR (Refer note no 38A)	5.20	3.03
Advances from borrowers	245.55	37.08
Income received in advance	0.00	0.01
Total	**261.00**	**51.48**

NOTE 22. EQUITY

(a) The Authorized, Issued, Subscribed and fully paid up share capital

Share Capital:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized Share Capital		
152,000,000 Equity Shares of ₹10/- each with voting rights (as at March 31, 2022 - 152,000,000)	152.00	152.00
20,000,000 Preference Shares of ₹10/- each (as at March 31, 2022 20,000,000)	20.00	20.00
Total	**172.00**	**172.00**
Issued, Subscribed and Paid Up		
Equity Share Capital		
26,344,638 Equity Shares of ₹10/- each fully paid-up (as at March 31, 2022 - 20,968,181)	26.34	20.97
Total	**26.34**	**20.97**

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

(₹ in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	20,968,181	20.97	20,968,181	20.97
Add: Issued during the year	5,376,457	5.37	-	-
Outstanding at the end of the year	**26,344,638**	**26.34**	**20,968,181**	**20.97**

During the year the Company has allotted 5,376,457 equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share

(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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(d) Details of shareholders holding more than 5% shares in the Group:

(₹ in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of 10 each fully paid				
IIFL Finance Limited (holding company) and its nominees	20,968,181	79.59%	20,968,181	100%
Platinum Owl C 2018 RSC Limited	5,376,457	20.41%	-	-

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

(f) Details of shares held by Promoters

(₹ in Crores)

Particulars	Promoter Name	No of Shares*	% of Total Shares	% Change during the year
As at April 01, 2021	IIFL Finance Limited	20,968,181	79.59%	-20.41%
As at March 31, 2023	IIFL Finance Limited	20,968,181	100.00%	-

* Shares held by IIFL Finance Limited and its nominees. The shareholding of Nominee is 500 shares (P.Y. 600 shares).

23. OTHER EQUITY

1. As at March 31, 2023

(₹ in Crores)

Particulars	Capital Reserve	Reserves and Surplus				Other Comprehensive Income			Total	Non-Controlling Interest
		Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI		
Balance at the beginning of the current reporting year	**1.35**	**799.16**	**143.86**	**402.97**	**1,333.56**	**(0.80)**	**(7.03)**	**9.65**	**2,682.72**	**-**
Additions during the year (Refer Note 1)	-	2,194.62	-	-	-	-	-	-	2,194.62	-
Share issue expenses (Refer Note 1)	-	(24.13)	-	-	-	-	-	-	(24.13)	-
Profit for the year	-	-	-	-	768.12	-	-	-	768.12	-
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	-	12.60	-	12.60	-
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	-	(0.22)	-	-	(0.22)	-
Equity Dividend (Refer Note 4)	-	-	-	-	(105.38)	-	-	-	(105.38)	-
Transfer to Special Reserve (Refer Note 5)	-	-	-	158.10	(158.10)	-	-	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crores)

Particulars	Capital Reserve	Reserves and Surplus				Other Comprehensive Income			Total	Non-Controlling Interest
		Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI		
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	(0.56)	(0.56)	-
Balance at the end of the Current reporting year	**1.35**	**2,969.65**	**143.86**	**561.07**	**1,838.20**	**(1.02)**	**5.57**	**9.09**	**5,527.77**	**-**

2. As at March 31, 2022

(₹ in Crores)

Particulars	Capital Reserve	Reserves and Surplus				Other Comprehensive Income			Total	Non-Controlling Interest
		Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI		
Balance at the beginning of the Previous reporting year	**1.35**	**799.16**	**143.86**	**287.37**	**918.62**	**(0.67)**	**(16.64)**	**(0.57)**	**2,132.48**	**-**
Profit for the year	-	-	-	-	593.44	-	-	-	593.44	
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	-	9.61	-	9.61	-
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	-	(0.13)	-	-	(0.13)	-
Equity Dividend (Refer Note 4)	-	-	-	-	(62.90)	-	-	-	(62.90)	-
Transfer to Special Reserve (Refer Note 5)	-	-	-	115.60	(115.60)	-	-	-	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	10.22	10.22	-
Balance at the end of the Previous reporting year	**1.35**	**799.16**	**143.86**	**402.97**	**1,333.56**	**(0.80)**	**(7.03)**	**9.65**	**2,682.72**	**-**

1. During the year ended March 31, 2023, the Board of Directors of the Company at its meeting held on August 22, 2022 approved the allotment of 5,376,457 fully paid-up equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share to a wholly owned subsidiary of Abu Dhabi Investment Authority i.e. Platinum Owl C 2018 RSC Limited, acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust ("Investor") for an aggregate consideration of ₹ 2,200 Crores. The investor holds 20% of the share capital (calculated on a fully diluted basis) of the Company. Share issue expenses incurred aggregating to ₹ 24.13 Crores has been charged to securities premium account.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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2. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
3. 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.
4. During the year, the Board of Directors of the Company has declared and paid interim dividend of ₹ 40/- per equity share (P.Y. ₹ 30/-).
5. 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.

NOTE 24. INTEREST INCOME

(₹ in Crores)

Particulars	2022-23		
	On Financial Assets measured at		
	FVTOCI	Amortized Cost	Total
Interest on Loans	232.15	1,925.39	2,157.54
Interest income from investments	-	41.63	41.63
Interest on inter corporate deposits	-	11.15	11.15
Interest on deposits with Banks	-	66.03	66.03
Total	**232.15**	**2,044.20**	**2,276.35**

(₹ in Crores)

Particulars	2021-22		
	On Financial Assets measured at		
	FVTOCI	Amortized Cost	Total
Interest on Loans	209.87	1,646.81	1,856.68
Interest income from investments	-	0.90	0.90
Interest on inter corporate deposits	-	0.01	0.01
Interest on deposits with Banks	-	19.19	19.19
Total	**209.87**	**1,666.91**	**1,876.78**

NOTE 25. FEES AND COMMISSION INCOME

(₹ in Crores)

Particulars	2022-23	2021-22
Fees & Other Charges	85.81	61.70
Insurance & Distribution Commission	28.67	15.26
Total	**114.48**	**76.96**

NOTE 26. NET GAIN ON FAIR VALUE CHANGES

(₹ in Crores)

Particulars	2022-23	2021-22
Net gain on financial instruments at FVTPL		
On trading portfolio		
- Investments	59.65	6.32
Total Net gain on fair value changes	**59.65**	**6.32**
Fair Value changes:		
- Realized	45.92	6.32
- Unrealized	13.73	-
Total Net gain on fair value changes	**59.65**	**6.32**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 27 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTIZED COST CATEGORY

(₹ in Crores)

Particulars	2022-23	2021-22
Foreclosure of loans	12.13	7.10
Bad debts recovery	28.68	3.82
Total	**40.81**	**10.92**

NOTE 28 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER FVTOCI

(₹ in Crores)

Particulars	2022-23	2021-22
Assignment of loans	72.54	104.56
Foreclosure of loans	11.48	11.32
Total	**84.02**	**115.88**

NOTE 29. OTHER INCOME

(₹ in Crores)

Particulars	2022-23	2021-22
Profit on sale of Assets	-	1.53
Marketing, advertisement and support service fees	156.11	139.60
Interest on Income Tax Refund	-	0.68
Total	**156.11**	**141.81**

NOTE 30. FINANCE COSTS

(₹ in Crores)

Particulars	On Financial liabilities measured at Amortized Cost	
	2022-23	2021-22
Interest on inter-corporate deposits	-	20.23
Interest on borrowings (other than debt securities)	880.46	795.77
Interest on debt securities	172.18	146.44
Interest on subordinated liabilities	101.19	80.16
Other interest expense		
Interest on lease liabilities	3.61	1.54
Other borrowing cost	26.02	18.50
Total	**1,183.46**	**1,062.64**

Statement showing exchange fluctuation on account of foreign currency borrowings:

(₹ in Crores)

Particulars	2022-23	2021-22
Revaluation Gain/(Loss) on Foreign currency loan	(35.33)	(11.32)
Recognized in Other Comprehensive Income	32.77	11.32
Recognized in Statement of Profit and Loss	(2.56)	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 31. IMPAIRMENT ON FINANCIAL INSTRUMENTS, INCLUDING WRITE-OFFS

(₹ in Crores)

Particulars	2022-23		
	On Financial Assets measured at		
	FVTOCI	Amortized Cost	Total
Loans	(2.00)	(1.60)	(3.60)
Bad debts written off	-	170.33	170.33
Total	**(2.00)**	**168.73**	**166.73**

(₹ in Crores)

Particulars	2021-22		
	On Financial Assets measured at		
	FVTOCI	Amortized Cost	Total
Loans	1.67	103.49	105.16
Bad debts written off	-	54.84	54.84
Total	**1.67**	**158.33**	**160.00**

NOTE 32. EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

Particulars	2022-23	2021-22
Salaries and wages	242.04	160.48
Contribution to provident and other funds (Refer Note 32.1)	10.52	6.41
Leave Encashment	3.29	1.73
Gratuity (Refer Note 32.2)	1.93	1.64
Staff welfare expenses#	5.26	3.92
Total	**263.04**	**174.18**

#The Group company i.e. IIFL Finance Limited and IIFL Securities 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 ₹ 0.49 Crores (P.Y. ₹ 1.13 Crores. paid to Group companies i.e. IIFL Finance Limited and IIFL Securities Limited) during the year on account of such costs and the same is forming part of Employee benefit expenses.

32.1 Defined Contribution Plans:

The Group has recognized the following amounts as an expense and included in the Employee Benefits Expenses.

(₹ in Crores)

Particulars	2022-23	2021-22
Contribution to Provident fund	5.11	3.32
Contribution to ESIC	0.62	0.42
Contribution to Labour Welfare Fund	0.04	0.03
Group contribution to EPS	4.43	2.41
Group contribution to NPS	0.32	0.23
Total	**10.52**	**6.41**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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32.2 Disclosures pursuant to Ind AS 19 on "Employee Benefits"

(₹ in Crores)

Particulars	2022-23	2021-22
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	₹	₹
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Funded	Funded
Starting Year	April 01, 2022	April 01, 2021
Date of Reporting	March 31, 2023	March 31, 2022
Period of Reporting	12 Months	12 Months

Assumptions (Current Year)

(₹ in Crores)

Particulars	2022-23	2021-22
Expected Return on Plan Assets	7.46%	6.98%
Rate of Discounting	7.39%-7.46%	6.98%
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 28.00% p.a. For service 5 years and above 1.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Ultimate)	Indian Assured Lives Mortality 2012-14 (Urban)

Table Showing Change in the Present Value of Projected Benefit Obligations

(₹ in Crores)

Particulars	2022-23	2021-22
Present Value of Benefit Obligation at the Beginning of the Year	9.45	8.21
Interest Cost	0.66	0.56
Current Service Cost	1.94	1.69
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	0.07	0.05
Liability Transferred Out/ Divestment	(0.06)	(0.08)
Benefit Paid Directly by the Employer	-	(0.00)
Benefit Paid From the Fund	(0.81)	(0.62)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.90)	(0.21)
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.09	(0.14)
Present Value of Benefit Obligation at the End of the Year	**11.43**	**9.45**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Table Showing Change in the Fair Value of Plan Assets

(₹ in Crores)

Particulars	2022-23	2021-22
Fair Value of Plan Assets at the Beginning of the Year	9.50	8.80
Interest Income	0.66	0.60
Contributions by the Employer	1.55	0.96
Benefit Paid from the Fund	(0.81)	(0.62)
Return on Plan Assets, Excluding Interest Income	(0.29)	(0.24)
Fair Value of Plan Assets at the End of the Year	**10.61**	**9.50**

Amount Recognized in the Balance Sheet

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Benefit Obligation at the end of the Year	11.43	9.45
Fair Value of Plan Assets at the end of the Year	10.61	9.50
Funded Status Surplus/ (Deficit)	(0.82)	0.05
Net (Liability)/Asset Recognized in the Balance Sheet	**(0.82)**	**0.05**

Net Interest Cost

(₹ in Crores)

Particulars	2022-23	2021-22
Present Value of Benefit Obligation at the Beginning of the Year	9.45	8.21
Fair Value of Plan Assets at the Beginning of the Year	(9.50)	(8.80)
Net Liability/(Asset) at the Beginning of the Year	**(0.05)**	**(0.59)**
Interest Cost	0.65	0.56
Interest Income	(0.66)	(0.60)
Net Interest Cost	**(0.01)**	**(0.04)**

Expenses Recognized in the Statement of Profit and Loss

(₹ in Crores)

Particulars	2022-23	2021-22
Current Service Cost	1.94	1.69
Net Interest Cost	(0.01)	(0.04)
Past Service Cost	-	-
Expenses Recognized	**1.93**	**1.65**

One of our subsidiary Company i.e. IIHFL Sales Limited has provided gratuity on a full liability basis.

Expenses Recognized in the Other Comprehensive Income (OCI)

(₹ in Crores)

Particulars	2022-23	2021-22
Actuarial (Gains)/Losses on Obligation For the Year	0.19	(0.35)
Return on Plan Assets, Excluding Interest Income	0.29	0.24
Net (Income)/Expense For the Year Recognized in OCI	**0.48**	**(0.11)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Balance Sheet Reconciliation

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Net Liability	(0.05)	(0.59)
Expenses Recognized in Statement of Profit and Loss	1.93	1.65
Expenses Recognized in OCI	0.48	(0.11)
Net Liability/(Asset) Transfer In	0.07	0.05
Net (Liability)/Asset Transfer Out	(0.06)	(0.08)
Benefit Paid directly by the Employer	-	(0.00)
Employer's Contribution	(1.55)	(0.96)
Net Liability/(Asset) Recognized in the Balance Sheet	**0.82**	**(0.05)**

Category of Assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Insurance policy	10.61	9.50
Total	**10.61**	**9.50**

Other Details

(₹ in Crores)

Particulars	2022-23	2021-22
Prescribed Contribution For Next Year (12 Months)	2.87	1.76

Net Interest Cost for Next Year

(₹ in Crores)

Particulars	2022-23	2021-22
Present Value of Benefit Obligation at the End of the Year	11.43	9.45
Fair Value of Plan Assets at the End of the Year	(10.61)	(9.50)
Net Liability/(Asset) at the End of the Year	**0.82**	**(0.05)**
Interest Cost	0.84	0.65
Interest Income	(0.79)	(0.66)
Net Interest Cost for Next Year	**0.05**	**(0.01)**

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

(₹ in Crores)

Particulars	2022-23	2021-22
Current Service Cost	2.38	1.86
Net Interest Cost	0.06	(0.01)
Expenses Recognized	**2.49**	**1.85**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Crores)

Particulars	2022-23	2021-22
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.60	0.08
2nd Following Year	0.13	0.09
3rd Following Year	0.14	0.11
4th Following Year	0.17	0.12
5th Following Year	0.18	0.15
Sum of Years 6 To 10	1.40	1.04
Sum of Years 11 and above	42.80	35.46

Sensitivity Analysis

(₹ in Crores)

Particulars	2022-23	2021-22
Projected Benefit Obligation on Current Assumptions	11.42	9.39
Delta Effect of +1% Change in Rate of Discounting	(1.69)	(1.47)
Delta Effect of -1% Change in Rate of Discounting	1.93	1.81
Delta Effect of +1% Change in Rate of Salary Increase	1.47	1.29
Delta Effect of -1% Change in Rate of Salary Increase	(1.29)	(1.15)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.10)	(0.21)
Delta Effect of -1% Change in Rate of Employee Turnover	0.11	0.23

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 recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. Above includes one of our subsidary i.e IIHFL Sales Limited where gratuity is unfunded.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 33. OTHER EXPENSES

(₹ in Crores)

Particulars	2022-23	2021-22
Advertisement	7.50	4.35
Loan processing expenses	1.40	3.99
Marketing expenses	5.71	4.77
Bank charges	2.03	1.32
Communication	1.29	1.39
Electricity	2.22	1.57
Rating and custodian fees	1.34	1.14
Legal & professional fees	27.23	16.19
Commission & sitting fees	0.70	0.53
Miscellaneous expenses	0.43	0.63
Office expenses	13.04	7.43
Postage & courier	1.70	1.40
Printing & stationary	1.50	1.59
Rates & taxes	0.02	0.03
Rent	6.56	4.51
Repairs & maintenance	1.03	0.72
Payments to auditors*	0.88	0.66
Software charges	10.42	6.08
Security expenses	1.52	1.65
Travelling & conveyance	9.12	4.40
Corporate Social Responsibility (CSR) Expenses (Refer note 38A)	13.10	10.57
Loss on sale of assets	0.94	0.03
Total	**109.68**	**74.95**

***Payments to auditors**

(₹ in Crores)

Particulars	2022-23	2021-22
Audit Fees	0.39	0.34
Limited Reviews	0.15	0.11
Other matters and certification	0.27	0.18
Out of Pocket Expenses	0.07	0.03
Total as per Statement of Profit and Loss	0.88	0.66
Amount paid towards certification required under for its Public Issue of Non Convertible Debentures which has been amortized using Effective Interest Rate Method over the tenure of the debenture	-	0.76
Total	**0.88**	**1.42**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 34. INCOME TAXES

Amounts recognized in the Statement of Profit and Loss

(₹ in Crores)

Particulars	2022-23	2021-22
Current tax expense		
Current year	230.77	171.20
Tax of earlier years	(0.79)	1.33
Deferred tax expense		
Origination and reversal of temporary differences	6.18	(3.57)
Total	**236.16**	**168.96**

Reconciliation of total tax expense

(₹ in Crores)

Particulars	2022-23	2021-22
Profit before tax	1,000.52	749.75
Tax using the domestic tax rate	251.81	188.70
Tax effect of:		
Non-deductible expenses	12.75	2.83
Tax-exempt income	(26.27)	(24.16)
Tax on Dividend	(0.31)	-
Adjustments for current tax for prior periods	(0.79)	1.33
Losses for which no deferred tax asset is recognized	(1.34)	-
De-Recognition of previously recognized deductible temporary differences	0.31	0.26
Total income tax expense	**236.16**	**168.96**

NOTE 35. EARNINGS PER SHARE:

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

(₹ in Crores)

Particulars		2022-23	2021-22
Nominal value of equity shares in ₹ fully paid up		10	10
BASIC			
Profit after tax as per Statement of Profit and Loss	A	768.12	593.44
Weighted Average Number of Equity Shares Outstanding	B	24,238,245	20,968,181
Basic EPS (In ₹) (i)	A/B	316.90	283.02
DILUTED			
Weighted Average Number of Equity shares for computation of diluted EPS	C	24,238,245	20,968,181
Diluted EPS (In ₹) (i)	A/C	**316.90**	**283.02**

NOTE 36. CAPITAL / OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT THE BALANCE SHEET DATE

a. Commitments:

(i) As at the balance sheet date there were undrawn credit commitments of ₹ 2,098.41 Crores (P.Y. ₹ 1,689.56 Crores.);

(ii) Estimated amount of contracts remaining to be executed on capital account of ₹ 1.54 Crores (P.Y. Nil).

b. Contingent Liabilities:

(i) Claim against the Company not acknowledged as debt ₹ 0.19 Crores (P.Y. ₹ 0.16 Crores.).

(ii) Contingent liability on account of Income Tax Dispute and on account of GST is ₹ 7.28 Crores (P.Y. ₹ Nil) and ₹ 0.19 Crores (P.Y. ₹ Nil) respectively.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(iii) Credit enhancement and Guarantee given for securitization and assignment transactions amounting to ₹ 79.95 Crores and ₹ 23.34 Crores respectively (P.Y. ₹ 195.67 Crores. and ₹ 23.34 Crores.)."

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 'Operating Segments'.

NOTE 38A. CORPORATE SOCIAL RESPONSIBILITY

The Group was required to spend ₹ 13.10 Crores (P.Y. ₹ 10.50 Crores.) towards Corporate Social Responsibility (CSR) activities for the current financial year.

(₹ in Crores)

Particulars	2022-23		
	Amount Spent	Amount Unspent/ Provision	Total
(a) Amount of expenditure incurred	7.90	5.20	13.10
(b) Shortfall at the end of the year*	-	5.20	5.20
(c) Total of previous years shortfall	3.03	-	3.03
(d) Nature of CSR activities:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	10.93	5.20	16.13

*During the year, the Company contributed towards the ongoing projects which remained unspent as on March 31, 2023 resulting in shortfall. The unspent amount has been transferred to a separate Bank account in two tranches one on April 17, 2023 and second on April 20, 2023 will be spent during the 2023-24.

(₹ in Crores)

Particulars	2021-22		
	Amount Spent	Amount Unspent/ Provision	Total
(a) Amount of expenditure incurred	7.54	3.03	10.57
(b) Shortfall at the end of the year*	-	3.03	3.03
(c) Total of previous years shortfall	-	-	-
(d) Nature of CSR activities:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	7.54	3.03	10.57

**During the 2021-22, the Company contributed towards the ongoing projects which remained unspent as on March 31, 2022 resulting in shortfall. The unspent amount was transferred to a separate Bank account on April 08, 2022 and was spent during the 2022-23.

Note 38B. Additional Regulatory Information under MCA Notification dated March 24, 2021

a. **Details of Benami Property held:** There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b. **Additional information where borrowings are from banks or financial institutions:**

(i) The revised quarterly returns and statements of current assets filed by the Group with banks or financial institutions for the quarter ended June 2022, September 2022 and December 2022 are in agreement with the books of accounts. Further for quarter ended March 2023 the Group has filed the provisional return and statement which will be revised subsequently based on audited numbers;

(ii) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the balance sheet date.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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c. **Wilful Defaulter:** The Group has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

d. **Relationship with Struck off Companies :** During the year, the Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(₹ in Crores)

Name of the struck off Company	Balance outstanding as at		Relationship with Struck off Group
	March 31, 2023	March 31, 2022	
Loans:			
Jasmin Infraproject Group Private Limited	0.49	0.51	No
Grand Casa Developers Private Limited	-	0.14	No
Goleaquarius Drinking Water Private Limited	-	0.04	No
Creative Pulse Marketing Private Limited	0.12	0.12	No
Beauty Channel Salon & Spa Private Limited	1.45	1.46	No

e. **Registration of charges or satisfaction with Registrar of Companies (ROC):** In case of borrowings, there are no charges or satisfaction pending for registration with ROC beyond the statutory period.

f. **Compliance with number of layers of companies:** The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g. **Ratios:**

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Capital to risk-weighted assets ratio (CRAR) (%)	47.28	30.48
Tier I CRAR (%)	39.24	21.10
Tier II CRAR (%)	8.04	9.38
Liquidity Coverage Ratio (%)	277.26	1079.22

Note: LCR computation is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

h. **Compliance with approved Scheme(s) of Arrangements:** NA

i. **Utilization of Borrowed funds and share premium:**

During the financial year ended March 31, 2023, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;"

(ii) No funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

j. **Undisclosed Income:** The Group does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

k. **Details of Crypto Currency or Virtual Currency:** The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

l. **Capital work in progress (CWIP) and Intangible asset:** The Group does not have any CWIP and Intangible asset under development.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 39 FINANCIAL INSTRUMENTS

Note 39 A. Financial Risk Management

The Group'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 Group'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 Group's growth and performance."

Financial Risk Management Structure

The Group has established multi-level risk governance for monitoring & control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee (""RMC"") which is responsible for monitoring the overall risk process within the Group. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer (""CRO"") who reports to the Chief Executive Officer (""CEO"") with oversight of RMC of the Board. The Risk department primarily operationalizes 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 Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group has a risk framework constituting various lines of defence – the first line of defence consisting of the Management of the Group 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 life 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 Group 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 Group.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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 Group 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 Group to standardize credit underwriting & improve sourcing quality in the long run.

The Group 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 of sustained inflation coupled with rise in interest rates and at the backdrop of COVID-19 pandemic, additional Management overlay has been considered in the ECL calculations for arriving at the impairment provisions required under IND AS 109.

The Group 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 Group 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 Group 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 and other cases basis regulatory guidelines] The Group 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 Group evaluates risk based on staging which are as follows:

(₹ in Crores)

Risk Categorization	As at March 31, 2023	As at March 31, 2022
Stage 1	16,741.88	14,511.16
Stage 2	1,087.18	963.10
Stage 3	441.43	388.70
Total	**18,270.49**	**15,862.96**

Financial Assets measured at Simplified Approach

The Group follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Unsecured Inter Corporate Deposits to group companies, Trade Receivables, Investments and Other Financial Assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Management of the Group created provisions on the above mentioned financial assets basis the default expectations.

39 A.1(II) Credit quality analysis

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crores)

Particulars	As at March 31, 2023				
	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Cash and cash equivalents	-	-	-	1,635.21	**1,635.21**
Bank Balance other than above	-	-	-	359.29	**359.29**
Receivables					
(i) Trade Receivables	-	-	-	53.97	**53.97**
Loans at FVTOCI	2,854.47	-	-	-	**2,854.47**
Loans at amortized cost	13,887.41	1,087.18	441.43	-	**15,416.02**
Investments at Amortized Cost				1,055.62	**1,055.62**
Other Financial assets	-	-	-	455.07	**455.07**

(₹ in Crores)

Particulars	As at March 31, 2022				
	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	-	-	-	1,399.62	**1,399.62**
Bank Balance other than above	-	-	-	433.29	**433.29**
Receivables					
(i) Trade Receivables	-	-	-	36.99	**36.99**
Loans at FVTOCI	2,912.72	-	-	-	**2,912.72**
Loans at amortized cost	11,598.44	963.10	388.70	-	**12,950.24**
Investments at Amortized Cost				9.59	**9.59**
Other Financial assets	-	-	-	358.62	**358.62**

(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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Loans and advances

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued / Others	Principal Outstanding	Interest Accrued / Others	Principal Outstanding	Interest Accrued / Others	Principal Outstanding	Interest Accrued / Others*
Opening EAD April 01, 2022	**14,408.87**	**1,723.47**	**927.60**	**67.09**	**316.29**	**72.40**	**15,652.76**	**1,862.96**
New Loans Disbursed during the year	7,362.55	1,430.99	66.18	6.06	8.38	0.52	7,437.11	1,437.58
Loan Derecognized	(3,702.60)	(220.63)	(120.99)	(11.90)	(175.43)	(50.28)	(3,999.02)	(282.81)
Movement in Stages	-	-	-	-	-	-		-
From Stage 1	(843.81)	(53.27)	662.32	41.18	181.49	12.09	-	-
From Stage 2	357.91	25.58	(466.33)	(34.47)	108.42	8.89	-	-
From Stage 3	33.56	3.94	16.13	1.34	(49.69)	(5.27)	-	-
Loans Repaid in part or full	(993.30)	(721.05)	(40.17)	1.22	(11.45)	25.07	(1,044.92)	(694.76)
Closing EAD March 31, 2023	**16,623.18**	**2,189.03**	**1,044.74**	**70.52**	**378.01**	**63.42**	**18,045.93**	**2,322.97**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 2,098.41 Crores (As at March 31, 2022 ₹ 1,652.76 Crores)

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued / Others	Principal Outstanding	Interest Accrued / Others	Principal Outstanding	Interest Accrued / Others	Principal Outstanding	Interest Accrued / Others*
Opening EAD March 31, 2021	**13,661.99**	**1,490.78**	**900.51**	**71.82**	**269.49**	**60.32**	**14,831.99**	**1,622.92**
New Loans Disbursed during the year	8,260.50	-	40.91	-	10.44	-	8,311.85	-
Loan Derecognized	(3,796.63)	(45.23)	(80.97)	(11.07)	(98.36)	(21.07)	(3,975.96)	(77.37)
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(724.62)	(52.92)	596.80	42.68	127.82	10.24	-	0.00
From Stage 2	286.49	24.08	(333.44)	(27.72)	46.95	3.64	-	(0.00)
From Stage 3	32.01	5.12	5.28	0.48	(37.28)	(5.60)	0.01	-
Loans Repaid in part or full	(3,310.87)	301.44	(201.49)	(9.04)	(2.77)	24.76	(3,515.13)	317.16
Changes in contractual cash flow due to modification not resulting in de-recognition	-	0.20	-	(0.06)	-	0.11	-	0.25
Closing EAD March 31, 2022	**14,408.87**	**1,723.47**	**927.60**	**67.09**	**316.29**	**72.40**	**15,652.76**	**1,862.96**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 1,652.76 Crores

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Loss Allowances

(₹ in Crores)

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 April 01, 2022	232.33	9.53	132.28	7.31	118.94	73.00	483.56	89.84
New Loans Disbursed during the year	88.38	12.52	3.17	0.32	2.49	0.63	94.05	13.47
Loan Derecognized	(43.74)	(1.09)	(16.44)	(1.44)	(67.04)	(50.54)	(127.23)	(53.07)
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(34.13)	(0.47)	24.28	0.40	9.84	0.07	-	0.00
From Stage 2	57.65	2.37	(72.21)	(3.24)	14.56	0.87	-	(0.00)
From Stage 3	12.66	3.88	6.10	1.32	(18.76)	(5.20)	-	-
Loans Repaid in part or full	(67.91)	(6.19)	35.62	2.59	43.88	46.22	11.58	42.62
Closing ECL March 31, 2023	**245.24**	**20.54**	**112.80**	**7.26**	**103.92**	**65.06**	**461.96**	**92.86**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 18.88 Crores (As at March 31, 2022 ₹ 7.67 Crores).

(₹ in Crores)

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, 2021	201.95	10.76	81.38	5.11	99.40	60.86	382.73	76.73
New Loans Disbursed during the year	66.00	5.05	4.68	0.28	3.72	0.65	74.40	5.98
Loan Derecognized	(25.24)	(0.79)	(5.67)	(0.33)	(37.51)	(21.18)	(68.42)	(22.30)
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(25.84)	(0.42)	20.61	0.35	5.23	0.08	-	0.01
From Stage 2	17.47	0.77	(23.13)	(1.26)	5.66	0.48	-	(0.01)
From Stage 3	11.29	5.12	1.84	0.49	(13.13)	(5.61)	-	-
Loans Repaid in part or full	(13.30)	(10.96)	52.57	2.67	55.57	37.72	94.84	29.43
Closing ECL March 31, 2022	**232.33**	**9.53**	**132.28**	**7.31**	**118.94**	**73.00**	**483.56**	**89.84**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 7.67 Crores.

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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 Group'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 Group does not have concentration risk.

The Company's Loan outstanding from Borrowers residing across 5 various states of India is 57% (P.Y. 62%).

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

(₹ in Crores)

Particulars	2022-23	2021-22
Write off	170.33	54.84

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-collateralization on other property(ies) of the borrower. The Company assessess 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 Crores)

Particulars	2022-23	2021-22
Amortized Cost of Modified Assets at the time of modification	-	486.55
Modification (Gain)/Loss for the year	-	0.26

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of Modified financial assets	614.61	627.79

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".

39 A.2 Liquidity Risk

Liquidity risk refers to the risk that the Group may not be able to meet its short-term financial obligations. The Group manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. Further, The Group 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 Group seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

(i)- Maturities of financial Liabilities

(₹ in Crores)

Contractual maturities of financial liabilities As at March 31, 2023	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Trade Payables	51.38	51.38	-	-	-	-	-
Finance Lease Obligation*	62.93	4.83	4.85	9.64	28.52	7.76	7.33
Debt Securities	2,254.22	17.98	8.65	16.22	669.76	219.97	1,321.64
Borrowings (Other than Debt Securities)	11,620.67	656.89	1,011.93	1,265.63	3,734.38	2,460.32	2,491.52
Subordinated Liabilities	1,078.31	68.10	25.13	0.08	-	85.00	900.00
Other financial liabilities	903.12	903.12	-	-	-	-	-

(₹ in Crores)

Contractual maturities of financial liabilities As at March 31, 2022	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	5.05	-	-	-	5.05	-	-
Trade Payables	50.94	50.94	-	-	-	-	-
Finance Lease Obligation*	33.29	1.92	1.89	3.74	13.62	6.09	6.04
Debt Securities	2,217.99	195.22	88.69	10.78	346.57	212.50	1,364.23
Borrowings (Other than Debt Securities)	10,944.93	564.41	680.57	1,308.63	3,952.99	2,070.25	2,368.08
Subordinated Liabilities	1,057.69	3.11	9.72	0.08	65.00	-	979.78
Other financial liabilities	944.45	944.45	-	-	-	-	-

*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 Group'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 entitys financial condition. The rise or fall in interest rates impact the Group's Net Interest Income.

Total Borrowings of the Group are as follows:

(₹ in Crores)

Risk Categorization	As at March 31, 2023	As at March 31, 2022
Floating rate borrowings	8,535.24	8,210.30
Fixed rate borrowings	6,417.97	6,010.31
Total borrowings	**14,953.21**	**14,220.61**

As at the end of the reporting year, the Group had the following floating rate borrowings:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans and bank overdrafts and Securitization Liability	8.72%	8,535.24	57.08%	8.19%	8,181.22	57.53%
Non Convertible Debentures	-	-	-	7.37%	29.08	0.20%
Net exposure to cash flow interest rate risk		**8,535.24**	**57.08%**		**8,210.30**	**57.75%**

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.

As at the end of the reporting year, the Group had the following cross currency interest rate swap contracts/ forward contracts outstanding:

(₹ in Crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cross Currency Interest Rate Swaps and Forward Contracts	8.97%	1,394.53	9.33%	9.36%	387.64	2.73%

The Group had following floating rate loans and advances outstanding:

(₹ in Crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Loans and advances*	12.93%	18,270.49	100.00%	11.44%	15,862.96	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 Crores)

Particulars	Impact on profit after tax and equity		Impact on other components of equity	
	2022-23	2021-22	2022-23	2021-22
Interest rates – increase by 30 basis points (30 bps) *	(19.16)	(18.43)	-	-
Interest rates – decrease by 30 basis points (30 bps) *	19.16	18.43	-	-

* 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crores)

Particulars	Impact on profit after tax and equity	
	2022-23	2021-22
Interest rates – increase by 30 basis points (30 bps) *	41.02	35.61
Interest rates – decrease by 30 basis points (30 bps) *	(41.02)	(35.61)

* 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 Group's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

In order to minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures, the Group's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Group's operating units

The Group 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 Group's profit before tax (PBT) and equity.

(₹ in Crores)

Particulars	Amount Outstanding	
	In ₹	In USD
Borrowing as on March 31, 2023	1,394.53	16.79
Borrowing as on March 31, 2022	387.64	5.00

Since the Group has entered into derivative transaction to hedge this borrowing, the Group is not exposed to any currency risk on this borrowing.

39 A.3(III) Price Risk

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

The Group's exposure to assets having price risk is insignificant.

39 A.3(IV) Competitions Risk

Group 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.

39.B Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the shareholder value. The Group monitors capital using a capital adequacy ratio as prescribed by the NHB Directions/ RBI Directions.

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Net Debt (₹ in Crores)	14,953.20	14,220.61
Total Equity (₹ in Crores)	5,554.11	2,703.69
Net Debt to Equity Ratio (times)	2.69	5.26

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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 Group 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 Group 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:

(₹ in Crores)

Particulars	As at March 31, 2023		
	FVTPL	FVTOCI	Amortized cost
Financial assets			
Cash and cash equivalents	-	-	1,635.21
Bank Balance other than cash and cash equivalents	-	-	359.29
Derivative financial instruments	(2.03)	44.02	-
Receivables	-	-	-
(i) Trade Receivables	-	-	47.50
Loans	-	2,829.16	14,886.53
Investments	371.57	-	1,055.62
Other Financial assets	-	-	454.15
Total financial assets	**369.54**	**2,873.18**	**18,438.30**
Financial liabilities			
Trade Payables	-	-	51.38
Finance Lease Obligation	-	-	52.00
Debt Securities	-	-	2,254.22
Borrowings (Other than Debt Securities)	-	-	11,620.67
Subordinated Liabilities	-	-	1,078.31
Other financial liabilities	-	-	903.12
Total financial liabilities	**-**	**-**	**15,959.70**

(₹ in Crores)

Particulars	As at March 31, 2022		
	FVTPL	FVTOCI	Amortized cost
Financial assets			
Cash and cash equivalents	-	-	1,399.62
Bank Balance other than cash and cash equivalents	-	-	433.29
Receivables			
(i) Trade Receivables	-	-	36.91
Loans	-	2,885.40	12,404.82
Investments	144.00	-	9.59
Other Financial assets	-	-	357.82
Total financial assets	**144.00**	**2,885.40**	**14,642.05**
Financial liabilities			
Derivative financial instruments	-	5.05	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crores)

Particulars	As at March 31, 2022		
	FVTPL	FVTOCI	Amortized cost
Trade Payables	-	-	50.94
Finance Lease Obligation	-	-	25.64
Debt Securities	-	-	2,217.99
Borrowings (Other than Debt Securities)	-	-	10,944.93
Subordinated Liabilities	-	-	1,057.69
Other financial liabilities	-	-	944.45
Total financial liabilities	**-**	**5.05**	**15,241.64**

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 Group recognizes 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 categorized. The amounts are based on the values recognized in the statement of financial position.

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Loans - FVTOCI	-	-	2,829.16	2,829.16
Investments				
(i) Alternate Investment Fund and Debt Securities	371.57	-	-	371.57
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	41.99	-	41.99
Total financial assets	**371.57**	**41.99**	**2,829.16**	**3,242.72**

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Loans - FVTOCI	-	-	2,885.40	2,885.40
Investments				
(i) Alternate Investment Fund	144.00	-	-	144.00
Total financial assets	**144.00**	**-**	**2,885.40**	**3,029.40**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	5.05	-	5.05
Total financial liabilities	**-**	**5.05**	**-**	**5.05**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Valuation technique used to determine fair value

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date
2. 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
3. Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

(₹ in Crores)

Assets and liabilities which are measured at amortized cost for which fair values are disclosed As at March 31, 2023	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	14,892.51	14,886.53	Level 3
Investments			
(i) In other securities*		1,055.62	Level 1 /Level 3
Other Financial assets			
Total financial assets	**15,950.53**	**15,942.15**	
Financial Liabilities			
Debt Securities	2,169.44	2,254.22	Level 3
Subordinated Liabilities	1,006.65	1,078.31	Level 3
Total financial liabilities	**3,176.09**	**3,332.53**	

(₹ in Crores)

Assets and liabilities which are measured at amortized cost for which fair values are disclosed As at March 31, 2022	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	12,404.10	12,404.82	Level 3
Investments			
(i) In other securities*	9.59	9.59	Level 3
Other Financial assets			
Total financial assets	**12,413.69**	**12,414.41**	
Financial Liabilities			
Debt Securities	2,140.18	2,217.99	Level 3
Subordinated Liabilities	1,046.61	1,057.69	Level 3
Total financial liabilities	**3,186.79**	**3,275.68**	

*Investments in other securities in the nature of PTC are measured at Level 3

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

(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) Investments in Equity instruments: Equity instruments in non-listed entities are initially recognized 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) Investments in Other securities: Other Secutities (e.g. certificate of deposits, commercial papers, etc.) are initially recognized at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 1 and or Level 3.

(iv) 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.

(v) Financial assets and liabilities: For financial assets and financial liabilities that have a short-term nature and long term financial assets and laibilities having floating rate structure , 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, loans, 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 Crores)

Particulars	Loans - FVTOCI	
	As at March 31, 2023	As at March 31, 2022
Opening Balance	2,885.40	2,326.69
Sold during the year	(2,047.33)	(2,471.02)
Re-classified to amortized cost	(624.07)	(821.07)
Issuances	2,615.16	3,850.80
Closing Balance	**2,829.16**	**2,885.40**

40.1 Transferred financial assets that are derecognized 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 derecognized. 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 summarizes the carrying amount of the derecognized financial assets measured at FVTOCI and the gain/(loss) on derecognition:

(₹ in Crores)

Loans and advances	2022-23	2021-22
Carrying amount of derecognized financial assets	2,047.33	2,471.02
Gain from derecognition for the year	72.54	104.56

The table below summarizes the carrying amount of the continuing involvment in derecognized financial assets

(₹ in Crores)

Loans and advances	As at March 31, 2023	As at March 31, 2022
Carrying amount of continuing involvement in derecognized financial assets	777.39	838.39

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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40.2 Transferred financial assets that are not derecognized in their entirety:

The Company uses securitizations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitized assets since the Company retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognized in their entirety and associated liabilities.

(₹ in Crores)

Securitizations	As at March 31, 2023	As at March 31, 2022
Carrying amount of transferred assets measured at amortized cost	179.55	416.95
Carrying amount of associated liabilities	179.68	417.29
Fair value of assets	179.55	416.95
Fair value of associated liabilities	179.68	417.29

40.3 Re-classification of financial assets to amortized cost category

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of financial assets re-classified as amortized cost	624.61	793.57
Fair value of gain/loss would have been recognized in profit or loss or other comprehensive income	0.54	(0.64)

40.4 Re-classification of financial assets from Fair Value Through Other Comprehensive Income to Amortized Cost

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Date of reclassification	April 2022 to March 2023	July 2021 to March 2022
Reclassification amount (₹ in Crores)	624.07	821.07

Note: The Company has reclassified the above assets due to change in business model in respect of the specified assets. These assets are now intended to be held to collect the contractual cashflow.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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41. RELATED PARTY DISCLOSURES AS PER IND AS – 24 "RELATED PARTY DISCLOSURE" FOR THE YEAR ENDED MARCH 31, 2023

Nature of relationship	Name of Party
Holding company	IIFL Finance Limited
Subsidiary company	IIHFL Sales Limited
Fellow Subsidiary & Associate	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (ceased to be an assosciate from July 27, 2022)
	IIFL Open Fintech Private Limited (w.e.f. May 17,2022)
Other Related Parties (Due to common Promoter)	IIFL Facilities Services Limited
	IIFL Securities Limited
	IIFL Management Services Limited
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	5Paisa Capital Limited
	India Infoline Foundation
	360 One Distribution Services Limited (Formerly IIFL Wealth Distribution Services Limited)
	360 One WAM Limited (Formerly IIFL Wealth Management Limited)
Key Management Personnel and other Directors	Mr. Nirmal Jain - Non-Executive Director
	Mr. R Venkataraman - Non-Executive Director
	Mr. S. Sridhar - Chairman and Independent Director
	Mr. AK Purwar - Independent Director
	Mr. Kranti Sinha - Independent Director
	Ms. Mohua Mukherjee - Independent Director
	Ms. Suvalaxmi Chakraborty (ceased w.e.f. June 15, 2021)
	Mr. Venkataramanan Anantharaman - Independent Director (w.e.f. February 21, 2023)
	Mr. Monu Ratra - Executive Director & CEO
	Mr. Kabir Mathur - Nominee Director (w.e.f. August 22, 2022)
	Mr. Amit Gupta - Chief Financial Officer
	Mr. Ajay Jaiswal - Company Secretary

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

41.A Significant transactions with related parties:

(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Interest Income						
IIFL Finance Limited	1.07	-	-	-	-	1.07
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.15	-	0.15
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	9.94	-	-	9.94
	(-)	(-)	(-)	(-)	(-)	(-)
Interest Expense						
IIFL Finance Limited	-	-	-	-	-	-
	(20.16)	(-)	(-)	(-)	(-)	(20.16)
IIFL Securities Limited	-	-	-	0.66	-	0.66
	(-)	(-)	(-)	(0.33)	(-)	(0.33)
360 One WAM Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)	-
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.07)	(-)	(0.07)
IIFL Management Services Limited	-	-	-	0.33	-	0.33
	(-)	(-)	(-)	(0.16)	(-)	(0.16)
Corporate Social Responsibility Expense (CSR)						
India Infoline Foundation	-	-	-	8.52	-	8.52
	(-)	(-)	(-)	(7.07)	(-)	(7.07)
Arranger fees Expense/ Loan Sourcing Fee						
IIFL Finance Limited	-	-	-	-	-	-
	(0.04)	(-)	(-)	(-)	(-)	(0.04)
IIFL Securities Limited	-	-	-	0.40	-	0.40
	(-)	(-)	(-)	(0.64)	(-)	(0.64)
360 One Distribution Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.16)	(-)	(0.16)
Commission/ Brokerage Expense						
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(23.25)	(-)	(23.25)
Brokerage Expense Reversal						
IIFL Securities Limited	-	-	-	0.98	-	0.98
	(-)	(-)	(-)	(-)	(-)	(-)
Rent Expense						
IIFL Facilities Services Limited	-	-	-	1.70	-	1.70
	(-)	(-)	(-)	(-)	(-)	(-)
Remuneration and Compensation to KMP						
Mr. Monu Ratra - Remunerations	-	-	-	-	4.64	4.64
	(-)	(-)	(-)	(-)	(3.61)	(3.61)
Mr. Monu Ratra - Short Term Benefit (including perquisites)	-	-	-	-	3.40	3.40
	(-)	(-)	(-)	(-)	(1.33)	(1.33)
Mr. Monu Ratra - Post Employment Benefit	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Mr. Amit Gupta - Remunerations	-	-	-	-	0.79	0.79
	(-)	(-)	(-)	(-)	(0.72)	(0.72)
Mr. Amit Gupta - Short Term Benefit (including perquisites)	-	-	-	-	0.26	0.26
	(-)	(-)	(-)	(-)	(0.49)	(0.49)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Mr. Amit Gupta - Post Employment Benefit	-	-	-	-	0.00	0.00
	(-)	(-)	(-)	(-)	(0.00)	(0.00)
Mr. Ajay Jaiswal - Remunerations	-	-	-	-	0.88	0.88
	(-)	(-)	(-)	(-)	(0.75)	(0.75)
Mr. Ajay Jaiswal - Short Term Benefit (including perquisites)	-	-	-	-	0.63	0.63
	(-)	(-)	(-)	(-)	(0.20)	(0.20)
Mr. Ajay Jaiswal - Post Employment Benefit	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Sitting Fees paid to Directors						
Mr. Kranti Sinha	-	-	-	-	0.09	0.09
	(-)	(-)	(-)	(-)	(0.07)	(0.07)
Mr. S. Sridhar	-	-	-	-	0.11	0.11
	(-)	(-)	(-)	(-)	(0.08)	(0.08)
Ms. Suvalaxmi Chakraborty	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Mr. AK Purwar	-	-	-	-	0.06	0.06
	(-)	(-)	(-)	(-)	(0.03)	(0.03)
Mr. Venkataramanan Anantharaman	-	-	-	-	0.00	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Mohua Mukherjee	-	-	-	-	0.06	0.06
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Commission to Directors						
Mr. Kranti Sinha	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. S. Sridhar	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Ms. Mohua Mukherjee	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.06)	(0.06)
Interim Dividend Payment						
IIFL Finance Limited	83.87	-	-	-	-	83.87
	(62.90)	(-)	(-)	(-)	(-)	(62.90)
ICD Taken						
IIFL Finance Limited	-	-	-	-	-	-
	(3,284.40)	(-)	(-)	(-)	(-)	(3,284.40)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(45.00)	(-)	(45.00)
ICD Returned						
IIFL Finance Limited	-	-	-	-	-	-
	(3,284.40)	(-)	(-)	(-)	(-)	(3,284.40)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(45.00)	(-)	(45.00)
ICD/Loan Given						
IIFL Finance Limited	300.00	-	-	-	-	300.00
	(421.00)	(-)	(-)	(-)	(-)	(421.00)
IIFL Securities Limited	-	-	-	370.00	-	370.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	775.00	-	-	775.00
	(-)	(-)	(-)	(-)	(-)	(-)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
ICD/Loan received back						
IIFL Finance Limited	300.00	-	-	-	-	300.00
	(421.00)	(-)	(-)	(-)	(-)	(421.00)
IIFL Securities Limited	-	-	-	370.00	-	370.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	775.00	-	-	775.00
	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of Investment						
IIFL Finance Limited	-	-	-	-	-	-
	(144.00)	(-)	(-)	(-)	(-)	(144.00)
Sale of Investment - Equity Share						
IIFL Finance Limited	259.08	-	-	-	-	259.08
	(-)	(-)	(-)	(-)	(-)	(-)
Equity Shares Allotment						
IIFL Samasta Finance Limited	-	-	-	-	-	-
	(-)	(-)	(75.00)	(-)	(-)	(75.00)
Security Deposit Paid						
IIFL Facilities Services Limited	-	-	-	0.51	-	0.51
	(-)	(-)	(-)	(-)	(-)	(-)
Allocation of expenses paid						
IIFL Securities Limited	-	-	-	3.23	-	3.23
	(-)	(-)	(-)	(4.46)	(-)	(4.46)
IIFL Management Services Limited	-	-	-	0.08	-	0.08
	(-)	(-)	(-)	(0.09)	(-)	(0.09)
IIFL Finance Limited	7.81	-	-	-	-	7.81
	(4.96)	(-)	(-)	(-)	(-)	(4.96)
5Paisa Capital Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	-	-	1.06	-	1.06
	(-)	(-)	(-)	(0.74)	(-)	(0.74)
Reimbursement paid						
IIFL Securities Limited	-	-	-	0.04	-	0.04
	(-)	(-)	(-)	(0.32)	(-)	(0.32)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	0.07	-	-	-	-	0.07
	(0.58)	(-)	(-)	(-)	(-)	(0.58)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
5Paisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.09)	(-)	(0.09)
360 One WAM Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
ESOP						
IIFL Securities Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)

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(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
IIFL Finance Limited	0.49	-	-	-	-	0.49
	(1.13)	(-)	(-)	(-)	(-)	(1.13)
Allocation of expenses received						
IIFL Management Services Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Securities Limited	-	-	-	0.66	-	0.66
	(-)	(-)	(-)	(0.40)	(-)	(0.40)
5Paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.10	-	0.10
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	1.69	-	-	-	-	1.69
	(0.91)	(-)	(-)	(-)	(-)	(0.91)
Reimbursement received						
IIFL Securities Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(0.28)	(-)	(0.28)
IIFL Finance Limited	0.11	-	-	-	-	0.11
	(0.26)	(-)	(-)	(-)	(-)	(0.26)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
5Paisa Capital Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.03)	(-)	(0.03)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
Livlong Protection & Wellness Solutions Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
India Infoline Foundation	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
Sale of Fixed Assest						
5paisa Capital Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	0.65	-	-	-	-	0.65
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.34	-	0.34
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Insurance Brokers Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(-)	(-)	(-)
Payment of Assignment Transactions						
IIFL Finance Limited	63.35	-	-	-	-	63.35
	(90.14)	(-)	(-)	(-)	(-)	(90.14)
Purchase of Fixed Assest						
5paisa Capital Limited	-	-	-	0.05	-	0.05
	(-)	(-)	(-)	(-)	(-)	(-)

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(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
IIFL Finance Limited	0.32	-	-	-	-	0.32
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.17	-	0.17
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)

41 B. Closing balance:

(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel Personnel	Total
Payable to Group/Holding Company						
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.07)	(-)	(0.07)
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	-	-	-	-	-	-
	(0.24)	(-)	(-)	(-)	(-)	(0.24)
5paisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
360 One Distribution Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.18)	(-)	(0.18)
Receivable from Group/Holding Company						
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.14	-	0.14
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
5 Paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.04	-	0.04
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	0.07	-	-	-	-	0.07
	(-)	(-)	(-)	(-)	(-)	(-)
India Infoline Foundation	-	-	-	3.06	-	3.06
	(-)	(-)	(-)	(3.03)	(-)	(3.03)
Debt Securities Outstanding						
360 One WAM Limited	-	-	-	17.75	-	17.75
	(-)	(-)	(-)	(-)	(-)	-
IIFL Securities Limited	-	-	-	8.00	-	8.00
	(-)	(-)	(-)	(8.00)	(-)	(8.00)
IIFL Management Services Limited	-	-	-	4.00	-	4.00
	(-)	(-)	(-)	(4.00)	(-)	(4.00)

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(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel Personnel	Total
Provision for Post Employment Benefits						
Mr. Monu Ratra	-	-	-	-	0.27	0.27
	(-)	(-)	(-)	(-)	(0.25)	(0.25)
Mr. Amit Gupta	-	-	-	-	0.14	0.14
	(-)	(-)	(-)	(-)	(0.13)	(0.13)
Mr. Ajay Jaiswal	-	-	-	-	0.14	0.14
	(-)	(-)	(-)	(-)	(0.13)	(0.13)
Commission Payable						
Mr. Kranti Sinha	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. S. Sridhar	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Ms. Mohua Mukherjee	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.06)	(0.06)
Corporate Guarantee						
IIFL Finance Limited	584.94	-	-	-	-	584.94
	(845.50)	(-)	(-)	(-)	(-)	(845.50)

Figures in brackets represents previous year's figures.

"0" represents figures less than ₹ 50000.

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 Crores)

Name of Related Party	Outstanding as on March 31, 2023	Maximum Outstanding during the year
IIFL Finance Limited	-	300.00
IIFL Securities Limited	-	200.00
IIFL Samasta Finance Limited	-	350.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE 42. CURRENT AND NON CURRENT CLASSIFICATION - STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2023

(₹ in Crores)

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	1,635.21	-	**1,635.21**
(b)	Bank balance other than (a) above	168.79	190.50	**359.29**
(c)	Derivative financial instruments	41.99	-	**41.99**
(c)	Receivables	-		
	(I) Trade receivables	47.50	-	**47.50**
(d)	Loans	3,515.70	14,199.99	**17,715.69**
(e)	Investments	1,419.87	7.32	**1,427.19**
(f)	Other financial assets	5.95	448.20	**454.15**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	11.66	**11.66**
(b)	Deferred tax assets (net)	-	45.84	**45.84**
(c)	Investment Property	-	2.29	**2.29**
(d)	Property, plant and equipment	-	7.91	**7.91**
(e)	Right of use assets	-	50.22	**50.22**
(f)	Other intangible assets	-	0.44	**0.44**
(g)	Other non-financial assets	-	6.20	**6.20**
(h)	Assets held for sale	5.46	-	**5.46**
	Total Assets	**6,840.47**	**14,970.57**	**21,811.04**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	-	**-**
(b)	Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	3.01	-	**3.01**
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	48.37	-	**48.37**
(c)	Finance lease obligation	15.11	36.89	**52.00**
(d)	Debt securities	42.85	2,211.37	**2,254.22**
(e)	Borrowings (other than debt securities)	2,934.45	8,686.22	**11,620.67**
(f)	Subordinated liabilities	93.31	985.00	**1,078.31**
(g)	Other financial liabilities	903.12	-	**903.12**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	16.01	-	**16.01**
(b)	Provisions	13.46	6.76	**20.22**
(c)	Other non-financial liabilities	261.00	-	**261.00**
3	**Equity**			
(a)	Equity share capital	-	26.34	**26.34**
(b)	Other equity	-	5,527.77	**5,527.77**
	Total liabilities and equity	**4,330.69**	**17,480.35**	**21,811.04**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Note 42. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2022

(₹ in Crores)

Sr. no.	Particulars	Current	Non Current	Total
ASSETS				
1	**Financial Assets**			
(a)	Cash and cash equivalents	1,399.62	-	**1,399.62**
(b)	Bank balance other than (a) above	284.24	149.05	**433.29**
(c)	Receivables			
	(I) Trade receivables	36.91	-	**36.91**
(d)	Loans	3,521.14	11,769.08	**15,290.22**
(e)	Investments	0.34	403.07	**403.41**
(f)	Other financial assets	2.30	355.52	**357.82**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	5.51	**5.51**
(b)	Deferred tax assets (net)	-	64.20	**64.20**
(c)	Investment Property	-	6.63	**6.63**
(d)	Property, plant and equipment	-	6.57	**6.57**
(e)	Right of use assets	-	23.54	**23.54**
(f)	Other intangible assets	-	0.18	**0.18**
(g)	Other non-financial assets	4.71	0.07	**4.78**
(h)	Assets held for sale	9.70	-	**9.70**
	Total Assets	**5,258.96**	**12,783.42**	**18,042.38**
LIABILITIES AND EQUITY				
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	5.05	**5.05**
(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	50.94	-	**50.94**
(c)	Finance Lease Obligation	6.24	19.40	**25.64**
(d)	Debt securities	294.69	1,923.30	**2,217.99**
(e)	Borrowings (other than debt securities)	2,553.60	8,391.33	**10,944.93**
(f)	Subordinated liabilities	12.91	1,044.78	**1,057.69**
(g)	Other financial liabilities	944.45	-	**944.45**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	26.25	-	**26.25**
(b)	Provisions	9.62	4.65	**14.27**
(c)	Other non-financial liabilities	51.48	-	**51.48**
3	**Equity**			
(a)	Equity share capital	-	20.97	**20.97**
(b)	Other equity	-	2,682.72	**2,682.72**
	Total liabilities and equity	**3,950.18**	**14,092.20**	**18,042.38**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

43. ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF SCHEDULE III ON GENERAL INSTRUCTIONS FOR THE PREPARATIONS OF CONSOLIDATED FINANCIAL STATEMENTS:

(₹ in Crores)

Name of entity in the Group	Net Assets i.e Total Assets less Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crores)	As % of consolidated profit or loss	Amount (₹ in Crores)	As % of consolidated other comprehensive income	Amount (₹ in Crores)	As % of consolidated total comprehensive income	Amount (₹ in Crores)
	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
IIFL Home Finance Limited	99.75%	5,540.02	98.04%	753.09	98.80%	11.67	98.06%	764.76
Indian Subsidiaries								
IIHFL Sales Limited	0.25%	14.10	1.47%	11.26	0.00%	-	1.44%	11.26
Non-controlling Interests in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Indian Associates (Investment as per the equity method)								
IIFL Samasta Finance Limited (formerly Samasta Microfinance Limited)	0.00%	0.00	0.49%	3.76	1.20%	0.14	0.50%	3.91
Total	**100.00%**	**5,554.12**	**100.00%**	**768.12**	**100.00%**	**11.81**	**100.00%**	**779.93**

Name of entity in the Group	Net Assets i.e Total Assets less Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crores)	As % of consolidated profit or loss	Amount (₹ in Crores)	As % of consolidated other comprehensive income	Amount (₹ in Crores)	As % of consolidated total comprehensive income	Amount (₹ in Crores)
	March 31,2022	March 31,2022	March 31,2022	March 31,2022	March 31, 2022	March 31,2022	March 31, 2022	March 31,2022
IIFL Home Finance Limited	90.67%	2,451.47	97.40%	578.00	101.07%	19.90	97.52%	597.90
Indian Subsidiaries								
IIHFL Sales Limited	0.09%	2.40	0.47%	2.79	0.00%	-	0.45%	2.79
Non-controlling Interests in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Indian Associates (Investment as per the equity method)								
IIFL Samasta Finance Limited (formerly Samasta Microfinance Limited)	9.24%	249.82	2.13%	12.65	(1.05%)	(0.21)	2.03%	12.44
Total	**100.00%**	**2,703.69**	**100.00%**	**593.44**	**100.02%**	**19.69**	**100.00%**	**613.13**

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

45. These financial statements were authorized for issue by the Company's Board of Directors on April 24, 2023.

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 & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai
Date: April 24, 2023

Amit Gupta
Chief Financial Officer
Place: Mumbai

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures as on March 31, 2023

PART "A": SUBSIDIARIES

(₹ in Crores)

Sr no.	Particulars	IIHFL Sales Limited
1	Share capital	0.05
2	Reserves & surplus/Other Equity	14.05
3	Total assets	41.47
4	Total Liabilities	27.37
5	Investments	-
6	Total Turnover	47.28
7	Profit before taxation	14.86
8	Provision for taxation	3.60
9	Profit after taxation	11.26
10	Proposed Dividend	-
11	% of shareholding	100%

Reporting period for the subsidiary is same as holding company

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr no.	Particulars	IIFL Samasta Finance Limited
1	Latest management certified Balance Sheet Date	July 27, 2022
2	Shares of Associate/Joint Ventures held by the Company on the period/year end	
	Number	-
	Amount of Investment in Associates/Joint Venture (₹ in Crores)	-
	Extend of Holding %	0%
3	Description of how there is significant influence	% holding more than 20%
4	Reason why the associate/joint venture is not consolidated	NA
5	Networth attributable to Shareholding as per latest management certified Balance Sheet (₹ in Crores)	1,009.93
6	Profit / Loss for the period/year (₹ in Crores)	15.62
7	Considered in Consolidation (₹ in Crores)	3.76
8	Not Considered in Consolidation (₹ in Crores)	11.86

The Company has sold its complete shareholding in associate as on July 27, 2022

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 & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

Date: April 24, 2023

Corporate Information

BOARD OF DIRECTORS

- **Srinivasan Sridhar**
  Chairman & Independent Director
- **Kranti Sinha**
  Independent Director
- **Arun Kumar Purwar**
  Independent Director
- **Mohua Mukherjee**
  Independent Director
- **Venkataraman Anantharaman**
  Independent Director
- **Kabir Mathur**
  Nominee Director
- **Nirmal Jain**
  Non-Executive Director
- **Rajamani Venkataraman**
  Non-Executive Director
- **Monu Ratra**
  Executive Director & CEO

Chief Financial Officer
- **Amit Gupta**

Company Secretary
- **Ajay Jaiswal**

Statutory Auditors
- **M/s. Suresh Surana & Associates LLP**
  Chartered Accountants
- **M/s. MP Chitale & Co.**
  Chartered Accountants

Secretarial Auditors
- **M/s. RMG & Associates**
  Company Secretaries

COMMITTEES OF BOARD

Audit Committee
- **Srinivasan Sridhar**
- **Kranti Sinha**
- **Rajamani Venkataraman**
- **Kabir Mathur**

Nomination and Remuneration Committee
- **Kranti Sinha**
- **Srinivasan Sridhar**
- **Rajamani Venkataraman**
- **Kabir Mathur**

Stakeholder Relationship Committee
- **Kranti Sinha**
- **Rajamani Venkataraman**
- **Monu Ratra**

CSR Committee
- **Rajamani Venkataraman**
- **Kranti Sinha**
- **Mohua Mukherjee**
- **Monu Ratra**

Risk Management Committee
- **Monu Ratra**
- **Srinivasan Sridhar**
- **Kranti Sinha**
- **Mohua Mukherjee**
- **Rajamani Venkataraman**
- **Kabir Mathur**
- **Abhishikta Munjal**
- **Govind Modani**

Assets and Liabilities Management Committee
- **Monu Ratra**
- **Kabir Mathur**
- **Srinivasan Sridhar**
- **Rajamani Venkataraman**

IT Strategy Committee
- **Srinivasan Sridhar**
- **Arun Kumar Purwar**
- **Monu Ratra**
- **Abhishikta Munjal**
- **Aditya Sisodia**
- **Mitesh Vora**
- **Rachit Gehani**
- **Shanker Ramrakhiani**

ESG Committee
- **Mohua Mukherjee**
- **Srinivasan Sridhar**
- **Monu Ratra**
- **Ajay Jaiswal**
- **Abhishikta Munjal**
- **Rachit Gehani**
- **Rashmi Priya**

Finance Committee
- **Monu Ratra**
- **Rajamani Venkataraman**

CORE MANAGEMENT TEAM

- **Abhishikta Chadda Munjal**
  Chief Risk Officer
- **Amit Gupta**
  Chief Finance Officer
- **Anjali Chadha**
  Head – Operations & Customer Service
- **Govind Modani**
  Head – Treasury
- **Iqbal Farooqui**
  Head – Collections & Recovery
- **Lokesh Goyal**
  Head – Collateral Risk
- **Madhvi Gupta**
  Head – Marketing and Communications, and Social Impact
- **Manoj Kumar**
  Head – Legal
- **Mohit Kumar**
  Head – Credit Underwriting
- **Rachit Gehani**
  Chief Technology Officer
- **Rashmi Priya**
  Head – Human Resources

Registrar and Transfer Agent
Link Intime India Private Limited
C 101, 247 Park,
L.B.S. Vikhroli (West),
Mumbai – 400083

Registered Office
IIFL House, Sun Infotech Park
Road no. 16V, Plot no. B-23,
MIDC Thane Industrial Area,
Wagle Estate, Thane – 400604

Corporate Office
IIFL Tower, 98, Udyog Vihar
Phase – IV, Gurgaon - 122015

List of Bankers/ Financial Institutions

Bandhan Bank · Bank of Baroda · Bank of India · Bank of Maharashtra · Canara Bank · Central Bank of India · DCB Bank Limited · HDFC Bank Limited · HSBC Bank · ICICI Bank Limited · IDBI Bank · Indian Bank · Indian Overseas Bank · Karnataka Bank · LIC Housing Finance Limited · National Housing Bank · Punjab National Bank · Punjab & Sind Bank · RBL Bank Limited · Shinhan Bank Co. Limited · State Bank of India · Union Bank of India

Rated

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IIFL HOME LOAN

IIFL Home Finance Limited

CIN No. U65993MH2006PLC166475

Registered Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400604

Corporate Office: Plot No.98, Udyog Vihar, Phase - IV, Gurgaon – 122015
Tel: 0124 478 0900

www.iiflhomeloans.com

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