

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IIHFL SALES LIMITED ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the Financial Statements of **IIHFL Sales 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 Cash Flow Statement for the year then ended, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with 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 its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under sub-section (10) of section 143 of the Act (“the SAs”). Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“the ICAI”) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company’s management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Director’s report but does not include the Financial Statements and our auditor’s report thereon. The Director’s report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Other Information, if, we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance.

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

The Company's management and Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **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, Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid Financial Statements comply with the 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 other 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 Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:



- i. there are no pending litigation on the Company which impact the financial position in its Financial Statements. Hence, same is disclosed as NIL in Note 26 of the Financial Statements.
  - ii. the Company did not have any long-term contract including derivatives contracts for which they were any material foreseeable losses
  - iii. There were no amounts which were 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 it's knowledge and belief, as disclosed in the note to the accounts in note no 27 (xv) (i) , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("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 it's knowledge and belief, as disclosed in the note to the accounts in note no 27 (xv) (ii), no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, 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.
  - v. The 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 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.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and according to the information and explanations given to us, the requirements section 197(16) of the act is



not applicable to the Company during the period since neither remuneration nor sitting fees was paid by the Company to its directors during the period.

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



**Harnish Shah**

**Partner**

**Membership No.: 145160**

**UDIN: 23145160BGUUNK7597**

**Place: Mumbai**

**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 SALES 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 Property, Plant and Equipment and relevant details of Right-of-use assets.
- (B) The company does not hold any Intangible Assets as on Balance Sheet date. Accordingly, paragraph 3(i)(b) of the Order is not applicable to the Company
- (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 on the basis of records examined by us, we report that, the Company does not hold any immovable properties as on Balance Sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) or 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 not carrying on any trading or manufacturing activities and hence does not have any inventories. Accordingly, paragraph 3(ii)(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 records examined by us, we report that, the Company has not been sanctioned any working capital limit in excess of five crore rupees during the year. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) The Company has not made any investment or provided any guarantee or security during the year and hence reporting under clause 3(iii)(b) of the Order is not applicable.
- (c) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(c), 3(iii)(d), 3(iii)(e), 3(iii)(f) of Order is not applicable.
- (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, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year, and hence reporting under clause 3(v) of Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, in respect of the class of industry the company falls under, the Central Government has not specified the maintenance of cost records under section 148 (1) of the Act. Therefore, the provisions of clause 3(vi) of the Order are 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 (ESIC), income tax, goods and service tax, cess and other material statutory dues applicable to it except there have been significant delays in payment of Labour welfare Funds and Professional Tax for certain states. According to information and explanations given to us, following undisputed amount payable in respect of 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 (₹)	Period to which the amount relates	Due Date	Date of payment	Remarks, if any
PT Gujarat	Professional Tax	2,900	Jan-22	28-Feb-22		
PT Gujarat	Professional Tax	6,000	Feb-22	31-Mar-22		
PT Gujarat	Professional Tax	6,800	Mar-22	30-Apr-22		
PT Gujarat	Professional Tax	5,200	Apr-22	31-May-22		
PT Gujarat	Professional Tax	3,400	May-22	30-Jun-22		
PT Gujarat	Professional Tax	3,800	Jun-22	31-Jul-22		
PT Gujarat	Professional Tax	4,400	Jul-22	31-Aug-22		
PT Gujarat	Professional Tax	5,400	Aug-22	30-Sep-22		
PT Gujarat	Professional Tax	6,400	Sep-22	31-Oct-22		
PT Tamil Nadu	Professional Tax	20,465	Dec-21 to March 22	01-Apr-22		
PT Tamil Nadu	Professional Tax	76,595	April 22 to Sep 22	01-Oct-22		

- (b) According to the information and explanations given to us and the records of the Company, there are no dues of any statutory which have not been deposited with the appropriate authorities on account of any dispute.
- (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, the Company has not taken any term loans during the year, hence reporting under clause 3(ix)(c) of the Order is not applicable.



- (d) On an overall examination of financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company do not have any subsidiary and associate hence, reporting under clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) According to the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer or debt instruments or term loans and hence reporting under clause 3(x)(a) of Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (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 material 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.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records, the Company is in compliance with Section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.



- (xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013
- (b) The Company did not have an internal audit system for the period under audit. Hence, there is no matter to consider the same
- (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 him as referred to in section 192 of Companies Act, 2013. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) In our opinion and according to information and explanation given to us, the Company is not required to be registered under section 45-IA Reserve Bank of India Act, 1934.
- (b) In our opinion and according to information and explanation given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities during the year, and hence reporting under clause 3(xvi)(b) of Order is not applicable.
- (c) In our opinion and according to information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, and hence reporting under clause 3(xvi)(c) of Order is not applicable.
- (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.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (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 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) In our opinion and based on our examination, the Company is not required to maintain a fund specified in Schedule VII of section 135 as per provisions of the Companies Act, 2013, and hence reporting under clause 3(xx) of Order is not applicable.

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



**Harnish Shah**  
**Partner**  
**Membership No.: 145160**  
**UDIN: 23145160BGUUNK7597**  
**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 IIHFL SALES LIMITED OF EVEN DATE)**

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

We have audited the internal financial controls with reference to financial reporting of **IIHFL Sales Limited** (hereinafter referred to as "the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to the audit of internal financial controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Financial Statements.

**Meaning of Internal Financial Controls with reference to Financial Statements.**

A Company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

**Inherent Limitations of Internal Financial Controls With reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at March 31, 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 M. P. Chitale & Co.**  
**Chartered Accountants**  
**Firm Regn. No.101851W**



**Harnish Shah**

**Partner**

**Membership No.: 145160**

**UDIN: 23145160BGUUNK7597**

**Place: Mumbai**

**Date: April 24, 2023**

FINANCIAL STATEMENTS OF IHFL SALES LIMITED  
BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Crores)

Sr. no.	Particulars	Note no.	March 31, 2023	March 31, 2022
	<b>ASSETS</b>			
(1)	<b>Non- Current Assets</b>			
(a)	Property, Plant and Equipment	4A	0.25	0.02
(b)	Right of use assets	4B	22.01	7.93
(c)	Financial Assets			
(i)	Other financial assets	5	1.80	0.72
(d)	Income Tax Assets (Net)		0.21	-
(e)	Deferred tax Assets (Net)	6	0.21	0.10
(f)	Other Non- Current Assets	7	0.42	0.17
(2)	<b>Current Assets</b>			
(a)	Financial Assets			
(i)	Trade receivables	8	9.63	2.94
(ii)	Cash and cash equivalents	9	6.94	0.89
	<b>Total Assets</b>		<b>41.47</b>	<b>12.77</b>
	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Equity</b>			
(a)	Equity Share Capital	10	0.05	0.05
(b)	Other Equity	11	14.05	2.79
(2)	<b>Non-Current Liabilities</b>			
(a)	Financial Liabilities			
(i)	Lease liabilities	4B	13.45	5.57
(b)	Provisions	14	0.43	0.04
(3)	<b>Current Liabilities</b>			
(a)	Financial Liabilities			
(i)	Lease liabilities	4B	8.83	2.68
(ii)	Trade Payables			
(A)	total outstanding dues of micro enterprises and small enterprises; and			
(B)	total outstanding dues of creditors other than micro enterprises and small enterprises.	12	2.86	0.57
(b)	Other current liabilities	13	1.35	0.67
(c)	Provisions	14	0.45	0.17
(d)	Current Tax Liabilities (Net)		-	0.23
	<b>Total Equity and Liabilities</b>		<b>41.47</b>	<b>12.77</b>
	See accompanying notes forming part of the financial statements	1-28		

As per our reports attached of even date.

For M. P. Chitale & Co.  
Chartered Accountants

Harnish Shah  
Partner



Place: Mumbai  
Date: April 24, 2023

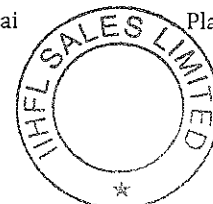
For and on behalf of the Board of Directors of  
IHFL Sales Limited

Ajay Jaiswal  
Director

DIN: 01618047  
Place: Mumbai

Amit Kumar Gupta  
Director

DIN: 09338024  
Place: Mumbai






FINANCIAL STATEMENTS OF IHHFL SALES LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023

(₹ in Crores)

Sr. no.	Particulars	Note no.	FY 2022-23	For the Period from 28-09-2021 to 31-03-2022
(I)	Revenue from Operations	15	15.65	1.03
(II)	Other Income	16	31.63	6.47
<b>(III)</b>	<b>Total Income (I+II)</b>		<b>47.28</b>	<b>7.50</b>
	<b>Expenses</b>			
(i)	Employee Benefits Expenses	17	22.82	2.49
(ii)	Finance Costs	18	1.56	0.17
(iii)	Depreciation, and amortisation	4A-4B	5.22	0.72
(iv)	Other expenses	19	2.82	0.34
<b>(IV)</b>	<b>Total Expenses</b>		<b>32.42</b>	<b>3.72</b>
<b>(V)</b>	<b>Profit before tax (III-IV)</b>		<b>14.86</b>	<b>3.78</b>
	<b>Tax Expense:</b>			
(i)	Current Tax	20	3.72	1.09
(ii)	Deferred Tax	20	(0.11)	(0.10)
(iii)	Tax of earlier years	20	(0.01)	-
<b>(VI)</b>	<b>Total Tax expenses</b>		<b>3.60</b>	<b>0.99</b>
<b>(VII)</b>	<b>Profit for the period from continuing operations (V-VI)</b>		<b>11.26</b>	<b>2.79</b>
<b>(VIII)</b>	<b>Other Comprehensive Income</b>			
A (i)	Items that will not be reclassified to profit or loss		-	-
(ii)	Income tax relating to items that will not be reclassified to profit or loss		-	-
	<b>Subtotal (A)</b>			
B (i)	Items that will be reclassified to profit or loss		-	-
(ii)	Income tax relating to items that will be reclassified to profit or loss		-	-
	<b>Subtotal (B)</b>			
	<b>Other Comprehensive Income (A+B)</b>			
<b>(IX)</b>	<b>Total Comprehensive Income for the period</b>		<b>11.26</b>	<b>2.79</b>
<b>(X)</b>	<b>Earnings per equity share of face value of Rs. 10 each (for continuing operations)</b>			
	Basic (Rs.)		2,251.41	557.62
	Diluted (Rs.)		2,251.41	557.62
	See accompanying notes forming part of the financial statements	1-28		

As per our reports attached of even date.


For M. P. Chitale & Co.  
Chartered Accountants

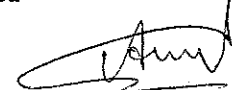
  
Harmish Shah  
Partner

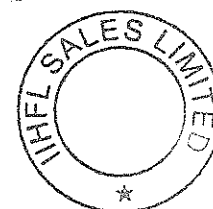


Place: Mumbai  
Date: April 24, 2023

For and on behalf of the Board of Directors of  
IHHFL Sales Limited

  
Ajay Jaiswal  
Director  
DIN: 01618047  
Place: Mumbai

  
Amit Kumar Gupta  
Director  
DIN: 09338024  
Place: Mumbai



FINANCIAL STATEMENTS OF IHHFL SALES LIMITED  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crores)

Particulars	Note No.	FY 2022-23	For the Period from 28-09-2021 to 31-03-2022
<b>Cash Flows from Operating Activities</b>			
Profit before tax		14.86	3.78
Add / (Less) Adjustment for:			
Depreciation and Amortisation		5.22	0.72
Interest expenses		1.56	0.17
Interest income on Security Deposits		(0.08)	(0.02)
<b>Operating profit before working capital changes</b>		<b>21.56</b>	<b>4.65</b>
(Increase) / Decrease in Non - Current Assets		(1.25)	(0.86)
(Increase) / Decrease in Current Assets		(6.69)	(2.94)
Increase/(Decrease) in Current Liabilities		3.64	1.45
<b>Cash Generated from Operations</b>		<b>17.26</b>	<b>2.30</b>
Taxes Paid		(4.14)	(0.88)
<b>Net cash generated from/(used in) Operating Activities (A)</b>		<b>13.12</b>	<b>1.42</b>
<b>Cash flow from Investing Activities</b>			
Purchase of Property, plant and Equipment		(0.33)	(0.02)
<b>Net Cash used in Investing Activities (B)</b>		<b>(0.33)</b>	<b>(0.02)</b>
<b>Cash flow from Financing Activities</b>			
Proceeds from Issue of Shares		-	0.05
Proceeds from Borrowings		8.00	1.98
Repayment of Borrowings		(8.00)	(1.98)
Payment of interest on borrowings		(0.19)	(0.01)
Payment of interest on lease liabilities		(1.37)	(0.16)
Payment of lease liabilities		(5.18)	(0.39)
<b>Net Cash from/(used in) Financing Activities (C)</b>		<b>(6.74)</b>	<b>(0.51)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>		<b>6.05</b>	<b>0.89</b>
Cash and cash equivalents as at the beginning of the year		0.89	-
<b>Cash and cash equivalents as at the end of the year</b>		<b>6.94</b>	<b>0.89</b>
See accompanying notes forming part of the financial statements	1-28		

As per our reports attached of even date.

For M. P. Chitale & Co.  
Chartered Accountants

Harnish Shah  
Partner

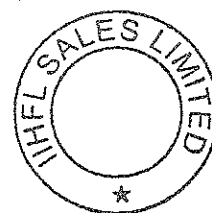


Place: Mumbai  
Date: April 24, 2023

For and on behalf of the Board of Directors of  
IHHFL Sales Limited

Ajay Jaiswal  
Director  
DIN: 01618047  
Place: Mumbai

Amit Kumar Gupta  
Director  
DIN: 09338024  
Place: Mumbai



FINANCIAL STATEMENTS OF IIFL SALES LIMITED  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

As at March 31, 2023

(₹ in Crores)

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
0.05	-	-	-	0.05

As at March 31, 2022

(₹ in Crores)

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
-	-	-	0.05	0.05

B. Other Equity

As at March 31, 2023

(₹ in Crores)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance at the beginning of the current reporting period	2.79	2.79
Total Comprehensive Income for the current year	11.26	11.26
Balance at the end of the current reporting period	14.05	14.05

As at March 31, 2022

(₹ in Crores)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance at the beginning of the previous reporting period	-	-
Total Comprehensive Income for the previous year	2.79	2.79
Balance at the end of the previous reporting period	2.79	2.79
See accompanying notes forming part of the financial statements		1-28

As per our reports attached of even date.

For M. P. Chitale & Co.  
Chartered Accountants

Harnish Shah  
Partner

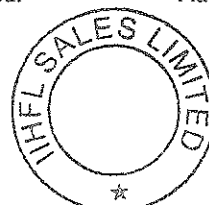


Place: Mumbai  
Date: April 24, 2023

For and on behalf of the Board of Directors of  
IIFL Sales Limited

Ajay Jaiswal  
Director  
DIN: 01618047  
Place: Mumbai

Amit Kumar Gupta  
Director  
DIN: 09338024  
Place: Mumbai



# IIHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

## Note 1. CORPORATE INFORMATION

### (a) Company overview

IIHFL Sales Limited ("IIHFLSL"/ "the Company") (CIN No. U74999MH2021PLC368361), is a wholly owned subsidiary of IIFL Home Finance Limited. The company primary activity involves sourcing of loans for IIFL Home Finance Ltd, for which it receives commission. The company also receives management fees against certain marketing support and other support functions.

## 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.

### (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").

### (c) Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division II 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.

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.



# IIHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

## (e) Use of estimates and judgments

The preparation of the financial statements in conformity with Indian Accounting Standards (Ind AS) requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those 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. 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.



# IHFFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

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.

## ii. 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.

## iii. 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.

### Note 3. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

##### i. Commission Income

Commission income are accounted for on an accrual basis after rendering the services as per the agreement.

##### ii. Marketing support and Advertisement Income

Marketing support income are accounted for on an accrual basis after rendering the services as per the agreement.

##### iii. Other Income

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



# IIHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

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

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at cost of acquisition (net of tax), if any, less accumulated depreciation and cumulative impairment losses (if any). Cost includes freight, duties, taxes and expenses incidental to acquisition and installation.

Subsequent expenditure related to an item of PPE is added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest and are disclosed as "capital work-in-progress".

## (c) Depreciation and Amortisation

Depreciation is charged using the straight-line method, based on the useful life of fixed assets as estimated by the Management, as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged from the month in which assets are sold. In case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset. Individual assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight line basis over the leasehold period.

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
Computers	3 years	3 years

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

## (d) Impairment of Assets other than financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE,



# IIHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets and investment property are tested for impairment so as to determine the impairment loss, if any.

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

Recoverable amount is the higher of fair value less costs of disposal and value in use.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

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

## (e) Employee benefits

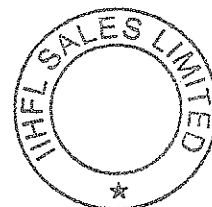
### i. Defined contribution plans

The Company's contribution towards Provident Fund, Family Pension Fund and ESIC are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees and are accounted for on an accrual basis and recognised in the Statement of Profit and loss.

### ii. Defined benefit plans

Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. These benefits include performance incentive and compensated absences.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.





# IIHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

Long term employee benefits: The obligation recognised in respect of long term benefits such as long term compensated absences, is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plan above.

## (f) 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 recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. 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



# IIHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

## (g) Taxes on income

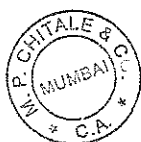
### *Current tax*

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

### *Deferred tax*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

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



# IIHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

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

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

## *Current and deferred tax for the year*

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

## **(h) Financial instruments**

### ***Recognition and Initial Measurement***

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

### ***Classification and Subsequent measurement***

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

### ***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 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.



# IIHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

## (i) 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.

## (j) Goods and service tax input credit

Goods and service tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

## (k) 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.

## (l) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.



# IIHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

## (m) 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.

## (n) 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.

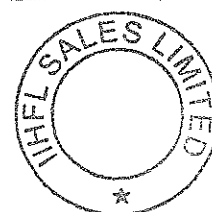
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity 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.

## (o) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.



# IIHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

## (p) 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.

## (q) Operating Cycle

Based on the nature of activities of the Company, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



FINANCIAL STATEMENTS OF IIFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

Note 4A. Property, Plant and Equipment

(₹ in Crores)

Particulars	Computers	Total
<b>Opening Balances</b>	-	-
Additions	0.02	0.02
Deductions/Adjustments	-	-
<b>As at March 31, 2022</b>	<b>0.02</b>	<b>0.02</b>
Additions	0.38	0.38
Deductions/Adjustments	0.05	0.05
<b>As at March 31, 2023</b>	<b>0.35</b>	<b>0.35</b>
<b>Accumulated Depreciation</b>		
<b>Opening Balances</b>	-	-
Depreciation for the year	0.00	0.00
Deductions/Adjustments	-	-
<b>As at March 31, 2022</b>	<b>0.00</b>	<b>0.00</b>
Depreciation for the year	0.11	0.11
Deductions/Adjustments	0.01	0.01
<b>As at March 31, 2023</b>	<b>0.10</b>	<b>0.10</b>
<b>Net Block as at March 31, 2022</b>	<b>0.02</b>	<b>0.02</b>
<b>Net Block as at March 31, 2023</b>	<b>0.25</b>	<b>0.25</b>

Note 4B. Leases

Statement showing movement in lease liabilities

(₹ in Crores)

Particulars	Premises	Total
<b>Opening Balances</b>	-	-
Additions	8.65	8.65
Deductions/Adjustments	-	-
Finance cost accrued during the period	0.16	0.16
Less: Payment of lease liabilities	0.56	0.56
<b>As at March 31, 2022</b>	<b>8.25</b>	<b>8.25</b>
Additions	19.29	19.29
Deductions/Adjustments	0.09	0.09
Finance cost accrued during the period	1.37	1.37
Less: Payment of lease liabilities	6.54	6.54
<b>As at March 31, 2023</b>	<b>22.28</b>	<b>22.28</b>

Statement showing carrying value of right of use assets

(₹ in Crores)

Particulars	Premises	Total
<b>Opening Balances</b>	-	-
Additions	8.65	8.65
Deductions/Adjustments	-	-
Depreciation	0.72	0.72
<b>As at March 31, 2022</b>	<b>7.93</b>	<b>7.93</b>
Additions	19.29	19.29
Deductions/Adjustments	0.10	0.10
Depreciation	5.11	5.11
<b>As at March 31, 2023</b>	<b>22.01</b>	<b>22.01</b>

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	8.83	2.68
Non- Current lease liabilities	13.45	5.57



FINANCIAL STATEMENTS OF IHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

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	10.78	3.21
One year to Two years	10.35	3.35
Two to Five years	4.22	2.60
More than Five years	-	-
<b>Total</b>	<b>25.35</b>	<b>9.16</b>

Statement showing amount recognised in Statement of Profit and Loss:

(₹ in Crores)

Particulars	FY 2022-23	For the Period from 28-09-2021 to 31-03-2022
Interest on lease liabilities	1.37	0.16
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-
<b>Total</b>	<b>1.37</b>	<b>0.16</b>

Statement showing amount recognised in Statement of Cash Flows:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for leases	6.54	0.56

Note 5. Other financial assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	1.80	0.72
<b>Total</b>	<b>1.80</b>	<b>0.72</b>

Note 6. 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	Recognised in Statement of Profit and Loss	Closing balance
<b>Deferred tax assets:</b>			
<b>Expenses deductible in future years:</b>			
Provision for employee benefits	0.02	0.13	0.15
Lease Liability	0.08	(0.01)	0.07
<b>Total deferred tax assets (A)</b>	<b>0.10</b>	<b>0.12</b>	<b>0.22</b>
<b>Deferred tax liabilities:</b>			
Property, plant and equipment	(0.00)	(0.01)	(0.01)
<b>Total deferred tax liabilities (B)</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>Deferred tax assets (A+B)</b>	<b>0.10</b>	<b>0.11</b>	<b>0.21</b>





FINANCIAL STATEMENTS OF IIFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

Significant components of deferred tax assets and liabilities as at March 31, 2022 are as follows:

(₹ in Crores)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Closing balance
<b>Deferred tax assets:</b>			
Property, plant and equipment	-	-	-
<b>Expenses deductible in future years:</b>			
Provision for employee benefits	-	0.02	0.02
Lease Liability	-	0.08	0.08
<b>Total deferred tax assets (A)</b>	-	<b>0.10</b>	<b>0.10</b>
<b>Deferred tax liabilities:</b>			
Property, plant and equipment	-	(0.00)	(0.00)
<b>Total deferred tax liabilities (B)</b>	-	<b>(0.00)</b>	<b>(0.00)</b>
<b>Deferred tax assets (A+B)</b>	-	<b>0.10</b>	<b>0.10</b>

Note 7. Other Non- Current Assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepayment	0.42	0.17
<b>Total</b>	<b>0.42</b>	<b>0.17</b>

Note 8. Trade Receivables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables, considered good - unsecured	9.63	2.94
<b>Total - gross</b>	<b>9.63</b>	<b>2.94</b>
Less: Impairment loss allowance	-	-
<b>Total</b>	<b>9.63</b>	<b>2.94</b>

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.

Trade Receivables ageing schedule

(₹ in Crores)

Particulars	Outstanding for following period from date of transaction		Total
	Less than 6 Months		
<b>As at March 31, 2023</b>			
Undisputed Trade receivables – considered good.		9.63	<b>9.63</b>
<b>As at March 31, 2022</b>			
Undisputed Trade receivables – considered good.		2.94	<b>2.94</b>



FINANCIAL STATEMENTS OF IIFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

Note 9. Cash and cash equivalents

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Cash and cash equivalents</b>		
Cash on hand	-	-
Cheques in hand	-	-
Balance with banks	-	-
-In current accounts	6.94	0.89
Fixed deposits (original maturity less than or equal to three months)	-	-
<b>Total</b>	<b>6.94</b>	<b>0.89</b>

Note 10. Equity share Capital

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

Share Capital:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised Share Capital</b>		
50,000 Equity Shares of ₹10/- each with voting rights	0.05	0.05
<b>Total</b>	<b>0.05</b>	<b>0.05</b>
<b>Issued, Subscribed and Paid Up</b>		
Equity Share Capital		
50,000 Equity Shares of ₹10/- each with voting rights	0.05	0.05
<b>Total</b>	<b>0.05</b>	<b>0.05</b>

All the above equity shares are held by IIFL Home Finance Limited and its nominees.

(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	50,000	0.05	-	-
Add: Issued during the year	-	-	50,000	0.05
<b>Outstanding at the end of the year</b>	<b>50,000</b>	<b>0.05</b>	<b>50,000</b>	<b>0.05</b>

(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 holders of equity shares are entitled to dividend, if any, proposed by the Board of Directors and approved by the Shareholders at the AGM.

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

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of 10 each fully paid</b>				
IIFL Home Finance Limited and its nominees	50,000	100.00%	50,000	100.00%

(e) Since inception, the Company has not issued any equity shares without payment being received in cash or by way of bonus shares or shares bought back.



FINANCIAL STATEMENTS OF IIFHL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

(f) Details of shares held

Particulars	Promoter Name	No of Shares*	% of Total Shares	% Change during the year
As at March 31, 2023	IIFL Home Finance Limited	50,000	100.00%	-
As at March 31, 2022	IIFL Home Finance Limited	50,000	100.00%	-

\*Shares held by IIFL Home Finance Limited and its nominees

Note 11. Other Equity

As at March 31, 2023

(₹ in Crores)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance at the beginning of the current reporting period	2.79	2.79
Total Comprehensive Income for the current year	11.26	11.26
Balance at the end of the current reporting period	14.05	14.05

As at March 31, 2022

(₹ in Crores)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance at the beginning of the previous reporting period	-	-
Total Comprehensive Income for the previous year	2.79	2.79
Balance at the end of the previous reporting period	2.79	2.79

Note 12. Trade Payables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables		
-total outstanding dues of micro enterprises and small enterprises; and	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises.	2.86	0.57
<b>Total</b>	<b>2.86</b>	<b>0.57</b>

Note 12A. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

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

(₹ in Crores)

Particulars	FY 2022-2023	FY 2021-2022
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-



**FINANCIAL STATEMENTS OF IIFL SALES LIMITED**

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

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 ageing schedule**

(₹ in Crores)

Particulars	Outstanding for following period from date of transaction		Total
	Unbilled	Less than 1 Year	
<b>As at March 31, 2023</b>			
(i) MSME	-	-	-
(ii) Others	2.25	0.61	2.86
(iii) Disputed dues-MSME	-	-	-
(iv) Disputed dues-Others	-	-	-
<b>As at March 31, 2022</b>			
(i) MSME	-	-	-
(ii) Others	0.57	-	0.57
(iii) Disputed dues-MSME	-	-	-
(iv) Disputed dues-Others	-	-	-

Note: The Company does not have any disputed Trade Payables.

**Note 13. Other Current Liabilities**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory remittances	1.35	0.67
<b>Total</b>	<b>1.35</b>	<b>0.67</b>

**Note 14. Provisions**

(₹ in Crores)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Provisions for Employee Benefits</b>				
-Provision for Leave Encashment	0.31	0.04	0.10	0.01
-Provision for Gratuity	0.12	-	0.00	0.04
-Provision for Bonus	-	-	0.35	0.12
<b>Total</b>	<b>0.43</b>	<b>0.04</b>	<b>0.45</b>	<b>0.17</b>

**Note 14.1. Provision for Leave Encashment**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	0.05	-
Additions	0.43	0.05
Reductions	(0.07)	-
<b>Closing provision</b>	<b>0.41</b>	<b>0.05</b>

**Note 14.2. Provision for Gratuity**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	0.04	-
Additions	0.08	0.04
Reductions	(0.00)	-
<b>Closing provision</b>	<b>0.12</b>	<b>0.04</b>

**Note 14.3. Provision for Bonus**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	0.12	-
Additions	0.35	0.12
Reductions	(0.12)	-
<b>Closing provision</b>	<b>0.35</b>	<b>0.12</b>



FINANCIAL STATEMENTS OF IHHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

Note 15. Revenue from Operations

(₹ in Crores)

Particulars	FY 2022-23	For the Period from 28-09-2021 to 31-03-2022
Referral Fee Income	15.65	1.03
<b>Total</b>	<b>15.65</b>	<b>1.03</b>

Note 16. Other Income

(₹ in Crores)

Particulars	FY 2022-23	For the Period from 28-09-2021 to 31-03-2022
Marketing Support Income	21.43	6.45
Interest Income	3.10	0.02
Distribution Commission	7.10	-
<b>Total</b>	<b>31.63</b>	<b>6.47</b>

Note 17. Employee Benefits Expenses

(₹ in Crores)

Particulars	FY 2022-23	For the Period from 28-09-2021 to 31-03-2022
Salaries and wages	20.82	2.23
Contribution to provident and other funds (Refer Note 17.1)	1.31	0.17
Leave Encashment	0.42	0.05
Gratuity(Refer Note 17.2)	0.08	0.04
Staff welfare expenses	0.19	-
<b>Total</b>	<b>22.82</b>	<b>2.49</b>

17.1 Defined Contribution Plans:

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

(₹ in Crores)

Particulars	FY 2022-23	For the Period from 28-09-2021 to 31-03-2022
Contribution to Provident fund	0.42	0.06
Contribution to ESIC	0.19	0.02
Contribution to Labour Welfare Fund	0.00	0.00
Company contribution to EPS	0.70	0.09
<b>Total</b>	<b>1.31</b>	<b>0.17</b>

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

Particulars	FY 2022-23
Type of Benefit	Gratuity
Country	India
Reporting Currency	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Unfunded
Starting Year	01-04-22
Date of Reporting	31-03-23
Period of Reporting	12 Months



FINANCIAL STATEMENTS OF IHHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

Assumptions (Current Year)

Particulars	FY 2022-23
Expected Return on Plan Assets	NA
Rate of Discounting	7.39%
Rate of Salary Increase	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.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Ultimate)

Table Showing Change in the Present Value of Projected Benefit Obligations

(₹ in Crores)

Particulars	FY 2022-23
Present Value of Benefit Obligation at the Beginning of the Year	0.04
Interest Cost	-
Current Service Cost	0.08
Past Service Cost	-
Liability Transferred In/ Acquisitions	-
Liability Transferred Out/ Divestment	(0.00)
Benefit Paid Directly by the Employer	-
Benefit Paid From the Fund	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	-
<b>Present Value of Benefit Obligation at the End of the Year</b>	<b>0.12</b>

Amount Recognised in the Balance Sheet

(₹ in Crores)

Particulars	FY 2022-23
Present Value of Benefit Obligation at the end of the Year	(0.12)
Fair Value of Plan Assets at the end of the Year	-
Funded Status Surplus/ (Deficit)	(0.12)
<b>Net (Liability)/Asset Recognised in the Balance Sheet</b>	<b>(0.12)</b>

Net Interest Cost

(₹ in Crores)

Particulars	FY 2022-23
Present Value of Benefit Obligation at the Beginning of the Year	0.04
Fair Value of Plan Assets at the Beginning of the Year	-
<b>Net Liability/(Asset) at the Beginning of the Year</b>	<b>0.04</b>
Interest Cost	-
Interest Income	-
<b>Net Interest Cost</b>	<b>-</b>

Expenses Recognised in the Statement of Profit and Loss

(₹ in Crores)

Particulars	FY 2022-23
Current Service Cost	0.08
Net Interest Cost	-
Past Service Cost	-
<b>Expenses Recognised</b>	<b>0.08</b>



FINANCIAL STATEMENTS OF IIFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

Expenses Recognised in the Other Comprehensive Income (OCI)

(₹ in Crores)

Particulars	FY 2022-23
Actuarial (Gains)/Losses on Obligation For the Year	-
Return on Plan Assets, Excluding Interest Income	-
<b>Net (Income)/Expense For the Year Recognised in OCI</b>	<b>-</b>

Balance Sheet Reconciliation

(₹ in Crores)

Particulars	As at March 31, 2023
Opening Net Liability	0.04
Expenses Recognised in Statement of Profit and Loss	0.08
Expenses Recognised in OCI	-
Net Liability/(Asset) Transfer In	-
Net (Liability)/Asset Transfer Out	(0.00)
Benefit Paid directly by the Employer	-
Employer's Contribution	-
<b>Net Liability/(Asset) Recognised in the Balance Sheet</b>	<b>0.12</b>

Current and Non-Current Liability

(₹ in Crores)

Particulars	As at March 31, 2023
Current Liability	0.00
Non-Current Liability	0.12
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>0.12</b>

Maturity Analysis of the Benefit Payments: From the Employer

(₹ in Crores)

Particulars	As at March 31, 2023
Projected Benefits Payable in Future Years From the Date of Reporting	
1st Following Year	0.00
2nd Following Year	0.00
3rd Following Year	0.00
4th Following Year	0.00
5th Following Year	0.00
Sum of Years 6 To 10	0.01
Sum of Years 11 and above	0.72

Other Details

(₹ in Crores)

Particulars	As at March 31, 2023
No of Active Members	780
Per Month Salary For Active Members	0.94
Average Expected Future Service	7
Weighted Average Duration of Defined Benefit Obligation	26
Defined Benefit Obligation (DBO)	0.12
DBO Non Vested Employees	0.12
DBO Vested Employees	-
Expected Contribution in the Next Year	-



**FINANCIAL STATEMENTS OF IIFHL SALES LIMITED**

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

**Sensitivity Analysis**

(₹ in Crores)

Particulars	As at March 31, 2023
Projected Benefit Obligation on Current Assumptions	0.12
Delta Effect of +1% Change in Rate of Discounting	(0.03)
Delta Effect of -1% Change in Rate of Discounting	0.02
Delta Effect of +1% Change in Rate of Salary Increase	0.03
Delta Effect of -1% Change in Rate of Salary Increase	(0.03)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.01)
Delta Effect of -1% Change in Rate of Employee Turnover	0.01
<p>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.</p> <p>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.</p> <p>Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.</p>	

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

(₹ in Crores)

Particulars	As at March 31, 2023
Current Service cost	0.20
Net Interest Cost	0.01
<b>Expenses Recognized in the Statement of Profit or Loss</b>	<b>0.21</b>

**Qualitative Disclosures**

**Para 139 (a) Characteristics of defined benefit plan**

The entity has a defined benefit gratuity plan in India (unfunded). The entity's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from entity as and when it becomes due and is paid as per entity scheme for Gratuity.

**Para 139 (b) Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and entity is exposed to the Following Risks:

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Entity has to manage pay-out based on pay as you go basis from own funds.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Para 139 (c) Characteristics of defined benefit plans**

During the year, there were no plan amendments, curtailments and settlements.

**Para 147 (a)**

Gratuity plan is unfunded.

**Note for the year ended March 22:** Company has provided Gratuity on a full liability basis and did not opted for actuarial valuation of Gratuity Liability. Due to that additional disclosure for March 22 was not available and hence same is not furnished above.





FINANCIAL STATEMENTS OF IIFHL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

Note 18. Finance Cost

(₹ in Crores)

Particulars	FY 2022-23	For the Period from 28-09-2021 to 31-03-2022
Interest on deposits	0.19	0.01
Interest on lease liabilities	1.37	0.16
<b>Total</b>	<b>1.56</b>	<b>0.17</b>

Note 19. Other Expenses

(₹ in Crores)

Particulars	FY 2022-23	For the Period from 28-09-2021 to 31-03-2022
Advertisement	0.25	0.00
Marketing Expenses	0.01	0.01
Electricity	0.01	-
Exchange and Statutory charges	0.02	0.00
Legal & Professional Fees	0.21	0.01
Rent	2.20	0.27
Repairs & Maintenance	0.02	-
Payments to auditors*	0.08	0.05
Travelling & Conveyance	0.01	-
Miscellaneous Expenses	0.01	-
<b>Total</b>	<b>2.82</b>	<b>0.34</b>

\*Payments to auditors

(₹ in Crores)

Particulars	FY 2022-23	For the Period from 28-09-2021 to 31-03-2022
Audit Fees	0.07	0.04
Limited Review	0.01	0.01
<b>Total</b>	<b>0.08</b>	<b>0.05</b>

Note 20. Tax Expenses

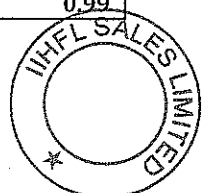
(₹ in Crores)

Particulars	FY 2022-23	For the Period from 28-09-2021 to 31-03-2022
<b>Current tax expense</b>		
Current year	3.72	1.09
Tax of earlier years	(0.01)	-
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(0.11)	(0.10)
<b>Total</b>	<b>3.60</b>	<b>0.99</b>

Reconciliation of total tax expense

(₹ in Crores)

Particulars	FY 2022-23	For the Period from 28-09-2021 to 31-03-2022
<b>Profit before tax</b>	<b>14.86</b>	<b>3.78</b>
Tax using the domestic tax rate	3.74	0.95
Reduction in tax rates		
Tax effect of:		
Non-deductible expenses	0.01	0.04
Tax-exempt income including deduction	(0.14)	-
Tax of earlier years	(0.01)	-
<b>Total income tax expense</b>	<b>3.60</b>	<b>0.99</b>



## FINANCIAL STATEMENTS OF IHFL SALES LIMITED

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

### Note 21 A. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market 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.

#### 21 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, 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.

#### Financial Assets measured at Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Trade Receivables, Unsecured Inter Corporate Deposits to group companies and Other Financial Assets. The application of simplified approach does not require the Company to track changes in credit risk.

The Management of the Company expects no defaults in the above mentioned financial assets.

#### 21 A.1(I) Credit quality analysis

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

(₹ in Crores)

As at March 31, 2023					
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Cash and cash equivalents	-	-	-	6.94	6.94
Receivables					
(i) Trade Receivables	-	-	-	9.63	9.63
Other financial assets	-	-	-	1.80	1.80

(₹ in Crores)

As at March 31, 2022					
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Cash and cash equivalents	-	-	-	0.89	0.89
Receivables					
(i) Trade Receivables	-	-	-	2.94	2.94
Other financial assets	-	-	-	0.72	0.72

#### 21 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.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding borrowings.

#### 21 A.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a Financial Instruments will fluctuate due to changes in market variables.

Changes in the value of Financial instruments may result from changes in interest rate, credit, liquidity and other Market changes.

#### 21 A.3(I) Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the entity's financial condition.

The Company do not have any borrowings as on Balance sheet date.



**FINANCIAL STATEMENTS OF IHFL SALES LIMITED**

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

**21.B.1 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

Particulars	As at March 31, 2023	As at March 31, 2022
Net Debt (₹ in Crores)	-	-
Total Equity (₹ in Crores)	14.10	2.84
Net Debt to Equity Ratio (times)	-	-

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

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

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

<i>Financial assets and liabilities measured at fair value - recurring fair value measurements</i>	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2023</b>				
		NIL		
<b>As at March 31, 2022</b>				
		NIL		

**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) Financial assets and liabilities:** For financial assets and financial liabilities that have a Current and Non-Current nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, trade payables, lease liabilities, other financial assets & liabilities.



**FINANCIAL STATEMENTS OF IIFL SALES LIMITED**

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

**22.A. Related Party Disclosures as per Ind AS – 24 “Related Party Disclosure”**

Nature of relationship	Name of Party
Ultimate Holding Company	IIFL Finance Limited
Holding company	IIFL Home Finance Limited
Other Related Parties (Due to common Promoter)	IIFL Securities Limited
	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)*
Key Management Personnel and other Directors	Mr. Amit Gupta - Director
	Mr. Ajay Jaiswal - Director
	Ms. Rashmi Priya- Director

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

\*IIFL Samasta Finance Limited was an associate of our Holding Company till July 27,2022.

**22.B. Significant transactions with related parties:**

(₹ in Crores)

Nature of Transaction	Ultimate Holding Company	Holding Company	Other related parties	Key Managerial Personnel	Total
<b>Interest Expense</b>					
IIFL Home Finance Limited	-	0.19	-	-	0.19
	-	(0.01)	-	-	(0.01)
<b>Referral Fee Income</b>					
IIFL Home Finance Limited	-	15.65	-	-	15.65
	-	(1.03)	-	-	(1.03)
<b>ICD Taken</b>					
IIFL Home Finance Limited	-	8.00	-	-	8.00
	-	(1.98)	-	-	(1.98)
<b>ICD Returned</b>					
IIFL Home Finance Limited	-	8.00	-	-	8.00
	-	(1.98)	-	-	(1.98)
<b>Capital Infusion</b>					
IIFL Home Finance Limited	-	-	-	-	-
	-	(0.05)	-	-	(0.05)
<b>Allocation of expenses paid</b>					
IIFL Securities Limited	-	-	0.01	-	0.01
	-	-	-	-	-
IIFL Home Finance Limited	-	0.30	-	-	0.30
	-	(0.11)	-	-	(0.11)
IIFL Finance Limited	1.23	-	-	-	1.23
	(0.21)	-	-	-	(0.21)
<b>Reimbursement paid</b>					
IIFL Securities Limited	-	-	-	-	-
	-	-	(0.00)	-	(0.00)
IIFL Home Finance Limited	-	0.12	-	-	0.12
	-	(0.08)	-	-	(0.08)
IIFL Finance Limited	0.00	-	-	-	0.00
	(0.00)	-	-	-	(0.00)
<b>Allocation of expenses received</b>					
IIFL Home Finance Limited	-	2.56	-	-	2.56
	-	-	-	-	-
IIFL Finance Limited	0.07	-	-	-	0.07
	-	-	-	-	-
<b>Reimbursement received</b>					
IIFL Home Finance Limited	-	0.01	-	-	0.01
	-	(0.01)	-	-	(0.01)
IIFL Finance Limited	-	-	-	-	-
	(0.00)	-	-	-	(0.00)
<b>Purchase of Fixed Asset</b>					
IIFL Securities Limited	-	-	0.00	-	0.00
	-	-	-	-	-
IIFL Home Finance Limited	-	0.38	-	-	0.38
	-	(0.02)	-	-	(0.02)
IIFL Finance Limited	0.00	-	-	-	0.00
	-	-	-	-	-
<b>Sale of Fixed Asset</b>					
IIFL Home Finance Limited	-	0.01	-	-	0.01
	-	-	-	-	-
IIFL Finance Limited	0.03	-	-	-	0.03
	-	-	-	-	-



## 22.C. Closing balance:

(₹ in Crores)

Nature of Transaction	Ultimate Holding	Holding Company	Other related parties	Key Managerial Personnel	Total
<b>Payable to Group/Holding Company</b>					
IIFL Securities Limited	-	-	0.00	-	0.00
	-	-	(0.00)	-	(0.00)
IIFL Finance Limited	-	-	-	-	-
	(0.11)	-	-	-	(0.11)
<b>Receivable from Group/Holding Company</b>					
IIFL Finance Limited	0.01	-	-	-	0.01
	-	-	-	-	-
IIFL Home Finance Limited	-	2.43	-	-	2.43
	-	(0.44)	-	-	(0.44)



**FINANCIAL STATEMENTS OF IHFL SALES LIMITED**

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

**Note 23. Corporate Social Responsibility**

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Gross amount required to be spent by the Company during the year	-	-
(b) Amount spent in cash during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	-	-

Corporate Social Responsibility provisions are not applicable for current year.

**Note 24. Earnings Per Share:**

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

(₹ in Crores)

Particulars		FY 2022-23	For the Period from 28-09-2021 to 31-03-2022
Nominal value of equity shares in ₹ fully paid up		10	10
<b>BASIC</b>			
Profit after tax as per Statement of Profit and Loss (Total operations)	A	11.26	2.79
Weighted Average Number of Equity Shares Outstanding	B	50,000	50,000
<b>Basic EPS (In ₹) (i) Total operations</b>	A/B	<b>2,251.41</b>	<b>557.62</b>
<b>DILUTED</b>			
Weighted Average Number of Equity shares for computation of diluted EPS	C	50,000	50,000
<b>Diluted EPS (In ₹) (i) Total operations</b>	A/C	<b>2,251.41</b>	<b>557.62</b>

**Note 25. Disclosure as per Ind AS -108 "Operating Segments"**

The Company's main business is sourcing of loans/Financial Products for which it receives commission. The company also provides various marketing support and advertisement services. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting'.

**Note 26. Contingent Liabilities and Commitments as at Balance Sheet date**

a. Contingent Liabilities: Nil/-

b. Commitments: Nil/-

**Note 27: Additional Regulatory Information under Notification dated March 24, 2021**

**(i) Title deeds of Immovable properties not held in name of the company:**The Company does not hold any Immovable property as on Balance sheet date.

**(ii)**The Company does not have any investment property as on Balance Sheet Date.

**(iii)** The Company has not revalued its Property ,Plant and Equipment ( Including Right -of-use Assets) as on Balance sheet date.

**(iv)** The Company does not have any Intangible Assets as on Balance sheet date.

**(v)** The Company has not grant any Loans and advances to promoters,directors,KMP's and other related parties.

**(vi)** The Company does not have any CWIP( Capital work in progress) as on Balance Sheet Date.

**(vii)** The Company does not have any Intangible assets under development as on Balance Sheet Date.

**(viii) Benami Property :** There are no proceedings initiated or pending against the company for holding any Benami property as on Balance sheet date.

**(ix)** The Company does not have any outstanding borrowings as on Balance Sheet Date.

**(x) Wilful Defaulter:** The Company has not been declared a wilful defaulter by any bank or Financial Instituion or other lender.

**(xi) 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.

**(xii) Registration of charges or satisfaction with Registrar of Companies (ROC):** There are no outstanding borrowings, hence there are no charges or satisfaction pending for registration with ROC beyond the statutory period.



**FINANCIAL STATEMENTS OF IIFHL SALES LIMITED**

Notes forming part of Financial Statements as at and for the year ended March 31, 2023

**(xiii) 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.

**(xiv) Ratios**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Current Ratio*	3.6	2.3
(b) Debt - Equity Ratio	-	-
(c) Debt Service Coverage Ratio	-	-
(d) Return on Equity Ratio	80%	98%
(e) Inventory Turnover Ratio	-	-
(f) Trade Receivables Turnover Ratio#	20%	39%
(g) Trade Payables Turnover Ratio#	6%	8%
(h) Net Capital Turnover Ratio*#	397%	342%
(i) Net Profit Ratio	24%	37%
(j) Return on Capital Employed*	45%	35%
(k) Return on Investments	-	-

**Formulae for Computation of Ratios are as follows:**

- (a) Current Ratio is Current Assets/Current Liabilities.  
(d) Return on Equity Ratio is Net Profits after taxes/ Shareholder's Equity.  
(f) Trade Receivables Turnover Ratio is Trade Receivables/Total Income.  
(g) Trade Payables Turnover Ratio is Trade Payables/Total Income.  
(h) Net Capital Turnover Ratio is Total Income/Working Capital.  
(i) Net Profit Ratio is Net Profits after taxes/Total Income.  
(j) Return on Capital Employed is Earnings before Interest and taxes/ Capital Employed.

\*Lease Liability has been excluded while calculating working capital and capital employed

# Turnover includes Revenue from Operations and Other Income.

**(xv) Utilisation of Borrowed funds and share premium:**

During the financial year ended 31st March 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.

**(xvi) Undisclosed Income:** The Company 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.

**(xvii) Details of Crypto Currency or Virtual Currency:** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.



**FINANCIAL STATEMENTS OF IHFL SALES LIMITED**

**Notes forming part of Financial Statements as at and for the year ended March 31, 2023**

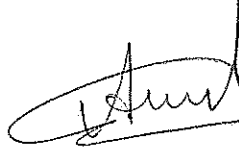
**Note 28.** These financial statements were authorised for issue by the Company's Board of Directors on April 24, 2023.

**For and on behalf of the Board of Directors of  
IHFL Sales Limited**



**Ajay Miswal**  
Director  
DIN: 01618047  
Place: Mumbai

Date: April 24, 2023



**Amit Kumar Gupta**  
Director  
DIN: 09338024  
Place: Mumbai

