

## **INDEPENDENT AUDITOR'S REPORT**

### **To The Members of INDIA INFOLINE HOUSING FINANCE LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of INDIA INFOLINE HOUSING FINANCE LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit and its cash flows for the year ended on that date.

### **Other Matter**

The audit of financial statements of the Company for the year ended 31st March, 2017 was carried out by the previous auditors of the Company.

Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, based on our audit we report that:

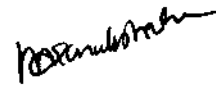
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



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- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(ICAI Regn No. 117366W/W-100018)



**Pallavi A. Gorakshakar**  
Partner  
(Membership No. 105035)

Place: MUMBAI  
Date: 2 May, 2018

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of India Infoline Housing Finance Limited ("the Company") as of 31<sup>st</sup> March, 2018 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 is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls Over Financial Reporting**

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

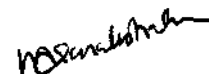
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(ICAI Regn No. 117366W/W-100018)



**Pallavi A. Gorakshakar**  
Partner  
(Membership No. 105035)

Place: MUMBAI  
Date: 2 May, 2018

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable. The Company being housing finance company, nothing contained in section 186, except sub-section (1), shall apply.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year, and hence no reporting under clause (v) of CARO 2016 is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. During the year there were no dues payable in respect of Sales Tax, Customs Duty, Excise Duty, and Value Added Tax.



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- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable except as stated below:

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs. in Millions)</b>	<b>Period to which the Amount Relates</b>	<b>Due Date</b>	<b>Date of subsequent payment</b>
The Income Tax Act, 1961	Disallowance u/s. 14A	1.46	Assessment year 2013-14	12 <sup>th</sup> March, 2016	Not paid

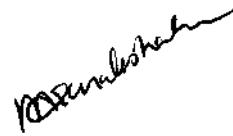
- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on 31<sup>st</sup> March, 2018 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. During the year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.



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- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding Company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(ICAI Regn No. 117366W/W-100018)



**Pallavi A. Gorakshakar**  
Partner  
(Membership No. 105035)

Place: MUMBAI  
Date: 2 May, 2018




FINANCIAL STATEMENTS OF INDIA INFOLINE HOUSING FINANCE LIMITED  
BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Millions)

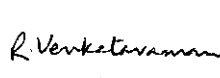
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	199.68	199.68
(b) Reserves and Surplus	4	11,309.41	9,335.32
<b>Sub-Total</b>		<b>11,509.09</b>	<b>9,535.00</b>
<b>(2) Non Current liabilities</b>			
(a) Long-term borrowings	5	55,206.25	48,157.84
(b) Other long-term liabilities	6	698.75	946.56
(c) Long-term provisions	7	518.50	386.26
<b>Sub-Total</b>		<b>56,423.50</b>	<b>49,490.66</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	8	18,444.44	8,917.24
(b) Trade payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises; and		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		365.99	237.01
(c) Other current liabilities	10		
(i) Current maturities of long term borrowings		25,621.33	7,637.69
(ii) Others		11,623.41	8,674.99
(d) Short-term provisions	7	237.57	121.02
<b>Sub-Total</b>		<b>56,292.74</b>	<b>25,587.95</b>
<b>TOTAL</b>		<b>124,225.33</b>	<b>84,613.61</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	26.46	14.16
(ii) Intangible assets	11	2.67	3.15
(iii) Capital work-in-progress		3.32	2.67
<b>Sub-Total</b>		<b>32.45</b>	<b>19.98</b>
(b) Deferred tax assets (Net)	12	0.46	38.21
(c) Long-term loans & advances	13		
(i) Loans		113,176.52	77,340.90
(ii) Others		168.86	85.36
(d) Other non-current assets	14	139.58	52.50
<b>Sub-Total</b>		<b>113,485.42</b>	<b>77,516.97</b>
<b>(2) Current assets</b>			
(a) Current Investments	15	-	0.19
(b) Trade receivables	16	96.07	25.16
(c) Cash and cash equivalents	17	3,853.11	1,862.39
(d) Short-term loans & advances	13		
(i) Loans		5,340.00	4,244.59
(ii) Others		274.19	104.05
(e) Other current assets	14	1,144.09	840.28
<b>Sub-Total</b>		<b>10,707.46</b>	<b>7,076.66</b>
<b>TOTAL</b>		<b>124,225.33</b>	<b>84,613.61</b>
See accompanying notes forming part of the financial statements	1-35		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

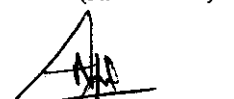
  
Pallavi A. Gorakshakar  
Partner

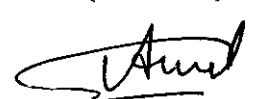
For and on behalf of the Board of Directors  
of India Infoline Housing Finance Limited

  
R. Venkataraman  
Director  
(DIN: 00011919)

  
Monu Ratra  
Executive Director & CEO  
(DIN: 07406284)

Place : Mumbai  
Date : May 2, 2018

  
Ajay Jaiswal  
Company Secretary

  
Amit Gupta  
Chief Financial Officer

**FINANCIAL STATEMENTS OF INDIA INFOLINE HOUSING FINANCE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

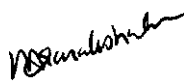
(₹ in Millions)


Particulars	Note No.	2017 - 18	2016 - 17
<b>1. Revenue</b>			
a. Revenue from operations	18	12,333.78	8,809.56
b. Other Income	19	352.88	253.57
<b>Total Revenue (a+b)</b>		<b>12,686.66</b>	<b>9,063.13</b>
<b>2. Expenses</b>			
a. Employee benefits expenses	20	1,450.11	1,105.93
b. Finance cost	21	7,251.29	5,854.57
c. Depreciation and amortisation expenses	11	11.51	6.64
d. Other expenses	22	567.28	480.23
e. Provisions & Write off	23	379.88	344.55
<b>Total expenses</b>		<b>9,660.07</b>	<b>7,791.92</b>
<b>3. Profit before tax (1-2)</b>		<b>3,026.59</b>	<b>1,271.21</b>
<b>4. Tax expenses</b>			
Current tax expense for current year		1,007.47	449.50
Deferred tax	12	37.74	(13.73)
Current tax expense relating to prior years		7.29	(0.14)
<b>Total Tax expense</b>		<b>1,052.50</b>	<b>435.63</b>
<b>5. Profit for the year (3-4)</b>		<b>1,974.09</b>	<b>835.58</b>
<b>6. Earnings per share</b>	24		
- Basic (in ₹)		98.86	49.78
- Diluted (in ₹)		98.86	49.78
Face Value Per Equity Share		10.00	10.00
See accompanying notes forming part of the financial statements	1-35		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors  
of India Infoline Housing Finance Limited

  
**Pallavi A. Gorakshakar**  
Partner

  
**R. Venkataraman**  
Director  
(DIN: 00011919)

  
**Monu Ratra**  
Executive Director & CEO  
(DIN: 07406284)

Place : Mumbai  
Date : May 2, 2018

  
**Ajay Jaiswal**  
Company Secretary

  
**Amit Gupta**  
Chief Financial Officer


FINANCIAL STATEMENTS OF INDIA INFOLINE HOUSING FINANCE LIMITED  
CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Millions)

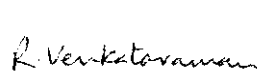
Particulars	Note No.	2017-2018	2016-2017
<b>Cash Flows from Operating Activities</b>			
Profit before tax		3,026.59	1,271.21
<b>Adjustments for:</b>			
Depreciation and amortisation expenses	11	11.51	6.64
Gratuity		(1.25)	0.11
Compensated Absences		4.88	4.03
Provision for Sub standard and Doubtful Loans	23	238.46	158.60
Provision for Standard Loans	23	128.60	140.50
Interest Expense	21	7,164.63	5,778.64
Interest on financing activities	18	(11,202.94)	(8,184.26)
Interest on fixed deposits	18	(76.04)	(27.89)
Exchange fluctuation on Foreign Currency Term Loan		3.00	-
Profit from sale of Investments and trading activities		(73.58)	(121.09)
Loss on Sale of fixed assets (net)	22	0.99	0.02
Interest paid		(7,134.98)	(4,249.11)
Interest received on financing activities		10,861.49	7,959.28
Interest received on fixed deposits		70.54	27.77
Loss on buy back of Non Convertible Debentures		5.22	1.50
Loss on buy back of commercial papers		1.34	1.84
<b>Operating Profit before Working Capital changes</b>		<b>3,028.46</b>	<b>2,767.79</b>
<b>Changes in Working Capital:</b>			
Adjustments for (increase)/decrease in current and non-current assets		(168.28)	4.04
Adjustments for Increase/(decrease) in current and non-current liabilities		2,711.54	3,102.75
<b>Direct Taxes Paid</b>		<b>(997.33)</b>	<b>(412.65)</b>
<b>Cash generated from Operations</b>		<b>4,574.39</b>	<b>5,461.93</b>
Loans (disbursed) / repaid (net)		(37,208.98)	(29,069.41)
<b>Net cash used in Operating Activities (A)</b>		<b>(32,634.59)</b>	<b>(23,607.48)</b>
<b>Cash flow from Investing Activities</b>			
Purchase of fixed assets		(26.14)	(8.09)
Sale of fixed assets		1.18	0.03
Fixed deposits placed		(1,338.15)	(934.04)
Fixed deposits matured		934.04	140.60
Purchase of investments		(266,665.87)	(237,025.83)
Proceeds from sale of investments		266,739.63	237,146.73
<b>Net Cash used in Investing Activities (B)</b>		<b>(355.31)</b>	<b>(680.60)</b>
<b>Cash flow from Financing Activities</b>			
Proceeds from fresh issue of shares		-	3,850.00
Redemption of redeemable non convertible preference shares		-	(300.00)
Proceeds from issue of Commercial Paper		138,420.00	93,850.00
Repayment of Commercial Paper		(128,901.34)	(92,851.84)
Proceeds/(Repayments) from short term borrowings		118.26	(182.17)
Proceeds from long term borrowings		40,300.60	33,289.00
Repayment of long term borrowings		(15,276.75)	(12,930.39)
Dividend paid (Including Dividend Distribution Tax)		-	(39.17)
<b>Net Cash from Financing Activities (C)</b>		<b>34,660.77</b>	<b>24,685.43</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>1,670.87</b>	<b>397.35</b>
Cash and cash equivalents as at the beginning of the year		904.27	506.92
<b>Cash and cash equivalents as at the end of the year</b>		<b>2,575.14</b>	<b>904.27</b>
<b> earmarked balances with banks for:</b>			
Interest on Non Convertible Debentures		24.49	24.08
Fixed Deposits under lien		1,253.48	934.04
<b>Cash and cash equivalents as at the end of the year</b>	17	<b>3,853.11</b>	<b>1,862.39</b>
See accompanying notes forming part of the financial statements	1-35		

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

  
Pallavi A. Gorakshakar  
Partner

For and on behalf of the Board of Directors  
of India Infoline Housing Finance Limited

  
R. Venkataraman  
Director  
(DIN: 00011919)

  
Monu Ratna  
Executive Director & CEO  
(DIN: 07406284)

  
Ajay Jaiswal  
Company Secretary

  
Amit Gupta  
Chief Financial Officer

Place : Mumbai  
Date : May 2, 2018

**1. Corporate Information:**

India Infoline Housing Finance Limited (IIHFL) is a wholly owned subsidiary of India Infoline Finance Limited. IIHFL received a Certificate of Registration from the National Housing Bank ("NHB") in February 2009 to carry on the business of a housing finance institution. IIHFL offers housing finance in line with 'The Housing Finance Companies (NHB) Directions, 2010' ("NHB Directions"), as amended from time to time.

**2. Significant Accounting Policies****2.1 Basis of preparation of financial statements:**

The financial statements of the Company have been prepared under the historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India (IGAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 along with the guidelines/directions issued by NHB as applicable to Housing Finance Companies.

**2.2 Prudential norms:**

The Company follows NHB Directions, as amended from time to time, in respect of Income recognition, income from investments, accounting of investments, asset classification, provisioning and disclosures in the Balance Sheet. The financial statements comply in all material aspect with the National Housing Bank Act, 1987 and NHB Directions, as amended from time to time.

**2.3 Cash and cash equivalents (for purposes of Cash Flow statement):**

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.

**2.4 Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.5 Use of estimates:**

The preparation of financial statements, in conformity with IGAAP requires the management to make estimates and assumptions that affect in the reported amount of assets, liabilities (including contingent liabilities), income and expenses reported in the financial statements. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognized in the period in which the results are known /materialise.

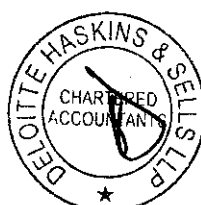
**2.6 Fixed assets, depreciation and amortisation:**

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. 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 the case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset.

Individual assets / group of similar assets costing up to ₹ 5,000 are depreciated in full in the year of purchase. Leasehold Land is depreciated on a straight Line basis over the leasehold period.



**Estimated useful life of the assets is as under:**

Class of assets	Useful life
Buildings*	20 years
Computers*	3 years
Office equipment	5 years
Electrical equipment*	5 years
Furniture and fixtures*	5 years
Vehicles*	5 years
Computer Software (other than internally generated)	3 years

\*For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

*Capital work-in-progress*

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.

**2.7 Assignment of loan portfolio:**

De-recognition of loans assigned, in the books of the Company, is based on the concept of surrender of control over the loans resulting in a "true sale" of loans. Future interest spread receivables in case of a par structure deals are recognised over the tenure of agreements as per applicable guidelines/directions. Expenditure in respect of direct assignment is recognised upfront. Credit enhancement in the form of cash collateral provided by the Company is included under cash and cash equivalents / other assets, as applicable.

**2.8 Revenue recognition:***Interest income*

Interest income is recognised on accrual basis in the Statement of Profit and Loss, except in the case of non-performing assets (NPAs), where it is recognised in accordance with the NHB guidelines upon realisation. Interest income on investments is accounted on accrual basis. Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

*Fees and charges*

Fees and charges are recognised as and when they become due and revenue can be reliably measured and reasonable right of recovery is established.

*Profit and loss on sale of investments*

Profit / loss on sale of investment are recognised on trade date basis. Profit / loss on sale of investments are determined after consideration of cost on weighted average basis.

*Securitisation transactions*

In accordance with the regulatory guidelines, gain arising on securitisation is amortised over the life of the securities issued by the Special Purpose Vehicle ("SPV"). Loss, if any, is recognised upfront in the Statement of Profit and Loss.

*Assignment transactions*

In accordance with the regulatory guidelines, gain arising on assignment is amortised over the residual life of the loan. Loss, if any, is recognised upfront in the Statement of Profit and Loss.

**2.9 Employee benefits:***Defined contribution plans*

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



*Defined benefit plans*

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets.

*Short-term employee benefits*

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The company has provided for compensated absences on the basis of actuarial valuation.

*Long-term employee benefits*

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

**2.10 Provisions and write-offs on Loans and other credit facilities:**

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per the NHB Directions. Contingent provisions against standard assets is made as per NHB Directions, as amended from time to time.

**2.11 Provisions, Contingent liabilities and Contingent assets:**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes forming part of Financial Statements. Contingent assets are neither recognised nor disclosed in the financial statements.

**2.12 Taxes on Income:**

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 is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly utilised from the reserves, is recognised in reserves and not in the Statement of Profit and Loss.

As per NHB circular dated August 22, 2014 "NHB(ND)/DRS/Policy Circular 65/2014-15" Deferred tax liability is recognised on the Special Reserves created & maintained under Section 36(1)(viii) of Income Tax Act, 1961. In case of other timing differences Deferred Tax Liability will be recognised as and when arises.



**2.13 Operating Leases:**

Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit and Loss in accordance with Accounting Standard 19 "Leases".

**2.14 Investments:**

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are stated at lower of cost and market/fair value. Long-term investments are carried at cost. However, provision for diminution, other than temporary, is made to recognise a decline in the value of the investments. For investment in Mutual Funds the net assets value (NAV) declared by the Mutual Funds at the balance sheet date is considered as the fair value.

**2.15 Foreign currency transactions and translations:***Initial recognition*

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

*Measurement at the balance sheet*

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

**2.16 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.

**2.17 Borrowings:**

Borrowings are bifurcated under Long term and Short term liabilities. Commercial papers are recognised at Face value at the time of its issue. Any difference between the proceeds and the redemption value is recognised in the Statement of Profit and Loss over the period of the borrowings.

**2.18 Derivative transactions:**

The Company enters into derivative contracts in the nature of foreign currency swaps with an intention to hedge its existing liabilities in foreign currency. Derivative contracts are marked-to-market and gains / losses are recognised in the Statement of Profit and Loss in accordance with Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India.

**2.19 Impairment of assets:**

The carrying amount of the assets at each Balance Sheet date is reviewed for impairment. If any indication of impairment based on internal / external factors exists, the recoverable amount of such assets is estimated and impairment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and its value in use, which is arrived at by discounting the future cash flows to their present value, based on an appropriate discounting factor. If at the Balance Sheet date, there is an indication that previously recognised impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of the depreciable historical cost and reversal of such impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.



**2.20 Segment Reporting:**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Management in deciding how to allocate resources and in assessing performance. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/ expenses / assets / liabilities, if any." The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment.

**2.21 Debenture Issue Expense:**

Debenture issue expenses including ancillary and other acquisition costs incurred on Non Convertible Debentures are amortised over the tenure of the underlying debenture.

**2.22 Operating Cycle:**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

**3. Share Capital**

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
<b>Authorised Share Capital:</b>		
152,000,000 Equity Shares of ₹10/- each with voting rights (P.Y. 152,000,000)	1,520.00	1,520.00
20,000,000 Preference Shares of ₹10/- each (P.Y. 20,000,000)	200.00	200.00
<b>Total</b>	<b>1,720.00</b>	<b>1,720.00</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital</b>		
Equity Share Capital		
19,968,181 Equity Shares of ₹10/- each fully paid-up (P.Y. 19,968,181)	199.68	199.68
<b>Total</b>	<b>199.68</b>	<b>199.68</b>

**3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:**

Particulars	March 31, 2018		March 31, 2017	
	No of Shares	(₹ in Millions)	No of Shares	(₹ in Millions)
<b>Equity Shares</b>				
As at the beginning of the year	19,968,181	199.68	14,968,181	149.68
Issued during the year	-	-	5,000,000	50.00
<b>Outstanding at end of the year</b>	<b>19,968,181</b>	<b>199.68</b>	<b>19,968,181</b>	<b>199.68</b>
<b>10% Redeemable Preference Shares</b>				
At the beginning of the year	-	-	20,000,000	200.00
Add: Issued during the year	-	-	-	-
Less : Redeemed during the year	-	-	20,000,000	200.00
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**3.2 Rights attached to Equity Shares**

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

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.





## 3.3 Shares held by the holding Company:

Particulars	March 31, 2018		March 31, 2017	
	No of Shares	% holding	No of Shares	% holding
<b>Equity Shares of ₹10/- each fully paid up</b>				
India Infoline Finance Limited and its nominees	19,968,181	100.00%	19,968,181	100.00%
<b>Total</b>	<b>19,968,181</b>		<b>19,968,181</b>	

## 3.4 Details of Shareholders holding more than 5% shares in the Company:

Particulars	March 31, 2018		March 31, 2017	
	No of Shares	% holding	No of Shares	% holding
<b>Equity Shares of ₹10/- each fully paid up</b>				
India Infoline Finance Limited and its nominees	19,968,181	100.00%	19,968,181	100.00%

## 4. Reserves and Surplus

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
<b>Securities Premium Account</b>		
Opening Balance	7,002.57	3,302.57
Additions during the year	-	3,800.00
Utilised during the year	-	100.00
<b>Closing Balance</b>	<b>7,002.57</b>	<b>7,002.57</b>
<b>Debenture Redemption Reserve (Refer Note 4.1)</b>		
Opening Balance	886.30	613.00
Additions during the year	247.50	273.30
<b>Closing Balance</b>	<b>1,133.80</b>	<b>886.30</b>
<b>Special Reserve (Refer Note 4.2)</b>		
Opening Balance	567.70	373.70
Additions during the year	395.00	194.00
<b>Closing Balance</b>	<b>962.70</b>	<b>567.70</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	878.75	540.39
Additions during the year	1,974.09	835.58
<b>Appropriations during the year</b>		
Transfer to Debenture Redemption Reserve	247.50	273.30
Transfer to Special Reserve	395.00	194.00
Preference Dividend (Refer Note 4.3)	-	12.55
Dividend Distribution Tax on Preference dividend	-	2.56
Deferred Tax Liability (Refer Note 4.4)	-	14.81
<b>Closing Balance</b>	<b>2,210.34</b>	<b>878.75</b>
<b>Total</b>	<b>11,309.41</b>	<b>9,335.32</b>

- 4.1 Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company being a Housing Finance Company is required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures outstanding, which were offered through public issue. Accordingly, ₹ 247.50 Millions (P.Y. ₹ 273.30 Millions) has been transferred to Debenture Redemption Reserve Account for the year ended March 31, 2018.



## 4.2 Special Reserve

Disclosure as per NHB Guidelines

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
<b>Balance at the beginning of the year</b>		
a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	513.82	320.29
b) Statutory Reserve U/s 29C of the NHB Act, 1987	53.88	53.41
<b>Total</b>	<b>567.70</b>	<b>373.70</b>
<b>Addition/Appropriation/Withdrawal during the year</b>		
Add: a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	382.41	193.53
b) Amount transferred U/s 29C of the NHB Act, 1987	12.59	0.47
Less: a) Amount withdrawn from the Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision U/s 29C of the NHB Act, 1987	-	-
b) Amount appropriated from the Statutory Reserve U/s 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>	<b>962.70</b>	<b>567.70</b>
a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	896.23	513.82
b) Statutory Reserve U/s 29C of the NHB Act, 1987	66.47	53.88
<b>Total</b>	<b>962.70</b>	<b>567.70</b>

**Note:** As per Section 29C(i) of the National Housing Bank Act, 1987, the Company is required to transfer atleast 20% of its net profit every year to a reserve before any dividend is declared. Amount of ₹ 382.41 Millions (P.Y. ₹ 193.53 Millions) has been transferred towards special reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has also been considered for creating special reserve of ₹ 395.00 Millions (P.Y. ₹ 194.00 Millions) under section 29C(i) of the National Housing Bank Act, 1987.

## 4.3 Preference Dividend

Preference Dividend Proposed/paid are as follows:

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
On 10% Redeemable Preference Shares of ₹10/- each	-	₹0.63 Per share
No of Shares	-	20,000,000
<b>Total Dividend Paid</b>	-	<b>12.55</b>

4.4 As per circular NHB(ND)/DRS/Policy Circular 65/2014-15 August 22, 2014 issued by NHB, the Company has adjusted ₹ Nil (P.Y. ₹ 14.81 Millions) pertaining to previous years towards Deferred Tax Liability on the Special Reserves created and maintained under Section 36(1)(viii) of Income Tax Act, 1961 from reserves.

## 5. Long -term borrowings

(₹ in Millions)

Particulars	Non-current		Current Maturities	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Debentures</b>				
Non Convertible Debentures – Secured (Refer Note 5.1)	8,593.60	23,084.59	17,772.02	3,858.00
Non Convertible Subordinated Debentures – Unsecured (Refer Note 5.2)	4,470.00	2,620.00	-	-
<b>Term Loans</b>				
Term Loan from Banks – Secured (Refer Note 5.3)	35,348.41	21,029.13	7,154.51	3,617.22



Particulars	Non-current		Current Maturities	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Term Loan from NHB – Secured (Refer Note 5.4)	6,794.24	1,424.12	694.80	162.47
<b>Subtotal</b>	<b>55,206.25</b>	<b>48,157.84</b>	<b>25,621.33</b>	<b>7,637.69</b>
Amount disclosed under the head “Other current liabilities” (Refer Note 10)	-	-	(25,621.33)	(7,637.69)
<b>Total</b>	<b>55,206.25</b>	<b>48,157.84</b>	<b>-</b>	<b>-</b>

- Bank borrowing also include Foreign Currency Term Loan aggregating to USD 13.35 Millions (P.Y. USD 13.35 Millions) wherein the principal amount is fully hedged, also refer Note 21.
- Non Convertible Debentures – Secured includes redeemable non convertible debenture (Series A10) amounting to ₹ 1,600.00 Millions which carries call and put option effective from July 23, 2018. Also, Non Convertible Subordinated debt - Unsecured includes redeemable subordinated debt (Series U08) amounting to ₹ 100.00 Millions in respect of which the Company is having a call option at the end of 6th year from the date of allotment (February 28, 2018) and every year thereafter.
- The term loan from banks and NHB are secured by way of first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged.
- Out of the total loans from banks, loans amounting to ₹ 14,592.42 Millions (P.Y. ₹ 19,709.39 Millions) and Refinance Facility from NHB amounting to ₹ 7,489.04 Millions (P.Y. ₹ 1,586.59 Millions) are also guaranteed by IIFL Holdings Limited, being the Ultimate Holding Company.
- The above Non Convertible Debentures are secured by way of charge on current assets, book debts, receivables (both present and future), identified immovable property and other assets of the Company.

**Note 5.1: Details of Non Convertible Debentures – Secured**

(₹ in Millions)

Residual Maturity	Amount		Interest	
	Outstanding March 31, 2018	Interest Rate/Yield (Range lowest to highest in that Bucket)	Outstanding March 31, 2017	Interest Rate/Yield (Range lowest to highest in that Bucket)
<b>Fixed</b>				
3-5 Years	50.00	8.90%-8.90%	50.00	8.90%-8.90%
1-3 Years	3,050.00	7.50%-9.50%	15,453.59	9.15%-11.52%
<b>Zero Coupon Bonds</b>				
3-5 Years	370.60	8.20%-8.70%	3,430.00	8.64%-9.40%
1-3 Years	5,123.00	8.10%-9.50%	4,151.00	8.85%-11.45%
<b>Total</b>	<b>8,593.60</b>		<b>23,084.59</b>	

**Note 5.2: Details of Non Convertible Subordinated Debentures – Unsecured**

(₹ in Millions)

Residual Maturity	Amount		Interest	
	Outstanding March 31, 2018	Interest Rate/Yield (Range lowest to highest in that Bucket)	Outstanding March 31, 2017	Interest Rate/Yield (Range lowest to highest in that Bucket)
<b>Fixed</b>				
Above 5 Years	2,000.00	8.85%-9.30%	150.00	9.30%-9.30%
3-5 Years	470.00	9.30%-10.50%	2,268.58	9.30%-12.00%
1-3 Years	1,798.58	12.00%-12.00%	-	-
<b>Zero Coupon Bonds</b>				
3-5 Years	-	-	201.42	12.00%-12.00%
1-3 Years	201.42	12.00%-12.00%	-	-
<b>Total</b>	<b>4,470.00</b>		<b>2,620.00</b>	



**Note 5.3: Details of Term loan from Banks**

(₹ in Millions)

Residual Maturity	Amount Outstanding March 31, 2018	Interest Rate/Yield (Range lowest to highest in that Bucket)*	Amount Outstanding March 31, 2017	Interest Rate/Yield (Range lowest to highest in that Bucket)*
<b>Floating</b>				
Above 5 Years	1,000.00	8.40%-8.40%	-	-
3-5 Years	12,408.17	8.05%-8.45%	8,059.93	8.35%-9.15%
1-3 Years	21,940.24	8.05%-8.60%	12,969.20	8.35%-10.15%
<b>Total</b>	<b>35,348.41</b>		<b>21,029.13</b>	

\*Linked to MCLR / Base rate / LIBOR

**Note 5.4: Details of Term loan from NHB**

(₹ in Millions)

Residual Maturity	Amount Outstanding March 31, 2018	Interest Rate/Yield (Range lowest to highest in that Bucket)	Amount Outstanding March 31, 2017	Interest Rate/Yield (Range lowest to highest in that Bucket)
<b>Fixed</b>				
Above 5 Years	3,122.24	4.61%-8.95%	553.88	7.95%-8.70%
3-5 Years	1,819.20	4.61%-8.95%	435.12	7.95%-8.70%
1-3 Years	1,852.80	4.61%-8.95%	435.12	7.95%-8.70%
<b>Total</b>	<b>6,794.24</b>		<b>1,424.12</b>	

**6. Other long-term liabilities**

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Interest accrued but not due on borrowings	698.75	946.56
<b>Total</b>	<b>698.75</b>	<b>946.56</b>

**7. Long-term and Short-term provisions**

(₹ in Millions)

Particulars	Long-Term		Short-Term	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Provision for Compensated Absences	12.40	8.76	4.91	3.67
Provision for Bonus	-	-	70.09	48.26
Contingent provisions against standard assets	506.10	377.50	-	-
Provision for Tax (Net of Advance Tax ₹ 905.45 Millions (P.Y. ₹ 534.70 Millions))	-	-	162.57	69.09
<b>Total</b>	<b>518.50</b>	<b>386.26</b>	<b>237.57</b>	<b>121.02</b>

**8. Short-term borrowings**

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
<b>Loans Repayable on demand</b>		
<b>Secured</b>		
Cash Credit (Refer Note 8a) (A)	586.07	467.81
<b>Other borrowings</b>		
<b>Unsecured</b>		
Commercial Papers (Refer Note 8b)	18,020.00	8,500.00
Unexpired Discount on Commercial Papers	(161.63)	(50.57)
<b>Subtotal (B)</b>	<b>17,858.37</b>	<b>8,449.43</b>
<b>Total (A+B)</b>	<b>18,444.44</b>	<b>8,917.24</b>



**INDIA INFOLINE HOUSING FINANCE LIMITED**
**Notes forming part of Financial Statements as at and for the year ended March 31, 2018**

a. The above borrowings are secured by way of first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged. Out of the above secured borrowings, ₹ 453.98 Millions (P.Y. ₹ 467.81 Millions) are also guaranteed by IIFL Holdings Limited, being the Ultimate Holding Company.

b. Unexpired discount on commercial paper is net of ₹ 115.59 Millions (P.Y. ₹ 89.50 Millions) towards discount accrued but not due.

**9. Trade payables**

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
<b>Total outstanding dues of micro enterprises and small enterprises*</b>	-	-
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises:</b>		
Outstanding dues of creditors	1.93	1.81
Accrued Salaries and Benefits	2.70	8.95
Provision for expenses	360.78	226.25
Other Trade payables	0.58	-
<b>Total</b>	<b>365.99</b>	<b>237.01</b>

\* Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Millions)

Particulars	2017-18	2016-17
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the 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 Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the 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 Micro, Small and Medium Enterprises Development Act, 2006	-	-

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



**INDIA INFOLINE HOUSING FINANCE LIMITED**

Notes forming part of Financial Statements as at and for the year ended March 31, 2018

**10. Other current liabilities**

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Current maturities of long term borrowings (Refer Note - 5)	25,621.33	7,637.69
<b>Subtotal (A)</b>	<b>25,621.33</b>	<b>7,637.69</b>
<b>Others</b>		
Payable to Group/Holding Company	-	0.19
Interest accrued but not due on borrowings	2,089.51	1,700.99
Payables on account of assignment	818.77	726.86
Temporary overdrawn bank balance as per books	6,838.18	5,357.08
Advance from customers	404.47	526.58
Income received in advance	109.80	144.03
Statutory remittances	58.55	23.21
Provision for Gratuity (Refer Note 20.2)	-	1.24
Other payables (Refer Note 10a)	1,304.13	194.81
<b>Subtotal (B)</b>	<b>11,623.41</b>	<b>8,674.99</b>
<b>Total (A+B)</b>	<b>37,244.74</b>	<b>16,312.68</b>

a. Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 1,091.87 Millions (P.Y. ₹ 0.22 Millions) and Mark to market payable (Net) ₹ 3.00 Millions (P.Y. ₹ Nil)

Note: No amount was due to transfer to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013.



**INDIA INFOLINE HOUSING FINANCE LIMITED**  
Notes forming part of Financial Statements as at and for the year ended March 31, 2018

**11. Fixed Assets – Tangible and Intangible**

Particulars	₹ in Millions)									
	Freehold Land	Computer	Electrical Equipment	Furniture and Fixture	Office Equipment	Building for own use	Tangible Total (A)	Computer Software*	Intangible Total (B)	Total (A+B)
Gross Block as at April 01, 2017	0.86	6.94	2.73	5.94	2.68	2.34	21.49	5.33	5.33	26.82
Additions during the year	-	(5.95)	(1.08)	(3.52)	(2.07)	(2.34)	(14.97)	(2.41)	(2.41)	(17.38)
Deductions/Adjustments during the year	(0.86)	13.01	2.74	5.64	2.53	-	23.92	1.57	1.57	25.49
Gross Block as at March 31, 2018	(0.86)	(1.01)	(1.70)	(2.46)	(0.61)	(-)	(6.63)	(2.92)	(2.92)	(9.55)
Accumulated Depreciation and Amortisation as at April 01, 2017	-	0.13	0.20	0.11	0.11	2.34	2.89	-	-	2.89
Depreciation and Amortisation expense for the year	(-)	(0.02)	(0.06)	(0.04)	(-)	(-)	(0.11)	(-)	(-)	(0.11)
Deductions/Adjustments during the year	0.86	19.82	5.27	11.47	5.10	-	42.52	6.90	6.90	49.42
Accumulated Depreciation and Amortisation as at March 31, 2018	(0.86)	(6.94)	(2.73)	(5.94)	(2.68)	(2.34)	(21.49)	(5.33)	(5.33)	(26.82)
Depreciation and Amortisation expense for the year	-	3.49	0.97	1.74	0.84	0.30	7.33	2.18	2.18	9.51
Deductions/Adjustments during the year	(-)	(1.21)	(0.19)	(0.82)	(0.32)	(0.19)	(2.73)	(0.20)	(0.20)	(2.93)
Accumulated Depreciation and Amortisation as at March 31, 2018	-	3.70	1.51	2.91	1.26	0.09	9.46	2.06	2.06	11.51
Deductions/Adjustments during the year	(-)	(2.30)	(0.80)	(0.93)	(0.52)	(0.12)	(4.67)	(1.97)	(1.97)	(6.64)
Accumulated Depreciation and Amortisation as at March 31, 2018	(-)	0.09	0.08	0.08	0.08	0.39	0.72	(-)	(-)	0.72
Deductions/Adjustments during the year	(-)	(0.02)	(0.03)	(0.02)	(-)	(-)	(0.06)	(-)	(-)	(0.06)
Accumulated Depreciation and Amortisation as at March 31, 2018	-	7.10	2.40	4.56	2.01	-	16.06	4.23	4.23	20.29
Deductions/Adjustments during the year	(-)	(3.49)	(0.97)	(1.74)	(0.84)	(0.30)	(7.33)	(2.18)	(2.18)	(9.51)
Accumulated Depreciation and Amortisation as at March 31, 2018	0.86	12.73	2.87	6.91	3.09	-	26.46	2.67	2.67	29.13
Deductions/Adjustments during the year	(0.86)	(3.45)	(1.76)	(4.21)	(1.84)	(2.04)	(14.16)	(3.15)	(3.15)	(17.31)

Figures in Bracket represents previous year's figure.

\*Other than internally generated



**12. Deferred Tax Assets (Net)**

In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' the Company has taken debit / (credit) of ₹ 37.74 Millions (P.Y. ₹ (13.73) Millions) in the Statement of Profit and Loss towards deferred tax (net) asset during the year on account of timing differences.

The major components of deferred tax assets and liabilities are as under: (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
<b>Deferred Tax Asset</b>		
Provision for Employee benefits	9.23	2.78
Provision for substandard and doubtful assets	199.79	115.35
Contingent provisions against standard assets	176.85	130.65
Difference between book balance and tax balance of fixed assets	1.22	(0.46)
<b>Gross Deferred Tax Asset (A)</b>	<b>387.09</b>	<b>248.32</b>
<b>Deferred Tax Liability</b>		
Special Reserve u/s 36 (1) (viii)	313.07	185.95
Deduction for Provision for Doubtful debts	73.56	24.16
<b>Gross Deferred Tax Liability (B)</b>	<b>386.63</b>	<b>210.11</b>
<b>Net Deferred Tax Asset (A-B)</b>	<b>0.46</b>	<b>38.21</b>

**13. Loans and Advances**

(₹ in Millions)

Particulars	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Loans and Advances (Refer Note 13a)</b>				
- Secured considered good	112,930.34	77,138.25	5,326.23	4,236.00
- Secured considered doubtful	787.65	484.50	44.06	20.54
	<b>113,717.99</b>	<b>77,622.75</b>	<b>5,370.29</b>	<b>4,256.54</b>
Provision for Substandard and doubtful assets	(541.47)	(281.85)	(30.29)	(11.95)
<b>Subtotal (A)</b>	<b>113,176.52</b>	<b>77,340.90</b>	<b>5,340.00</b>	<b>4,244.59</b>
<b>Other Loans and Advances</b>				
Dues from customers (Refer Note 13a)				
- Secured considered good	-	-	202.36	57.44
- Secured considered doubtful	-	-	37.22	14.16
Deposits with Exchange - Unsecured considered good	-	-	10.00	10.00
Security Deposit - Unsecured considered good	13.81	6.02	8.49	9.86
Advance Income Tax and TDS (Net of provision for Tax ₹ 1,306.95 Millions (P.Y. ₹ 756.69 Millions) - Unsecured considered good	155.05	79.00	-	-
Prepaid Expenses - Unsecured considered good (Refer Note 13b)	0.00	0.34	11.13	8.05
Others - Unsecured considered good	-	-	4.99	4.54
<b>Subtotal (B)</b>	<b>168.86</b>	<b>85.36</b>	<b>274.19</b>	<b>104.05</b>
<b>Total (A+B)</b>	<b>113,345.38</b>	<b>77,426.26</b>	<b>5,614.19</b>	<b>4,348.64</b>

- a. Secured loans and other credit facilities given to customers are secured by equitable mortgage of property.  
b. Prepaid expenses includes funded gratuity amounting to ₹ 1.00 Millions (P.Y. ₹ Nil). Also refer note 20.2





## 14. Other Assets (₹ in Millions)

Particulars	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Fixed Deposits (Refer Note 17)	84.67	-	-	-
Unamortised Debenture Issue Expenses	54.91	52.50	42.27	44.69
Accrued income on loans	-	-	1,057.47	795.20
Accrued interest on fixed deposits	-	-	5.81	0.31
Others	-	-	38.54	0.08
<b>Total</b>	<b>139.58</b>	<b>52.50</b>	<b>1,144.09</b>	<b>840.28</b>

## 15. Current Investments (Valued at lower of Cost and Market Value) (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
<b>Other Investments</b>		
<b>Investment in Quoted Non Convertible Debentures</b>		
IIHFL Secured NCD – Series N1	-	0.19
<b>Total</b>	-	<b>0.19</b>
<b>(a) Aggregate amount of quoted investments</b>		
- Cost	-	0.19
- Market Value	-	0.19
<b>(b) Aggregate amount of unquoted investments – cost</b>	-	-

## 16. Trade receivables (₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
<b>Outstanding for a period less than six months from its due date</b>		
- Unsecured considered good	96.07	25.16
<b>Total</b>	<b>96.07</b>	<b>25.16</b>

## 17. Cash and cash equivalents (₹ in Millions)

Particulars	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Cash and cash equivalents as per AS 3 Cash flow statement</b>				
Cash on hand	-	-	5.44	-
Cheques and drafts on hand	-	-	75.11	-
<b>Balance with banks:</b>				
In Current Accounts	-	-	2,494.59	904.27
<b>Total Cash and cash equivalents as per AS 3 Cash flow statement (A)</b>	-	-	<b>2,575.14</b>	<b>904.27</b>
<b>Other bank balances:</b>				
In earmarked balances with bank	-	-	24.49	24.08
Fixed deposits pledged with bank as margin for credit enhancement/lien/ guarantees *	-	-	1,253.48	934.04
<b>Total Other bank balances (B)</b>	-	-	<b>1,277.97</b>	<b>958.12</b>
<b>Total (A + B)</b>	-	-	<b>3,853.11</b>	<b>1,862.39</b>

\*Note: Out of the total fixed deposits of ₹ 1,338.15 Millions (including those disclosed under Note 14 Other Assets) fixed deposits amounting to ₹ 1,328.15 Millions (P.Y. ₹ 924.04 Millions) is for credit enhancement with respect to assignment and securitisation transaction and ₹ 10.00 Millions (P.Y. ₹ 10.00 Millions) for bank guarantee with National Stock exchange for public issue of Non Convertible Debentures.



**18. Revenue from Operations** (₹ in Millions)

Particulars	2017-18	2016-17
<b>Interest Income</b>		
Interest from financing activities	11,202.94	8,184.26
Interest on fixed deposits	76.04	27.89
<b>Income from Other Financial Services</b>		
Profit from Sale of Current Investments	67.02	117.76
Processing fees (Net) (Refer Note 18a)	332.53	250.16
Administration fee and other charges from customer	505.97	229.49
Insurance commission	149.28	-
<b>Total</b>	<b>12,333.78</b>	<b>8,809.56</b>

**18a. Processing Fees includes** (₹ in Millions)

Particulars	2017-18	2016-17
Processing Fee	600.34	514.55
Direct selling agents commission	(267.81)	(264.39)
<b>Total</b>	<b>332.53</b>	<b>250.16</b>

**19. Other Income** (₹ in Millions)

Particulars	2017-18	2016-17
Advisory and fee based income	352.88	253.57
<b>Total</b>	<b>352.88</b>	<b>253.57</b>

**20. Employee Benefit Expenses** (₹ in Millions)

Particulars	2017-18	2016-17
Salaries and Bonus	1,385.68	1,062.60
Contribution to Provident and other funds (Refer Note 20.1)	37.51	26.39
Gratuity Expenses (Refer Note 20.2)	9.89	7.25
Staff Welfare Expenses	17.03	9.69
<b>Total</b>	<b>1,450.11</b>	<b>1,105.93</b>

**20.1 Defined contribution Plans:**

The Company has also recognised the following amount as an expense (₹ in Millions)

Particulars	2017-18	2016-17
Contribution to Provident Fund	31.88	24.28
Contribution to Labour Welfare Fund	0.05	0.04
Contribution to E.S.I.C.	5.58	2.07
<b>Total</b>	<b>37.51</b>	<b>26.39</b>

**20.2** The Company is recognizing and accruing the employee benefit as per Accounting Standard 15 on "Employee Benefits". The details of the Company's post-retirement benefit plans for its employees are given below which is as certified by the actuary and relied upon by the auditors: (₹ in Millions)

Particulars	2017-18	2016-17
<b>Assumptions:</b>		
Expected Return on Plan Assets	7.71%	6.77%
Rate of Discounting	7.71%	6.77%
Rate of Salary Increase	8.00%	5.00%
Rate of Employee Turnover	For service 4 years and below 28% p.a. and thereafter 1% p.a.	For service 4 years and below 25% p.a. and thereafter 10% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.



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Particulars	2017-18	2016-17
<b>Statement Showing Change in the Present Value of Projected Benefit Obligation</b>		
Liability at the Beginning of the Year	17.30	10.62
Interest Cost	1.17	0.82
Current Service Cost	5.35	3.63
Past Service Cost - Vested Benefit Incurred During the Year	(1.83)	-
Liability Transferred In/ Acquisitions	0.70	0.70
(Liability Transferred Out/ Divestments)	(0.69)	(0.23)
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	(0.01)	-
(Benefit Paid From the Fund)	(1.43)	(1.24)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(5.16)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	7.30	1.25
Actuarial (Gains)/Losses on Obligations - Due to Experience	3.74	1.74
Present Value of Benefit Obligation at the End of the Year	26.44	17.29
<b>Statement Showing Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the Beginning of the Year	16.05	9.49
Expected Return on Plan Assets	1.09	0.73
Contributions by the Employer	12.14	7.61
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	(1.43)	(1.24)
(Assets Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect Of Changes In Foreign Exchange Rates	-	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.41)	(0.54)
Fair Value of Plan Assets at the End of the Year	27.44	16.05
<b>Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	1.09	0.73
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.41)	(0.54)
Actual Return on Plan Assets	0.68	0.19
<b>Amount Recognised in Balance Sheet</b>		
(Present Value of Benefit Obligation at the end of the Year)	(26.44)	(17.29)
Fair Value of Plan Assets at the end of the Year	27.44	16.05
Funded Status (Surplus/ (Deficit))	1.00	(1.24)
Unrecognized Past Service Cost at the end of the Year	-	-
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>1.00</b>	<b>(1.24)</b>



Particulars	2017-18	2016-17
<b>Expenses Recognized in the Statement of Profit or Loss</b>		
Current Service Cost	5.35	3.63
Net Interest Cost	0.08	0.09
Actuarial (Gains)/Losses	6.29	3.53
Past Service Cost - Non-Vested Benefit Recognized During the Year	-	-
Past Service Cost - Vested Benefit Recognized During the Year	(1.83)	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Change in Asset Ceiling	-	-
<b>Expenses Recognized in the Statement of Profit or Loss</b>	<b>9.89</b>	<b>7.25</b>
<b>Balance Sheet Reconciliation</b>		
Opening Net Liability	1.24	1.13
Expense Recognized in Statement of Profit or Loss	9.89	7.25
Net Liability/(Asset) Transfer In	0.70	0.70
Net (Liability)/Asset Transfer Out	(0.69)	(0.23)
(Benefit Paid Directly by the Employer)	(0.01)	-
(Employer's Contribution)	(12.13)	(7.61)
Net Liability/(Asset) Recognized in the Balance Sheet	(1.00)	1.24

(₹ in Millions)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Experience Adjustments:</b>					
Liability at the end of the year	(26.44)	(17.29)	(10.62)	(2.99)	(2.45)
Fair value of plan assets at the end of the year	27.44	16.05	9.49	2.70	1.22
Funded Status (Surplus/(Deficit))	1.00	(1.24)	(1.13)	(0.29)	(1.23)
Experience adjustment on plan liabilities	3.74	1.74	2.32	0.29	0.82
Experience adjustment on plan assets	(0.41)	(0.54)	(0.12)	(0.02)	0.01

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority, promotion and other relevant factors. Estimated amount of payment in respect of gratuity to the fund will be ₹ 7.27 Millions in F.Y 2018-19 (P. Y. ₹ 6.60 Millions).

Information of major categories of plan assets of gratuity fund are not available with the Company and hence not disclosed as per the requirements of Accounting Standard 15 "Employee Benefits".

**21. Finance Cost**

(₹ in Millions)

Particulars	2017-18	2016-17
<b>Interest Expense</b>		
- Loan from banks and others	2,797.87	2,309.48
- Bonds and Debentures	3,006.94	2,519.41
- Commercial Papers	1,359.82	949.75
Other borrowing cost (Refer Note 21 a)	86.66	75.93
<b>Total</b>	<b>7,251.29</b>	<b>5,854.57</b>

- a. Other borrowing cost include Mark to Market loss on Cross Currency Interest Rate Swaps of ₹ 3.00 Millions net of gain on revaluation of foreign currency term loan of ₹ 31.76 Millions



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- b. Two Cross Currency Interest Rate Swaps entered for hedging purposes outstanding as at March 31, 2018 of USD 13.35 Millions (P.Y. USD 13.35 Millions) against foreign currency term loan of USD 13.35 Millions (P.Y. USD 13.35 Millions) equivalent to ₹ 900.00 Millions (P.Y. ₹ 900.00 Millions).

**22. Other expenses**

(₹ in Millions)

Particulars	2017-18	2016-17
Advertisement*	7.70	4.54
Books and Periodicals	0.04	0.02
<i>Direct operating expenses:</i>		
- Verification expenses	81.50	50.86
- Other direct operating expenses	51.71	37.59
Marketing Expenses	25.76	18.05
Bank Charges	2.53	1.76
Communication	11.69	8.67
Electricity Charges	21.26	14.94
Exchange and Statutory charges	7.43	5.44
Legal and Professional Fees	105.85	116.11
Miscellaneous Expenses	6.67	10.76
Office expenses	37.23	19.73
Postage and Courier charges	7.53	3.59
Printing and Stationary	10.00	7.90
Rates and Taxes	0.15	0.05
Rent expense (Refer Note 27)	73.61	57.00
<i>Repairs and Maintenance:</i>		
- Computer	0.77	1.05
- Others	4.46	2.17
<i>Remuneration to Auditors (Net of Service tax/GST):</i>		
- Audit Fees	0.41	0.24
- Other Services	0.66	0.16
- Out of Pocket Expenses	0.29	0.02
Software Charges	22.93	11.67
Subscription	0.25	0.13
Travelling and Conveyance	64.65	92.10
Corporate Social Responsibility (CSR) Expenses (Refer Note 31)	21.21	15.66
(Profit) / loss on sale of fixed assets	0.99	0.02
<b>Total</b>	<b>567.28</b>	<b>480.23</b>

**\*Payments made in foreign currency on accrual basis**

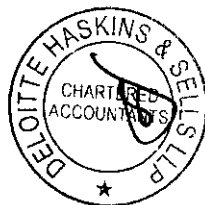
(₹ in Millions)

Particulars	2017-18	2016-17
For Advertisement	0.81	0.22

**23. Provisions & Write offs**

(₹ in Millions)

Particulars	2017-18	2016-17
Bad Debts Written off	12.82	45.45
Provision for Substandard and Doubtful Loans	238.46	158.60
Contingent provisions against Standard assets	128.60	140.50
<b>Total</b>	<b>379.88</b>	<b>344.55</b>



## 24. Basic and Diluted Earning Per Share (₹ in Millions)

Particulars		2017-18	2016-17
<b>Basic &amp; Diluted Earning Per Share (EPS)</b>			
Profit after tax as per Statement of Profit and Loss		1,974.09	835.58
Less: Preference Dividend		-	12.55
Less: Dividend Distribution Tax		-	2.55
<b>Net Profit after Tax After Preference Dividend</b>	<b>A</b>	<b>1,974.09</b>	<b>820.48</b>
Weighted average number of Equity Shares	B	19,968,181	16,483,249
<b>Basic EPS (in ₹)</b>	<b>A/B</b>	<b>98.86</b>	<b>49.78</b>
Potential Dilutive Preference Shares	C	-	-
Average number of Potential Dilutive preference shares considered for EPS	D	-	-
Total number of shares for Dilutive EPS	E=B+D	19,968,181	16,483,249
Profit after tax after adjustment of diluted Earnings	F	1,974.09	820.48
<b>Diluted EPS (in ₹)</b>	<b>F/E</b>	<b>98.86</b>	<b>49.78</b>

## 25. Contingent Liability and Commitments:

- Contingent Liabilities: ₹ 0.01 Millions towards Legal Commitments (P.Y. ₹ 0.58 Millions)
- Commitments: As on the balance sheet date there were undrawn credit commitments of ₹ 14,120.79 Millions (P.Y. ₹ 10,280.56 Millions) representing the amount sanctioned but not disbursed.

26. The Company is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's financial position.

27. The Company has taken office premises on operating lease at various locations. Lease rents amounting to ₹ 73.61 Millions (P.Y. ₹ 57.00 Millions) in respect of the same have been charged to Statement of Profit and Loss. The minimum lease rentals outstanding as at March 31, 2018 are as under:

(₹ in Millions)

Minimum Lease Payments	March 31, 2018	March 31, 2017
Up to One year	10.03	4.96
One to Five years	3.38	-
<b>Total</b>	<b>13.41</b>	<b>4.96</b>

28. The Company operates from and uses the premises infrastructure and other facilities and services as provided by its holding company/group companies which are termed as 'Shared Services'. Hitherto such shared services consisting of administrative and other revenue expenses incurred for the Company were identified and paid based on reasonable management estimates which are constantly refined in the light of additional knowledge gained relevant to such estimation.



**INDIA INFOLINE HOUSING FINANCE LIMITED**  
**Notes forming part of Financial Statements as at and for the year ended March 31, 2018**

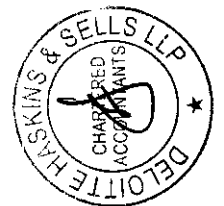
**29. Segment Reporting:**

Segment information for the year ended March 31, 2018 as per Accounting Standard 17 – 'Segment Reporting'

(₹ in Millions)

Particulars	2017-18		2016-17		Total
	Investing and financing related activities	Others*	Investing and financing related activities	Others*	
1. Segment Revenue	12,333.78	352.88	8,809.56	253.57	9,063.13
2. Segment Result	2,673.71	352.88	1,017.64	253.57	1,271.21
Add: Unallocated income net of other unallocated expenditure	-	-	-	-	-
Less: Unallocated expenditure net of other unallocated income	-	-	-	-	-
Less: Current taxes (Net of Mat Credit entitlement) and Deferred tax (charge)	-	-	-	-	435.63
<b>Profit after tax</b>	-	-	-	-	<b>835.58</b>
3. Segment Assets	124,003.47	66.35	84,471.10	25.30	84,496.40
Unallocated Corporate Assets	-	-	-	-	117.21
<b>Total Assets</b>	<b>124,003.47</b>	<b>66.35</b>	<b>84,471.10</b>	<b>25.30</b>	<b>84,613.61</b>
4. Segment Liabilities	112,553.67	-	75,009.52	-	75,009.52
Unallocated Corporate Liabilities	-	-	-	-	69.09
<b>Total Liabilities</b>	<b>112,553.67</b>	-	<b>75,009.52</b>	-	<b>75,078.61</b>
5. Capital Expenditure	26.15	-	8.09	-	8.09
Unallocated Capital Expenditure	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>26.15</b>	-	<b>8.09</b>	-	<b>8.09</b>
6. Depreciation / Amortisation	11.51	-	6.64	-	6.64
Unallocated Depreciation	-	-	-	-	-
<b>Total Depreciation / Amortisation</b>	<b>11.51</b>	-	<b>6.64</b>	-	<b>6.64</b>
7. Non-Cash expenditure other than depreciation	373.69	-	303.25	-	303.25
Unallocated Non-Cash expenditure other than depreciation	-	-	-	-	-
<b>Total Non-Cash Expenditure other than depreciation</b>	<b>373.69</b>	-	<b>303.25</b>	-	<b>303.25</b>

\*Others include Advisory and fee based income



**INDIA INFOLINE HOUSING FINANCE LIMITED**

**Notes forming part of Financial Statements as at and for the year ended March 31, 2018**

**30. Disclosures in respect of Accounting Standard 18 "Related Party Disclosures"**

**A) Related parties where control exists:**

Nature of relationship	Name of party	
Holding company	India Infoline Finance Limited	
Ultimate Holding Company	IIFL Holdings Limited	
Group Company	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	
	India Infoline Media & Research Services Limited	
	IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	
	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	
	IIFL Securities Limited (Formerly known as India Infoline Limited)	
	IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	
	IIFL Wealth Management Limited	
	IIFL Alternate Asset Advisors Limited	
	IIFL (Asia) Pte. Limited	
	IIFL Inc.	
	IIFL Capital Pte. Limited	
	IIFL Wealth (UK) Limited	
	IIFL Asset Management Limited (Formerly known as India Infoline Asset Management Company Limited)	
	IIFL Trustee Limited (Formerly Known as India Infoline Trustee Company Limited)	
	IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Limited)	
	IIFL Distribution Services Limited	
	IIFL Investment Advisor and Trustee Services Limited	
	IIFL Private Wealth Management (Dubai) Limited	
	IIFL Private Wealth Hong Kong Limited	
	IIFL Private Wealth (Suisse) SA.	
	IIFL Capital Inc.	
	IIFL Capital (Canada) Limited	
	IIFL Securities Pte. Limited	
	IIFL Asset Reconstruction Limited	
	India Infoline Foundation	
	IIFL Wealth Finance Limited (Formerly known as Chephis Capital Markets Limited)	
	Meenakshi Tower LLP (Joint venture of IIFL Management Services Limited.)	
	Ayusha Dairy Private Limited (w.e.f. March 01, 2017)	
	Samasta Microfinance Limited (w.e.f. March 01, 2017)	
	Clara Developers Private Limited (w.e.f. December 27, 2017)	
	Key Management Personnel	Mr. Monu Ratra - Executive Director & CEO
	Other Related Parties	Mr. Nirmal Jain - Non-Executive Director
Mr. R Venkatarman - Non-Executive Director		
Orpheus Trading Private Limited		
Ardent Impex Private Limited		
SPaisa P2P Limited		
SPaisa Capital Limited		





**INDIA INFOLINE HOUSING FINANCE LIMITED**
**Notes forming part of Financial Statements as at and for the year ended March 31, 2018**
**(B) Significant Transaction with Related Parties:**

(₹ in Millions)

Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies/ Other Related Parties	Key Management Personnel	Total
India Infoline Finance Limited	-	36.52			36.52
	(-)	(58.50)	(-)	(-)	(58.50)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.39	-	0.39
	(-)	(-)	(-)	(-)	(-)
India Infoline Media & Research Services Limited	-	-	-	-	-
	(-)	(-)	(0.01)	(-)	(0.01)
<b>Service Fee Income on Mortgage Portfolio</b>					
India Infoline Finance Limited	-	18.49	-	-	18.49
	(-)	(28.05)	(-)	(-)	(28.05)
<b>Consultancy Fees Income</b>					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	-	-	-
	(-)	(-)	(0.07)	(-)	(0.07)
<b>Interest Expenses</b>					
India Infoline Finance Limited	-	24.63	-	-	24.63
	(-)	(51.93)	(-)	(-)	(51.93)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	0.28	-	0.28
	(-)	(-)	(0.21)	(-)	(0.21)
IIFL Wealth Finance Limited (Formerly known as Chephis Capital Markets Limited)	-	-	-	-	-
	(-)	(-)	(0.20)	(-)	(0.20)
<b>Advisory Fee/Arranger Fees</b>					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	11.27	-	11.27
	(-)	(-)	(-)	(-)	(-)
Samasta Microfinance Limited	-	-	1.20	-	1.20
	(-)	(-)	(-)	(-)	(-)
IIIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	8.73	-	8.73
	(-)	(-)	(-)	(-)	(-)
<b>Brokerage/Delayed Paying Expense</b>					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	0.03	-	0.03
	(-)	(-)	(0.01)	(-)	(0.01)
<b>Rent Expenses</b>					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	19.29	-	19.29
	(-)	(-)	(12.38)	(-)	(12.38)
IIIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.71	-	0.71
	(-)	(-)	(-)	(-)	(-)
<b>Corporate Social Responsibility Expense (CSR)</b>					
India Infoline Foundation	-	-	21.21	-	21.21
	(-)	(-)	(15.66)	(-)	(15.66)
<b>Service Fees On Assignment Transaction</b>					
India Infoline Finance Limited	-	-	-	-	-
	(-)	7.08	-	-	7.08
	(-)	(12.42)	(-)	(-)	(12.42)



**INDIA INFOLINE HOUSING FINANCE LIMITED**
**Notes forming part of Financial Statements as at and for the year ended March 31, 2018**

Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies/ Other Related Parties	Key Management Personnel	Total
<b>Preference Dividend (Proposed/Paid)</b>					
India Infoline Finance Limited	-	-	-	-	-
	(-)	(32.55)	(-)	(-)	(32.55)
<b>Receipt towards Assignment Transaction</b>					
India Infoline Finance Limited	-	113.90	-	-	113.90
	(-)	(138.32)	(-)	(-)	(138.32)
<b>Payment towards Assignment Transaction</b>					
India Infoline Finance Limited	-	187.55	-	-	187.55
	(-)	(139.58)	(-)	(-)	(139.58)
<b>ICD taken</b>					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	1,080.00	-	1,080.00
	(-)	(-)	(260.00)	(-)	(260.00)
India Infoline Finance Limited	-	100.00	-	-	100.00
	(-)	(3,306.00)	(-)	(-)	(3,306.00)
<b>ICD returned back</b>					
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	1,080.00	-	1,080.00
	(-)	(-)	(260.00)	(-)	(260.00)
India Infoline Finance Limited	-	100.00	-	-	100.00
	(-)	(3,306.00)	(-)	(-)	(3,306.00)
<b>ICD Given</b>					
India Infoline Finance Limited	-	960.00	-	-	960.00
	(-)	(1,480.00)	(-)	(-)	(1,480.00)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	500.00	-	500.00
	(-)	(-)	(-)	(-)	(-)
India Infoline Media & Research Services Limited	-	-	-	-	-
	(-)	(-)	(40.00)	(-)	(40.00)
<b>ICD Received Back</b>					
India Infoline Finance Limited	-	960.00	-	-	960.00
	(-)	(1,480.00)	(-)	(-)	(1,480.00)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	500.00	-	500.00
	(-)	(-)	(-)	(-)	(-)
India Infoline Media & Research Services Limited	-	-	-	-	-
	(-)	(-)	(40.00)	(-)	(40.00)
<b>Remuneration to KMP</b>					
Remuneration to KMP	-	-	-	28.83	28.83
	(-)	(-)	(-)	(23.61)	(23.61)
<b>Allotment of Equity Share</b>					
India Infoline Finance Limited	-	-	-	-	-
	(-)	(3,850.00)	(-)	(-)	(3,850.00)
<b>Redemption &amp; Conversion of Preference shares</b>					
India Infoline Finance Limited	-	-	-	-	-
	(-)	(300.00)	(-)	(-)	(300.00)
<b>Allocation / Reimbursement of expenses Paid</b>					
IIFL Securities Limited (Formerly known as India Infoline Limited)	-	-	25.48	-	25.48
	(-)	(-)	(23.82)	(-)	(23.82)
IIFL Holdings Limited	25.86	-	-	-	25.86
	(16.85)	(-)	(-)	(-)	(16.85)



**INDIA INFOLINE HOUSING FINANCE LIMITED**
**Notes forming part of Financial Statements as at and for the year ended March 31, 2018**

Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies/ Other Related Parties	Key Management Personnel	Total
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	- (-)	- (-)	9.44 (8.77)	- (-)	9.44 (8.77)
IIIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	- (-)	- (-)	0.05 (-)	- (-)	0.05 (-)
<b>Allocation / Reimbursement of expenses Paid Others</b>					
India Infoline Finance Limited	- (-)	0.72 (1.34)	- (-)	- (-)	0.72 (1.34)
IIFL Securities Limited (Formerly known as India Infoline Limited)	- (-)	- (-)	0.99 (6.36)	- (-)	0.99 (6.36)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	- (-)	- (-)	0.04 (-)	- (-)	0.04 (-)
India Infoline Media & Research Services Limited	- (-)	- (-)	0.01 (0.11)	- (-)	0.01 (0.11)
IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	- (-)	- (-)	- (0.02)	- (-)	- (0.02)
IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)	- (-)	- (-)	1.50 (-)	- (-)	1.50 (-)
IIIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	- (-)	- (-)	0.03 (-)	- (-)	0.03 (-)
IIFL Distribution Services Limited	- (-)	- (-)	0.11 (-)	- (-)	0.11 (-)
<b>Allocation / Reimbursement of expenses Received</b>					
IIFL Securities Limited (Formerly known as India Infoline Limited)	- (-)	- (-)	9.49 (10.92)	- (-)	9.49 (10.92)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	- (-)	- (-)	0.45 (1.63)	- (-)	0.45 (1.63)
IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)	- (-)	- (-)	0.02 (0.01)	- (-)	0.02 (0.01)
SPaisa Capital Limited	- (-)	- (-)	0.02 (-)	- (-)	0.02 (-)
IIIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	- (-)	- (-)	0.54 (-)	- (-)	0.54 (-)
<b>Allocation / Reimbursement of expenses Received Others</b>					
IIFL Securities Limited (Formerly known as India Infoline Limited)	- (-)	- (-)	0.39 (0.13)	- (-)	0.39 (0.13)



**INDIA INFOLINE HOUSING FINANCE LIMITED**
**Notes forming part of Financial Statements as at and for the year ended March 31, 2018**

Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies/ Other Related Parties	Key Management Personnel	Total
IIIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited (Formerly known as IIFL Realty Limited)	-	-	-	-	-
	(-)	(-)	(0.14)	(-)	(0.14)
India Infoline Finance Limited	-	0.75	-	-	0.75
	(-)	(0.95)	(-)	(-)	(0.95)

Figures in Bracket represents previous year's figures.

Intraday Inter corporate deposit transactions are not considered in above disclosure.

**C) Closing Balance**

(₹ in Millions)

Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies/Other Related Parties	Total
<b>Interest Payable</b>				
India Infoline Finance Limited	-	13.86	-	13.86
	(-)	(-)	(-)	(-)
<b>Payable to Management</b>				
India Infoline Finance Limited	-	17.55	-	17.55
	(-)	(60.15)	(-)	(60.15)
<b>Outstanding loan amount of securitised book purchased</b>				
India Infoline Finance Limited	-	194.03	-	194.03
	(-)	(307.93)	(-)	(307.93)
<b>Outstanding loan amount of securitised book sold</b>				
India Infoline Finance Limited	-	168.17	-	168.17
	(-)	(355.73)	(-)	(355.73)

**D) Disclosure of Loan and advances pursuant to Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015**

(₹ in Millions)

Name of Related Party	Balance as on March 31, 2018	Maximum outstanding during the year
India Infoline Finance Limited	-	500.00
IIFL Facilities Services Limited(Formerly known as IIFL Realty Limited)	-	500.00

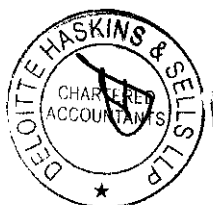
**31. Corporate Social Responsibility:**

During the financial year 2017-18, the Company has spent ₹ 21.21 Millions (P.Y. ₹ 15.66 Millions) out of the total amount of ₹ 21.21 Millions (P.Y. ₹ 15.66 Millions) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility. The aforementioned amount has been contributed to India Infoline Foundation.

**32. Percentage of outstanding loans granted against the collateral gold jewellery to the outstanding total assets is ₹ Nil (P.Y. ₹ Nil)**
**33. Disclosures as per "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016":** The following additional disclosures have been given in terms of the Notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing Bank:

**1) Capital**

Particulars	March 31,	
	2018	March 31, 2017
CRAR (%)	17.17	17.58
CRAR - Tier I Capital (%)	13.06	14.36
CRAR - Tier II Capital (%)	4.11	3.22
Amount of subordinated debt raised as Tier- II Capital (₹ in Millions)	4,470.00	2,620.00
Amount raised by issue of Perpetual Debt Instruments (₹ in Millions)	-	-



**INDIA INFOLINE HOUSING FINANCE LIMITED**
**Notes forming part of Financial Statements as at and for the year ended March 31, 2018**
**II) Reserve Fund u/s 29C of NHB Act, 1987**

The disclosure pertaining to Reserve Fund has been shown under Note 4.2

**III) Investments**

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
<b>A) Value of Investments</b>		
(i) Gross Value of Investments		
(a) In India	-	0.19
(b) Outside India	-	-
(ii) Provision for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	-	0.19
(b) Outside India	-	-
<b>B) Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	-	-
(ii) Add: Provisions made During the Year	-	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	-
(iv) Closing balance	-	-

**IV) Derivatives**
**a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)**

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

**b) Exchange Traded Interest Rate (IR) Derivative**

(₹ in Millions)

Particulars	March 31, 2018
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2018 (instrument-wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-

Particulars	March 31, 2017
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2018 (instrument-wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-



c) Disclosure on Risk Exposure in Derivatives

Qualitative Disclosure

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities.

Quantitative Disclosure

(₹ in Millions)

Particulars	Currency Derivatives March 31,2018	Interest Rate Derivatives March 31,2018
(i) Derivatives (Notional Principal Amount) For hedging	900.00	-
(ii) Marked to Market Positions [1]		
(a) Assets (+)	870.28	-
(b) Liability (-)	905.04	-
(iii) Credit Exposure [2]	4.50	-
(iv) Unhedged Exposures	-	-

Quantitative Disclosure

(₹ in Millions)

Particulars	Currency Derivatives March 31,2017	Interest Rate Derivatives March 31,2017
(i) Derivatives (Notional Principal Amount) For hedging	900.00	-
(ii) Marked to Market Positions [1]		
(a) Assets (+)	-	-
(b) Liability (-)	-	-
(iii) Credit Exposure [2]	-	-
(iv) Unhedged Exposures	-	-

V) Details on Securitisation

a) Securitisation transactions under SPV Structure sponsored by HFC

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
i) No of SPVs sponsored by the HFC for securitisation transactions	8	7
ii) Total amount of securitised assets as per books of the SPVs sponsored	5,840.12	6,783.44
iii) Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet		
a) Off-balance sheet exposures towards Credit Enhancements	-	-
b) On-balance sheet exposures towards Credit Enhancements	920.08	797.73
iv) Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures towards Credit Enhancements		
(A) Exposure to own securitizations	-	-
(B) Exposure to third party securitizations	-	-
b) On-balance sheet exposures towards Credit Enhancements		
(A) Exposure to own securitizations	-	-
(B) Exposure to third party securitizations	-	-



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

(₹ in Millions)

Particulars	2017-18	2016-17
(i) No. of accounts	3	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	1.84	-
(iii) Aggregate consideration	3.60	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / (loss) over net book value	1.76	-

## c) Details of Assignment transactions undertaken

(₹ in Millions)

Particulars	2017-18	2016-17
(i) No. of accounts	4,532	1,972
(ii) Aggregate value (net of provisions) of accounts assigned	14,552.96	8,171.16
(iii) Aggregate consideration	14,552.96	8,171.16
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

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

## Details of non-performing financial assets purchased

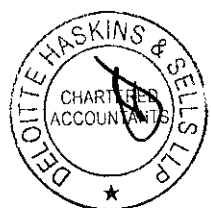
(₹ in Millions)

Particulars	2017-18	2016-17
(i) No. of accounts purchased during the year	-	-
(ii) Aggregate outstanding	-	-
(iii) Of these, number of accounts restructured during the year	-	-
(iv) Aggregate outstanding	-	-

## Details of non-performing financial assets sold

(₹ in Millions)

Particulars	2017-18	2016-17
(i) No. of accounts sold	3	-
(ii) Aggregate outstanding	6.28	-
(iii) Aggregate consideration received	3.60	-



**INDIA INFOLINE HOUSING FINANCE LIMITED**  
**Notes forming part of Financial Statements as at and for the year ended March 31, 2018**

(₹ in Millions)

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

Particulars	Maturity pattern of certain items of Assets and Liabilities										Total
	Upto 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 year	Over 10 Years	
<b>Liabilities</b>											
Deposits	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Borrowings from Bank	125.00	312.50	1,078.54	1,494.63	4,173.07	24,144.69	14,227.27	2,318.19	1,383.62	420.53	49,678.04
	(124.93)	(-)	(312.50)	(1,195.72)	(2,333.66)	(12,785.01)	(8,495.05)	(431.02)	(50.86)	(72.00)	(25,800.75)
Market Borrowing	4,865.09	12,656.70	5,177.58	4,620.00	9,911.02	8,573.00	890.60	1,150.00	850.00	-	48,693.99
	(5,130.66)	(5,318.76)	(500.00)	(2,515.00)	(443.00)	(18,004.59)	(5,950.00)	(150.00)	(-)	(-)	(38,012.01)
Foreign Currency Liabilities	-	-	-	-	900.00	-	-	-	-	-	900.00
	(-)	(-)	(-)	(-)	(-)	(900.00)	(-)	(-)	(-)	(-)	(900.00)
<b>Assets</b>											
Advances	1,768.35	1,791.87	2,511.28	4,067.27	8,793.73	13,660.89	13,452.54	10,946.71	16,975.54	45,120.09	119,088.27
	(1,374.43)	(1,336.17)	(1,849.90)	(3,165.28)	(6,855.38)	(9,376.50)	(8,406.46)	(7,914.12)	(12,940.75)	(28,660.30)	(81,879.29)
Investments	-	-	-	-	-	-	-	-	-	-	-
	(0.19)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.19)
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Figures in Brackets represents previous year's figures.

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management and relied upon by the auditor's.





## VII) Exposure

## a) Exposure to Real Estate Market

(₹ in Millions)

Category	March 31, 2018	March 31, 2017
<b>a) Direct exposure</b>		
<b>(i) Residential Mortgages-</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
- Up to ₹15 Lacs	14,553.60	6,993.54
- More Than ₹15 Lacs	77,085.19	54,827.89
<b>(ii) Commercial Real Estate-</b>		
Lending secured by mortgages on commercial real estate's (office buildings retail space multipurpose commercial premises multi-family residential buildings multi-tenanted commercial premises industrial or warehouse space hotels land acquisition development and construction etc.). Exposure would also include non-fund based(NFB)limits;	28,669.66	20,892.64
<b>(iii) Investments in Mortgage Backed Securities(MBS) and other securitized exposures-</b>		
a. Residential	-	-
b. Commercial Real Estate	-	-
<b>b) Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank(NHB)and Housing Finance Companies(HFCs)	-	-

Exposure includes amount outstanding including principal, interest overdue and interest accrued but not due. In computing the above information, certain estimates, assumptions and adjustments have been made by the Management and relied upon by the auditors.

## b) Exposure to Capital Market

(₹ in Millions)

Category	March 31, 2018	March 31, 2017
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii) bridge loans to companies against expected equity flows / issues;	-	-
viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-



- c) **Details of financing of parent company products:** The Company does not have any exposure in financing of parent company products.
- d) **Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC:** The Company has not exceeded the SGL and GBL Limits.
- e) **Unsecured Advances:** The Company does not have any unsecured advances in the form of rights, licenses, authorisations, etc. that are charged as collateral for the purposes of financing.

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

IX) **Disclosure of Penalties imposed by NHB and other regulators:** During the year, there were no penalties imposed by NHB or any other regulators.

X) **Related Party Transactions:** Related party transaction details have been disclosed under Note 30.

XI) **Rating assigned by Credit Rating Agencies and migration of rating during the year**

**a) Ratings Assigned by Credit Rating Agencies as at March 31, 2018** (₹ in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Short Term Debt Programme	ICRA Limited	[ICRA]A1+	30,000.00
Long term principal protected equity linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA(stable)	2,000.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA(stable)	50,000.00
Subordinate Debt Programme	ICRA Limited	[ICRA]AA(stable)	6,000.00
NCD Programme	ICRA Limited	[ICRA]AA(stable)	40,000.00
Non Convertible Debenture	CARE Ratings	CARE AA /Outlook positive	4,000.00
Non Convertible Debenture	CARE Ratings	CARE AA /Outlook positive	5,000.00
Short Term Debt	CRISIL Limited	CRISIL A1+ (Assigned)	30,000.00
Non Convertible Debenture	CRISIL Limited	CRISIL AA	2,000.00
Non Convertible Debenture	CRISIL Limited	CRISIL AA	500.00
Non Convertible Debenture	CRISIL Limited	CRISIL AA	5,000.00
Unsecured Subordinated NCD	Brickwork Rating	BWR AA+ Outlook Stable	2,000.00
Unsecured Subordinated NCD	Brickwork Rating	BWR AA+ Outlook Stable	350.00

**b)Details of Migration of Ratings for the FY 2017-18** (₹ in Millions)

Credit Rating Agency	Instrument	Amount Rated	Rating in 2017-18	Rating in 2016-17
Nil	Nil	Nil	Nil	Nil



## a) Ratings Assigned by Credit Rating Agencies as at March 31, 2017

(₹ in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Short Term Debt Programme	ICRA Limited	[ICRA]A1+	30,000.00
Long Term Principal Protected Equity Linked Debenture Programme	ICRA Limited	PP-MLD[ICRA]AA (stable)	2,000.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA (stable)	50,000.00
Unsecured Redeemable NCD Programme	ICRA Limited	[ICRA]AA (stable)	3,000.00
Subordinate Debt Programme	ICRA Limited	[ICRA]AA (stable)	1,000.00
NCD Programme	ICRA Limited	[ICRA]AA (stable)	40,000.00
Non Convertible Debenture	CARE Ratings	CARE AA/Outlook stable	4,000.00
Non Convertible Debenture	CARE Ratings	CARE AA /Outlook stable	5,000.00
Non Convertible Debenture	CRISIL Limited	CRISIL AA	2,000.00
Non Convertible Debenture	CRISIL Limited	CRISIL AA	500.00
Non Convertible Debenture	CRISIL Limited	CRISIL AA	5,000.00
Unsecured Subordinate NCD	Brickwork Rating	BWR AA+ Outlook Stable	1,000.00

## b) Details of Migration of Ratings for the FY 2016-17

(₹ in Millions)

Credit Rating Agency	Instrument	Amount Rated	Rating in 2016-17	Rating in 2015-16
CRISIL Limited	Non Convertible Debenture	7,500.00	CRISIL AA/Stable	CRISIL AA-/Stable

## XII) Remuneration of Non-Executive Directors

(₹ in Millions)

Name of Directors	Remuneration Paid 2017-18	Remuneration Paid 2016-17
Mr. Kranti Sinha	0.36	0.45
Mr. S. Sridhar	1.36	1.48

XIII) **Applicability of Consolidation of Financial Statements:** As the Company does not have any subsidiary applicability of Consolidation of Financial Statement does not arise.

## XIV) Details on Provisions and Contingencies

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

(₹ in Millions)

Particulars	2017-18	2016-17
Provisions for depreciation on Investment	-	-
Provision made towards Income tax	1,014.76	449.36
Provision towards Substandard and doubtful assets	238.46	158.60
<b>Provision for Standard Assets:</b>	<b>128.60</b>	<b>140.50</b>
CRE – Residential	38.48	27.59
CRE – Others	6.14	17.67
Others	83.98	95.24



## b) Break up of Loans and Advances and Provisions thereon

(₹ in Millions)

Particulars	Housing		Non-Housing	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Standard Assets</b>				
a) Total Outstanding Amount	82,557.28	52,792.76	36,945.39	29,469.84
b) Provisions made	365.31	243.00	140.79	134.50
<b>Sub Standard Assets</b>				
a) Total Outstanding Amount	404.38	165.52	190.90	183.94
b) Provisions made	214.94	77.27	116.56	93.74
<b>Doubtful Assets- Cat I</b>				
a) Total Outstanding Amount	108.55	86.78	39.61	43.12
b) Provisions made	77.49	58.72	48.23	27.43
<b>Doubtful Assets- Cat II</b>				
a) Total Outstanding Amount	73.63	32.63	38.79	1.91
b) Provisions made	68.89	29.48	32.57	1.85
<b>Doubtful Assets- Cat III</b>				
a) Total Outstanding Amount	7.58	-	0.18	-
b) Provisions made	7.58	-	0.18	-
<b>Loss Assets</b>				
a) Total Outstanding Amount	5.11	5.11	0.21	0.21
b) Provisions made	5.11	5.11	0.21	0.21

XV) Draw Down From Reserves: The disclosure pertaining to drawn down from Reserves has been disclosed shown under Note 4.

## XVI) Concentration of Public Deposits, Advances, Exposures and NPAs

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

## b) Concentration of Loans &amp; Advances

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Total Loans & Advances to twenty largest borrowers	9,218.91	5,701.32
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	7.74%	6.96%

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

(₹ in Millions)

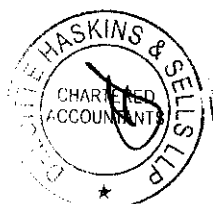
Particulars	March 31, 2018	March 31, 2017
Total Exposure to twenty largest borrowers / customers	10,904.89	6,987.53
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	8.10%	7.50%

Note: Exposure includes amount outstanding including principal, interest overdue, interest accrued but not due and sanctioned but undisbursed.

## d) Concentration of NPAs

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Total Exposure (Gross NPA) to top ten NPA accounts	234.10	178.01



e)Sector wise NPAs		(₹ in Millions)	
Sector	March 31, 2018	March 31, 2017	
A. Housing Loans			
1. Individuals	539.66	289.77	
2. Builders/Project Loans	59.49	0.27	
3. Corporates	-	-	
4. Others (specify)	-	-	
B. Non-Housing Loans			
1. Individuals	167.19	146.79	
2. Builders/Project Loans	4.58	31.52	
3. Corporates	98.01	50.87	
4. Others (specify)	-	-	

XVII) Movement of NPAs		(₹ in Millions)	
Particulars	March 31, 2018	March 31, 2017	
(I) Net NPAs to Net Advances (%)	0.25%	0.28%	
(II) Movement of NPAs (Gross)			
a. Opening balance	519.21	337.74	
b. Additions during the year	580.94	350.97	
c. Reductions during the year	(231.22)	(169.50)	
<b>d. Closing balance</b>	<b>868.93</b>	<b>519.21</b>	
(III) Movement of NPAs (Net)			
a. Opening balance	225.41	163.05	
b. Additions during the year	287.33	188.03	
c. Reductions during the year	(215.57)	(125.67)	
<b>d. Closing balance</b>	<b>297.17</b>	<b>225.41</b>	
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)			
a. Opening balance	293.80	174.70	
b. Provisions made during the year	390.64	214.20	
c. Write-off/write-back of excess provisions	(112.68)	(95.10)	
<b>d. Closing balance</b>	<b>571.76</b>	<b>293.80</b>	

XVIII) **Overseas Assets:** The Company does not have any overseas assets.

XIX) **Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms):** The Company does not have any off-balance sheet SPVs for which there is requirement of consolidation as per accounting norms.

XX) **Disclosure of Customer Complaints**

Particulars	2017-18	2016-17
a) No of Complaints pending at the beginning of the year	9	-
b) No of Complaints received during the year	572	233
c) No of Complaints redressed during the year	574	224
d) No of Complaints pending at the end of the year	7	9

Customer complaints details as given above are as identified by the Company and relied upon by the auditors.



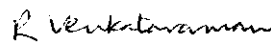
**INDIA INFOLINE HOUSING FINANCE LIMITED**

**Notes forming part of Financial Statements as at and for the year ended March 31, 2018**

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34. The comparative financial information for the year ended March 31, 2017 were audited by the previous auditors of the company.
35. Previous Year's figure have been re-grouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

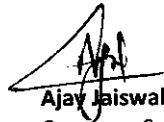
**For and on behalf of the Board of Directors  
of India Infoline Housing Finance Limited**



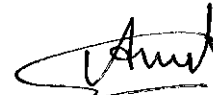
**R. Venkataraman**  
Director  
(DIN: 00011919)



**Monu Ratra**  
Executive Director & CEO  
(DIN: 07406284)



**Ajay Jaiswal**  
Company Secretary



**Amit Gupta**  
Chief Financial Officer

