

# Delivering a Dream.



**2015-16**

Annual Report

India Infoline Housing Finance Limited

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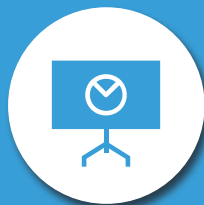
## Corporate Overview



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## Revenue

**₹5,696 million**

(from ₹2,366 million in FY2014-15, growth of 141%)

## EBITDA

**₹4,396 million**

(from ₹1,975 million in FY2014-15, growth of 123%)

## Net Profit

**₹721 million**

(from ₹535 million in FY2014-15, growth of 35%)





**Home is more than brick and mortar. It is a visible manifestation of a dream, often an achievement of a lifetime.**

**IIFL Home Loans is in the business of sheltering aspirations and fulfilling dreams, ever since we started our journey. Our vision is to make a dream home come true in a hassle-free manner for millions of Indians.**



A player in financial services in India, IIFL Home Loans is well positioned to make the most of unfolding opportunities and serve the under-served and growing market of home loans in India.

From new home loans, NRI home loans to home extension loans, the Company has a variety of offerings for customers.

We help unlock value of owned properties by offering loans against property.

The Company follows the philosophy of 'Ghar Aapka. Loan Hamaara'. With our support, owning a home is no longer a difficult proposition.

Our focus is on the growing opportunity in the affordable housing segment. With a continued thrust on technology, efficiency and customer service we strive to provide an exceptional customer experience.

The Company has put in place a high-quality loan and investment portfolio through its customer-centric approach, comprehensive risk assessment processes, and a meticulous risk remediation procedure. The result is steady value creation, and a strong brand reputation and recall.

Delivering a dream is what IIFL Home Loans has dedicated itself to; and the stakeholders continue to repose their trust in our efforts.

# About IIFL Group

**From an entrepreneurial start-up in 1995, we have steadily grown to emerge as one of India's leading financial services group. Ever since inception, our strategy has been to align our capabilities and market insights to the country's rapidly changing business environment. Our growth trajectory has only served to reinforce our focus on our domain of financial services.**

IIFL Holdings Ltd (Bloomberg Code: IIFL IN, NSE: IIFL, BSE: 532636) is a diversified financial services group offering financing, asset and wealth management, financial advisory and broking, financial products distribution, investment banking, institutional equities, project financing, and advisory services through its various subsidiaries.



## Vision

To be the most respected financial services company in India.

- Not necessarily the largest or most profitable.



## Values

### Fairness

Fairness in our transactions with all stakeholders including employees, customers, and vendors, bereft of fear or favor.

### Integrity

Integrity and honesty of the utmost nature, in letter, in spirit, and in all our dealings with people, internal or external.

### Transparency

Transparency in all our dealings with stakeholders, media, investors, and the public at large.

We have come this far solely based on our core values serving as a moral compass in all our dealings. Fairness, Integrity and Transparency - FIT is the driving force behind all that we do here at IIFL. We only work with people who fit into our professional ethos. Our constant endeavor is to deliver befittingly on all fronts to all our stakeholders. We are resolute in the observance of these values and will let go of any growth opportunities that deem unfit.

**3,000,000+**  
Customers

**~ ₹800 billion**  
Wealth assets under advice

**~ ₹200 billion**  
Loan assets under management

**~ 12,000**  
Employees

**500+**  
Stocks under research

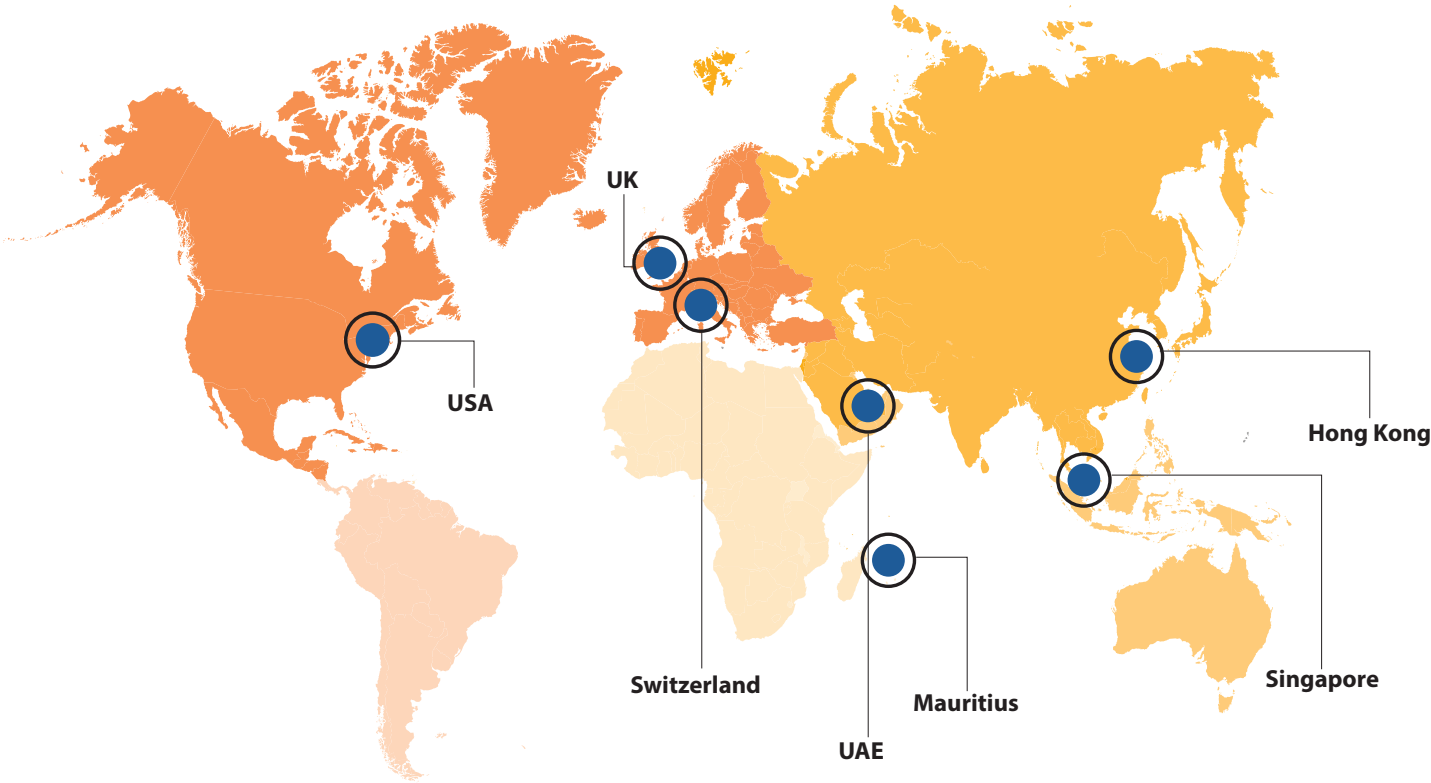
**300**  
World's top institutional investors rely on our research

**Global Presence**  
US, UK, Singapore, Hong Kong, Switzerland, Mauritius and UAE

Presence across  
**~ 2,500** locations in India

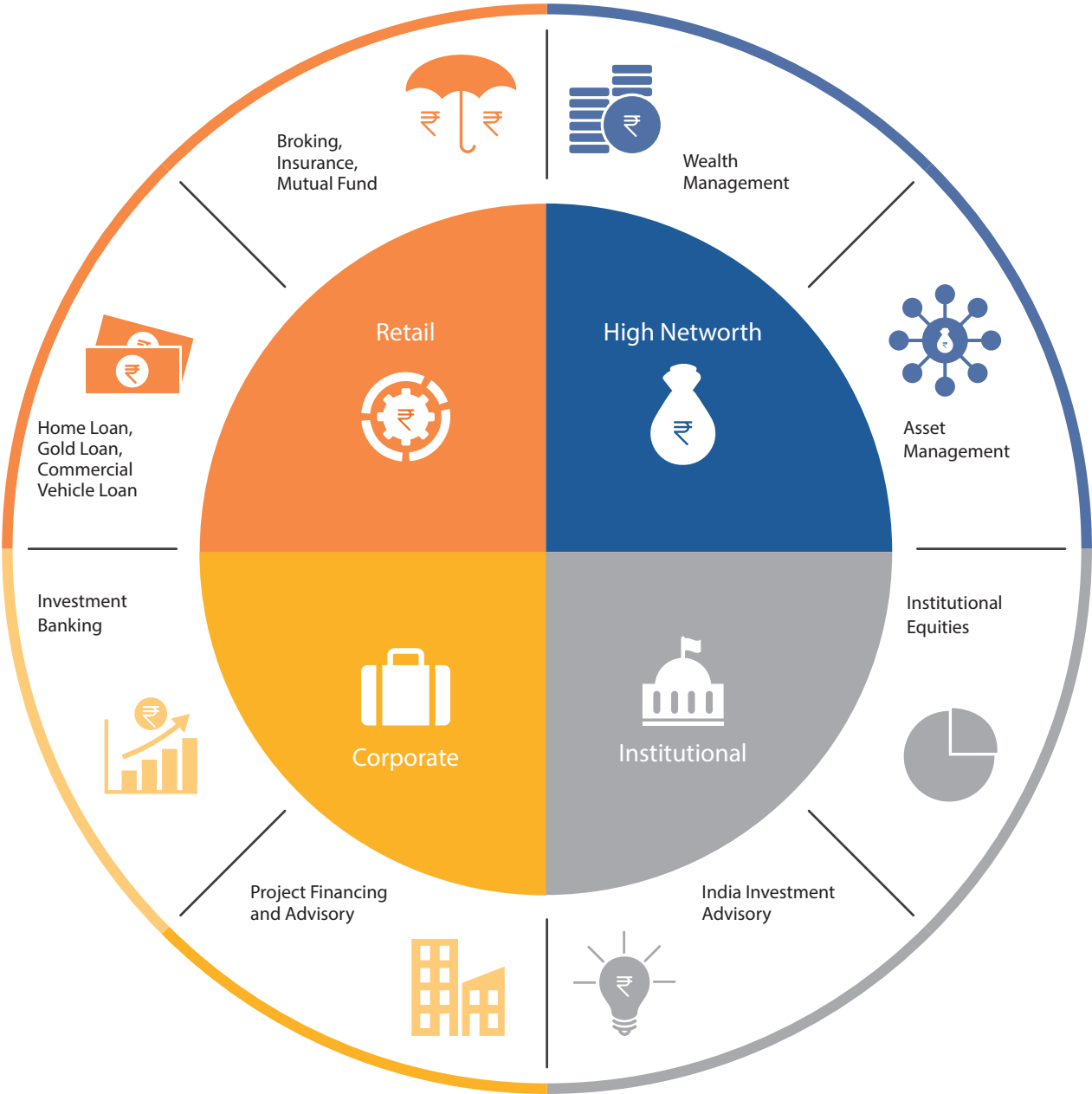
Network of  
**1,000+** branches

### International Subsidiaries' Locations



# IIFL Group's Business Landscape

## Service offerings across customer segments



Charts depicts only key businesses and subsidiaries of IIFL Holdings Limited and not all the businesses and subsidiaries



## Financing

### NBFC

- A diversified financing company, offering home and property loan, gold loan, commercial vehicle finance, healthcare finance, loan against securities, and SME business loan
- Assets Under Management of ₹ 195 billion as on March 31, 2016
- Aggregate loan book of ₹ 178 billion and income of ₹ 12 billion as on March 31, 2016

### Housing Finance Company

- Offers home loan in affordable housing segment
- Focuses on mortgage loan to Small and Medium Enterprises (SMEs) under priority sector

## Wealth Management

### Wealth Management

- One of the largest and fastest growing wealth management companies in India
- Offers advisory, wealth structuring solutions, asset management, and onshore and offshore distribution services
- Assets under advice, management and distribution of close to ₹ 800 billion as on March 31, 2016
- Presence across major countries and Indian cities through a network of 22 offices

- Largest AIF platform in the country across debt, equity, and real estate

### Wealth NBFC

- IIFL Wealth Finance focuses on capital-market-related lending to its high networth clientele
- During the year, IIFL Wealth Finance commenced its lending business and total loans as on March 31, 2016 were about ₹ 1 billion

### Asset Management Company

- Wholly owned subsidiary of IIFL Wealth
- Investment manager of IIFL Mutual Fund and Alternative Investment Funds (AIFs)

## Agency

### Financial Advisory and Broking

- Leading broking house offering equity, commodities, currency broking in retail and institutional segment
- Well-known for quality research
- IIFL Markets (mobile trading platform) is the best rated and highest downloaded app among peer group on Google Play Store with more than 500,000 downloads

### Financial Product Distribution

- Among India's top six mutual fund distributors
- Leading non-bank distributor for life insurance in the country
- Online interface and mobile applications, to comprehend, compare, and buy products from different insurance and mutual fund companies

### Institutional Research and Investment Banking

- Pedigreed institutional equities team
- Premier broker for FII, DII, private equity funds, banks, mutual funds, and insurance companies
- Investment Banking has a stellar track record of executing transactions. During the year, IIFL completed 10 transactions - the largest number of transactions executed in a single fiscal year

# Chairman's Message



Perfection is not attainable, but if we chase perfection, we can catch excellence.  
– Vince Lombardi



At IIFL Home Loans, the Company has aligned its efforts and deliverables with the Government of India's mission of 'Housing for All' and it is prepared to meet the upcoming robust demand for affordable housing.



The reforms and policy announcements, along with favorable economic growth prospects will provide an impetus to the housing sector. In addition, the sector registered an increase in private equity investments from global investors, reflecting growing confidence in the housing sector.

#### **DEAR STAKEHOLDERS,**

The global economy remained subdued during FY2015-16 with the advanced economies registering a modest and largely uneven recovery. Even in the major emerging and developing economies, growth continued to decline. Amid global headwinds, the Indian economy maintained its growth trajectory with GDP growth of 7.6%. The future looks promising, given lower fuel prices, easing interest rates, favorable fiscal deficit, and manageable inflation. As the national economy revives, the scenario for the housing sector also seems to be improving.

Furthermore, the Government has initiated several reforms to encourage development of the housing sector. Some of them include easing of FDI rules, enabling real estate investment trusts (REITs), introducing 'Smart City' projects,



The Company is reinforcing its presence across India and it plans to increase the number of branches across geographies. The primary focus is on providing proactive customer service and convenient pre-and-post loan disbursement solutions.

and implementing 'Housing for All by 2022' with a focus on affordable housing. These reforms and policy announcements, along with favorable economic growth prospects would provide an impetus to the housing sector. In addition, the sector registered an increase in private equity investments from global investors, reflecting growing confidence in the housing sector.

#### OPPORTUNITY

According to studies conducted by the Ministry of Rural Development and the Ministry of Housing and Urban Poverty Alleviation, almost a quarter of Indian households lack adequate housing facilities. According to KPMG, India is on the verge of large-scale urbanization over the next few decades and the country's urban population is expected to reach 810 million by 2050.

Development of existing urban areas and creation of new cities will require smart real estate and planned infrastructure solutions. In this scenario of rapid urbanization, the construction sector will have to play a leading role to enable improvement in the standard of living of vast majority of Indians. Currently, the construction sector contributes around 10% to India's GDP and it has a two-fold multiplier effect on other industries with backward and forward linkages.

India's mortgage finance market is largely underpenetrated compared with the rest of the world, providing sufficient opportunity for housing financiers to step up their housing credit. At IIFL Home Loans, the Company has aligned its efforts and deliverables with the Government of India's mission of 'Housing for All' and it is prepared to meet the upcoming robust demand for affordable housing.

#### YEAR UNDER REVIEW

The Company performed well during FY2015-16, reporting healthy growth on all key financial parameters. For the financial year ended March 31, 2016, it reported 141% increase in total revenue to ₹ 5,696 million and 35% growth in profit after tax (PAT) to ₹ 721 million. The solid performance during the year was the result of dedicated efforts of our team to address the needs of our customers. This helped us strengthen our business performance and create value for all.

Furthermore, the Company strengthened the quality of its in-house property appraisal team during the year by on-boarding people with expertise and relevant skill sets. The focus is on developing a talent pool by creating a sustainable, healthy, safe, and productive working environment. The Company also set up captive teams for managing

the entire life cycle of home loans. It has initiated the digital journey through a new-age website and mobile app with a customer login to view the loan statement and pay EMIs online.

#### WAY FORWARD

The Company believes that technology facilitates faster and informed decision-making and strengthens the customer engagement. The Company is upgrading its IT framework to ensure speed and accuracy in our operations. The Company is reinforcing its presence across India and it plans to increase the number of branches across geographies. The Company's primary focus is on providing proactive customer service and convenient pre-and-post loan disbursement solutions.

The Company aims to work with Government of India and contribute towards its goal of attaining 'Housing for All'. The inherent characteristics of affordable housing make the Company well suited for the Indian context. Factors such as growing population, rising income levels, increasing trend of nuclear families, and rapid urbanization will fuel demand for affordable housing in the years to come. Looking ahead, the Company is well equipped to translate the 'Ghar Ka Sapna' of millions of Indians into a vibrant and joyful reality.

Warm regards,

#### S. Sridhar

Chairman  
India Infoline Housing Finance Limited

# Executive Director & CEO's Message



Customers don't measure you on how hard you tried, they measure you on what you deliver.

– Steve Jobs



We as a company believe in digitization, and are constantly working at giving our customer an overall digital experience, starting from on-boarding the customer, processing the loan, and a post sales experience.



During FY2015-16, the Company saw a marked increase in volumes with a surge of 168% in loan book. The asset under management of around ₹ 55,000 million reflect our focus on retail strategy and growth. With 500+ sales people, 55+ branches, a wide spread IIFL group network of close to 2,500, our agenda is to touch base with potential customers in deep geographies viz. Tier II and Tier III markets, across the country.

## DEAR STAKEHOLDERS,

India's real estate sector is on a growth trajectory with the Government of India's focus on implementing 'Housing for All'. At IIFL Home Loans, we have initiated the groundwork to help meet the Government's mission. We are focusing on affordable housing as increasing urbanization is expected to bolster the demand. With the aim to enhance customer experience, we are implementing various technology-savvy processes at various stages of our operations.

The real estate market is reviving as the market is adjusting to new trends in terms of aligning supply with relevant demand. The high-end segment is witnessing a slump as the mid-end market took over with affordable housing gaining traction. The need-based market is moving well and operating at a reasonable level. With the advent of high-speed internet

With the rising demand for affordable housing, the Company aims to play a proactive role in helping people buy their dream homes. The Company is targeting salaried and self-employed people, earning ₹ 30,000 - ₹ 40,000 per month, engaged in small businesses, and who are aged below 40 years. With in-house expertise and a wide spread network, we aim at reaching out to our customers, offering them customized product offerings.

connectivity and smartphones, potential buyers are investing their pre-buying time in evaluating and comparing the properties online. Easy access to information and data is helping people make informed decisions.

#### YEAR UNDER REVIEW

During FY2015-16, the Company saw a marked increase in volumes with a surge of 168% in loan book. The asset under management of around ₹ 55,000 million reflects our focus on retail strategy and growth. With 500+ sales people, 55+ branches, a wide spread IIFL group network of 2,500, our agenda is to touch base with potential customer in deep geographies viz Tier II and Tier III markets, across the country. We as a company believe in digitization, and are constantly working at giving our customer an overall digital experience, starting from on-boarding the customer, processing the loan, and a post sales experience. During the year, the Company launched a new user-friendly website and a mobile application to enhance customer engagement and ensure better customer experience.

The Net NPA level was at 0.31% as on March 31, 2016.

#### EMBRACING DIGITIZATION

IIFL Home Loans believes in the power of digitization to achieve process excellence and facilitate scalability of the business. Our IT team has introduced a user-friendly mobile app, where users can check their account statement, make payments and download their interest certificate within few seconds. A new website has also been launched to educate people on home buying, besides facilitating them to check eligibility and apply loan online. The Company is moving towards end-to-end digitization of processes to provide a seamless customer experience.

#### ON THE GROWTH PATH

With the rising demand for affordable housing, the Company aims to play a proactive role in helping people buy their dream homes. The Company is targeting salaried and self-employed people, earning ₹ 30,000 - ₹ 40,000 per month, engaged in small businesses, and who are aged below 40 years. With in-house expertise and a wide spread network, we aim at reaching out to our customers, offering them customized product offerings. In its endeavor to support the Government's 'Housing for All' initiative, the Company has been working

to educate potential customers about the benefits of this scheme.

A paradigm shift in new-age marketing initiatives with the advent of new technologies and strong focus on ensuring maximum customer satisfaction, mark the financial services sector after the turn of the millennium. The Company has aligned its processes accordingly to ensure utmost customer experience. Introduction of bill desk for online payment is one such step towards attaining the goal of providing hassle-free and affordable solutions.

IIFL Home Loans keeps abreast of latest advancements in the technology landscape to provide a seamless experience to our customers. This customer-centric approach and legacy of handling retail customer base enables us to reach out to more people, thereby making tangible progress within the risk controls.

As a responsible Company, IIFL Home Loans ardently aspires to grow its business and look forward to creating sustainable value for its stakeholders. I would like to express our sincere gratitude to all our stakeholders for continued trust and support, and expect the same cooperation to make our future journey more remarkable.

Warm regards,

**Monu Ratra**

Executive Director & CEO

# About India Infoline Housing Finance

**Incorporated in 2006, India Infoline Housing Finance Limited got registered with National Housing Bank (NHB) in 2009.**

The Company is a 100% subsidiary of India Infoline Finance Limited (IIFL), a NBFC registered with the Reserve Bank of India (RBI). The Company is guided by the professional values and ethos of its parent and ultimate holding company, IIFL Holdings. The Company has gained a reputation for reliability, transparency of operation and absolute integrity. Over the years, the Company has maintained its high quality loan and investment portfolios through focused customer approach, a comprehensive risk assessment process and thorough risk remediation procedure. The Company aims to remain focused on steady earnings growth through conservative risk management techniques and by accessing low-cost funds.

## Key business facts

**55+**

Dedicated branches across India

**1,000+**

Employee strength

**2,200+**

Pre-approved projects across India

## Offerings

### Home Loan

In line with its motto, 'Ghar Apka, Loan Hamaara', the Company provides home loans to customers for purchasing affordable homes. Besides, loans are also offered for home construction and home renovation.

### Loan against Property

Loan against property is provided to Small and Medium Enterprises (SMEs) for their working capital requirements, business use and to acquire new commercial property.

## Milestones



**2009**

- Received Certificate of Registration from National Housing Bank
- Housing finance operations commenced



**2012-14**

- Geographical focus on semi-urban and rural areas by leveraging IIFL Group's vast distribution network



**2009-10**

- Launched dedicated branches and scaled up operations
- Notified under the SARFAESI Act



**2014-15**

- Focus on retail home loans
- In-house sales, credit, legal, technical and collection verticals strengthened
- AUM of over ₹ 19,300 million with customer count of over 4,500



**2010-11**

- Introduced centralized underwriting for exercising control and optimizing cost



**2015-16**

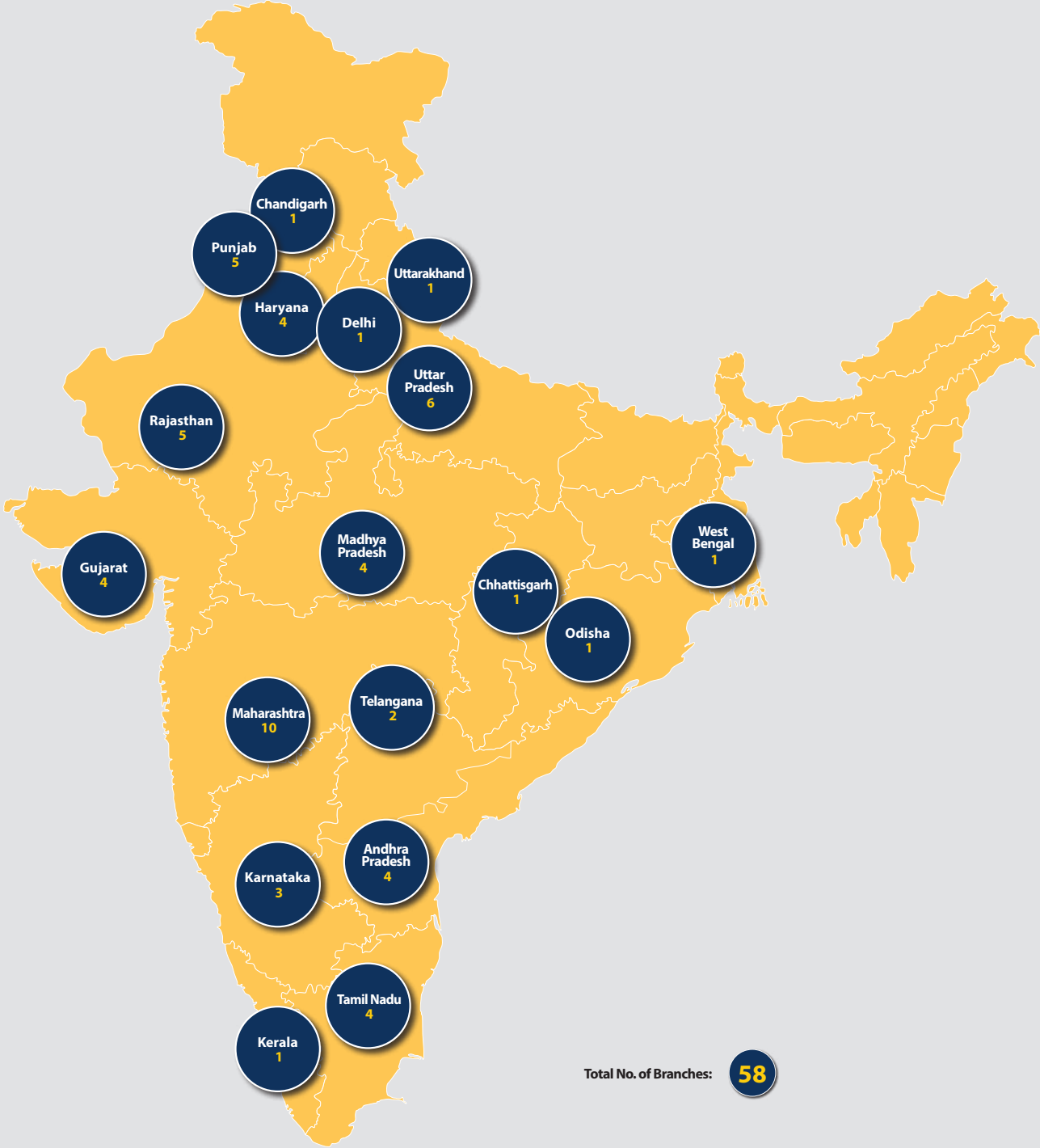
- AUM of over ₹ 55,300 million with customer count of over 14,000
- Increased focus on affordable housing financing solutions



**2011-12**

- Set up operational hubs at major locations for maximum output – Gurgaon (Delhi-NCR), Mumbai and Ahmedabad
- Introduced home loan pricing scorecard; partnered with PwC for model creation

## Dedicated IIFL Home Loans Branches



# Roadmap for Sustainable Value Creation

## Well-defined business model

The Government of India's vision of 'Housing for All by 2022' provides a great opportunity. The Company expects to enhance its business with focus on affordable loan segment, thereby contributing to the Government's initiative.

In line with the business strategy, the Company has expanded its self-sustaining direct distribution channel to ensure better customer experience and lower cost of acquisition. Besides, the Company has also strengthened in-house credit, legal, technical and compliance teams.

## Strategic priorities

At IIFL Home Loans, the key focus on providing affordable housing finance continues. The Company has laid the groundwork for forming a team of experienced professionals, creating a holistic product portfolio, and enhancing its credit and risk policies for scalability and profitability. To achieve scalable growth, the Company is empowering its human capital with relevant training. The Company is enhancing competence of its employees in keeping with its business strategies. Furthermore, the Company is making significant investment in IT infrastructure to stay attuned to next-generation technologies.

Almost 80% of loans are sourced through in-house channels; and 100% of the loans are underwritten by in-house credit managers. Therefore, dependence on external channels of sourcing and operations is minimal. The Company has effectively leveraged technology to bolster operational productivity and efficiency.





### Expanding reach

The Company plans to deepen its penetration into Tier II and Tier III cities to cater to the evolving needs of the potential customers. Distribution network of the Company is complemented by third party DSAs, IIFL Group's wide network of around 2,500 business locations and online sourcing channel. The Company aims to provide a wide variety and pool of approved projects by collaborating with various developers.

### Maintaining healthy asset quality

As a responsible industry player, the Company seeks to maintain high-quality loan portfolio. With in-house team of professionals in credit and technical field, the Company ensures best quality business. Besides, the Company has an in-house collection and legal team for better collection enforcement.

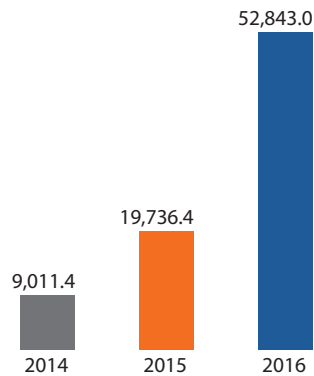
### Going digital

The Company constantly strives to provide maximum value to its customers. In FY2015-16, the Company launched new holistic website for prospective customers to make them aware of its products. Mobility platform has also been launched for customers to make online payments, view statement of account and download amortization schedule as well as interest rate certificates, 24x7. Currently, the Company is focusing on streamlining processes through using technology to improve customer experience.

# Financial Highlights

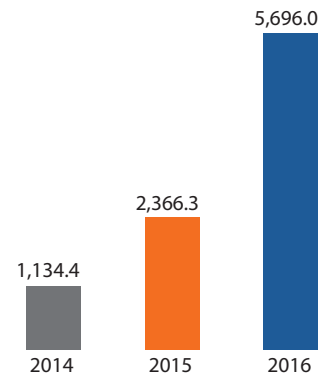
## Loan Book

₹ in million



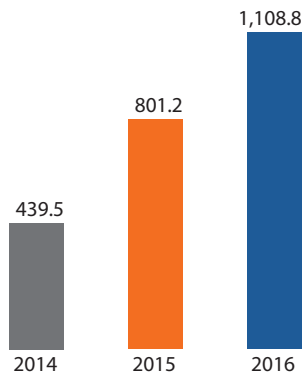
## Revenue

₹ in million



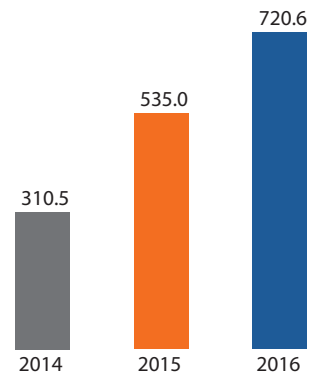
## Profit before Tax (PBT)

₹ in million



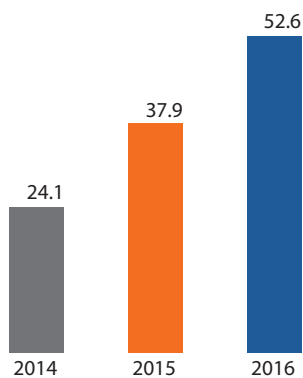
## Profit after Tax (PAT)

₹ in million



## EPS (Basic)

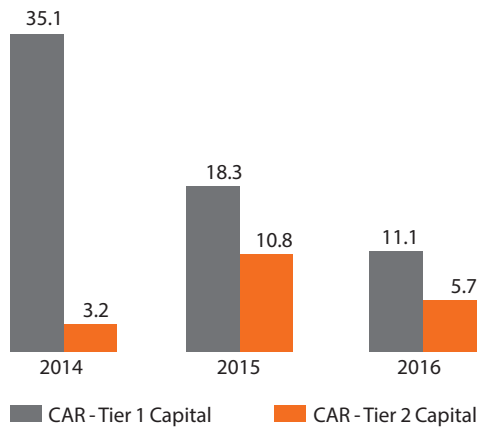
₹



Loan book of ₹ 52,843 million with an incremental growth of 168% year-on-year, translating to an earnings growth of 35% year-on-year

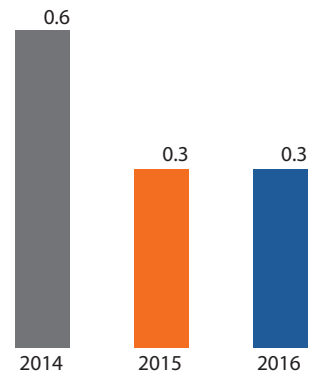
### CAR

(%)



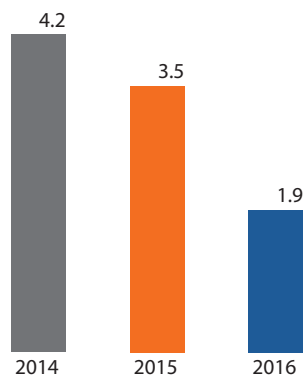
### Net NPA

(%)



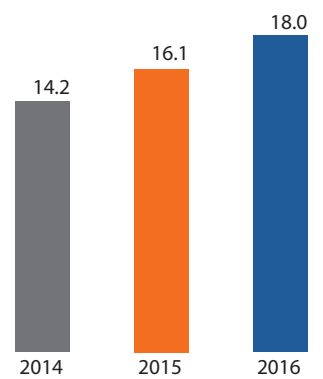
### Return on Average Assets (Annualized)

(%)



### Return on Equity

(%)



Revenue of ₹ 5,696 million, an increase of 141% year-on-year

Net NPA of 0.31%  
CAR of 16.75%

ROE has been steadily improving to reach 18.02% (2015: 16.08%)

# Talent and Teamwork can Work Wonders

IIFL Home Loans is reaching out to potential customers across India, while enhancing the trust quotient of existing customers through service excellence. The Company is steadily strengthening its delivery model to cater to growing aspirations of Indians.

At the core of teamwork is the 'Spirit of IIFL'. It encapsulates the values, which are the guiding principles of culture and behavior. It binds us together and inspires us to achieve excellence in whatever we do.

**1,000+**

Talent pool

**58**

No. of Branches

**2,200+**

Approved Projects



### IN-HOUSE RESOURCE DEVELOPMENT

IIFL Home Loans focuses on developing a talent pool by creating sustainable, healthy, safe and productive working environment. It has built a strong culture of meritocracy, openness and innovation, where ideation and cross-functional collaboration are encouraged.

The Company has strengthened the quality of in-house property appraisal by on-boarding people with expertise and relevant skill sets. Lawyers and civil engineers conduct property evaluation for every case. Experienced underwriters conduct customer profile evaluation to ensure asset quality.

Collections and legal collection teams have also been set up to optimize post-sales asset quality. During FY2015-16, head count grew by 50% approximately.

### PAN-INDIA PRESENCE

The Company has 58 dedicated branches across India. As per the expansion plan, the Company aims to increase the number to 70 branches by the end of FY2016-17. The Company is leveraging the Group's well-entrenched network of close to



2,500 business locations across India to encourage cross-sell opportunities and touch potential customers.

### STRENGTHENING RELATIONS WITH DEVELOPERS

With a wide pool of over 2,200+ approved projects, the Company is well-positioned to reach out to potential customers at project sites.



### PROACTIVE CUSTOMER SERVICE

The Company has been able to reduce customer service related visits/complaints through proactive approach and pre-emptive measures. The tele-calling service has helped in making existing as well as potential customers aware of products, features and services.

# At Ease with New Technology

The information and technology (IT) framework is integrated to various operations. Such a strategy enables faster decision-making, helps reduce operational cost and enhances productivity. The framework is regularly reviewed to ensure alignment with changing business strategies and new breakthroughs in the technology landscape.

Enhancing presence across new-age social media platforms to educate customers and enhance customer connect.





**SOCIAL MEDIA INTEGRATION**

The Company is enhancing presence across new-age social media platforms to educate customers and enhance customer connect.

**MOBILE APP**

The online mobile app empowers customers to track their total payable amount and payment history, pay EMIs, and download account statement and amortization schedule, among others.

IIFL Home Loans regularly invests in upgrading infrastructure and processes to enhance speed and accuracy. With increasing volumes and expanding branch network, the Company has customized IT system to streamline operations.

**WEBSITE**

The newly launched IIFL Home Loans website is a user-friendly information-driven portal. With an average monthly incremental traffic of 60%, the count of unique visitors touched 4,500 in March 2016.

To enhance customer convenience, the Company has introduced multiple features. Some of these are a home buyer’s guide, home loan calculator, product details, blogs, updated sectoral news and a quick response mechanism.



# Opportunities are Unfolding

The demand for affordable housing is growing exponentially. It offers close to a US\$12 billion opportunity to market players only across seven major cities, comprising Delhi-NCR, Mumbai metropolitan region, Bengaluru, Chennai, Hyderabad, Kolkata and Pune. There are other Tier II and Tier III cities, which are fast generating more demand for homes.

**<1,700,000**

Average ticket size  
under priority sector  
home loans

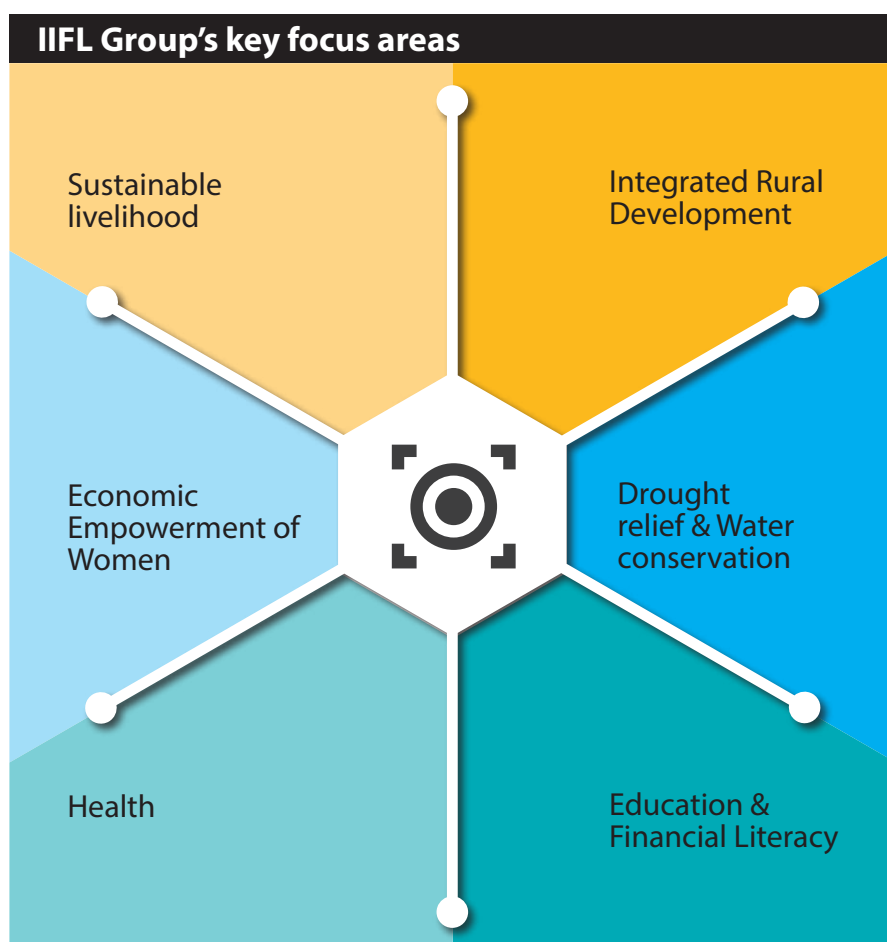
**~75%**

Cases in terms of units  
disbursed in FY2015-16 fall  
under priority sector lending



# Community Counts at IIFL Home Loans

**IIFL Group aims to undertake initiatives that create sustainable growth and empower underprivileged sections of society. Following our Group's vision, we drive community initiatives through various need-based programs. Our aim is to create more economic and social opportunities for marginalized communities.**



## IIFL FOUNDATION

IIFL Group's CSR arm, IIFL Foundation aims to alleviate poverty and facilitate economic development through focused and need-based programs. What started as a financial literacy program has now blossomed into a holistic intervention. IIFL Foundation has always followed a bottom-up approach. The foundation's core activities are in Maharashtra and it is conducting programs in Rajasthan too. During the year, Dr. Sarika Kulkarni, CEO of IIFL Foundation, was honored as '100 Most Impactful CSR Leaders Award (Global Listing)' at the World CSR Day.

## KEY PROJECTS

### TRIBAL DEVELOPMENT

IIFL Group has adopted 32 tribal locations in three villages (Walvanda, Shiroshi and Kasatwadi) of Jawhar Taluka in Palghar district, Maharashtra under IIFL's flagship program 'Gram Vardhan Yojana'. This entails working on various social parameters, which include building check dams and other rainwater harvesting structures, to ensure year-long water supply and support agri-based livelihoods.

Furthermore, we focus on income generation and skill development programs for women, vocational training for tribal boys and community sanitation units for hamlets. Our sanitation units aim to achieve Open Defecation Free tribal areas, contributing to the Government's Swachh Bharat initiative.





Micro enterprises for women

**FINANCIAL SERVICES HACKATHON**

In association with the Centre for Innovation and Incubation (CIIE) at IIM Ahmedabad, we hosted a one-of-its-kind financial services business-plan competition. The top three ideas would be incubated at IIM Ahmedabad.

**HEALTHCARE INTERVENTIONS**

We have undertaken various projects to provide healthcare services to the rural poor. Among various measures, free health check-up camps were conducted in rural areas (Pandharpur, Maharashtra; Barsana, UP; and Jawhar, Maharashtra). Over 200,000 people were checked and screened at these camps and over 15,000 eye surgeries were performed. We have also supported a cancer screening camp for rural Karnataka, where over 100,000 people were checked.



Education and financial literacy initiatives

**WOMEN EMPOWERMENT PROGRAMS**

Over and above training, skilling, and supporting 1,000 tribal women to start micro enterprises, we have also supported a 'Women's Development Centre' in Kankroli, Rajsamand district, one of the most backward areas in Rajasthan. IIFL Foundation will be conducting several skill-training and income-generation programs for women. A nursing school for underprivileged girls was also supported in Ponda, Goa. This school will train 250 young girls and support them with sustainable employment opportunities.

**EDUCATION AND FINANCIAL LITERACY**

Financial literacy is one of the flagship programs of IIFL Group. Under our Financial Literacy Agenda for Mass Empowerment Initiative (FLAME), we have been undertaking several programs for people from different walks of life. In FY2015-16 the focus was on financial literacy in rural areas and over 150,000 people from Maharashtra's tribal belt undertook this programs.

**CHECK DAMS AND OTHER RAINWATER-HARVESTING STRUCTURES**

IIFL Foundation has vowed to make the tribal areas of Jawhar Taluka drought free. In FY2015-16, we constructed two big check dams and over 50 other rainwater-harvesting structures. Consequently, the groundwater table rose substantially in these areas. Therefore, during FY2015-16, over 40 farmers did not have to migrate, and are cultivating flowers and vegetables throughout the year.

**32**  
Tribal locations adopted in Jawhar Taluka, Palghar

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**50**  
Constructed rainwater-harvesting structures

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**1,000**  
Tribal women supported to start micro enterprises

# Advisory Board

**IIFL's Advisory Board comprises stalwarts with extensive experience and domain expertise, providing independent and informed perspective and oversight to Management, while guiding the Group's strategic focus.**



## Mr. Ashok Jha

Retired IAS, Former Finance Secretary, Government of India

Mr. Ashok Jha, an IAS officer, has had a stint of 38 years in civil services and held crucial positions in State and Central Government establishments. For about two years, Mr. Jha served in the Finance Ministry of the Government of India, first as Secretary, Economic Affairs, and later with additional responsibility as Finance Secretary. He was India's alternate Governor in the World Bank and the Asian Development Bank.

Mr. Jha served as the Secretary, Department of Industrial Policy and Promotion and Chairman of Foreign Investment Promotion Board (FIPB) in his capacity as Secretary, Economic Affairs. He was also Advisor, International Affairs, FICCI. After retiring, Mr. Jha was President, Hyundai Motors, India. He is currently an Independent Director on the Boards of some companies.



## Mr. Keki Dadiseth

Former Chairman of HUL

Mr. Keki Dadiseth, a Fellow member of the Institute of Chartered Accountants of England & Wales, had joined Hindustan Lever Ltd. in 1973 and became Chairman of HUL in 1996. He was appointed as Director on the Board and Executive Committee of Unilever PLC and Unilever NV in May 2000. In India, he is on the Boards of The Indian Hotels, Britannia Industries, Piramal Enterprises, Siemens, Godrej Properties, ICICI Prudential Life Insurance, ICICI Prudential Asset Management Trust. He is the Chairman of the Convening Board of Marsh & McLennan Cos in India, and Non-Executive Chairman of Omnicom India. He is also on the Advisory Board of Accenture Services and PriceWaterhouse Coopers, and a Senior Advisor to the World Gold Council, India.



## Mr. Keki Mistry

Vice Chairman and CEO of HDFC Ltd.

Mr. Keki Mistry is a Fellow of The Institute of Chartered Accountants of India. Mr. Mistry joined the Corporation in 1981. He was appointed as Executive Director in 1993, as Deputy Managing Director in 1999, and as Managing Director in 2000. He was re-designated as the Vice Chairman and Managing Director in October 2007 and as Vice Chairman and Chief Executive Officer from January 2010. Besides being on the board of several HDFC group companies, Mr. Mistry is a director on the board of other public limited companies such as HCL Technologies, Sun Pharmaceutical Industries, Greatship (India), Torrent Power, and GRUH Finance. He is also on the board of CDC Group, London.





### Mr. Sat Pal Khattar

Singapore-based prominent lawyer and investor

Mr. Khattar, a prominent lawyer, is a Singapore-based Indian community leader and businessman. He was founder of Khattar Wong & Partners, one of Singapore's largest law firms, and is the Chairman of Khattar Holdings, a private family investment firm. Among the various positions held by him, Mr. Khattar was Chairman of the Board of Trustees of Singapore Business Federation, a member of the President Council for Minority Rights, a life trustee of the Singapore Indian Development Association (SINDA), and Co-Chairman of the Singapore-India Partnership Foundation. He received the prestigious Padma Shri award from Government of India in 2011.



### Mr. Somasekhar Sundaresan

Eminent Lawyer, Partner, M/s J. Sagar Associates

Mr. Somasekhar Sundaresan is an eminent Corporate Lawyer who heads the Securities Law practice of M/s J. Sagar Associates, Advocates and Solicitors. He has extensive experience in advising clients in the areas of Securities Laws, M&A, and Foreign Investment in India, including strategic Foreign Direct Investment, Portfolio Investments and Private Equity Investments. Mr. Somasekhar is a permanent invitee to the executive committee of FICCI and is an active member of its Capital Markets Committee.



### Mr. S. Venkatachalam

Career banker, ex-Citibank, Chairman, Oracle India

Mr. S. Venkatachalam is the Chairman of the Board of Directors of Oracle Financial Services Software. He has served Citibank N. A. for nearly 30 years, holding several senior positions during his stint. He is currently on the Board of Equifax Credit Information Services and Canara Robeco Asset Management Company and he is an advisor to Karvy Financial Services. He has previously served as an advisor to Fullerton India Credit Corporation and was on the Board of State Bank of India as an Independent Director. A Chartered Accountant by profession, he has rich experience in the field of banking, finance, administration, compliance, taxation, and labor laws.

# Board of Directors



**Mr. S. Sridhar**  
Chairman and Independent  
Director, Former Chairman of NHB  
and Central Bank of India

Mr. S. Sridhar is an eminent personality in the banking and finance industry and has held several senior positions in retail, corporate and export/import banking in his career of almost four decades. He was the Chairman of NHB and Central Bank of India, where, he was responsible for a number of new initiatives such as the NHB Residex, Rural Housing Fund, Reverse Mortgage for senior citizens. Prior to this, he was with Export Import Bank of India as Executive Director as well as State Bank of India.



**Mr. Nirmal Jain**  
Founder, IIFL Group  
Chairman, IIFL Holdings Limited

Mr. Nirmal Jain is an MBA from IIM, Ahmedabad, a rank holder Chartered Accountant and a Cost Accountant. He started his career in 1989 with Hindustan Lever Limited, the Indian arm of Unilever. He founded Probity Research and Services (later re-christened as India Infoline Limited) in 1995; one of the first independent equity research companies in India. Under his leadership, IIFL Group has grown into a dominant and diversified player in the financial services space.



**Mr. R. Venkataraman**  
Co-Promoter and Managing  
Director, IIFL Holdings  
Limited

Mr. R. Venkataraman is a B.Tech (Electronics and Electrical Communications Engineering) from IIT, Kharagpur and an MBA from IIM, Bangalore. He has previously held senior managerial positions in ICICI Limited, including ICICI Securities, their investment banking joint venture with JP Morgan, US and Barclays – BZW as well as, with GE Capital Services India as AVP in their private equity division. He has a varied experience of more than 25 years in the financial services sector.



**Mr. Kranti Sinha**  
Independent Director  
Former Executive Director, LIC

Mr. Kranti Sinha has served as the Director and Chief Executive of LIC Housing Finance from 1998 to 2002 and concurrently as the Managing Director of LICHFL Care Homes (a wholly owned subsidiary of LIC Housing Finance). He retired from the permanent cadre as the Executive Director of LIC. He also served as the Deputy President of the Governing Council of Insurance Institute of India and as a member of the Governing Council of National Insurance Academy, Pune.



### **Ms. Rajashree Nambiar**

Career banker, previously with Standard Chartered Bank

Ms. Rajashree Nambiar holds an MBA and a Bachelor of Science in Physics (Honours). She is an experienced banker with 22 years of rich work experience with ANZ and the Standard Chartered Group. She has held several leadership positions within the SCB group; last position held was, General Manager, Retail Banking Products, Brand & Marketing, India & South Asia. She is the ED & CEO of India Infoline Finance Ltd.



### **Mr. R. Mohan**

Non-Executive Director, Former General Manager, SEBI and IIFL Group's Chief Compliance Officer

Mr. R. Mohan is a Chartered Accountant with 28 years' experience in financial services and capital market regulations. He has been with the IIFL Group for 11 years and is heading the Group's compliance division. Previously, he was with SEBI as General Manager and served for over 12 years. He has held various positions in the supervision, market surveillance and investigation functions at SEBI. Prior to SEBI, he was with Carborundum Universal, a part of Murugappa Group.



### **Mr. Monu Ratra**

Executive Director & CEO

Mr. Monu Ratra has over 17 years of experience out of which 16 years have been in mortgages with companies like HDFC Ltd., ICICI Bank and Indiabulls Housing prior to India Infoline Housing Finance Ltd. His last assignment was with Indiabulls HFC as National Business Manager.

# Operational and Financial Review

## Indian Economy

**India's GDP grew by 7.6% in FY2015-16, making it one of the world's fastest growing major economies. Despite subdued global demand, low commodity prices and weakening growth in emerging economies, the Indian economy has been able to sustain its growth momentum.**

The country's domestic economic parameters like inflation, fiscal and current account deficits continued to remain moderate during FY2015-16. The Reserve Bank of India (RBI) cut interest rates four times this year as inflation eased sharply. Continuing fiscal consolidation has reduced the Government of India's (GoI) fiscal deficit to close to 4% of GDP (on a 12-month rolling basis), down from a peak of 7.6% in 2009. India's current account deficit has continued to narrow, backed by softer oil prices.



The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25% of GDP by 2025, from 16% through

the 'Make in India' initiative. Interestingly, foreign direct investment (FDI) into the country increased by 37% after the

launch of 'Make in India' program (until February 2016) (Source: Government of India Report).

## Industry Overview

### HOUSING FINANCE COMPANIES (HFCs)

Housing credit outstanding in India as on March 31, 2016 was around ₹ 12.5 trillion as against ₹ 10.5 trillion as on March 31, 2015, indicating an annualized growth of Housing Finance Companies at 19% in FY2015-16. Opportunities for growth are high for the affordable housing segment given the current low penetration levels as well as the government thrust on the affordable housing segment. This segment offers good growth potential and could report reasonable returns over the long-term. This scenario is a reflection of the efforts that still need to be made in this sector by HFCs.

The budget 2016-17 offers tax concession to developers for a supply of dwelling units in the lower income segments. It also offers an additional deduction of ₹ 50,000 on interest component of home loan EMI for first-time buyers in cases where the property is valued up to ₹ 50 lakh and the sanctioned loan amount does not cross ₹ 35 lakh.

In support of Government of India's mission of 'Housing for All by 2022', NHB has reduced risk weights on smaller loans. The Government also passed Real Estate (Regulation & Development) Bill, 2016 which is expected to ease the home buying process.

Based on KPMG report on affordable housing, the Government of India's vision entails development of about 110 million housing units, including the current shortage of about 60 million units. The housing need is almost equally distributed in urban and rural areas in the range of 50 to 60 million units, primarily consisting of affordable houses. With such potential waiting to be tapped, the housing finance industry can look forward to a brighter future.

Source: ICRA Research Report  
KPMG Report on Affordable Housing

## Operational and Financial Highlights

- AUM stands at ₹ 55,399 million up 186% year-on-year. Total loan book stands at ₹ 52,843 million up 168% year-on-year
- Profit After Tax stands at ₹ 721 million up 35% year-on-year
- We remained focused on strengthening the core of our business by increasing operational efficiency and streamlining processes
- Our strategy is well on track as we delivered on our goals of consistent, profitable, and responsible growth
- Gross and Net NPA (Non-performing asset) were 0.64% and 0.31% respectively, for the year under review
- Provision coverage (including standard assets provision) was at 122% as on March 31, 2016
- We continued to make good progress with our digitization initiatives

## Business Overview

### HOUSING LOANS

Over the last decade, housing finance in the country has emerged as one of the most secured asset class with low delinquencies. Housing finance has grown at a robust 19% CAGR over the past three years (FY2013-15), higher than the overall bank credit growth (Source: Care Ratings).

The Government's thrust on providing 'Housing for All by 2022', combined with significant housing shortages in the low cost and affordable housing is expected to fuel credit growth in the segment. Reduction in interest rates, increase in disposable income due to economic growth, relaxation in FDI norms, and renewed focus on execution of projects will accelerate demand for home loans. Moreover, income tax benefit for first-time home buyers and the affordable housing segment, particularly in Tier II and Tier III cities will further contribute to growth in this segment.

### Outlook

India's housing sector is charting an attractive growth trajectory (Source: Booming Housing Sector in India Report). Rising population, nuclear families, high disposable income, low interest, and tax concessions in home loans pave the way for an upsurge in housing needs. The Company is investing in technology to tap this opportunity, to optimize internal as well as external processes, reduce turnaround time, and enhance customer experience.

### LOAN AGAINST PROPERTY

Loan against property (LAP) are provided for working capital requirements, business use, new commercial property acquisition and construction financing. LAP continues to be the Company's largest and most dominant product within the mortgages segment. The Company targets SME segment, especially priority sector, for incremental business. The self-employed segment, which is the foremost segment of LAP, requires efficient checks and controls

to ensure a quality portfolio and risk reduction.

IIFL has in place a robust system to undertake necessary checks regarding the borrower's credit background, and to conduct legal and technical security evaluation. IIFL leverages on external as well as internal appraisal of properties, including valuations by international property consultants for large mortgage loans. The verification process comprises prescribed and independent fraud control checks.

### Outlook

The demand for loan against property from small business segments has been growing significantly. LAP is a secured avenue to fund the working capital requirement for small and medium size enterprises. IIFL will continue to carve a niche for itself in this segment through innovative offerings and service expertise. Our presence in Tier II and Tier III cities, process efficiency and quicker turnaround time will provide an edge over the competition.



## Risk Management



A well-defined risk management process is integral to our business. We ensure that an effective risk management framework is aligned to our objectives.

The senior management team, Audit Committee and the Board review risks, which could affect the Company's operations. They are reviewed by our internal auditors on a regular basis to ensure that the framework is in line with good practice and that identified mitigation plans are being adhered to.

### **CREDIT RISK**

The Company maintains a well-diversified and balanced credit portfolio with a low risk profile, wherein the entire loan book is fully collateralized and spread across sectors and lending segments. The Company's credit appraisal system, is one of the best in the industry. Selection of borrowers after thorough screening of creditworthiness, followed by exhaustive credit appraisal mitigates the credit risk.

### **BUSINESS RISK**

Business risk pertains to bearing of peripheral factors on business profitability and continuity. These risks primarily include interest rate risk, eco-political risk and competition risk. Asset Liability Management Committee (ALCO) meets every month to take stock of the developments in economy, financial markets, including trends in interest rates and its impact on the portfolio. ALCO regularly deliberates on the Company's fund management. The Company has a dedicated research team, which constantly monitors the developments in the market and the economy. Carefully chosen business segments i.e. funding to residential real estate and MSMEs, would provide risk-balanced secured returns over a longer period of time.

### **OPERATIONAL RISK**

The Company has worked on process standardization and documentation and the same has been streamlined taking into account the experience gained.

Through web-based interactive system, employees get training and understanding of process and guidelines. Besides, they get a complete picture of internal audit process, which covers both on-site and off-site audit of branches and departments. The Company has adopted new technologies, which help integrate the wide branch operations seamlessly. A well-defined credit policy also helps in faster loan disbursement.

### **LIQUIDITY RISK**

The Company manages liquidity risk by developing and implementing a funding plan. It has ensured maximum asset compliance with priority sector lending norms. To mitigate liquidity risk, it maintains substantial levels of unutilized limits.



# Directors' Report

Dear Members,

Your Directors have pleasure in presenting Tenth Annual Report of your Company with the Audited Financial Statements for the financial year ended 31st March, 2016.

## 1) FINANCIAL RESULTS

Particulars	₹ in Millions	
	2015-16	2014-15
Gross Total Income	5,695.97	2,366.28
Less: Expenditure	4,587.13	1,565.11
Profit/ Loss before Taxation	1,108.84	801.17
Less: Taxation	388.25	266.15
Net Profit/ (Loss) After tax	720.59	535.02

## 2) REVIEW OF BUSINESS

Your Directors are pleased to inform that during the year under review, the Company has earned a net profit of ₹ 720.59 Mn as compared to previous year's net profit ₹ 535.02 Mn, an increase of 35%. Total Revenue has grown by 141% and stood at 5695.97 Mn as against 2366.28 Mn in the previous year.

IIFL Home Loans has gained significant traction during the year. The Loan book of Company grew by 168% to ₹ 52,842.96 Mn as of March 31, 2016 as against ₹ 19,736.39 Mn in the previous year. The Gross NPA for 2016 is ₹ 337.74 Mn (0.64%) while Net NPA is ₹ 163.05 Mn (0.31%).

To thrive in the industry, IIFL Home Loans shifted the strategy to retail lending and started its digital journey. The company also commenced offering home loans under Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme (PMAY-CLSS) to the targeted sections of the society. The company believes in the "Housing for All" initiative taken by Government of India and would strive to reach the masses in the coming year.

## 3) SHIFT IN CORPORATE OFFICE AND CHANGE IN PLACE OF KEEPING BOOKS OF ACCOUNTS OF THE COMPANY

With a view to keep all the operations centralised and efficient coordination, the Board of Directors during the year in its meeting held on October 23, 2015 approved shifting of Corporate Office and change in place of keeping the Books of Accounts and records from 12A-10, 13th Floor, Parinee Crescenzo, C-38 & 39, G-Block Bandra Kurla Complex, Bandra (East), Mumbai - 400051 to Plot No. 98, Udyog Vihar, Phase IV, Gurgaon - 122 015, Haryana.

## 4) RESOURCE MOBILISATION

### Non Convertible Debentures (NCDs)

During the year under review, the Company issued secured redeemable non convertible debentures aggregating to an amount of ₹ 8443.00 Mn.

Further, the Company during the year issued unsecured redeemable non convertible subordinated debentures aggregating to an amount of ₹ 470.00 Mn.

The Company has been regular in making payments of principal and interest on NCDs. The Company is in Compliance with the provisions of the Housing Finance Companies Issuance of Non-Convertible Debentures on Private Placement (NHB) Directions, 2014. During the year under review, the Non-Convertible Debentures were paid / redeemed by the Company on or before their respective due dates.

Total number and amount of unpaid/ unclaimed non-convertible debentures which was not claimed or not paid after due date of redemption was Nil.

### Assignment of Loans

During the year, the Company has assigned the receivables of housing loan portfolio aggregating to ₹ 2,046.33 Mn. and non housing loan portfolio aggregating to ₹ 1,109.97 Mn. The Company is, appointed as servicer by the Assignee to collect and receive payment of the receivables from the Assigned Assets. The same will be distributed in the agreed ratio between the Assignee and the Assignor on a pari passu basis.

### Term Loans and other Borrowings

During the year under review, the National Housing Bank (NHB) sanctioned a maiden refinance assistance of ₹ 25 Crores for availment under NHB's refinance schemes. The Company is planning on utilising the same in the coming months.

The Company raised funds by way of borrowing from term loans, Issuance of Commercial paper and other sources. Details of same are provided in the point (v) to Annexure I to this report.

## 5) DIVIDEND

- The Board declared interim dividend to the preference shareholders of 6% Compulsory Convertible Preference Shares till date of its conversion into equity shares. The total outgo on account of interim dividend (including Dividend Distribution Tax) was ₹ 91.63 Mn.
- Further, the Board, in its meeting held on May 4, 2016, have recommended dividend on redeemable preference shares subject to same being declared by the shareholders of the Company at their ensuing Annual General Meeting. The total outgo of dividend on preference shares, if declared would be as follows:

(₹ in Millions)

Preference Shares	Amount of Preference Shares	Rate of Dividend	No of Days	Amount of Preference Dividend	Dividend Distribution tax
10% Redeemable Preference Shares of ₹ 10/- each	200.00	10%	366	20.00	4.07
<b>Total</b>	<b>200.00</b>	<b>10%</b>	<b>366</b>	<b>20.00</b>	<b>4.07</b>

- c. With a view to conserve resources of the Company, your directors do not recommend any dividend on Equity Shares of the Company for the financial year.

#### 6) TRANSFER TO RESERVES

During the year under review, the Company transferred ₹ 150.50 Mn (20.89% of Net Profit for the year) to Special Reserve under the provisions of Section 29C of the National Housing Bank Act, 1987. As on March 31, 2016 the said reserve stood at ₹ 373.70 Mn.

#### 7) CHANGES IN SHARE CAPITAL OF THE COMPANY

During the year under review, the Authorised Share Capital of the Company was increased from ₹ 1,66,00,00,000 (₹ One Hundred Sixty Six Crores Only) divided into 1,10,00,000 (One Crore Ten Lacs) equity shares of ₹ 10/- each (₹ Ten Only) and 15,50,00,000 (Fifteen Crore Fifty Lacs) Preference Shares of ₹ 10/- each to ₹ 1,72,00,00,000 (₹ One Hundred Seventy Two Crores Only) divided into 1,70,00,000 (One Crore Seventy Lacs) Equity Shares of ₹ 10/- each (₹ Ten only) and 15,50,00,000 (Fifteen Crore Fifty Lacs) Preference Shares of ₹ 10/- each.

Keeping in view the business plan of the Company, the Members of the Company at their Extraordinary General Meeting held on December 30, 2015 approved the issuance of 1,818,181 equity shares of the face value of ₹ 10 each to India Infoline Finance Limited at a premium of ₹ 540/- per share on preferential basis and the same were allotted to India Infoline Finance Limited on December 30, 2015.

During the year under review, the Board of Directors on March 04, 2016 approved the conversion of 13,50,00,000 (Thirteen Crores, Fifty Lakh) Compulsory Convertible Preference shares of ₹10/- each held and as requested by India Infoline Finance Limited to 22,50,000 (Twenty Two Lakhs Fifty Thousand) equity shares of ₹ 10 each issued at a premium of ₹ 590/- per share being the fair value as certified by the Chartered Accountant.

#### 8) DEPOSITS

During the year under review, your company has not accepted/ renewed any deposit within the meaning of Section 73 of Companies Act, 2013 read with applicable rules thereto.

#### 9) INTERNAL CONTROL

The Company has an Internal Control System, commensurate with the size and scale of its operation. Internal Audit team monitors and evaluates the efficacy and adequacy of Internal Control System in the Company, its compliance with operating systems and accounting procedures. Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and implementations/ corrective actions thereon are presented to the Audit committee of the Board.

#### 10) INTERNAL FINANCIAL CONTROL

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

#### 11) VIGIL MECHANISM

The Company has established a Vigil Mechanism that encourages and supports its Directors and Employees to report their genuine concerns or grievances. The said Mechanism also provide adequate safeguard against the victimization of person who uses this mechanism and access to Chairman of Audit Committee in exceptional cases. The Policy on Vigil mechanism has been uploaded on the website of the Company.

#### 12) CREDIT RATING

During the year under review, the Company's Secured Non- Convertible Debentures were rated as ICRA AA (stable outlook), CARE AA and CRISIL AA-(stable outlook). Further Unsecured Non Convertible Debentures were rated as BRICKWORKS AA+ (stable outlook), ICRA AA (stable outlook) and CRISIL AA- (stable outlook).

#### 13) ANNUAL EVALUATION OF THE BOARD

Pursuant to the provisions of the Act, the Company has a system for annual evaluation of the Board and the Board has carried out an annual evaluation of its own performance and the individual Directors (including Chairman). The

performance evaluation was carried out by seeking inputs from all the Directors. The criteria for evaluating the performance of the Board as a whole covered various aspects of the Board's functioning such as fulfillment of the key responsibilities, structure of the Board and its compositions establishment and delineation of responsibilities of the Board Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, etc. The criteria for evaluation of individual Directors covered parameters such as attendance and contribution at meetings, guidance to Management etc.

The feedback of the Independent Directors on their review of the performance of Non – Independent Directors and the Board as a whole, the performance of the Chairman of the Company and assessment of the quality, quantity and timeliness of flow of information between the company Management and the Board, was taken into consideration by the Board in carrying out the performance evaluation.

#### 14) DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Monu Ratra was appointed as an Executive Director and CEO of the Company w.e.f. January 28, 2016 by the Board of Directors at its meeting held on January 28, 2016 for the period of five years. His appointment as the Executive Director & CEO was further approved by the Members at their Extraordinary General Meeting held on February 12, 2016.

During the year under review, Mr. Bhavin Rajput was transferred to other function within the group and in his place Mr. Amit Gupta was appointed as the new Chief Financial Officer of the Company by the Board of Directors in their meeting held on May 06, 2015.

In terms of provisions of Section 152 of the Companies Act, 2013, Mr. Mohan Radhakrishnan, Non-Executive Director of the Company, would retire by rotation at the forthcoming Annual General Meeting and does not offer him for re-appointment.

#### 15) AUDITORS

M/s. Sharp and Tannan Associates, Chartered Accountants have been the statutory auditors of the Company since 2007-08. Further, M/s. Sharp and Tannan Associates, Chartered Accountants are eligible for re-appointment pursuant to third proviso of Section 139(2) of the Companies Act, 2013. M/s. Sharp and Tannan Associates, Chartered Accountants, the retiring auditors, have given the necessary consent and certificate pursuant to the provisions of the Sections 139(1) and 141 of the Act and Companies (Audit and Auditors) Rules, 2014 for their re-appointment as the statutory auditors for the term permissible under the Act.

Accordingly, Board of Directors of the Company recommend the appointment of M/s. Sharp and Tannan Associates, Chartered Accountants (ICAI Registration no. 109983W), as the Statutory Auditors of the Company from the conclusion of forthcoming AGM till the conclusion of the next AGM subject to the approval of the Shareholders in the forthcoming AGM.

#### 16) REGULATORY GUIDELINES

The Company has duly complied with the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank regarding accounting standards, prudential norms for asset classification, income recognition, provisioning capital adequacy, concentration norms and ALM requirements etc as in force from time to time.

Your Company has been maintaining capital adequacy as prescribed by the NHB. The Capital adequacy was 16.75% (as against 12% prescribed by the NHB) as on March 31, 2016.

#### 17) INFORMATION OF VARIOUS STATUTORY COMMITTEES

In terms of the provisions of Companies Act, 2013, read with Rules made thereunder, the Company has constituted the following Committees:

##### a. Audit Committee:

In terms of the requirements of section 177 and other applicable provisions of the Companies Act, 2013, read with Rules made thereunder, the Company has constituted an Audit Committee of Directors. The Audit Committee met 4 times during the year under review, on May 6, 2015, July 27, 2015, October 23, 2015 and January 28, 2016.

The composition of Audit Committee and attendance in meeting during the year is given below:

Name	No. of Meetings held	No. of meetings attended
Mr. S Sridhar	4	4
Mr. Kranti Sinha	4	4
Mr. R Venkataraman	4	4

The Company Secretary of the Company acts as a secretary of the Committee. Chief Financial Officer and person representing the internal auditors are permanent invitees to the meetings of the Committee.

The role and terms of reference of the said committee are in accordance with the provisions contained in the Companies Act, 2013 and rules made there under from time to time and inter- alia include the following:

- a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- b) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c) examination of the financial statement and the auditors' report thereon;
- d) approval or any subsequent modification of transactions of the company with related parties;
- e) scrutiny of inter-corporate loans and investments;
- f) valuation of undertakings or assets of the company, wherever it is necessary;
- g) evaluation of internal financial controls and risk management systems;
- h) monitoring the end use of funds raised through public offers and related matters;
- i) Appointment of Internal Auditor(s).

The details of all related party transactions are periodically placed before the Committee. During the year, there were no instances where the Board did not accept the recommendation of the Audit Committee.

#### b. Stakeholders' Relationship Committee

In terms of the provisions of Section 178 and other applicable provisions of the Companies Act, 2013, read with rules made thereunder, the Company has constituted a Stakeholders' Relationship Committee of Directors. The Committee met 2 times during the year under review, on October 23, 2015 and January 28, 2016.

The composition of Stakeholders' Relationship Committee and attendance in meeting during the year is given below:

Name	No. of Meetings held	No. of meetings attended
Mr. R Mohan	2	2
Mr. R Venkataraman	2	2
Mr. Kranti Sinha	2	2

The terms of reference of the said committee shall be in accordance with the provisions contained in the Companies Act, 2013 and rules made there under from time to time.

The Stakeholders' Relationship Committee is empowered to perform all the functions of the Board in relation to resolving of the Shareholders' Grievances. It primarily focuses on:

- Review of investors' complaints and their redressal;
- Review and approval of the queries/requests received from the investors/shareholders.

#### c. Corporate Social Responsibility (CSR) Committee

In terms of the provisions of Section 135 and other applicable provisions of the Companies Act, 2013, read with rules made thereunder, the Company has constituted a CSR Committee. The Committee met 2 times during the year under review, on May 6, 2015 and March 31, 2016.

The composition of CSR Committee and attendance in meeting during the year is given below:

Name	No. of Meetings held	No. of meetings attended
Mr. Kranti Sinha	2	2
Mr. R Venkataraman	2	2
Mr. Nirmal Jain	2	2

The Corporate Social Responsibility (CSR) Policy, duly adopted by the Board, is available on the website of the Company and the details as required under Clause (o) of Sub-section (3) of Section 134 of the Companies Act, 2013 read with Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is provided in "Annexure II".

The terms of reference of CSR Committee shall be governed by the provisions of section 135 of the Companies Act, 2013 read with the applicable rules and such modification or amendments as made from time to time.

#### d. Nomination and Remuneration Committee

In terms of the provisions of Section 178 and other applicable provisions of the Companies Act, 2013, read with rules made thereunder, the Company has constituted a Nomination and Remuneration Committee of Directors. The Committee met 2 times during the year under review, on May 6, 2015 and January 28, 2016.

The composition of Nomination & Remuneration Committee and attendance in meeting during the year is given below:

Name	No. of Meetings held	No. of meetings attended
Mr. Kranti Sinha	2	2
Mr. S Sridhar	2	2
Mr. R Venkataraman	2	2

Terms of reference of Nomination and Remuneration Committee shall be as governed by the provisions of section 178 of Companies Act, 2013 read with applicable rules made there under and shall inter- alia include the following:

- identify persons who are qualified to become directors and who may be appointed in senior management recommend to the Board their appointment and removal;
- carry out evaluation of every director's performance;
- formulate the criteria for determining qualifications, positive attributes and independence of a director;
- recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The Remuneration policy of the Company is available on the website of the Company and the information as required in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached herewith as "Annexure III" and "Annexure IV" respectively and forms part of this Report.

## 18) SECRETARIAL AUDIT

For the year under review, the Secretarial Audit was conducted by M/s RMG & Associates, Practicing Company Secretaries, in accordance with the provisions of section 204 of the Companies Act, 2013. The Secretarial Audit Report is attached as "Annexure V" and forms part of this Report of Directors. There are no qualifications or observations or adverse remarks made by the Secretarial Auditors in his Report.

## 19) NUMBER OF MEETINGS OF THE BOARD

The Board meeting was convened after giving due notice and agenda. The Board meets at least once a quarter and the time gap between two Board Meetings is not more than 120 days. The Board of the Company met 5 times during the year

under review, on May 6, 2015, July 27, 2015, October 23, 2015, December 30, 2015 and January 28, 2016.

The detail of the Board composition and Board Meeting during the year is given below:

Name	Board Meeting attendance details during the year	
	Held	Attended
Mr. S Sridhar (Chairman, Non Executive Independent)	5	5
Mr. Monu Ratra* (Executive Director & CEO)	5	1
Mr. Nirmal Jain (Non Executive)	5	5
Mr. R Venkataraman (Non Executive)	5	5
Mr. R Mohan (Non Executive)	5	5
Ms. Rajashree Nambiar (Non Executive)	5	4
Mr. Kranti Sinha (Non Executive Independent)	5	4

\*Mr. Monu Ratra was appointed as the Executive Director & CEO of the Company in the Board meeting of the financial year held on January 28, 2016.

## 20) NAME & CONTACT DETAILS OF DEBENTURE TRUSTEES

### a. IDBI Trustee Services Limited

Asian Building, Ground Floor  
17, R Kamani Marg, Ballard Estate, Mumbai - 400 001  
Telephone: +91 22 4080 7000  
Fax: +91 22 6631 1776  
E-mail: itsl@idbitrustee.co.in

### b. IL&FS Trust Company Limited

IL&FS Financial Centre, Plot C-22, G Block,  
Bandra- Kurla Complex,  
Bandra (East), Mumbai-400 051, Maharashtra, India  
Tel: +91 22 2659 3612  
Fax: + 91 22 2653 3297  
E-mail: shailesh.kokate@ilfsindia.com

### c. Milestone Trustee Services Private Limited

602, Hallmark Business Plaza  
Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital  
Bandra (E), Mumbai-400 051.  
Telephone: +91 22 6716 7080  
Fax: +91 22 6716 7077  
E-mail: vaishali@milestonetrustee.in

## 21) RISK MANAGEMENT

Risk Management Committee of the company comprises Mr. S Sridhar - Director, Mr. Kranti Sinha- Director, Mr. Nirmal Jain- Director, Mr. R Mohan- Director, Mr. Monu Ratra- Executive Director & CEO, Mr. Amit Gupta - Chief Financial Officer and



Mr. Kaushik Chatterjee – Chief Risk Officer as members of the Committee. The objective of the Committee is to oversee the risk management governance structure, define and review the framework for identification, assessment, monitoring, mitigation and reporting of risks.

During the previous year, Company has made substantial growth in business and this has been possible with a similar strengthening of the company's Risk Management Framework in order to deliver a sufficiently safeguarded loan book.

The Risk Management Committee (RMC) of the Company, which is also the supervisory authority engaged in the continuous assessment of both internal and external factors leading to any change in risk environment within the economy, industry or company reviews the portfolio performance on a periodic basis and provide direction towards strengthening of the Risk Management framework of the company.

RMC lays the overall guidelines and procedures for risk assessment and its impact on the Company with corrective measures to be followed. All functional heads and the regional heads of the Company are responsible for identifying, monitoring and reviewing the risk profile of their relevant function / region on an ongoing basis. RMC would further appraise the Board with any key risks to the business with reasons and corrective actions on a periodic basis.

## 22) DIRECTORS' RESPONSIBILITY STATEMENT

The Board acknowledges its responsibility for ensuring compliance with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended as on March 31, 2016 and state that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 23) STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

In terms of provisions of sub-section (6) of Section 149 of the Companies Act, 2013, the Company has received declaration by Independent Directors stating and confirming that they are not disqualified to act as Independent Directors on the Board of the Company and further the Board is also of the opinion that the Independent Directors fulfil all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

## 24) AUDITORS REPORT

Audit Report as issued by M/s Sharp and Tannan Associates, Statutory Auditors of the Company forming part of financial statements of the Company does not contain any qualifications or observations or remarks made by the statutory Auditors in their Report.

## 25) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

As the Company is a housing finance company, the disclosures regarding particulars of the loans given, guarantee given and security provided is exempt under the provisions of Section 186(11) of the Companies Act, 2013.

As regards investments made by the Company, the details of the same are provided under Notes No. 10 forming part of the Notes to accounts forming part of the Audited Financial Statements for the year ended March 31, 2016.

## 26) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company and were on Arm's Length basis. No contract/ arrangement have been entered by the Company with its Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company. Since all related party transactions entered into by the Company were in the ordinary course of



business and were on an arm's length basis, form AOC-2 is not applicable to the Company. The transactions with related party are disclosed in Note No. 29 of standalone financial results for the financial year ended March 31, 2016.

The disclosure in Compliance with the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 on Related Party is provided under Note No. 29 of the Notes to Accounts section of the Annual Report.

## 27) ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable. During the year under review, the Company has not received or paid any foreign exchange.

## 28) EMPLOYEE REMUNERATION

The information required pursuant to Section 197 of Companies Act, 2013 read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in "Annexure IV".

In terms of the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company and the same will be furnished on request.

In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to members and others entitled thereto.

## 29) DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment. The Company is also committed to promote a work environment that is conducive to the professional growth of its women employees and encourages equality of opportunity. The Company will not tolerate any form of sexual harassment and is committed to take all necessary steps to ensure that its women employees are not subjected to any form of harassment. There are no complaints received by the Company during the year under review.

## 30) ANNEXURE FORMING PART OF THIS REPORT OF DIRECTORS

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

- a. Extracts of Annual Return in Form MGT-9- Annexure I
- b. Report on Corporate Social Responsibility - Annexure II
- c. Nomination and Remuneration Policy- Annexure III
- d. The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Annexure IV
- e. Secretarial Audit Report- Annexure V

## 31) ACKNOWLEDGEMENTS

Your Directors record their sincere appreciation of the dedication and commitment of its employees in achieving and sustaining excellence in all areas of its operations. Your Directors thank the shareholders, customers, vendors, bankers and other stakeholders for their continuous support to the Company.

For and on behalf of the Board of Directors

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

**Rajashree Nambiar**  
Director  
DIN: 06932632

Place: Mumbai  
Date: May 4, 2016

# Annexure I

## Extract of Annual Return as Provided Under Section 92 (3) of Companies Act, 2013

The Extract of Annual Return as specified in form MGT-9 under Section 92 (3) of Companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 are as below:

### I. REGISTRATION AND OTHER DETAILS:

1	CIN	U65993MH2006PLC166475
2	Registration Date	26/12/2006
3	Name of the Company	INDIA INFOLINE HOUSING FINANCE LIMITED
4	Category/ Sub Category of the Company	Category- Company Limited by Shares and sub category- Indian Non-Government Company.
5	Address of the Registered office of the Company	12A-10, 13th floor, Parinee Crescenzo, G Block, C-38&39, Bandra Kurla Complex, Bandra - East, Mumbai- 400051
6	Whether Listed / Unlisted	Debt Listed Company
7	Name, Address and contact details of Registrar and Transfer Agent	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078 Tel: +91 22 2596 3838 Fax: +91 22 2594 6969 E-mail : <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a>

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the Total turnover of the Company shall be stated:-

Sr. No	Name and Description of main products/ services	NIC code of the product/ Service	% to total turnover of the Company
1	Carrying out activities of Housing Finance (Housing Loan & Non Housing Loan)	65922	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/ GIN	Holding/ Subsidiary/ Associate Company	% of Shares held	Applicable Section
1	India Infoline Finance Limited (IIFL)	U67120MH2004PLC147365	Holding	100%	Section 2 (46) of Companies Act, 2013

### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

#### i Category-wise Shareholding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
1) Indian	-	-	-	-	-	-	-	-	-
a. Individual/ HUF	-	-	-	-	-	-	-	-	-
b. Central Govt/ State Govt	-	-	-	-	-	-	-	-	-
c. Body Corporate	10,900,000	-	10,900,000	100	14,968,181	-	14,968,181	100	Nil
d. Banks/ FIS	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>									
2) Foreign	-	-	-	-	-	-	-	-	-
a. NRI- Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d. Bank/ FI	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>B. Total Shareholding of Promoter (A) = (A)(1) +(A) (2)</b>	10,900,000	-	10,900,000	100	14,968,181	-	14,968,181	100	Nil
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt/ State Govt	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIIS	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
h) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub- Total (B) (1)</b>									
<b>2) Non- Institutions</b>									
a) Bodies Corporates	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individuals holding nominal share capital up to ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
(ii) Individual holding nominal share capital in excess of ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
<b>Sub (B) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	-	-	-	-	-	-	-	-	-
c) Shares held by Custodian for GDR's and ADR's	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>10,900,000</b>	<b>-</b>	<b>10,900,000</b>	<b>100</b>	<b>14,968,181</b>	<b>-</b>	<b>14,968,181</b>	<b>100</b>	<b>Nil</b>

## ii. Shareholding of Promoters

Sr. No	Shareholders name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	India Infoline Finance Limited	10,900,000	100	-	14,968,181	100	-	Nil

## iii. Change in Promoters' Shareholding: Nil

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Company being wholly owned subsidiary of India Infoline Finance Limited. This clause is not applicable.

## v. Shareholding of Directors and Key Managerial Personnel

Sr. No	Name of Director/ KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Kranti Sinha – Director	-	-	-	-
2	Sridhar Srinivasan- Director	-	-	-	-
3	Nirmal Bhanwarlal Jain- Director	-	-	-	-
4	Venkataraman Rajamani- Director	-	-	-	-
5	Mohan Radhakrishnan- Director*	100	Negligible	100	Negligible
6	Rajashree Nambiar - Director	-	-	-	-
7	Monu Ratra- ED & CEO*	-	-	100	Negligible
8	Ajay Jaiswal- Company Secretary	-	-	-	-
9	Amit Kumar Gupta – Chief Financial Officer*	-	-	100	Negligible

\*As a nominee of India Infoline Finance Limited.

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Particulars	(₹ in Millions)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	10,914.20	4,243.50	-	15,157.70
ii. Interest Due but not paid	-	-	-	-
iii. Interest Accrued but not due	221.52	20.00	-	241.52
<b>Total (i+ii+iii)</b>	<b>11,135.72</b>	<b>4,263.50</b>	-	<b>15,399.22</b>
<b>Change in Indebtedness during the financial year Additions / (Reduction)</b>				
i. Principal Amount	22,701.19	5,629.75	-	28,330.94
ii. Interest Due but not paid	-	-	-	-
iii. Interest Accrued but not due	868.40	51.24	-	919.64
<b>Net Change</b>	<b>23,569.59</b>	<b>5,680.99</b>	-	<b>29,250.58</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	33,615.39	9,873.25	-	43,488.64
ii. Interest Due but not paid	-	-	-	-
iii. Interest Accrued but not due	1,089.92	71.24	-	1,161.16
<b>Total (i+ii+iii)</b>	<b>34,705.31</b>	<b>9,944.49</b>	-	<b>44,649.80</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Director and/ or Manager:

Sr. No	Particulars of Remuneration	Managing Director - NA	*Mr. Monu Ratra - Executive Director & CEO	Manager - NA	Total Amount
1	Gross Salary	-	1,94,02,768	-	1,94,02,768
	Salary as per provisions contained in Section 17 (1) of Income Tax Act, 1961				
	Value of Perquisites u/s 17 (2) of Income Tax Act, 1961	-	-	-	-
	Profit in lieu of salary under Section 17 (3) of Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission -as % of Profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	-	<b>1,94,02,768</b>	-	<b>1,94,02,768</b>

Sr. No	Particulars of Remuneration	Managing Director - NA	*Mr. Monu Ratra - Executive Director & CEO	Manager - NA	Total Amount
	Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, ("Act") the remuneration payable to the Executive Director shall not exceed 5% of the net profit of the Company as calculated as per the Act. The remuneration paid to Mr. Monu Ratra – Executive Director & CEO was well within the limits prescribed under the Companies Act, 2013 and the approval accorded by the Members of the Company.			

\* Mr. Monu Ratra was appointed as Executive Director & CEO w.e.f. January 28, 2016, before this appointment, he was serving as Chief Executive Officer of the Company. The remuneration for full year is mentioned.

## B. Remuneration to other Directors

Sr. no	Particulars of Remuneration	Name of Directors		Total Amount
		Kranti Sinha	S Sridhar	
1	Independent Directors			
	Fees for attending Board Committee Meeting	4,30,000	4,60,000	8,90,000
	Commission	-	10,00,000	10,00,000
	Others, pls specify	-	-	-
	<b>Total (1)</b>	<b>4,30,000</b>	<b>14,60,000</b>	<b>18,90,000</b>
2	Other Non- Executive Director			
	Fees for attending Board Committee Meeting	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total B (1+2)</b>	<b>4,30,000</b>	<b>14,60,000</b>	<b>18,90,000</b>
	Total Managerial Remuneration	4,30,000	14,60,000	18,90,000
	Overall ceiling as per the Act.	<p>1. In terms of the provisions of the Companies Act, 2013, "Act" the remuneration payable to directors (other than Executive Directors) shall not exceed 1% of the net profit of the Company, as calculated as per the Act. The remuneration paid to the Independent Directors listed above were well within the limits prescribed under the Companies Act, 2013 and the approval accorded by the Members of the Company.</p> <p>2. The remuneration paid to the Directors of the Company were within the overall ceiling as prescribed under the Companies Act, 2013.</p>		

## C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

Sr. No	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. Monu Ratra - Executive Director & CEO**	Ajay Jaiswal - Company Secretary	Mr. Bhavin Rajput - Chief Financial Officer ***	Mr. Amit Gupta - Chief Financial Officer##	
1	Gross Salary	1,94,02,768.00	26,89,323.00	5,11,970.00	20,91,589.00	2,46,95,650.00
	(a) Salary as per provisions contained in Section 17 (1) of Income Tax Act, 1961	-	-	-	-	-
	(b) Value of Perquisites u/s 17 (2) of Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission -as a profit	-	-	-	-	-
	-Others, specify	-	-	-	-	-
<b>5</b>	<b>Total</b>	<b>1,94,02,768.00</b>	<b>26,89,323.00</b>	<b>5,11,970.00</b>	<b>20,91,589.00</b>	<b>2,46,95,650.00</b>

\*\* Mr. Monu Ratra was appointed as Executive Director & CEO w.e.f. January 28, 2016, before this appointment he was serving as Chief Executive Officer of the Company. \*\*\* Mr. Bhavin Rajput was CFO of the Company upto April 09, 2015. ## Mr. Amit Gupta was appointed as the Chief Financial Officer of the Company w.e.f. May 6, 2015. The remuneration for the year is mentioned above.

**D. Penalties/ punishment/ Compounding of offences**

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ Comp	Authority [RD/ NCLT/Court]	Appeal Made, if any
a. Company					
Penalty					
Punishment					
Compounding					
b. Directors					
Penalty					
Punishment					
Compounding					
c. Other officers in Default					
Penalty					
Punishment					
Compounding					

Not Applicable



## Annexure II

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

#### 1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS.

As a socially responsible corporate citizen, the IIFL Group is committed to the core values of collective progress and social upliftment.

By applying these values to the CSR projects, India Infoline Housing Finance Ltd. undertakes initiatives that create sustainable growth and empower underprivileged sections of society.

The focus areas prioritized by India Infoline Housing Finance Limited in its CSR strategy are:

- Financial Literacy Agenda for Mass Empowerment
- Sanitation and Swachh Bharat Initiatives
- Women Empowerment
- Education Initiatives in Rural and Tribal Areas

The CSR Policy adopted by IIFL Group of Companies is available on <http://www.indiainfoline.com/aboutus/iifl-csr-policy>

#### 2. COMPOSITION OF THE CSR COMMITTEE

India Infoline Housing Finance Limited has constituted a CSR Committee of the Board that fulfills all requirements of Section 135 of the Companies Act 2013 (hereafter referred to as Section 135). The members constituting the Committee as

well as their designations have been listed below:

- Mr. R. Venkataraman, Chairman & Non Executive Director
- Mr. Nirmal Jain, Non Executive Director
- Mr. Kranti Sinha, Independent Director

#### 3. PRESCRIBED CSR SPEND OF INDIA INFOLINE HOUSING FINANCE LTD.

##### a) Average net profit of the Company for last three financial years

The average net profit of the Company of the last three financial years was calculated to be ₹ 4,79,026,580/-

##### b) Prescribed CSR Expenditure

The recommended CSR expenditure for India Infoline Housing Finance Limited as per Section 135 for the financial year 2015-16 was ₹ 9,580,532/-.

##### c) Amount Spent

During the financial year 2015-16, India Infoline Housing Finance Ltd. spent amount ₹ 9,580,600/- constituting entire 2% of the average net profits of the Company on various social activities.

##### d) Amount unspent

Nil

#### 4. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

During FY 2015-16, India Infoline Housing Finance Ltd. Limited spent a total of ₹ 9,582,600/- on CSR projects

- i. Amount unspent, if any: Nil

ii. Manner in which the amount spent during the financial year is detailed below:

Sr. No	Projects/ Activities	Sector	Locations	Amount Outlay (Budget) Projects or Programs wise	Amount Spent on the Projects or programs	Cumulative Expenditure upto Reporting Period	Amount Spent : Direct or through Implementing Agency
1	Support establishment of a Centre for skilling for under privileged girls	Skill Training & Poverty Alleviation	Ponda, Goa	3,000,000	Direct – 3,000,000	3,000,000	3,000,000 Through Sneha Mandir Sanstha.
2	Supporting measures for reducing inequalities faced by socially & economically backward groups	Promotion of Gender Equality	Mumbai, Maharashtra	300,000	Direct- 300,000	300,000	300,000 Through Balancing Act Trust
3	Supporting building of Toilets to eradicate Open Defecation	Promotion of Sanitation	Jawhar Taluka, Palghar District	3,000,000	Direct - 3,000,000	3,000,000	3,000,000 Through Apte Pratishthan.
4	Supporting Financial Literacy programs for Slum residents	Promotion of Education & Financial Inclusion	Mumbai, Maharashtra	56,600	Direct - 56,600	56,600	56,600 Through Enactus Social Cell
5	Supporting Financial Literacy Study of a District	Promotion of Education & Financial Inclusion	Hazaribaug District, Jharkhand	3,206,000	Direct - 3,206,000	3,206,000	3,206,000 Through FICCI Social Economic Development Foundation.
6	Supporting Putting up of Libraries in Slum Schools	Promotion of Education	Mankhurd & Sion Koliwada, Mumbai, Maharashtra	20,000	Direct - 20,000	20,000	20,000 Through Pratham Books

Apart from the above-mentioned projects, IIFL through its Group of Companies has undertaken several other high impact CSR projects during the financial year 2015-16. Some of these have been briefly discussed below:

- 1) Tribal Development through Holistic long term interventions:** IIFL Group has adopted 32 Tribal hamlets in three villages of Walvanda, Shiroshi & Kasatwadi of Jawhar Taluka in Palghar District under IIFL's flagship program "Gram Vardhan Yojana". This entails working on all social parameters which include building check dams and other rain water harvesting structures to ensure year long supply of water, Agri based livelihoods, income generation skill development & programs for women, vocational training for tribal boys, community sanitation units for the hamlets as well as overhauling the entire health & education infrastructure in these villages. In the first year of Gram Vardhan Yojana, due to the different interventions over 30 families instead of migrating to Mumbai are growing vegetables and fruits and are able to earn a decent & honorable livelihood. Our Sanitation units are also contributing to creating "Open Defecation Free" Tribal areas which is also contributing to the Swachh
- 2) Women Empowerment Programs:** IIFL Group believes that there is no tool for development more effective than the empowerment of women. Over and above training, skilling and supporting 1000 tribal women to start micro enterprises, IIFL Groups also supported a "Women's Development Centre" in Kankroli, Rajsamand District which is one of the most backward areas in Rajasthan. Going forward, IIFL Foundation will be conducting several skill training & income generation programs for the women which will not only help them to break the vicious circle of poverty but importantly enhance their status in the community. A nursing school for underprivileged girls was also supported in Ponda, Goa. This school would train 250 young girls and also support them with sustainable employment opportunities. With a starting average salary of ₹ 78,000/- pa, these girls and their families destiny would definitely change for good.

- 3) **Financial Services Hackathon:** IIFL being one of the leading companies in the financial services space has a moral obligation of supporting not only financial literacy programs but importantly start ups that can propel large scale financial inclusion. IIFL in association with the CIE (Centre for Innovation & Incubation) at IIMA hosted a one of its kind financial services business plan competition of which the top three ideas would be incubated at IIMA.
- 4) **Smart Class Program for Government Primary Schools:** IIFL in association with Sarva Shiksha Abhiyaan and Sampark Foundation has supported the Smart Class program aimed at improving the quality of education in all Primary Schools in Uttarakhand. Sampark Smart Class Program for Math and English is a first of its kind that uses three new innovations – 1) 3D teaching learning aids, 2) Audio lessons with music and songs combined with 3) Stories and Games to make learning fun. This approach not only helps in creating excitement around learning but has also found worldwide acceptance.
- 5) **Health Interventions:** The IIFL Group of Companies has undertaken various projects to provide the rural poor access to healthcare services. Amongst various measures,

free health check-up camps were conducted in rural areas of Pandharpur, Maharashtra, Barsana, UP and Jawhar, Maharashtra. Over 2 lakh people were checked and screened in these camps while over 15,000 eye surgeries were performed. IIFL also supported a Cancer screening camp for the rural poor in Karnataka where over 100000 people got themselves checked.

#### 5. RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 4, 2016

**R. Venkataraman**  
Chairman – CSR Committee  
DIN: 00011919

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

## Annexure III

### NOMINATION AND REMUNERATION POLICY

#### I. OBJECTIVE:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been approved by the Nomination and Remuneration Committee (the Committee) and Board of Directors.

#### II. DEFINITIONS :

1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
2. "Board" means Board of Directors of the Company.
3. "Key Managerial Personnel" (KMP) means:
  - Managing Director, or Chief Executive Officer or Manager;
  - Whole-time Director;
  - Chief Financial Officer;
  - Company Secretary; and such other officer as may be prescribed.
4. "Senior Management" means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 / Listing agreement (wherever applicable) as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### III. ROLE OF COMMITTEE :

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management
- To recommend to the Board on policy on Remuneration payable to the Directors, Key Managerial Personnel, Senior Management and other employees
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board
- To formulate the criteria for evaluation of Independent Directors and the Board

#### IV. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

##### 1. Appointment Criteria and Qualifications

- a. A person being appointed as director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he / she is considered for appointment.
- b. Independent Director

##### i. Qualifications of Independent Director:

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

##### ii. Positive attributes of Independent Directors:

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

##### 2. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

##### 3. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## V. REMUNERATION

### A. Directors

#### a. Executive Directors (Managing Director, Manager or Whole Time Director):

- i. At the time of appointment or reappointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of Companies Act, 2013.
- iii. The remuneration of the CEO & Managing Director is broadly divided into fixed and incentive pay. In determining the remuneration (including the fixed increment and performance bonus) the Committee shall consider the following:
  - a. the relationship of remuneration and performance benchmark;
  - b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - c. responsibility required to be shouldered, the industry benchmarks and the current trends;
  - d. the Company's performance vis-à-vis the annual budget achievement and individual performance.

#### b. Non Executive Director

- I. The Non-Executive Independent Director may receive fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- II. A Non Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee;

- III. The Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- IV. In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- V. The total commission payable to the Directors shall not exceed 1% of the net profit of the Company.
- VI. The commission shall be payable on prorata basis to those Directors who occupy office for part of the year.

### B. KMP & Senior Managerial Personnel

- a. The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel will be determined and approved by the Committee. The remuneration of managerial personnel shall be subject to the approval of the shareholders of the Company and Central Government, wherever required, as specified in Companies Act, 2013.
- b. While approving the remuneration of the Key Managerial Personnel and Senior Management of the Company, the Committee will consider maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c. The Committee shall consider and determine that the compensation of remuneration is reasonable and sufficient to attract retain and motivate KMP and senior management;

## VI. EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

The Committee shall also formulate and provide criteria for evaluation of Independent Directors and the Board as a whole.

## VII. OTHER DETAILS

### Membership

The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent. The



Chairperson of the Committee shall be an Independent Director.

The Chairperson of the Company shall not be a Chairman of the Committee. The term of the Committee shall be continued unless terminated by the Board of Directors.

**Frequency of Meetings**

The meeting of the Committee shall be held at such regular intervals as may be required.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**Secretary**

The Company Secretary of the Company shall act as Secretary of the Committee. In absence of Company Secretary, the Committee may designate any other officials or any of the members of the Committee who shall act a Secretary of the Committee.

## Annexure IV

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

Sr. No	Requirements	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year.	Executive Chairman	Not Applicable*
		Executive Director	51.00x
2	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	Executive Chairman	Not Applicable*
		Executive Director	10%
		CFO	Not Applicable**
		CS	Not Applicable**
3	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 16.36%. The calculation of % increase in Median Remuneration is done based on comparable employees. For this the employees who were not eligible for any increment have been excluded.	
4	The number of permanent employees on the rolls of the Company	The Company had 1334 employees on the rolls as on March 31, 2016	
5	The explanation on the relationship between average increase in remuneration and Company performance	While recommending increase in remuneration, the Company takes into account various factors like financial performance of the Company and the group, comparison with peers, industry benchmarking and consideration towards cost of living adjustments and inflation. Average increase in employee remuneration for the FY 2015-16 is 12.20% (computed based on weighted average basis considering total cost to the company and accrued bonus). The calculation of average increase in employees' remuneration is done based on comparable employees. For this the Company has excluded employees who were not eligible for increment). The Company follows holistic performance review mechanism to ensure that the increase is commensurate with the performance of employee and company.	
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	For the FY 2015-16, KMPs were paid approx 2.92% of the standalone profit after tax for the year.	
7	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	Not Applicable	
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Not Applicable to the Company, as all the employees are under Managerial role.	
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company		
	Name of KMP#	Designation	% of Net Profit After Tax for FY 2015-16
	Mr. Monu Ratra	ED & CEO	2.06%
	Mr. Ajay Jaiswal	CS	0.44%
	Mr. Amit Gupta	CFO	0.42%
10	The key parameters for any variable component of remuneration availed by the directors.	The broad factors and guidelines considered for the Performance Bonus are: (a) Annual Performance Review of the Directors; and (b) Financial outcomes and profitability of the Company and the group.	
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Not Applicable	
12	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy of the Company.	

\*We have Non Executive Chairman appointed based on commission. \*\*Mr. Ajay Jaiswal was appointed as the Company Secretary of the Company w.e.f. March 30, 2015 and Mr. Amit Gupta was appointed as CFO of the Company w.e.f. May 6, 2015 hence they were not eligible for increments during the respective periods. #Mr. Bhavin Rajput was Chief Financial Officer of the Company upto April 09, 2015 and hence not mentioned.

## Annexure V

**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2016**

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

**To**  
**The Members**  
**India Infoline Housing Finance Limited**

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **India Infoline Housing Finance Limited** (hereinafter referred as 'the Company'), having its Registered Office at 12A-10, 13th Floor, Parinee Crescenzo, G Block, C-38 & 39, Bandra Kurla Complex, Bandra - East, Mumbai, Maharashtra - 400051. The process was undertaken at the Corporate Office of the Company at IIFL House, Plot No. 98, Phase - IV, Udyog Vihar, Gurgaon, Haryana - 122 015. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **India Infoline Housing Finance Limited** ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- I. The Companies Act, 2013 ('the Act') and applicable provisions of the Companies Act, 1956 and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable. Further, there were no compliances required relating to Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings during the period under review.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  1. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  2. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  3. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosures and policies under the said Regulations;
  4. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- VI. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
  1. National Housing Bank Act, 1987;
  2. Housing Finance Companies (NHB) Directions, 2010;
  3. Fair Practices Code (FPC) for all HFCs;
  4. Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014
  5. KYC Norms/AML Standards/Combating Financing of Terrorism Unique Customer Identification Code for HFC Customers in India;

**We further report that** for the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the company and to the best of our judgment

and understanding of the applicability of the different enactments upon the Company, in our opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

**We further report that** during the period under review the company has complied with the Debt Listing Agreement to the extent applicable, entered into by the Company with Bombay Stock Exchange and National Stock Exchange of India Limited. Further, the Company executed the Uniform Listing Agreement as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aforesaid stock exchanges which came into effect from December 1, 2015.

**We have also examined** compliances with the applicable clauses of Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India and it was noted that the Company has complied with the same to the extent possible, however the stricter applicability of the Secretarial Standards is to be observed by the company.

**We further report that** the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

**We further report that** on the basis of the forms, returns and registers maintained, the Board had the requisite balance of rotational, non-rotational, independent and woman director and the composition of the Board was as per provisions of the Act during the period under review. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The Company has intimated all the Directors about the dates of the board/committee meetings before the beginning of the financial year. Further, all notices were sent in advance to all Directors to schedule the Board Meetings. The agenda of the meeting was sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, majority decisions were carried through while the dissenting members' views, if any, was captured and recorded as part of the minutes.

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

The Board periodically reviewed reports of the compliances with all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances.

As per the records, the Company had generally filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies ('ROC') and other authorities and all the formalities relating to the same in compliance with the Act.

**We further report that** during the audit period the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above:-

- (i) The Company has passed Special Resolution under Section 180(1)(a) and 180(1)(c) for increase in borrowing limits to ₹ 5000 crore and then to ₹ 7500 crore, in the Extra-ordinary General Meetings held on May 14, 2015 and February 12, 2016 respectively.
- (ii) The Company has passed Special Resolution for the issue of non-convertible debentures on private placement basis, under Section 42, aggregating to ₹ 5000 crore which was raised to ₹ 7,500 crore, in the Extra-ordinary General Meetings held on May 14, 2015 and February 12, 2016 respectively.
- (iii) The Company has passed Special Resolution for adoption of new set of Articles of Association in line with the Companies Act, 2013 in the Extra-ordinary General held on February 12, 2016.
- (iv) The Company has passed Special Resolution for amendment in its Object clause and Liability clause and consequently altered its Memorandum of Articles in the Extra-ordinary General held on February 12, 2016.
- (v) The Company has approved the conversion of 6% Compulsory Convertible Preference Shares by passing Resolution by Circulation on March 04, 2016.

For **RMG & Associates**  
Company Secretaries

**CS Manish Gupta**

Partner

Place : New Delhi

Date: May 4, 2016

FCS : 5123; C.P. No.: 4095

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

## **ANNEXURE - I**

### **The Members**

#### **India Infoline Housing Finance Limited**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **RMG & Associates**  
Company Secretaries

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

Place : New Delhi  
Date: May 4, 2016

# Independent Auditors' Report

To the Members of  
India Infoline Housing Finance Limited

## REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of India Infoline Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

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

We conducted our audit 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A"; a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as



on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(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, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company does not have any pending litigations which would impact its financial position in its financial statements - refer note no. 23 to the financial statements;

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Sharp and Tannan Associates**

Chartered Accountants  
Firm's Registration No.:109983W  
By the hand of

**Parthiv S. Desai**

Partner

Membership No.: 042624

Place: Mumbai

Date: May 04, 2016

## Annexure A to the Auditors' Report

The Annexure referred to in Independent Auditors' report to the members of **India Infoline Housing Finance Limited** ("the Company") for the year ended March 31, 2016. We report that:

1. (a) The Company has maintained adequate records to show full particulars, including quantitative details and situation of the fixed assets.

(b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased programme of verification which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company.

2. The Company is not carrying on any manufacturing or trading activity. Therefore, paragraph 3 (ii) of the order is not applicable to the Company.

3. The Company has granted loan to one company covered in the register maintained under Section 189 of the Companies Act (the Act).

a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the company listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

b) In the case of the loans granted to the body corporate listed in the register maintained under section 189 of the Act, the borrower has been regular in the payment of the principal and interest as stipulated.

c) There are no overdue amounts in respect of the loan granted to a company listed in the register maintained under section 189 of the Act.

4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act, are applicable. Therefore Paragraph 3 (iv) is not applicable to the Company.

5. The Company has not accepted any deposits during the year from the public to which the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 and any other relevant provisions of the Act and the rules framed there under apply.

6. As per the information and explanations given to us, in respect of the class of industry the Company falls under, the maintenance of cost records has not been prescribed by the

Central Government under section 148(1) of the Companies Act, 2013. Therefore, Paragraph 3 (vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and any other material statutory dues as applicable to the Company, with the appropriate authorities. There were no material undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and any other material statutory dues as applicable to the Company outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of dispute:
- | Nature Of the Statute | Nature of the disputed Dues | Amount of Tax (₹ In Millions) | Period to which amount relates | Forum where dispute is pending                          |
|-----------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------------------------------|
| Income Tax, 1961      | Credit of TDS not given     | 4.00                          | AY 2013-14                     | Rectification application Filed with Assessing officer. |
8. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to financial institutions, banks and debenture holders. The Company has not borrowed from government.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. However, it has raised monies by way of private placement of debt instruments (NCD'S) and term loans and monies raised were applied for the purpose for which those were raised.
10. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, during the year the Company has made allotment of Equity shares to its holding company, the amount raised were utilized for the purpose for which they were raised. The Company has not made any other preferential allotment or private placement of shares or fully or partly convertible debentures during the year
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. The Company is registered with National Housing Bank.

**For Sharp and Tannan Associates**

Chartered Accountants  
Firm's Registration No.: 109983W  
By the hand of

**Parthiv S. Desai**

Partner

Place: Mumbai  
Date: May 04, 2016

Membership No.: 042624

# Annexure B to the Auditors' Report

Independent Auditors' report to the members of **India Infoline Housing Finance Limited** ("the Company") on the Internal Financial Controls 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 the Company as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management 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 ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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 unauthorized 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, 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 March 31, 2016, 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.

#### **For Sharp and Tannan Associates**

Chartered Accountants  
Firm's Registration No.:109983W  
By the hand of

**Parthiv S. Desai**

Partner

Membership No.: 042624

Place: Mumbai

Date: May 04, 2016

# Standalone Balance Sheet

As at March 31, 2016

Particulars	Note No.	(₹ in Millions)	
		As at March 31, 2016	As at March 31, 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	349.68	1,659.00
(b) Reserve and Surplus	4	4,829.65	1,921.47
<b>Sub Total</b>		<b>5,179.33</b>	<b>3,580.47</b>
<b>(2) Share application money pending allotment</b>			
		-	-
<b>(3) Non Current Liabilities</b>			
(a) Long-Term Borrowings	5	32,655.44	11,996.64
(b) Deferred Tax liabilities (Net)		-	-
(c) Other Long-term liabilities		-	-
(d) Long-Term provisions	6	417.57	207.44
<b>Sub Total</b>		<b>33,073.01</b>	<b>12,204.08</b>
<b>(4) Current liabilities</b>			
(a) Short-Term Borrowings	7	8,053.23	2,736.06
(b) Other current liabilities	8		
Current maturities of long term borrowings		2,779.97	425.00
Others		5,263.84	2,087.07
(c) Short-Term provisions	6	185.48	78.25
<b>Sub Total</b>		<b>16,282.52</b>	<b>5,326.38</b>
<b>Total</b>		<b>54,534.86</b>	<b>21,110.93</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	14.45	3.14
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		4.13	0.90
(iv) Intangible assets under development		-	-
<b>Sub Total</b>		<b>18.58</b>	<b>4.04</b>
(b) Non-current investments	10	-	1.57
(c) Deferred Tax Assets (Net)	11	39.28	29.48
(d) Long-term loans & advances	12		
Loans		43,657.53	15,319.31
Others		178.85	36.88
(e) Other non-current assets	13	45.13	64.58
<b>Sub Total</b>		<b>43,920.79</b>	<b>15,451.82</b>
<b>(2) Current assets</b>			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and bank balances	14	647.51	777.90
(e) Short-term loans & advances	12		
Loans		9,152.36	4,384.56
Others		713.40	403.45
(f) Other current assets	13	82.22	89.16
<b>Sub Total</b>		<b>10,595.49</b>	<b>5,655.07</b>
<b>Total</b>		<b>54,534.86</b>	<b>21,110.93</b>
See accompanying notes forming part of the financial statements	1-33		

As per our attached report of even date

For **Sharp & Tannan Associates**

Chartered Accountants

Firm's Registration No. 109983W

By the hand of

**Parthiv S. Desai**

Partner

Membership No.: (F) 042624

Place : Mumbai

Dated: May 04, 2016

For and on behalf of the Board of Directors of

India Infoline Housing Finance Limited

**Rajashree Nambiar**

Director

(DIN No.06932632)

**Ajay Jaiswal**

Company Secretary

**Monu Ratra**

Executive Director & CEO

(DIN No.07406284)

**Amit Gupta**

Chief Financial Officer

# Standalone Statement of Profit and Loss

For the year ended March 31, 2016

(₹ in Millions)			
Particulars	Note No.	2015-16	2014-15
<b>REVENUE</b>			
Revenue from operations	15	5,108.80	2,172.13
Other Income	16	587.17	194.15
<b>Total Revenue</b>		<b>5,695.97</b>	<b>2,366.28</b>
<b>EXPENSES</b>			
Employee benefits expense	17	670.62	127.33
Finance cost	18	3,284.51	1,173.33
Depreciation and amortisation expense	9	2.77	0.15
Other expenses	19	422.90	146.90
Provisions & Write off	20	206.33	117.40
<b>Total expenses</b>		<b>4,587.13</b>	<b>1,565.11</b>
<b>Profit / (Loss) before tax</b>		<b>1,108.84</b>	<b>801.17</b>
<b>Tax expenses :</b>			
Current tax expense for current year		405.00	274.04
Deferred tax		(14.82)	(8.44)
Current tax expense relating to prior years		(1.93)	0.55
<b>Total Tax expense</b>		<b>388.25</b>	<b>266.15</b>
<b>Profit / (Loss) for the year</b>		<b>720.59</b>	<b>535.02</b>
<b>Earnings per equity share</b>			
(1) Basic	21	52.58	37.93
(2) Diluted		51.17	37.93
Face Value		10.00	10.00
See accompanying notes forming part of the financial statements	1-33		

As per our attached report of even date

For **Sharp & Tannan Associates**

Chartered Accountants

Firm's Registration No. 109983W

By the hand of

**Parthiv S. Desai**

Partner

Membership No.: (F) 042624

Place : Mumbai

Dated: May 04, 2016

For and on behalf of the Board of Directors of

India Infoline Housing Finance Limited

**Rajashree Nambiar**

Director

(DIN No.06932632)

**Ajay Jaiswal**

Company Secretary

**Monu Ratra**

Executive Director & CEO

(DIN No.07406284)

**Amit Gupta**

Chief Financial Officer



# Standalone Cash Flow Statement

For the year ended March 31, 2016

Particulars	(₹ in Millions)	
	2015-2016	2014-2015
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxation and Extraordinary item	1,108.84	801.17
<b>Adjustments for:</b>		
Depreciation Expenses	2.77	0.16
Provision for Doubtful Loans	64.66	76.66
Provision for Standard Loans	140.48	40.44
Gratuity	3.69	0.62
Leave Encashment	5.80	0.58
<b>Operating Profit before Working Capital changes</b>	<b>1,326.24</b>	<b>919.63</b>
Increase / (Decrease) in Provisions	(1.47)	(1.81)
Increase / (Decrease) in Other Liabilities	5,648.34	(479.79)
Decrease / (Increase) in Other Current Assets	29.95	(88.55)
Decrease / (Increase) in Other Non Current Assets	19.45	22.39
<b>Cash Generated from Operations</b>	<b>7,022.51</b>	<b>371.87</b>
Tax (Paid) / Refund	(454.99)	(298.42)
Net Cash from Operating Activities	6,567.52	73.45
Decrease/ (Increase) in Long Term Loans & Advances	(28,343.18)	(6,984.20)
Decrease/ (Increase) in Short Term Loans & Advances	(5,077.75)	(3,856.62)
<b>Net Cash Used in Operating Activities</b>	<b>(26,853.41)</b>	<b>(10,767.37)</b>
<b>(B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including Intangible Assets, Capital Work-in-Progress and Capital Advances	(17.31)	(4.20)
Purchase of Non Current Investments	1.57	(1.57)
Proceeds from Sale/Maturity of Current Investments	-	-
Purchase of Non Convertible Debentures -Others	-	205.40
<b>Net Cash from Investing Activities</b>	<b>(15.74)</b>	<b>199.63</b>
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend & Dividend Distribution Tax paid	(213.20)	(47.51)
Proceeds from Issuance of Share Capital	1,000.00	-
Share Issue Expenses	(1.00)	-
Proceeds from Long Term Borrowings (Net)	20,658.80	6,182.26
Proceeds from Short Term Borrowings (Net)	5,317.16	2,736.07
<b>Net Cash from Financing Activities</b>	<b>26,761.76</b>	<b>8,870.82</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(107.39)</b>	<b>(1,696.92)</b>
Opening Cash and Cash Equivalents	614.30	2,311.22
<b>Closing Cash and Cash Equivalents</b>	<b>506.91</b>	<b>614.30</b>

As per our attached report of even date

For **Sharp & Tannan Associates**

Chartered Accountants

Firm's Registration No. 109983W

By the hand of

**Parthiv S. Desai**

Partner

Membership No.: (F) 042624

Place : Mumbai

Dated: May 04, 2016

For and on behalf of the Board of Directors of

India Infoline Housing Finance Limited

**Rajashree Nambiar**

Director

(DIN No.06932632)

**Ajay Jaiswal**

Company Secretary

**Monu Ratra**

Executive Director & CEO

(DIN No.07406284)

**Amit Gupta**

Chief Financial Officer

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

## NOTE 1. CORPORATE INFORMATION:

India Infoline Housing Finance Limited (IIHFL) is a wholly owned subsidiary of India Infoline Finance Limited. India Infoline Housing Finance Limited 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 NHB Directions.

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable Accounting Standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 issued by the Ministry of Corporate Affairs and the guidelines issued by the National Housing Bank (NHB) as applicable to Housing Finance Companies. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistently followed except where the changes are required in accounting policy as per newly issued NHB notifications/circulars, other regulatory changes & compliance requirements. The financial statements comply in all material aspect with the National Housing Bank Act, 1987 and The Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

### 2.2 Presentation and disclosure of financial statements:

Pursuant to applicability of Schedule III on presentation of financial statements, the Company has classified all its assets / liabilities into current / non-current portion based on the time frame of twelve months from the date of financial statements. Accordingly, assets/ liabilities expected to be realised /settled within twelve months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current. The adopted Schedule III does not impact recognition and measurement principle followed for preparation of financial statements. The Company has also regrouped/reclassified the previous year figures in accordance with the requirement applicable in the current year.

### 2.3 Prudential norms:

The Company follows The Housing Finance Companies (NHB) Directions, 2010 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. Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 issued by the Ministry of Corporate Affairs and Guidance Notes issued by The Institute of Chartered Accountants of India ("ICAI") are

followed in so far as they are not inconsistent with the NHB Directions.

### 2.4 Use of estimates:

The presentation of financial statements is in conformity with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

### 2.5 Fixed Assets and Depreciation:

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 assets.

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*	5 years
Furniture and fixtures*	5 years
Vehicles*	5 years
Software	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.

### 2.6 Assignment of loan portfolio:

Derecognition 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

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

receivables in case of a par structure deals are recognised over the tenure of agreements. 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 bank balance / Loans and advances as applicable.

## 2.7 Revenue recognition:

The Company complies, in all material respects, with the Accounting Standard - 9 issued by the Institute of Chartered Accountants of India, NHB directions relating to income recognition, asset classification and the minimum provisioning for bad and doubtful debts and standard assets, specified in the directions issued by the NHB, as applicable to it, and

- Interest Income is recognised on the time proportionate basis as per agreed terms.
- Interest income on non-performing assets is recognised on cash basis.
- Income from Penal charge, Penal interest and Cheque Bouncing Charges pertaining to loan assets are recognised on receipt basis.
- Dividend income is recognised when the right to receive payment is established.
- In respect of the other heads of income, the Company accounts the same on accrual basis.
- Processing fees received from customers are recognised as income on receipt basis.

## 2.8 Preliminary expenses:

Preliminary Expenses is written off in same financial year in which they are incurred.

## 2.9 Employee benefits:

The company's contribution towards Provident Fund and Family Pension Fund which are defined contribution are accounted for on an accrual basis and recognised in the statement of Profit & Loss.

The Company has provided for "Compensated Absences" on the basis of actuarial valuation.

Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The Liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the balance sheet date together with the adjustments for unrecognized actuarial gain or losses and the

past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

## 2.10 Provisions, Contingent liabilities and Contingent assets:

Non-performing loans are written off / provided for, as per management estimates subject to the minimum provision required as per National Housing Bank (NHB) Directions. Provision on standard assets is made as per notification No. NHB. HFC. DIR. 9/ CMD/ 2013 dated September 06, 2013 issued by NHB. All such provisions are classified as long term provisions.

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent Assets are neither recognized nor disclosed in the financial statements.

## 2.11 Taxes on Income:

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22).

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Provision for current tax is computed based on estimated tax liability computed after adjusting for allowance, disallowance and exemptions in accordance with the applicable tax laws.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate and the tax laws enacted or substantively enacted at the Balance Sheet date. At each reporting date the Company re-assesses unrecognized deferred tax assets. The deferred tax asset is recognised or unrecognized to the extent that it has

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

become reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available.

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.

## 2.12 Operating Leases:

Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit & Loss in accordance with Accounting Standard 19, issued by the Institute of Chartered Accountants of India.

## 2.13 Investments:

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments. Current investments are stated at lower of cost or market/ fair value. Provision for diminution in value of non current investments is made if in the opinion of the management such diminution is other than temporary or in accordance with the norms prescribed by the National Housing Bank and Accounting Standard on 'Accounting for Investments' (AS-13). 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.

## 2.14 Inventories:

Closing stock is valued at cost or market value whichever is lower. Cost is computed on FIFO basis.

## 2.15 Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 2.16 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 profit & loss account over the period of the borrowings.

## 2.17 Debenture Issue Expense:

Debenture issue expenses incurred on public issue of NCD is amortized over the tenure of the underlying debenture.

In case of private placement of NCD the same is charged to profit and loss Account in the year in which they are incurred.

## NOTE 3. SHARE CAPITAL

	(₹ in Millions)	
	As at March 31, 2016	As at March 31, 2015
Authorised Capital		
<b>Authorised Share Capital:</b>		
17,000,000 Equity Shares of ₹ 10/- each with voting rights (P.Y. 11,000,000)	170.00	110.00
155,000,000 Preference Shares of ₹ 10/- each (P.Y. 155,000,000)	1,550.00	1,550.00
<b>Total*</b>	<b>1,720.00</b>	<b>1,660.00</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>		
Equity Share Capital		
14,968,181 Equity Shares of ₹ 10/- each fully paid-up (PY 10,900,000)	149.68	109.00
Preference Share Capital		
20,000,000 10% Redeemable Preference Shares of ₹ 10/- each fully paid-up (P.Y. 20,000,000)	200.00	200.00
6% Compulsorily Convertible Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up (P.Y. 135,000,000)	-	1,350.00
<b>Total</b>	<b>349.68</b>	<b>1,659.00</b>

\*The Authorised Share Capital of the company has been increased from ₹ 1,660.00 Millions to ₹ 1,720.00 Millions by an addition of ₹ 60.00 Millions in the Equity Share Capital (6,000,000 Equity Shares of face value of ₹ 10 each).

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

## i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
<b>Equity Shares</b>				
As at the beginning of the year	10,900,000	109.00	10,900,000	109.00
Issued during the year	4,068,181	40.68	-	-
<b>Outstanding at end of the year</b>	<b>14,968,181</b>	<b>149.68</b>	<b>10,900,000</b>	<b>109.00</b>
<b>10% Redeemable Preference Shares</b>				
At the beginning of the year	20,000,000	200.00	20,000,000	200.00
Add: Issued during the year	-	-	-	-
Less: Buy back of shares	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>20,000,000</b>	<b>200.00</b>	<b>20,000,000</b>	<b>200.00</b>
<b>6% Compulsorily Convertible Cumulative Redeemable Preference shares</b>				
At the beginning of the year	135,000,000	1,350.00	135,000,000	1,350.00
Add: Issued during the year	-	-	-	-
Less: Converted to Equity Shares	135,000,000	1,350.00	-	-
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>135,000,000</b>	<b>1,350.00</b>

a) The company has issued 1,818,181 no. of Equity shares of face value of ₹ 10 each at a premium of ₹ 540/- per share on December 30, 2015

b) The 6% Compulsorily Convertible Cumulative Redeemable Preference shares of ₹ 10/- each aggregating to ₹ 1,350.00 Millions has been converted into 2,250,000 no. of Equity Shares of ₹ 10 each at a premium of ₹ 590/- per share on March 09, 2016.

## ii) Rights attached to Equity Shares

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

## iii) Rights attached to Preference Shares

The 10% Non – Convertible Redeemable Preference Shares aggregating to ₹ 200.00 Millions shall have seniority over Equity Shareholders with respect to payment of capital and dividend. It shall carry dividend rate of 10% per annum. Their rights to dividend is not on Cumulative basis. Other rights of the holders of Preference shares shall be governed by the provisions of Companies Act, 2013 read with applicable rules and any amendment/ modification in law from time to time and such other applicable regulations.

## iv) Shares held by holding company / ultimate holding company including shares held by its subsidiaries/ associates:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% Holdings	No. of Shares	% Holdings
<b>Equity Shares of ₹ 10/- each fully paid up</b>				
India Infoline Finance Limited	14,968,181	100.00%	10,900,000	100.00%
<b>10% Redeemable Preference Shares of ₹ 10/- each fully paid up</b>				
India Infoline Finance Limited	20,000,000	100.00%	20,000,000	100.00%
<b>6% Compulsorily Convertible Cumulative Redeemable Preference shares of ₹ 10/- each fully paid up</b>				
India Infoline Finance Limited	-	-	25,000,000	18.52%
India Infoline Limited	-	-	50,000,000	37.04%
IIFL Holdings Limited	-	-	60,000,000	44.44%
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>135,000,000</b>	<b>100.00%</b>
<b>Total</b>	<b>20,000,000</b>		<b>155,000,000</b>	

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% Holdings	No. of Shares	% Holdings
<b>Equity Shares of ₹ 10/- each fully paid up</b>				
India Infoline Finance Limited	14,968,181	100.00%	10,900,000	100.00%
<b>10% Redeemable Preference Shares of ₹ 10/- each fully paid up</b>				
India Infoline Finance Limited	20,000,000	100.00%	20,000,000	100.00%
<b>6% Compulsorily Convertible Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up</b>				
India Infoline Finance Limited	-	-	25,000,000	18.52%
India Infoline Limited	-	-	50,000,000	37.04%
IIFL Holdings Limited	-	-	60,000,000	44.44%

## NOTE 4. RESERVES AND SURPLUS

Particulars	(₹ in Millions)	
	As at March 31, 2016	As at March 31, 2015
<b>Securities Premium Account</b>		
Opening Balance as per last financial statement	994.25	994.25
Addition during the year (Refer Note 3.1)	2,309.31	-
Deduction during the year (Share issue expenses)	1.00	-
<b>Closing Balance</b>	<b>3,302.56</b>	<b>994.25</b>
<b>Debenture Redemption Reserve (Refer Note 4.1)</b>		
Opening Balance as per last financial statement	340.00	110.00
Addition during the year from statement of profit & loss	273.00	230.00
Appropriation during the year	-	-
<b>Closing Balance</b>	<b>613.00</b>	<b>340.00</b>
<b>Special Reserve (Refer Note 4.2)</b>		
Opening Balance as per last financial statement	223.20	115.20
Addition during the year from statement of profit & loss	150.50	108.00
Appropriation during the year	-	-
<b>Closing Balance</b>	<b>373.70</b>	<b>223.20</b>
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Opening Balance as per last financial statement	364.02	298.35
Addition during the year from statement of profit & loss	720.59	535.02
<b>Appropriations during the year</b>		
Transfer to Special Reserve	150.50	108.00
Transfer to Debenture Redemption Reserve	273.00	230.00
Preference Dividend (Refer Note 4.3)	96.13	101.00
Dividend Distribution Tax	19.57	20.56
Deferred Tax Liability (Refer Note 4.4)	5.02	9.79
<b>Closing Balance</b>	<b>540.39</b>	<b>364.02</b>
<b>Total</b>	<b>4,829.65</b>	<b>1,921.47</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 offered through a public issue. Accordingly, ₹ 273.00 Millions (P.Y. ₹ 230.00 Millions) has been transferred to Debenture Redemption Reserve Account for the financial year ended March 31, 2016.



# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

## 4.2 Special Reserve

Disclosure as per NHB Guidelines

(₹ in Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
<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	170.10	75.20
b) Statutory Reserve U/s 29C of the National Housing Bank Act, 1987	53.10	40.00
<b>Total</b>	<b>223.20</b>	<b>115.20</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	150.19	94.90
b) Amount transferred U/s 29C of the NHB Act, 1987	0.31	13.10
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>373.70</b>	<b>223.20</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	320.29	170.10
b) Statutory Reserve U/s 29C of the National Housing Bank Act, 1987	53.41	53.10
<b>Total</b>	<b>373.70</b>	<b>223.20</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 ₹ 150.19 Millions (P.Y. ₹ 94.90 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 ₹ 150.50 Millions (P.Y. ₹ 108.00 Millions) under section 29C(i) of the National Housing Bank Act, 1987.

## 4.3 Preference Dividend

Preference Dividend Proposed/paid for the Financial Year 2015-16 is as follows:

Particulars	March 31, 2016	March 31, 2015
On 6% Compulsory Convertible Cumulative Redeemable Preference Shares of ₹ 10/- Each	₹ 0.6 Per share	₹ 0.6 Per share
No of Shares	135,000,000	135,000,000
<b>Dividend (A)* (₹ in Millions)</b>	<b>76.13</b>	<b>81.00</b>
On 10% Redeemable Preference Shares of ₹ 10/- Each	₹ 1 Per share	₹ 1 Per share
No of Shares	20,000,000	20,000,000
<b>Dividend (B) (₹ in Millions)</b>	<b>20.00</b>	<b>20.00</b>
<b>Total Dividend Proposed/Paid (A) + (B) (₹ in Millions)</b>	<b>96.13</b>	<b>101.00</b>

\*Note - The company declared and paid a dividend on 6% Compulsory Convertible Cumulative Redeemable Preference Shares of ₹ 10/- Each upto the date of conversion of Preference shares into Equity shares.

4.4 As per circular NHB(ND)/DRS/Policy Circular 65/2014-15 August 22, 2014 issued by NHB, Company has adjusted ₹ 5.02 Millions (P.Y. ₹ 9.79 Millions) pertaining to previous years towards Deferred Tax Liability on the Special Reserves created & maintained under Section 36(1)(viii) of Income Tax Act, 1961 from reserves and the balance ₹ 14.81 Millions (P.Y. ₹ 15.77 Millions) will be adjusted in next financial year.

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

## NOTE 5. LONG TERM BORROWINGS

(₹ in Millions)

Particulars	Non-Current		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Debentures</b>				
<b>Secured:</b>				
Non Convertible Debentures (Refer Note 5.1)	11,510.63	8,621.64	1,580.00	300.00
Amount disclosed under the head "Other current liabilities" (Refer Note- 8)	-	-	(1,580.00)	(300.00)
<b>Unsecured:</b>				
Non Convertible Debentures (Refer Note - 5.2)	2,470.00	2,000.00	-	-
<b>Sub Total</b>	<b>13,980.63</b>	<b>10,621.64</b>	-	-
<b>Term Loans</b>				
<b>Secured:</b>				
Loan from Banks (Refer Note 5.3)	18,674.81	1,375.00	1,199.97	125.00
Amount disclosed under the head "Other current liabilities" (Refer Note- 8)	-	-	(1,199.97)	(125.00)
<b>Sub Total</b>	<b>18,674.81</b>	<b>1,375.00</b>	-	-
<b>Total</b>	<b>32,655.44</b>	<b>11,996.64</b>	-	-

During the year, the Company has raised secured term loans aggregating ₹ 18,650.00 Millions (P.Y. ₹ 1,500.00 Millions) from various Banks, which includes the Foreign Currency Term Loan aggregating to ₹ 900.00 Millions (P.Y. ₹ Nil) wherein the principal amount is fully hedged.

The Company has also raised ₹ 8,443.00 Millions (P.Y. ₹ 3,993.00 Millions) and ₹ 470.00 Millions (P.Y. ₹ 2,000.00 Millions) by issue of secured and unsecured non convertible debentures respectively.

The above term loans are secured by way of first pari-passu charge over 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 ₹ 19,374.78 Millions (P.Y. ₹ 1,500.00 Millions) are also guaranteed by Ultimate Holding Company IIFL Holdings Limited (formerly known as India Infoline Limited)

Milestone Trusteeship Service Private Limited (MTSL) acts as a security trustee for all bank borrowings. The security trustee is responsible for ensuring that the security cover as required by the individual term loans/cash credit/ working capital demand loans facilities are being maintained during the tenure of each loans.

### NOTE 5.1. NON CONVERTIBLE DEBENTURES – SECURED

(₹ in Millions)

Particulars	Non-Current		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Zero Coupon Secured Redeemable Non-Convertible Debentures Of Face Value ₹ 1,000,000 Each Redeemable On 19-Mar-2019 At Premium	60.00	60.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Of Face Value ₹ 1,000,000 Each Redeemable On 27-Feb-2019 At Premium	100.00	100.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A8 Option III. Date Of Maturity 16-Jan-2019	44.00	-	-	-
11.52% Secured Redeemable Non Convertible Debenture Of Face Value ₹ 1,000 Each Redeemable On 26-Dec-2018 At Par	3,944.63	4,018.64	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A8 Option II. Date Of Maturity 26-Dec-2018	34.00	-	-	-
CNX Nifty Index Linked Secured Redeemable Non-Convertible Debentures. Series IHF 002 Date Of Maturity 21-Dec-2018	310.00	-	-	-
CNX Nifty Index Linked Secured Redeemable Non-Convertible Debentures. Series IHF 001 Type B. Date Of Maturity 21-Dec-2018	290.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A8 Option I. Date Of Maturity 12-Dec-2018	34.00	-	-	-

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

(₹ in Millions)

Particulars	Non-Current		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A6 Option III. Date Of Maturity 27-Nov-2018	60.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A6 Option II. Date Of Maturity 08-Nov-2018	30.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A6 Option I. Date Of Maturity 25-Oct-2018	30.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A5 Option III. Date Of Maturity 17-Oct-2018	30.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A5 Option I. Date Of Maturity 03-Oct-2018	130.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A5 Option II. Date Of Maturity 13-Sep-2018	60.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A3. Option I. Date Of Maturity 09-Aug-2018	310.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A3. Option II. Date Of Maturity 13-Jul-2018	100.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A2. Option I. Date Of Maturity 28-Jun-2018	464.00	-	-	-
10.40% Secured Redeemable Non Convertible Debentures Of Face Value ₹ 1,000,000 Each Redeemable On 21-Jun-2018 At Par	100.00	100.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A1. Option III. Date Of Maturity 15-Jun-2018	500.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A2. Option II. Date Of Maturity 14-Jun-2018	36.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 9. Option II. Date Of Maturity 31-May-2018	35.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 9. Option I. Date Of Maturity 24-May-2018	175.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 8. Option II. Date Of Maturity 08-May-2018	39.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 5. Option IV. Date Of Maturity 18-Apr-2018 At Premium	70.00	70.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 8. Option I. Date Of Maturity 17-Apr-2018	102.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 5. Option III. Date Of Maturity 10-Apr-2018 At Premium	37.00	37.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 6. Option IV. Date Of Maturity 03-Apr-2018 At Premium	433.00	433.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 4. Option III. Date Of Maturity 02-Apr-2018 At Premium	62.00	62.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 5. Option II. Date Of Maturity 02-Apr-2018 At Premium	33.00	33.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 4. Option II. Date Of Maturity 23-Jan-2018 At Premium	33.00	33.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 4. Option I. Date Of Maturity 09-Jan-2018 At Premium	30.00	30.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 3. Option II. Date Of Maturity 18-Dec-2017 At Premium	60.00	60.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 3. Option I. Date Of Maturity 06-Dec-2017 At Premium	40.00	40.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 4. Option 2. Date Of Maturity 20-Nov-2017 At Premium	115.00	115.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 4. Option 1. Date Of Maturity 02-Nov-2017 At Premium	35.00	35.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series I. Option III. Date Of Maturity 11- Oct-2017 At Premium	91.00	91.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series I. Option II. Date Of Maturity 03- Oct-2017 At Premium	39.00	39.00	-	-

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

(₹ in Millions)

Particulars	Non-Current		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series I. Option I. Date Of Maturity 21-Sep-2017 At Premium	65.00	65.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A3. Option III. Date Of Maturity 14-Sep-2017	500.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Option I. Date Of Maturity 31-Aug-2017 At Premium	170.00	170.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Date Of Maturity 16-Aug-2017 At Premium	180.00	180.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 6. Option III. Date Of Maturity 15-Jun-2017 At Premium	500.00	500.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Date Of Maturity 15-May-2017 At Premium	100.00	100.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Of Face Value ₹ 1,000,000 Each Redeemable On 24-Apr-2017 At Premium	350.00	350.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 6. Option II. Date Of Maturity 10-Apr-2017 At Premium	850.00	850.00	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 7. Option I. Date Of Maturity 10-Apr-2017	500.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A1. Option II. Date Of Maturity 03-Apr-2017	200.00	-	-	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 6. Option I. Date Of Maturity 20-Mar-2017 At Premium	-	500.00	500.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 5. Option I. Date Of Maturity 07-Mar-2017 At Premium	-	500.00	500.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series A1. Option I. Date Of Maturity 07-Feb-2017	-	-	30.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Option II. Date Of Maturity 06-Sep-2016 At Premium	-	50.00	50.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series 7. Option II. Date Of Maturity 11-Apr-2016	-	-	500.00	-
Zero Coupon Secured Redeemable Non-Convertible Debentures Of Face Value ₹ 1,000,000 Each Redeemable On 27-Jul-2015 At Premium	-	-	-	100.00
Zero Coupon Secured Redeemable Non-Convertible Debentures Of Face Value ₹ 1,000,000 Each Redeemable On 22-Apr-2015 At Premium	-	-	-	200.00
<b>Total</b>	<b>11,510.63</b>	<b>8,621.64</b>	<b>1,580.00</b>	<b>300.00</b>

Note: The above Debentures are secured by way of charge on Current Assets, Book debts, Receivables (both present and future) and other assets of the Company.

## NOTE 5.2. NON CONVERTIBLE DEBENTURES – UNSECURED

(₹ in Millions)

Particulars	Non-Current		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
9.30% Unsecured Subordinate Non Convertible Debentures. Series U04. Date Of Maturity 11-Feb-2022	100.00	-	-	-
9.30% Unsecured Subordinate Non Convertible Debentures. Series U03. Date Of Maturity 25-Jan-2022	100.00	-	-	-
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U02. Date Of Maturity 10-Aug-2021	100.00	-	-	-
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U01. Date Of Maturity 26-Jul-2021	170.00	-	-	-
Zero Coupon Unsecured Subordinate Non Convertible Debentures. Option II. Date Of Maturity 02-Apr-2020 at premium	201.42	201.42	-	-
12% Unsecured Subordinate Non Convertible Debentures. Option I. Date Of Maturity 02-Apr-2020 at par	1,798.58	1,798.58	-	-
<b>Total</b>	<b>2,470.00</b>	<b>2,000.00</b>	-	-

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

## NOTE 5.3. DETAILS OF TERM LOANS FROM BANKS - SECURED

(₹ in Millions)

Maturities	Non current					
	As at March 31, 2016			As at March 31, 2015		
	1-3 years	3 years & above	Total	1-3 years	3 years & above	Total
<b>Rate of interest</b>						
9.01% to 10.0%	4,655.19	1,869.80	6,525.00	-	-	-
10.01% to 11.00%	7,232.92	4,916.90	12,149.81	1,000.00	375.00	1,375.00
<b>Total</b>	<b>11,888.11</b>	<b>6,786.70</b>	<b>18,674.81</b>	<b>1,000.00</b>	<b>375.00</b>	<b>1,375.00</b>

The rate of interest for the above term loans are linked to the base rates of the banks and are subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

## NOTE 6. PROVISIONS

(₹ in Millions)

Particulars	Long-Term		Short-Term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Provision for Employee Benefits</b>				
Provision for gratuity	-	-	1.13	0.30
Provision for leave encashment	5.87	0.88	2.53	0.32
<b>Provision – Others</b>				
Provision for sub-standard and doubtful assets	174.70	110.04	-	-
Provision for standard assets	237.00	96.52	-	-
Provision for expenses	-	-	57.89	38.79
Provision for Tax (Net of Advance Tax and TDS)	-	-	123.93	38.84
<b>Total</b>	<b>417.57</b>	<b>207.44</b>	<b>185.48</b>	<b>78.25</b>

## NOTE 7. SHORT TERM BORROWINGS

(₹ in Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Loan Repayable on demand</b>		
<b>Secured</b>		
Cash Credit/WCDL* (A)	649.98	492.58
<b>Borrowing from Related party</b>		
<b>Unsecured</b>		
Inter Corporate Deposit (B)	-	1,020.00
<b>Other borrowings</b>		
<b>Unsecured</b>		
Commercial Papers	7,500.00	1,250.00
Less : Unexpired Discount on Commercial Paper	96.75	26.52
<b>Sub Total (C)</b>	<b>7,403.25</b>	<b>1,223.48</b>
<b>Total (A+B+C)</b>	<b>8,053.23</b>	<b>2,736.06</b>

\*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, ₹ 649.98 Millions (P.Y. ₹ 492.58 Millions) are also guaranteed by Ultimate Holding Company IIFL Holdings Limited (Formerly India Infoline Limited).

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

## NOTE 8. OTHER CURRENT LIABILITIES

(₹ in Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Current Maturities of Long Term Loans (Refer Note - 5)	2,779.97	425.00
Interest accrued but not due on borrowings	1,161.16	241.52
<b>Others</b>		
Temporary overdrawn bank balance	3,434.58	1,425.20
Advances from customers	195.32	206.66
Contractually reimbursable expenses	247.16	47.82
Payables on account of assignments	103.88	6.85
Statutory remittances	17.38	9.43
Accrued salaries and benefits	76.20	25.71
Preference dividend payable	20.00	101.00
Dividend distribution tax payable	4.07	20.56
Other payables	4.09	2.32
<b>Total</b>	<b>8,043.81</b>	<b>2,512.07</b>

## NOTE 9. TANGIBLE ASSETS

(₹ in Millions)

Particulars	Computer	Electrical Equipment	Furniture And Fixture	Office Equipment	Premises	Software	Total
<b>Cost or valuation as at April 01, 2015</b>	0.33	0.24	0.13	0.25	2.34	-	<b>3.29</b>
Additions	5.62	0.84	3.39	1.82	-	2.41	<b>14.08</b>
Deductions/Adjustments during the year	0.00	-	-	-	-	-	<b>0.00</b>
<b>As at March 31, 2016</b>	5.95	1.08	3.52	2.07	2.34	2.41	<b>17.37</b>
<b>Depreciation</b>							
<b>Upto April 01, 2015</b>	0.04	0.01	0.00	0.03	0.07	-	<b>0.15</b>
Depreciation	1.17	0.18	0.82	0.29	0.11	0.20	<b>2.77</b>
Deductions/Adjustments during the year	0.00	-	-	-	-	-	<b>0.00</b>
<b>Upto March 31, 2016</b>	1.21	0.19	0.82	0.32	0.18	0.20	<b>2.92</b>
<b>Net Block as at March 31, 2016</b>	4.74	0.89	2.70	1.75	2.16	2.21	<b>14.45</b>
<b>Net Block as at March 31, 2015</b>	0.29	0.23	0.13	0.22	2.27	-	<b>3.14</b>

## NOTE 10. NON - CURRENT INVESTMENTS

(₹ in Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Other Investments</b>		
<b>Investment in Quoted Non Convertible Debentures</b>		
IIFL Unsecured NCD-Series N6	-	1.22
IIFL Unsecured NCD-Series N7	-	0.35
<b>Total</b>	-	<b>1.57</b>
<b>Market value of Quoted Investment</b>	-	<b>1.47</b>



# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

## NOTE 11. DEFERRED TAX ASSETS (NET)

The Company has recognized deferred tax assets as the management is reasonably / virtually certain of its profitable operations in future. As per Accounting Standard 22 'Accounting for Taxes on Income' the timing differences mainly relates to following items and results in a net deferred tax asset.

Particulars	(₹ in Millions)	
	As at March 31, 2016	As at March 31, 2015
<b>Deferred Tax Asset</b>		
Provision for gratuity	0.39	0.10
Provision for substandard & doubtful assets	61.55	38.08
Provision for standard assets	82.02	33.40
Depreciation	(0.51)	(0.06)
<b>Gross Deferred Tax Asset (A)</b>	<b>143.45</b>	<b>71.52</b>
<b>Deferred Tax Liability</b>		
Special Reserve	104.17	42.04
<b>Gross Deferred Tax Liability (B)</b>	<b>104.17</b>	<b>42.04</b>
<b>Net Deferred Tax Asset (A-B)</b>	<b>39.28</b>	<b>29.48</b>

## NOTE 12. LOANS & ADVANCES

Particulars	(₹ in Millions)			
	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Loans &amp; Advances</b>				
Secured considered good	43,340.25	15,164.22	9,141.57	4,375.40
Secured considered doubtful*	317.28	155.09	10.79	9.16
<b>Other Loans &amp; Advances</b>				
Dues from customers	-	-	-	-
-Secured considered good	-	-	668.73	362.18
-Secured considered doubtful*	-	-	9.67	6.27
Unsecured - Deposits with Exchange	-	-	35.00	35.00
Unsecured - Security Deposit	8.30	3.34	-	-
Advance Income Tax & TDS (Net of provisions for Tax)	170.55	33.54	-	-
<b>Total</b>	<b>43,836.38</b>	<b>15,356.19</b>	<b>9,865.76</b>	<b>4,788.01</b>

\*The Loans and Advances and dues from customer which are secured and considered doubtful are disclosed at gross amount, provision against the same is disclosed under the Note 6 Provisions.

## NOTE 13. OTHER ASSETS

Particulars	(₹ in Millions)			
	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Unamortized Debenture Issue Expenses	45.13	64.58	21.37	23.35
Prepaid Expenses	-	-	56.79	7.10
Service Tax Input Credit Receivable	-	-	1.95	0.17
Accrued Interest on Fixed Deposits	-	-	0.19	0.20
Salary Advance	-	-	-	-
Others	-	-	1.92	58.34
<b>Total</b>	<b>45.13</b>	<b>64.58</b>	<b>82.22</b>	<b>89.16</b>

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

## NOTE 14. CASH AND BANK BALANCE

(₹ in Millions)

Particulars	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Cash and Cash Equivalents</b>				
Balance with Banks:				
- In Current Accounts	-	-	506.91	614.30
<b>Total Cash &amp; Cash Equivalents (A)</b>	-	-	<b>506.91</b>	<b>614.30</b>
<b>Other Bank Balances:</b>				
Fixed deposits pledged with bank as margin for credit enhancement & guarantees *	-	-	140.60	140.60
Short term fixed deposits with banks with original maturity of 3 to 12 months	-	-	-	23.00
<b>Total Other Bank Balances (B)</b>	-	-	<b>140.60</b>	<b>163.60</b>
<b>Total (A + B)</b>	-	-	<b>647.51</b>	<b>777.90</b>

\*Note: Out of the total fixed deposits of ₹ 140.60 Millions fixed deposits amounting to ₹ 105.60 Millions (P.Y. ₹ 105.60 Millions) has been lien marked as a credit enhancement with respect to assignment transaction and ₹ 35.00 Millions for bank guarantee with National Stock exchange for public issue of Non Convertible Debenture.

## NOTE 15. REVENUE FROM OPERATIONS

(₹ in Millions)

Particulars	2015-16	2014-15
Interest Income	5,070.58	2,149.71
Profit from Sale of Investments	38.22	6.75
Dividend Income	-	15.67
<b>Total</b>	<b>5,108.80</b>	<b>2,172.13</b>

## NOTE 16. OTHER INCOME

(₹ in Millions)

Particulars	2015-16	2014-15
Interest on fixed deposits	12.44	15.54
Processing fee	413.60	146.25
Administration fee & other charges from customer	38.15	32.36
Miscellaneous income	122.98	0.00
<b>Total</b>	<b>587.17</b>	<b>194.15</b>

## NOTE 17. EMPLOYEE BENEFIT EXPENSES

(₹ in Millions)

Particulars	2015-16	2014-15
Salaries and Bonus	640.74	122.22
Contribution to Provident and other funds*	16.51	2.65
Leave Encashment	5.80	0.58
Gratuity Expenses	3.69	0.62
Staff Welfare Expenses	3.88	1.26
<b>Total</b>	<b>670.62</b>	<b>127.33</b>

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

**NOTE 17.1** The Company is recognizing and accruing the employee benefit as per Accounting Standard (AS) – 15 on “Employee Benefits”.

(₹ in Millions)		
Assumptions	2015-16	2014-15
Discount rate	7.89%	9.14%
Salary Escalation	5.00%	5.00%
<b>Change in Benefit Obligation</b>		
Present value of benefit obligation as at beginning of the current period	2.99	2.45
Interest Cost	0.24	0.22
Current Service Cost	1.09	0.46
Liability transferred in	4.28	0.43
Liability transferred out	(0.12)	(0.00)
Benefit paid in normal course	(0.31)	(0.62)
Actuarial (Gains)/ Losses on obligations	2.45	0.05
<b>Liability at the end of the year</b>	<b>10.62</b>	<b>2.99</b>
<b>Amount Recognised in the Balance Sheet</b>		
Fair value of plan assets at the end of the year	9.49	2.69
Liability at the end of the year	(10.62)	(2.99)
Funded Status	(1.13)	(0.30)
<b>Net Asset recognised in Balance sheet</b>	<b>(1.13)</b>	<b>(0.30)</b>
<b>Expenses Recognised in the Income Statement</b>		
Current Service Cost	1.09	0.46
Interest Cost	0.24	0.22
Expected return on plan assets	(0.21)	(0.10)
Actuarial (Gains)/Losses	2.57	0.04
<b>Expense Recognised in statement of Profit &amp; loss</b>	<b>3.69</b>	<b>0.62</b>
<b>Balance Sheet Reconciliation</b>		
Opening Net liability	0.30	1.23
Expenses as above	3.69	0.62
Net transfer in	4.28	0.42
Net transfer out	(0.12)	(0.00)
Employers Contribution	(7.02)	(1.97)
<b>Net Asset Recognised in Balance Sheet</b>	<b>1.13</b>	<b>0.30</b>

\*Defined contribution Plans:

The Company has also recognised the following amount as an expense

(₹ in Millions)		
Particulars	2015-2016	2014-2015
Contribution to Provident and Other Fund	15.33	2.39

**NOTE 18. FINANCE COST**

(₹ in Millions)		
Particulars	2015-2016	2014-2015
Interest Expense	3,227.44	1,143.35
Other borrowing cost	57.07	29.98
<b>Total</b>	<b>3,284.51</b>	<b>1,173.33</b>

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

## NOTE 19. OTHER EXPENSES

Particulars	(₹ in Millions)	
	2015-2016	2014-2015
Advertisement	0.86	9.86
Books & periodicals*	0.01	0.00
Bank charges	1.42	0.29
Communication	2.95	1.22
Electricity	3.07	0.52
Direct operating expenses	45.13	24.21
Exchange and statutory charges	5.76	3.91
Legal & professional fees	61.50	15.27
Marketing expenses	187.13	57.25
Miscellaneous expenses	4.46	0.25
Office expenses	12.40	8.68
Postage & courier	2.03	0.73
Printing & stationary	4.41	1.90
Rates & taxes	0.03	0.02
Rent	15.49	6.55
<b>Repairs &amp; Maintenance</b>		
- Computer	2.26	1.15
- Others	-	0.01
<b>Remuneration to Auditors :</b>		
- Audit fees	0.23	0.23
- Certification expenses	0.06	0.04
- Out of pocket expenses	0.02	0.01
Software charges	2.79	0.30
Subscription	-	-
Travelling & conveyance	61.51	14.45
Corporate Social Responsibility (CSR) Expenses (Refer note – 30)	9.38	0.05
Profit/(loss) on sale of fixed assets*	0.00	-
<b>Total</b>	<b>422.90</b>	<b>146.90</b>

\*Amount is less than ₹ 0.01 Millions, hence shown as ₹ 0.00 Millions.

## NOTE 20. PROVISIONS & WRITE OFF

Particulars	(₹ in Millions)	
	2015-2016	2014-2015
Bad Debts Written off	1.19	0.29
Provision for Substandard & Doubtful Loans	64.66	76.66
Provision for Standard Loans	140.48	40.45
<b>Total</b>	<b>206.33</b>	<b>117.40</b>

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

## NOTE 21. BASIC & DILUTED EARNING PER SHARE

Particulars		2015-2016	2014-2015
<b>Basic &amp; Diluted Earning Per Share (EPS)</b>			
Profit after tax as per statement of profit & Loss (₹ in Millions)		720.59	535.02
Less: Preference Dividend (₹ in Millions)		96.13	101.00
Less: Dividend Distribution Tax (₹ in Millions)		19.57	20.56
Net Profit after Tax After Preference Dividend (₹ in Millions)	A	604.89	413.46
Weighted average number of Equity Shares	B	11,503,390	10,900,000
<b>Basic EPS (₹)</b>	A/B	<b>52.58</b>	<b>37.93</b>
Potential Dilutive Preference Shares	C	135,000,000	135,000,000
Average number of Potential Dilutive preference shares considered for EPS	D	2,108,607	74,511
Total number of shares for Dilutive EPS	E=B+D	13,611,997	10,974,511
Profit after tax after adjustment of diluted Earnings (₹ in Millions)	F	696.52	510.95
<b>Diluted EPS (₹)</b>	F/E	<b>51.17</b>	<b>37.93</b>

The 6% Compulsorily Convertible Cumulative Redeemable Preference shares of ₹ 10/- each aggregating to ₹ 1,350.00 Millions has been converted into 2,250,000 Equity Shares of ₹ 10 each at a premium of ₹ 590/- per share.

## NOTE 22. CONTINGENT LIABILITY AND COMMITMENTS:

- Contingent Liabilities : ₹ 0.34 Millions towards Legal Commitments (P.Y. Nil)
- Commitments: As on the balance sheet date there were undrawn credit commitments of ₹ 5,583.74 Millions (P.Y. ₹ 2,982.20 Millions) representing the amount sanctioned but not disbursed.

**NOTE 23.** 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.

**NOTE 24.** The Company has taken office premises on operating lease at various locations. Lease rents in respect of the same have been charged to Statement of Profit and Loss. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 180 days. The minimum lease rentals outstanding as at March 31, 2016 are as under:

	(₹ in Millions)	
	March 31, 2016	March 31, 2015
Minimum Lease Payments		
Up to One year	3.31	2.98
One to Five years	-	-
<b>Total</b>	<b>3.31</b>	<b>2.98</b>

**NOTE 25.** 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.

## NOTE 26. SEGMENT REPORTING:

In the opinion of the management there is only one reportable business segment (Financing & Investing) as envisaged by Accounting Standard 17 'Segment Reporting' issued by the Institute of Chartered Accountants of India. Accordingly no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

**NOTE 27.** Disclosure regarding penalty as per The Housing Finance Companies (NHB) Directions, 2010 :

- No penalty has been imposed during the year.
- No adverse comments have been received in writing from National Housing Bank on regulatory compliances.

**NOTE 28.** Details of Dues to Micro, Small and Medium Enterprises:

Other Current liabilities includes ₹ Nil/- (Previous year: ₹ Nil/-) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to “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.

**NOTE 29.** Disclosures in respect of applicability of AS – 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 (Formerly known as India Infoline Limited)
Group Company	India Infoline Commodities Limited
	India Infoline Media & Research Services Limited
	India Infoline Insurance Services Limited
	India Infoline Insurance Brokers Limited
	India Infoline Commodities DMCC
	India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)
	5 Paise Capital Limited (Formerly known as IIFL Capital 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)
	India Infoline Trustee Company Limited
	IIFL Private Wealth Mauritius Limited
	IIFL Distribution Services Limited (Formerly known as IIFL Distribution Services Private Limited)
	IIFL Investment Advisor and Trustee Services Limited (Formerly known as IIFL Trustee Services Limited)
	IIFL Private Wealth Management Dubai Limited
	IIFL Private Wealth Hong Kong Limited
	IIFL Private Wealth (Suisse) SA
	IIFL Capital Inc
IIFL Securities Pte. Limited	
IIFL Properties Private Limited (Formerly known as Ultra Sign and Display Private Limited)	
IIFL Asset Reconstruction Company Limited	
India Infoline Foundation	
India Alternative Investment Advisors Private Limited	
IIFL Wealth Finance Limited (Formerly known as Chephis Capital Markets Limited)	
Key Management Personnel	Mr. Monu Ratra
	Mr. Kaushik Chatterjee
Other Related Parties	Mr. Nirmal Jain
	Mr. R Venkatarman
	Orpheus Trading Private Limited
	Ardent Impex Private Limited



# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

## (B) Significant Transaction with Related Parties:

(₹ in Millions)					
Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies	Key Management Personnel	Total
<b>Interest Income</b>					
India Infoline Finance Limited	-	86.65	-	-	86.65
	(-)	(31.36)	(-)	(-)	(31.36)
<b>Interest Expenses</b>					
India Infoline Finance Limited	-	114.24	-	-	114.24
	(-)	(51.81)	(-)	(-)	(51.81)
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	-	-	-	-	-
	(-)	(-)	(0.70)	(-)	(0.70)
India Infoline Commodities Limited	-	-	-	-	-
	(-)	(-)	(0.38)	(-)	(0.38)
IIFL Facilities Services Limited( Formerly Known As IIFL Realty Limited)	-	-	19.18	-	19.18
	(-)	(-)	(0.47)	(-)	(0.47)
IIFL Holdings Limited (Formerly known as India Infoline Limited)	4.09	-	-	-	4.09
	(3.31)	(-)	(-)	(-)	(3.31)
<b>Servicing Charges Expense</b>					
India Infoline Finance Limited	-	-	-	-	-
	(-)	(6.98)	(-)	(-)	(6.98)
<b>Advisory Fees/Arranger Fees</b>					
IIFL Wealth Management Limited	-	-	8.94	-	8.94
	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited (Formerly Known As IIFL Realty Limited)	-	-	1.56	-	1.56
	(-)	(-)	(-)	(-)	(-)
<b>Brokerage/Delayed Payin Expenses</b>					
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)*	-	-	0.00	-	0.00
	(-)	(-)	(5.32)	(-)	(5.32)
<b>Rent Expenses</b>					
IIFL Properties Private Limited (Formerly known as Ultra Sign and Display Private Limited)	-	-	0.50	-	0.50
	(-)	(-)	(-)	(-)	(-)
<b>Debenture Issue Expenses</b>					
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	-	-	-	-	-
	(-)	(-)	(9.61)	(-)	(9.61)
<b>Service Fees On Assignment Transaction</b>					
India Infoline Finance Limited	-	18.67	-	-	18.67
	(-)	(-)	(-)	(-)	(-)
<b>Preference Dividend (Proposed/Paid)</b>					
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	-	-	-	-	-
	(-)	(-)	(30.00)	(-)	(30.00)
IIFL Holdings Limited (Formerly known as India Infoline Limited)	-	-	-	-	-
	(36.00)	(-)	(-)	(-)	(36.00)
India Infoline Finance Limited	-	76.13	-	-	76.13
	(-)	(35.00)	(-)	(-)	(35.00)
<b>Receipt towards Assignment Transaction</b>					
India Infoline Finance Limited	-	223.83	-	-	223.83
	(-)	(145.99)	(-)	(-)	(145.99)
<b>Payment towards Assignment Transaction</b>					
India Infoline Finance Limited	-	373.15	-	-	373.15
	(-)	(640.12)	(-)	(-)	(640.12)

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

(₹ in Millions)					
Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies	Key Management Personnel	Total
<b>Purchase of Investment</b>					
India Infoline Finance Limited	-	-	-	-	-
	(-)	(1,009.78)	(-)	(-)	(1,009.78)
IIFL Wealth Management Limited	-	-	-	-	-
	(-)	(-)	(50.25)	(-)	(50.25)
<b>Purchase of Immovable Asset</b>					
IIFL Facilities Services Limited ( Formerly Known as IIFL Realty Limited)	-	-	-	-	-
	(-)	(-)	(2.19)	(-)	(2.19)
<b>ICD taken</b>					
IIFL Holdings Limited (Formerly known as India Infoline Limited)	490.00	-	-	-	490.00
	(2,500.00)	(-)	(-)	(-)	(2,500.00)
IIFL Facilities Services Limited ( Formerly Known as IIFL Realty Limited)	-	-	4,010.00	-	4,010.00
	(-)	(-)	(1,020.00)	(-)	(1,020.00)
India Infoline Commodities Limited	-	-	-	-	-
	(-)	(-)	(110.00)	(-)	(110.00)
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	-	-	-	-	-
	(-)	(-)	(750.00)	(-)	(750.00)
India Infoline Finance Limited	-	6,609.50	-	-	6,609.50
	(-)	(4,708.50)	(-)	(-)	(4,708.50)
<b>ICD returned back</b>					
IIFL Holdings Limited (Formerly known as India Infoline Limited)	490.00	-	-	-	490.00
	(2,500.00)	(-)	(-)	(-)	(2,500.00)
IIFL Facilities Services Limited (Formerly Known As IIFL Realty Limited)	-	-	5,030.00	-	5,030.00
	(-)	(-)	(-)	(-)	(-)
India Infoline Commodities Limited	-	-	-	-	-
	(-)	(-)	(110.00)	(-)	(110.00)
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	-	-	-	-	-
	(-)	(-)	(750.00)	(-)	(750.00)
India Infoline Finance Limited	-	6,609.50	-	-	6,609.50
	(-)	(4,708.50)	(-)	(-)	(4,708.50)
<b>ICD Given</b>					
India Infoline Finance Limited	-	469.90	-	-	469.90
	(-)	(-)	(-)	(-)	(-)
<b>ICD Received Back</b>					
India Infoline Finance Limited	-	469.90	-	-	469.90
	(-)	(-)	(-)	(-)	(-)
<b>Purchase/cancellation assignment of Portfolio / Foreclosures / EMIS</b>					
India Infoline Finance Limited	-	-	-	-	-
	(-)	(834.76)	(-)	(-)	(834.76)
<b>Allotment of Equity Share</b>					
India Infoline Finance Limited	-	1000.00	-	-	1000.00
	(-)	(-)	(-)	(-)	(-)
<b>Conversion of Preference shares</b>					
India Infoline Finance Limited	-	1,350.00	-	-	1,350.00
	(-)	(-)	(-)	(-)	(-)

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

(₹ in Millions)

Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies	Key Management Personnel	Total
<b>Issue of Debentures</b>					
IIFL Facilities Services Limited ( Formerly Known As IIFL Realty Limited)	-	-	150.00	-	150.00
	(-)	(-)	(-)	(-)	(-)
<b>Allocation / Reimbursement of expenses Paid</b>					
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	-	-	6.94	-	6.94
	(-)	(-)	(0.46)	(-)	(0.46)
India Infoline Finance Limited	-	6.28	-	-	6.28
	(-)	(26.87)	(-)	(-)	(26.87)
<b>Allocation / Reimbursement of expenses Paid Others</b>					
India Infoline Finance Limited	-	0.26	-	-	0.26
	(-)	(21.62)	(-)	(-)	(21.62)
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	-	-	0.14	-	0.14
	(-)	(-)	(2.08)	(-)	(2.08)
IIFL Facilities Services Limited (Formerly known As IIFL Realty Limited)	-	-	0.06	-	0.06
	(-)	(-)	(-)	(-)	(-)
<b>Allocation / Reimbursement of expenses Received</b>					
India Infoline Finance Limited	-	21.99	-	-	21.99
	(-)	(-)	(-)	(-)	(-)
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	-	-	2.43	-	2.43
	(-)	(-)	(-)	(-)	(-)
<b>Allocation / Reimbursement of expenses Received Others</b>					
India Infoline Limited (Formerly known as India Infoline Distribution Company Limited)	-	-	0.07	-	0.07
	(-)	(-)	(-)	(-)	(-)
India Infoline Insurance Brokers Limited	-	-	0.09	-	0.09
	(-)	(-)	(-)	(-)	(-)
India Infoline Finance Limited	-	8.54	-	-	8.54
	(-)	(1.02)	(-)	(-)	(1.02)

Figures in Bracket represents previous year's figure.

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

\*Amount is less than ₹ 0.01 Millions, hence shown as ₹ 0.00 Millions

## C) Closing Balance

(₹ in Millions)

Nature of Transaction	Ultimate Holding Company	Holding Company	Group Companies	Total
<b>Sundry payable</b>				
IIFL Facilities Services Limited( Formerly Known As IIFL Realty Limited)	-	-	-	-
	(-)	(-)	(1,020.00)	(1,020.00)
<b>Sundry receivables</b>				
India Infoline Finance Limited	-	0.50	-	0.50
	(-)	(58.34)	(-)	(58.34)

## 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

Name of Related Party	Balance as on March 31, 2016	Maximum outstanding during the year
India Infoline Finance Limited	-	469.90

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

## NOTE 30. CORPORATE SOCIAL RESPONSIBILITY:

During the financial year 2015-16, the Company has spent ₹ 9.58 Millions (P.Y. ₹ 0.05 Millions) out of the total amount of ₹ 9.58 Millions (P.Y. ₹ 4.66 Millions) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility. The company was focused on implementing the projects identified by the CSR Committee and had successfully completed most of the projects. The company had completely utilized the amount required to be spent on CSR projects. The Company has many ongoing projects and plans to further increase the spend in the years to come through its impact driven projects.

**NOTE 31.** Disclosure regarding provisions made for Sub standard, Doubtful and Loss Assets as per the NHB Directions contained in the National Housing Bank Guidelines:

(₹ in Millions)

Particulars	March 31, 2016		March 31, 2015	
	Portfolio Balance	Provisions	Portfolio Balance	Provisions
<b>Standard Assets</b>				
Housing loans	29,501.15	137.60	13,004.75	70.38
Other property loans	22,980.67	99.40	6,534.87	26.14
	<b>52,481.82</b>	<b>237.00</b>	<b>19,539.62</b>	<b>96.52</b>
<b>Sub Standard Assets</b>				
Housing loans	139.79	54.64	56.98	37.40
Other property loans	64.97	25.06	69.17	47.09
	<b>204.76</b>	<b>79.70</b>	<b>126.15</b>	<b>84.49</b>
<b>Doubtful Assets</b>				
Housing loans	84.81	67.09	37.88	25.40
Other property loans	36.40	25.75	0.22	0.15
	<b>121.21</b>	<b>92.84</b>	<b>38.10</b>	<b>25.55</b>
<b>Loss Assets</b>				
Housing loans	2.05	2.10	-	-
Other property loans	0.05	0.06	-	-
	<b>2.10</b>	<b>2.16</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>52,809.89</b>	<b>411.70</b>	<b>19,703.87</b>	<b>206.56</b>

Note: Gross NPA including Principal Overdue of ₹ 9.67 Millions (P.Y. ₹ 6.27 Millions) is ₹ 337.74 Millions (P.Y. ₹ 170.52 Millions)

## NOTE 32. DISCLOSURES AS REQUIRED UNDER NHB GUIDELINES

The following additional disclosures have been given in terms of the circular no. NHB/ND/DRS/PoI-No. 35/2010-11 dated October 11, 2010 issued by the National Housing Bank:

### I. Capital To Risk Assets Ratio

(₹ in Millions)

Particulars	March 31, 2016	March 31, 2015
CRAR (%)	16.75	29.11
CRAR - Tier I Capital (%)	11.06	18.30
CRAR - Tier II Capital (%)	5.69	10.81

The Net Owned Fund and CRAR of the company was ₹ 2,800.18 Millions and 35.62% respectively as on March 31, 2014 as against reported ₹ 2,837.02 Millions and 38.28%. The disclosure is made as per specific requirement of NHB inspection for FY 2013-14.

# Standalone Financial Statements of India Infoline Housing Finance Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2016

## II. Exposure to Real Estate Sector

(₹ in Millions)

Category	March 31, 2016	March 31, 2015
<b>a) Direct exposure</b>		
(i) Residential Mortgages-		
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	4,430.78	1,865.33
More Than ₹ 15 Lacs	35,782.80	10,472.14
(ii) Commercial Real Estate-		
Lending secured by mortgages on commercial real estate's (office buildings retail space multipurpose commercial premises multi-family residential buildings multi-tenanted commercial premises industrial or warehouse space hotels land acquisition development and construction etc.). Exposure would also include non-fund based(NFB)limits;	12,596.31	7,366.40
(iii) Investments in Mortgage Backed Securities(MBS) and other securitized exposures-		
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)	-	-

## III Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

(₹ in Millions)

Particulars	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 30/31 days (one month)	242.50	500.00	978.01	-
Over 1 to 2 months	-	5,922.60	791.87	-
Over 2 to 3 months	50.00	1,480.65	1,024.34	-
Over 3 to 6 months	237.50	50.00	2,053.73	-
Over 6 to 1 year	1,037.97	1,030.00	4,304.41	-
Over 1 to 3 years	12,170.10	11,510.63	7,534.40	-
Over 3 to 5 years	6,786.70	2,000.00	5,959.70	-
Over 5 to 7 years	-	470.00	5,921.94	-
Over 7 to 10 years	-	-	9,166.56	-
Over 10 years	-	-	15,074.93	-
<b>Total</b>	<b>20,524.77</b>	<b>22,963.88</b>	<b>52,809.89</b>	-

**NOTE 33.** Previous year figures have been re-grouped, re-classified & rearranged wherever considered necessary to confirm to current year's presentation.

As per our attached report of even date

For **Sharp & Tannan Associates**

Chartered Accountants

Firm's Registration No. 109983W

By the hand of

**Parthiv S. Desai**

Partner

Membership No.: (F) 042624

Place : Mumbai

Dated: May 04, 2016

For and on behalf of the Board of Directors of

India Infoline Housing Finance Limited

**Rajashree Nambiar**

Director

(DIN No.06932632)

**Ajay Jaiswal**

Company Secretary

**Monu Ratra**

Executive Director & CEO

(DIN No.07406284)

**Amit Gupta**

Chief Financial Officer

YOUR ONE STOP SHOP FOR ALL  
HOUSING FINANCE NEEDS!

## IIFL HOME LOANS



### HOME LOAN

- Speedy loan approval
- Interest rate 9.55%\*
- Loan repayment upto 360 months\*



### LOAN AGAINST PROPERTY

- For commercial & residential property
- Attractive interest rate\*



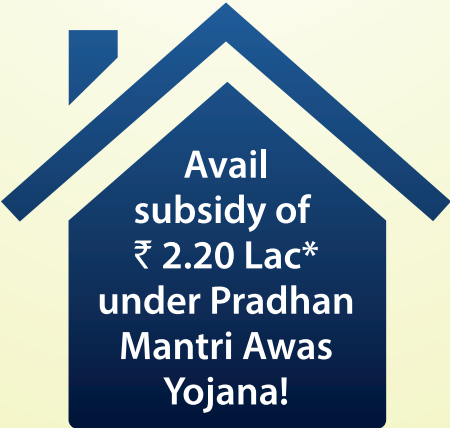
### BALANCE TRANSFER

- Maximum top-up
- Speedy processing & service



### SWARAJ

- Low income criteria
- No credit history required
- No minimum educational qualification required



Avail  
subsidy of  
₹ 2.20 Lac\*  
under Pradhan  
Mantri Awas  
Yojana!

\*Terms & conditions apply

**SMS GHAR to 5676793**  
**hfc.marketing@indiainfoline.com**



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Fulfill them with ready loans against  
Residential and Commercial Properties.

### Key Features:

- Loan term of upto 15 years
- Avail loan of upto Rs. 5 Cr\*
- Maximum loan to value
- Quickest turn around time
- Hassle free documentation



\*Terms & conditions apply

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**hfc.marketing@indiainfoline.com**

# Corporate Information

## BOARD OF DIRECTORS

Mr. S. Sridhar  
Chairman & Independent Director

Mr. Kranti Sinha  
Independent Director

Mr. Nirmal Jain  
Non Executive Director

Mr. R. Venkataraman  
Non Executive Director

Mr. R. Mohan  
Non Executive Director

Ms. Rajashree Nambiar  
Non Executive Director

Mr. Monu Ratra  
Executive Director & CEO

## COMMITTEES OF BOARD

### Audit Committee

Mr. S. Sridhar

Mr. Kranti Sinha

Mr. R. Venkataraman

### Nomination and Remuneration Committee

Mr. Kranti Sinha

Mr. R. Venkataraman

Mr. R. Mohan

### Stakeholders' Relationship Committee

Mr. Kranti Sinha

Mr. R. Venkataraman

Mr. R. Mohan

### CSR Committee

Mr. Kranti Sinha

Mr. Nirmal Jain

Mr. R. Venkataraman

## EXECUTIVE DIRECTOR & CHIEF EXECUTIVE OFFICER

Mr. Monu Ratra

## CHIEF FINANCIAL OFFICER

Mr. Amit Kumar Gupta

## COMPANY SECRETARY

Mr. Ajay Jaiswal

## AUDITORS

M/S Sharp & Tannan Associates  
Chartered Accountant

## INTERNAL AUDITORS

KPMG

## CORE MANAGEMENT TEAM

Mr. Sanjeev Srivastava  
National Credit Manager

Mr. Pankaj Ahuja  
Head – Collections

Mr. Manoj Kumar  
Head – Legal

Mr. Tejas Dave  
Head - Technical

Ms. Abhishikta Chadda Munjal  
Head – Policy

Mr. Karan Arora  
Head –Strategy & Initiatives

## REGISTRAR AND SHARE TRANSFER

### AGENT

M/s. Link Intime India Pvt. Ltd,  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai – 400078

## REGISTERED OFFICE

12A-10, 13th Floor, Parinee Crescenzo,  
C-38 & 39, G-Block, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051.

## CORPORATE OFFICE

IIFL Tower, Plot No. 98, Udyog Vihar,  
Phase – IV, Gurgaon - 122015

## LIST OF BANKERS

Axis Bank  
Bank of India  
Bank of Maharashtra  
Corporation Bank  
Dena Bank  
IndusInd Bank  
Jammu and Kashmir Bank  
Karnataka Bank  
May Bank  
Oriental Bank of Commerce  
Punjab & Sind Bank  
Punjab National Bank  
Ratnakar Bank  
Standard Chartered Bank  
State Bank of Bikaner & Jaipur  
State Bank of Hyderabad  
State Bank of India  
State Bank of Patiala  
Syndicate Bank

## CAUTIONARY STATEMENT

This document contains forward-looking statement and information. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risk and uncertainties. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary. IIFL does not intend to assume any obligation or update or revise these forward-looking statements in light of developments, which differs from those anticipated.



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## Home Loan

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Ghar Aapka. Loan Hamaara.

### **INDIA INFOLINE HOUSING FINANCE LIMITED**

CIN-U65993MH2006PLC166475

12A-10, 13th Floor, Parinee Crescenzo,  
C-38 and C-39, G Block, Behind MCA,  
Bandra Kurla Complex,  
Bandra East, Mumbai – 400 051.

Email id: reach@iifl.com

Phone No.: (91-22) 67881000

Fax No.: (91-22) 67881010

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